ACCOUNTING AND PERSONNEL POLICIES AND PROCEDURES
Kootenai Alliance for Children & Families
JULY 2005

POLICY STATEMENT

Kootenai Alliance for Children & Families (KACF) is committed to responsible financial and personnel management. The entire organization including the Steering Committee, administrators, and staff will work together to make certain that all financial and personnel matters of the organization are addressed with care, integrity, and in the best interest of the Kootenai Alliance for Children & Families.

The policy and procedural guidelines contained in the is handbook are designed to:

1. Protect the assets of KACF;
2. Ensure the maintenance of accurate records of KACF's financial activities;
3. Provide a framework of operating standards and behavioral expectations; and
4. Ensure compliance with federal, state, local legal reporting requirements.

The Executive Director of the Kootenai Alliance for Children & Families is responsible for administering these policies and ensuring compliance with procedures that have been approved by the Steering Committee. Exceptions to written policies may only be made with prior approval of the Steering Committee. Changes or amendments to these policies may be approved by the Steering Committee at any time. A complete review of the policies shall be conducted on a yearly basis.

LINE OF AUTHORITY/ OPERATING PROCEDURES

Steering Committee

Have the authority to execute any policies it deems to be in the best interest of the organization within the parameters of the organization's articles of incorporation, bylaws, or federal and local laws.

Treasurer

Has the authority to choose the auditor and perform regular, in-depth reviews of the organization's financial activity. The Treasurer will function as the accountant with primary responsibilities for designing and maintaining the accounting system to include drawdowns made from the Payment Management System against the Department of Health and Human Services. Organization staff as designated may provide bookkeeping support. Monthly reports shall be made to the Executive Director and Steering Committee covering, at a minimum, disbursements, receivables and payables. Quarterly reports will be made to the applicable state or federal program.

Executive Director

Has the authority to make spending decisions within the parameters of the approved budget; employ and terminate personnel; determine salary levels; create and amend operating procedures and controls; make decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority; enter into contractual agreements within Steering Committee designated parameters. The Executive Director will be required to make budget comparisons and modifications periodically to the Treasurer and the Steering Committee.

FINANCIAL REPORTING

- Annual budgets are prepared by the Executive Director and approved by the Steering Committee.
- Budgets are reviewed on a periodic basis and are adjusted by the Executive Director as necessary to reflect changing conditions.
- Monthly Financial Reports are provided to the Executive Director and the Steering Committee at each monthly meeting.
- Quarterly Financial Reports will be submitted to the appropriate Federal or State Agency if necessary.
- Reference explanations for any budget variances of 20% or more provided by the Executive Director.
- The Fiscal Year for the Organization shall be January 1 to December 31. -

ANNUAL AUDITS

- Audits will be performed in accordance with Sections 200 and 300 of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* if expenditures under Federal awards exceed $500,000 for a fiscal year.
- Reports on these audits will be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt or nine months after the end of the fiscal year.
- The Treasurer will choose an~~d~~ independent CPA to perform the audit, subject to the approval of the Steering Committee.
- Copies of these audit reports will be made available to the *O*rganization's General Membership and the public, upon request.

SAFEGUARDING ASSETS

- The Executive Director shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Steering Committee are carried out.

- Treasurer shall provide fiscal oversight in the safeguarding of the Assets of the Organization and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all financial records.
- Actual income and expenditure will be compared to the budget on a quarterly basis.
- All excess cash will be kept in an interest bearing account.
- Bank statements are promptly reconciled on a monthly basis.

COMPUTER CONTROLS

- The Treasurer is responsible for inputting the financial data into QuickBooks Pro 2002, generating financial reports.
- Batch totals are calculated prior to input and compared to batch totals in the system.
- Detailed printout of cash receipts and cash disbursements are prepared. The Treasurer is responsible for comparing the detailed printouts to source documents for accuracy.
- All subsidiary account balances are reconciled to the control accounts monthly.

POLICIES ON PAYMENT MANAGEMENT SYSTEM DRAWDOWNS

- Drawdowns made from Payment Management System against the Department of Health and Human Services are limited to the minimum amount needed to cover allowable project costs.
- Drawdowns must be timed in accordance with the actual immediate cash requirements of carrying out the approved project.
- Drawdowns must not be made to cover future expenditures. (Section 22 of 45 Code of Federal Regulations (CFR) Part 74, *Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations*, or Section 21 of 45 CFR Part 92, *Uniform Administrative Requirements for Grant and Cooperative Agreements with State, Local, and Tribal Governments*.)

POLICIES ON CREDIT CARDS

- Application for a credit card must be approved by the Steering Committee.
- Credit card use will be by the Executive Director only.
- The Executive Director will be the Custodian of the credit card.
- The Executive Director and the Steering Committee must approve any additional credit cards obtained.
- All expenditures must be reasonable and be spent according to the parameters set by the annual operating budget as approved by the Steering Committee.
- Expenditure requests beyond the approved budget will be initiated in writing and approved by the Steering Committee.
- Expenditure requests of $250 and beyond will be initiated in writing and approved by the Steering Committee.
- Any and all personal credit card expenditures are prohibited.
- The monthly credit card statement and all substantial documentation (including receipts for original goods/services purchased including date, amount, and purpose of purchase) must be submitted with the Expense Report for monthly approval by the Steering Committee.
- The Executive Director must include a request for reimbursement in the approved Expense Report submitted to the Treasurer on a monthly basis.
- The credit card bill will be paid in full. Payment will happen in a timely manner according to billing cycles and payment due date.

POLICIES ON RECEIPTS

- Two copies of receipts are made; one for deposit file documentation and one for source file documentation.
- All checks and cash receipts received through the mail are endorsed *"For Deposit Only"* immediately by the Executive Director and recorded in the cash receipts journal by the Administrative Assistant.
- All cash receipts are recorded on pre-numbered duplicates (receipt book).
- The Administrative Assistant will make two copies of each cash receipt.

- The Administrative Assistant shall prepare the bank deposits daily or as cash and checks are received, attaching a copy of the deposit receipt to the cash receipt copies.
- A deposit register, cash receipts copy, and bank deposit receipts will be delivered monthly to the Treasurer with the Expense Report.
- The Treasurer shall post cash receipts to the general ledger on a timely basis and compare the cash receipt to the deposit receipt.

POLICIES ON CASH DISBURSEMENTS

- All disbursements are made by check and/or credit card.
- All voided checks are defaced and retained either on the check stub or with cancelled checks.
- No checks may be written to "cash" or "bearer".
- Blank checks must be safeguarded in a locked file cabinet drawer.
- Blank checks are never to be signed in advance.
- All invoices received are stamped with the date received.
- The Executive Director has expenditure approval up to the parameters set by the annual operating budget as approved by the Steering Committee.
- All expenditures must be reasonable and be spent according to the parameters set by the annual operating budget as approved by the Steering Committee.
- Expenditure requests beyond the approved budget will be initiated in writing and approved by the Steering Committee.
- All disbursements, including petty cash and payments for goods & services, must be approved by the Steering Committee in Expense Reports on a monthly basis.
- The Executive Director reviews all checks and supporting documentation prior to signing checks. Any check over $1,000 need a second signature. The Executive Director will be responsible for obtaining the second signature form and authorized board member.
- The Executive Director's personal expense checks require two signatures regardless of amount.
- A petty cash fund is used. The amount of the petty cash fund is $100.

- Receipts are required for all petty cash disbursements. The petty cash fund is reconciled before the fund is replenished. Checks are written only after an approved Expense Report has been presented. .
- The Treasurer or Executive Director prepares all checks for approved expenditures, using pre-numbered checks.
- The Treasurer retains check copies and original copies of supporting documentation.
- The Administrative Assistant is responsible for mailing all checks.
- The Administrative Assistant is responsible for invoices being marked “PAID” once they have been, noting check number and date.
- The Treasurer posts cash disbursements to the general ledger on a timely basis.

PAYROLL

- The Executive Director and the Steering Committee authorize all personnel salaries/wages.
- The Executive Director and/or the Steering Committee likewise authorize all changes in employment.
- The Executive Director maintains all personnel records.
- The Administrative Assistant maintains attendance records.
- Direct and indirect salaries/wages are supported by timesheets that show time worked on each project and leave time.
- Timesheets are certified as accurate by the Executive Director or a supervisor familiar with the employee’s activities.
- The Treasurer shall prepare payroll, using approved salary/wage rates for each employee, using pre-numbered checks. The Treasure*r* records all payroll checks in the payroll register.
- The payroll checks are submitted to the Executive Director.
- All payroll tax reports are prepared by the Treasurer on a quarterly basis and review by the Executive Director before mailing. The payroll taxes are paid when due.

BANK RECONCILIATIONS

- The Treasurer shall maintain a record of all bank transactions, listing all checks disbursed and all receipts deposited on a daily basis, or as necessary.
- The Treasurer using QuickBooks Pro 2002, will maintain separate records of grant revenue and expenditures and organization general fund revenue and expenditures.
- On a monthly basis, the Treasurer will reconcile the bank statements and notify the Executive Director of any discrepancies.
- The Executive Director will resolve all discrepancies with the assistance of the Treasurer. The Executive Director will report the resolution of the discrepancies to the Treasurer.
- The Treasurer will adjust the general ledger as needed.

BILLINGS AND RECEIVABLES

- All rates for services and prices for goods are established by the Executive Director and approved by the Steering Committee.
- All billings for services or good are approved in advance by the Steering Committee.
- The Administrative Assistant prepares all billings and invoices on a timely basis. Prior to mailing the billing/invoices, the Administrative Assistant makes two copies of the billing/invoice. One is submitted to the Treasurer and the other copy is placed in the open invoice file/receivable records.
- The Treasurer posts the accounts receivable ledger to the general ledger on a timely basis, utilizing billing/invoice copies.
- The Treasurer prepares a status report on all outstanding receivables, on a monthly basis, and submits the report to the Executive Director.
- The Administrative Assistant initiates collection procedures on all invoices older than 30 days.

ACCOUNTS PAYABLE

- All invoices are submitted to the Administrative Assistant promptly upon their arrival.

- The Administrative Assistant places all invoices in the unpaid open invoice file immediately upon receipt.
- All invoices must be approved by the Steering Committee in the monthly Expense Reports.
- All payments are immediately stamped “PAID”, with date and check number and recorded in an accounts payable ledger by the Administrative Assistant.
- The accounts payable ledger is reconciled with the general ledger by the Treasurer on a monthly basis.

PETTY CASH FUND

- The Petty Cash Fund is maintained on a daily basis.
- The Executive Director will act as the custodian of the petty cash fund.
- The Executive Director must authorize any advances to the employees from the petty cash fund.
- Receipts for goods/services purchased from the petty cash fund must be submitted to the Executive Director to include date, amount, and purpose of purchase.
- The Executive Director must include a request for reimbursement of the petty cash fund in the approved Expense Report submitted to the Treasurer on a monthly basis.

CONFLICT OF INTEREST POLICY

No member of the Kootenai Alliance for Children and Families (KACF) Steering Committee, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with KACF. Each individual shall disclose to KACF any personal interest, which he or she may have in any matter pending before the KACF and shall refrain from participation in any decision on such matter.

Any member of the KACF Steering Committee, any Committee or Staff who is an officer, board member, a committee member or staff member of another organization or agency shall identify his or her affiliation with such agency or agencies; further, in connection with any steering committee or committee action specifically directed to that organization or agency, he/she shall not participate in the decision affecting that organization/agency and the decision must be made by the remaining members of the Steering Committee.

Any member of the KACF Steering Committee, any Committee, or Staff shall refrain from obtaining any list of KACF members for personal or private solicitation purposes at any time during the term of their affiliation.

The KACF Steering Committee, any Committee or Staff are expected to adhere to the highest standards of personal and professional integrity and shall protect the interests of the KACF. Personal gain shall not conflict with duty to KACF.

The Steering Committee is responsible for final decisions on any potential or actual conflicts of interest regarding members of KACF Steering Committee and Committees. The Executive Director is responsible for final decisions on any potential or actual conflicts of interest regarding Staff. The Executive Director is responsible for presenting a recommendation on any potential or actual conflicts to the Steering Committee.

Steering Committee members, Committee members and Staff are responsible for declaring any potential or actual conflict of interest.

Examples of conflict of interest include failure of Steering Committee member, Committee member or Staff to fulfill KACF responsibilities as outline in KACF bylaws and job descriptions due to involvement in external activities; inappropriate use of KACF's name; and exploitation of any aspect of association with KACF for unacceptable purposes or private gain.

DRUG FREE WORKPLACE ACT POLICY

Sections 205 and 225 of 45 CFR Part 82, *Governmentwide Requirements for Drug-Free Worlplace*

The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited while acting on behalf of the Kootenai Alliance for Children & Families or representing KACF.

Action will be taken against anyone who violates this prohibition. Violations of this policy are subject disciplinary action including termination.

The goal of this policy is to maintain a safe, productive and drug-free environment. As a condition of employment, employees must abide by the terms of this policy must notify the Executive Director of KACF of any conviction or violation of a criminal drug statute occurring in the workplace no later than five days (5) after the conviction.

Kootenai Alliance for Children & Families will continually seek to create and increase awareness of the dangers of drug abuse; will inform and enforce the our Drug Free Workplace Act Policy; and will help employees seek appropriate drug counseling, rehabilitation programs, and employee assistance programs; and will enforce penalties against any violation of this policy.

Upon notification that an employee has been convicted for violation of a criminal drug statute in the workplace:

1) Within ten (10) calendar days of receiving notification of conviction, KACF shall provide written notice, including the convicted employees title, and grant award number to every Federal agency on whose award the convicted employee was working and every awarding official or his or her official designee.

2) Within 30 calendar days of receiving notice of the conviction, KACF shall do the following with respect to the employee who was convicted will either:

- Take appropriate action against the employee, up to and including termination, consistent with requirements of the Rehabilitation Act of 1973 as amended; or
- Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.