

**SOUTH CENTRAL MISSOURI COMMUNITY ACTION AGENCY**

**FINANCIAL PROCEDURES MANUAL**

**REVISED 08/2021**

**FINANCIAL PROCEDURES MANUAL**  
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# SOUTH CENTRAL MISSOURI COMMUNITY ACTION AGENCY

## FINANCIAL PROCEDURES MANUAL

### GENERAL INTERNAL CONTROL

- The Board of Directors **formulates** financial policies, **delegates** administration of the financial policies to the administrative staff, and **reviews** operations and activities.
- The Executive Director is hired by the Board and has responsibility for all operations and activities, including financial management.
- The Finance Director is responsible to the Executive Director for all financial operations.
- Financial duties and responsibilities are separated so that no one employee has sole control over cash receipts, disbursements, payrolls, reconciliation of bank accounts, etc.

#### **The following minimum separation of duties is required:**

- Input or approval of time and attendance records is separated from distribution of employee payroll check reports.
- Reconciliation of bank accounts is separated from the preparation or recording of checks.
- The preparation of checks is separated from the disbursement of checks.
- The approval of a contract or purchase is separated from verification of receipt of merchandise or services.
- The initiation of a purchase order is separated from the selection of vendors.
- The deposit of checks is separated from the reconciliation of bank statements.
- Bank accounts and books are maintained according to funding source regulations.
- All records and books are maintained in a consistent manner supported by proper documentation to ensure a good audit trail.
- The lines of authority on the Agency's organizational chart will be followed by all employees. (Attachment #1)
- All employees will be requested to take annual vacations.
- All employees will read and comply with Agency Personnel, Fiscal and Administrative policies.

- Copies of all incoming grants, contracts, or amendments will be forwarded to the Finance Director and Program Directors after signature of Executive Director.
- All financial records, supporting documents and other pertinent records pertaining to a grant or contract will be retained the legally required length of time, 3 to 5 years, depending on funding source requirements.
- Financial reports required by funding sources will be prepared, mailed and or emailed by the due date. Copies of reports will be filed and distributed to appropriate staff by the **Deputy Director**.
- Financial reports reflecting approved budget, current and year to date expenses and balance of budget remaining will be prepared monthly for the Executive Director and Program Directors. The financial reports will be submitted to the Area Board of Directors every month.

## **GRANTS AND CONTRACTS**

- Copies of all grants and contracts will be immediately forwarded to the Fiscal Office.
- A copy of all grants and contracts will be maintained in the Fiscal Office files by funding sources.
- The original copy of all grants and contracts will be maintained in the Central Office File.

## **AUDITING POLICY**

South Central Missouri Community Action Agency has an annual Agency Audit conducted by independent CPAs. The audit meets the requirements of OMB Subpart F of 200 CFR

Budgets prepared by Project Directors must agree with the chart of account classifications. Should additional accounts be required, Project Directors must consult the Finance Director so that the chart of accounts can be updated to meet the needs of each program. (Attachment #2)

## ACCOUNTING SYSTEM

- **The Fund Concept:** The Agency accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Each grant administered by the Agency falls under this definition of a fund and is accounted for with a separate, self-balancing set of accounts.

- **Chart of Accounts:** On the following pages is a universal chart of accounts that is used by all programs. Only the accounts that are applicable to a specific program are included in its ledger. The four digit account number was designed to meet the needs of every program with the flexibility to add new account titles when needed.

Starting from left to right, the first digit indicates major classification: Assets, Liabilities, Fund Balance, Revenues, and Expenditures as follows:

- 1 - Assets**
- 2 - Liabilities**
- 3 - Fund Balance**
- 4 - Revenues**
- 5 - Expenditures**

For example, the account number **1100** would be an **asset** and the account number **4210** would be a **revenue account**.

The second digit is also used in the Asset, Liabilities, Fund Balance, Revenue, and Expenditure accounts to further identify one account from another.

The third and fourth digits identify a particular object. Expenditures can be identified individually within a sub-category by the third and fourth digit. Each sub-category has the capacity to account for 99 objects within a sub-category and can be added if needed.

### **Sub - Categories for Expenditures:**

- 5100 Salaries and Wages**
- 5200 Fringe Benefits**
- 5300 Consultant and Professional Service**
- 5400 Travel**
- 5500 Space Cost**
- 5600 Consumable Supplies**
- 5700 Purchase of Equipment and Property**
- 5800 Participant Payments**
- 5900 Indirect Cost**
- 6000 Donation Accounts**

## **BOOKS OF ORIGINAL ENTRY**

- The Agency utilizes a computerized accounting system.
- The Agency will utilize a double entry system of accounting for all funds.
- The Finance Director will check and approve all journal entries and Accounts Payable vouchers.
- Adequate documentation will be maintained to support all general journal entries.
- Expense accounts in the general ledger will correspond to the budget.
- All journals are posted as transactions occur.
- The Finance Director will review the accounting records and trial balances at the end of each month.

## **BUDGETS**

- Financial budgets will be prepared by the Program Director or Finance Director, reviewed by the Finance Director and approved by the Executive Director.
- The Finance Director will insure that budgets are on file for all grants and contracts.
- Budgets will be reviewed at least quarterly by Program Director, Executive Director, and Finance Director.
- Changes to budgets will be submitted to the Fiscal Office as soon as they are known.

## **CONSULTANTS**

- Consideration will be made of in-house capabilities to accomplish services before contracting for them.
- Written contracts clearly defining work to be performed will be maintained for all consultant and contract services.
- The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
- The Executive Director will approve proposed contracts.

## CASH AND CHECK RECEIPTS

All checks received are stamped by the Clerk who opens the mail as follows:

**"For Deposit Only"**  
**South Central Missouri Community Action Agency**

- All cash, checks and direct deposit receipts will be recorded in the Cash Receipt Record Book and initialed by the clerk who receives and opens the mail. Cash or checks which are not received by mail will be recorded in the same manner. This log is compared to the bank statements to assure that all receipts are deposited intact and timely.
- After recording cash, checks and direct deposit receipts received are submitted to the Finance Director who verifies funding source logged. A deposit slip is prepared for all cash and checks in duplicate. It includes the source, account number, and the amount of each receipt.
- Documentation for all receipts (copy of check, letter, etc.) will be attached to duplicate deposit slip, recorded in the cash receipts and disbursements journal, and filed by program.
- All deposits will be made in a timely manner.
- Credits for returned client payments will be verified by fiscal office, recorded in the Cash Receipt Record Book, and will be used on behalf of future client payments.
- All receipts will be deposited intact.
- All cash receipts will be taken to the **Deputy Director** who will verify amount and sign cash receipt for money received. Cash will be deposited in bank account of appropriate funding source.
- Funds advanced/reimbursed to the Agency are deposited in a bank with FDIC coverage.
- Cash balances exceeding FDIC coverage will be collaterally secured.



## PROCUREMENT PROCEDURES

**ALL PURCHASES REQUIRE PRIOR APPROVAL. (Exceptions noted below)**

**All proposed purchases will be reviewed to determine need and possible alternatives.**

Where appropriate, an analysis will be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the recipient and the Federal Government; **and**

All Solicitations for goods and services will provide for **all** of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
2. All requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
5. Ensure that all prequalified lists of persons, firms or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Potential bidders must not be precluded from qualifying during the solicitation period.
6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

- Plan all purchases so that sufficient time is allowed for the required paperwork to be completed and returned to you **prior** to a purchase being made.
- A price comparisons or cost analysis is required for all purchases. We are required to obtain the best price for all purchases.

★ **ALL EXPENDITURES INCURRED WHICH ARE NOT IN ACCORDANCE WITH THE AGENCY'S PROCUREMENT PROCEDURES AND PURCHASING POLICIES WILL BE CONSIDERED PERSONAL PURCHASES AND TREATED ACCORDINGLY.**

## CREDIT CARD PURCHASES

- Credit card purchases are same as all other purchases in regard to procurement procedures and purchasing policies.

## OFFICE SUPPLIES

- **All** office supplies will be ordered through the Central Office, so that the lowest price can be obtained by quantity ordering. Office supplies are ordered monthly, during the last week of each month. All requests received prior to the last week of the month will be processed. Requests received after the ordering date will be processed the following month.
  
- To request office supplies complete a request with the following information:
  - Each item requested (be specific)
  - Quantity requested
  - Program using supplies
  
- **The Following Expenditures do not require a requisition or Purchase Order:**
  - **Utility Bills**
  - **Gasoline for Head Start vans**
  - **Food for Head Start meals served**
  - **Emergency Repairs (with supervisor approval)**

## PURCHASE REQUISITIONS

- The basis for **all** purchases is a requisition. (Attachment #3)
  
- All requisitions must be completed with the following information **prior** to purchase:
  - Name and address of vendor
  - Description of ordered items
  - Quantities to be ordered
  - Unit price per item and total price for items if duplicate items
  - Total amount of purchase order
  - Name of staff person who checked prices
  - Program and location to be charged for purchase
  - Signature of Program Director verifying review and approval
  
- For purchases of **less than two-hundred fifty (\$250.00)** a requisition signed by the program director is all that is required.
  
- Requisitions that have been disapproved will be marked "Disapproved", stating the reason for disapproval and returned to initiator.

## DISPOSITION OF REQUISITION

- **Under \$250.00:**  
White copy is retained by Program Director until goods are received and invoiced. When the goods are received and invoiced the white copy is attached, with the other documentation required, to a completed request for payment and submitted to the Fiscal office. Yellow copy is retained by Program Director.
- **\$250.00 or more:**  
White copy is submitted to Fiscal Office for preparation of Purchase Order. Yellow copy is retained by Program Director.

## PURCHASE ORDER POLICY

- The basis for purchase orders are requisitions which shall be prepared and signed by the Program Director and forwarded to the fiscal office.
- Purchase orders will be prepared in triplicate for all purchases of two-hundred fifty (\$250.00) or more. (Attachment #4)
- All purchase orders will be completed with the following information from the requisition **prior to purchase:**
  - Name and address of vendor
  - Description of ordered items
  - Quantities to be ordered
  - Unit price per item
  - Total price for items if duplicate items
  - Total amount of purchase order
  - Program to be charges for purchase
  - Program Director name
  - For purchases of three thousand (**\$3,000.00**) or **less:**  
Signature of Finance Director
  - For purchases **over** three thousand (**\$3,000.00**):  
Signatures of Finance Director **and** Executive Director
- The Finance Director reviews the purchase order to assure that funds are available and that the expenditure is an allowable budgeted cost under the grant or contract before signing the purchase order.
- Disposition of purchase order copies:
  - Yellow copy is retained in fiscal office in a payable file until paid.
  - White copy is returned to Program Director to be given to vendor.
  - Pink copy is returned to Program Director. When the goods are received and Invoiced the pink copy is attached, with the other documentation required, to the request for payment and submitted to the Fiscal office.
  - At the time of payment the date of payment is noted and filed by purchase order.
- If a partial quantity is received, the quantity received shall be indicated on the pink copy of the purchase order. A copy of the purchase order will be made by the Program Director and retained until the balance of the order is received.

## REQUIRED PROCUREMENT METHODS

- **All necessary affirmative steps to assure minority businesses, women's business enterprises and labor surplus firms will be used when possible. Affirmative steps must include:** 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; 2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources; 3) Dividing total requirements, where economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises; 4) Establishing deliver schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises; 5) Use the services and assistance, as appropriate of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce and 6) Require the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

- The following will be used as a guide in determining when competitive quotations are required:

**Purchases under \$3,000** (Micro-purchase Procedures) -- The order may be placed using regular purchasing policies.

**Purchases of \$3,000 to \$25,000** (Small Purchase Procedures) -- Quotations from at least three sources of supply will be obtained by telephone or publication, a written record made of prices quoted, before the request is made. This notation will be attached to the requisition. (Attachment #5)

**Purchases of \$25,000 to \$150,000** (Small Purchase Procedures) -- Three written quotations will be obtained from at least three separate vendors. Quotations will be included with the requisition.

**Purchases of \$150,000 or more** -- A Formal advertised request for proposal or sealed bid process will be required.

- a) A cost or price analysis is required for every procurement action in excess of the Simplified Acquisition Threshold (\$150,000.00). The method and degree of analysis is dependent on the particular procurement situation. Independent estimates must be made before receiving bids or proposals. **In the event a funding sources procurement threshold is less than the agency threshold the procurement threshold of the funding source will be followed.**
- b) Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance and industry profit rates in the surrounding geographical area for similar work.
- c) Cost plus a percentage of costs methods of contracting are not allowable.

**If sealed bids are used, the following requirements apply:**

1. Bids must be solicited from an adequate number of know suppliers, providing them sufficient response time prior to the date set for opening bids and the invitation for bids must be publically advertised.
2. The invitation of bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
3. All bids will be opened publicly at the time and place prescribed in the invitation for bids.
4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding document, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
5. Any or all bids may be rejected if there is a sound and documented reason.

**If procurement by competitive proposals is used the following requirements apply:**

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized request for proposals must be considered to the maximum extent possible.
2. Proposals must be solicited from an adequate number of qualified sources.
3. A written method for conducting technical evaluations of the proposals received and for selection of recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered. And
5. Competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**Procurement by noncompetitive proposals can only be used when one of the following circumstances apply:**

1. The item is only available from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
3. The Federal awarding agency or pass through entity expressly authorizes noncompetitive proposals in response a written request. Or
4. After solicitation of a number of sources, competition is deemed inadequate.

**BONDING REQUIREMENTS**  
**Construction or Facility Improvement Contracts or Subcontracts**  
**Exceeding the Simplified Acquisition Threshold**

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
  2. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligation under such contract.
  3. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and materials in the execution of the work provided for in the contract.
- 
- No employee, officer, or agent of this agency shall participate in the selection, award, or administration of a contract in which Federal funds are used where, to their knowledge, their immediate family, partners, or organization in which their immediate family or partners have a financial interest, or with whom they are negotiating or have any arrangement concerning prospective employment. In addition, no officer, employee, or agent shall solicit or accept gratuities, favors, or anything of monetary value from contractors or potential contractors. Violators of this policy will be subject to disciplinary action up to and including termination of employment.
  - All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Employees involved in the procurement of articles for this agency shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to insure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals should be excluded from competing for such procurement, unless authorized by the Executive Director or Board of Directors because of the complexity of the article to be procured.
  - The Agency will comply with funding source requirements when procuring articles for programs operated by this Agency.

## ACCOUNTS PAYABLE AND CASH DISBURSEMENTS

- All original invoices will be immediately forwarded to the appropriate Program Director or staff person who will prepare a Request for Payment and attach all supporting documentation. (Attachment #6)

### **Documentation for Request for Payment will include:**

- Itemized original invoice
- Approved requisition (If under \$250.00)
- Approved purchase order (If \$250.00 or more)
- Mileage sheets signed by employee and supervisor
- Receipts of all purchases including motel or hotel
- Metered client utility expense form signed by coordinator and program director

South Central Missouri Community Action Agency is a tax exempt organization; therefore all purchases should be invoiced directly to the Agency.

A tax exempt letter is on file and a copy will be supplied to vendors upon request by purchaser.

- The Request for Payment with all supporting documentation attached will be signed on recommendation line and submitted to authorized personnel for final approval.
- The approved request for payment will be returned to the Fiscal Department for payment as follows:
  - Accounting staff verifies amount requested, program and expense account code is correct and documentation is present.
  - Submits to Executive Director for payment
  - Executive Director reviews and returns to accounting staff for processing of check
- Checks are prepared from vouchers weekly. Accounting staff process check from Request for pay. The checks with supporting documentation are given to Receptionist who follows the following procedure:
  - Original - Submitted to check signers for review and signature, then returned to receptionist for mailing to payee. Duplicate - and all supporting documentation attached will be stamped paid and filed alphabetically by Program and Vendor in the Fiscal department.
  - Triplicate - will be returned to Fiscal Department to be filed chronologically
- Balance in accounts payable is verified at the end of each month.
- All checks are pre-numbered.
- Voided checks are defaced and retained.
- Blank checks are locked up.

- Undelivered checks are locked up.  
Checks payable to cash are prohibited.
- Two manual signatures are required on all checks  
Authorized check signers include:
  - Executive Director
  - Deputy Director
  - Four Designated Program Directors
- Checks will not be signed in advance

### **BANK RECONCILIATIONS**

- **The following provisions shall be followed:**
  - ▶ Reconciliations are prepared and approved monthly.
  - ▶ Statements are obtained directly from bank.
    - ▶ The reconciliation process is segregated so that no one employee has sole control of the process, which includes the following staff:
      - Receptionist
      - Deputy Director
      - Accounting Staff
      - Executive Director
- Bank reconciliation procedures are:
  - Account for check numbers used
  - Compare all checks, including voided ones, with check copies to verify date, number, amount and payee
  - Inspect signatures and endorsements
  - Investigate checks outstanding for over 90 days
  - Trace and review bank transfers
  - Itemize outstanding checks.
  - Accounting Staff compares the reconciled bank balance to the cash in bank account in the general ledger. After any differences are reconciled they confirm bank balances on reconciliation report by signing. (Attachment #7)
- The Finance Director will review all checks outstanding over 90 days and take appropriate action on these checks.
- The Executive Director reviews and initials all completed bank reconciliations.



## **DRAWDOWN OF CASH – PAYMENT MANAGEMENT SYSTEM**

To minimize the time elapsing between the drawdown and disbursement of funds cash drawdown will be scheduled every two weeks to coincide with payroll. The amount necessary to meet immediate obligations will be requested. Documentation for cash requested will be filed with cash receipts.

Cumulative drawdown to expenditures will be reconciled quarterly.

## **BONDING**

All personnel having access to or control over the receipt or deposit of program funds or the preparation or issuance of checks are bonded to provide protection against loss by a **\$100,000** bond.

## **INTERAGENCY LOANS**

- Loans to Program accounts from Corporate funds will be approved by the Executive Director.
- Corporate loans will be repaid prior to the end of the program year whenever possible.
- Loans between programs using program funds are prohibited.

## **THIRD PARTY LOANS**

- Loans from outside sources (other agencies, banks, etc.) will be approved by the Area Board of Directors.

## **VEHICLES & EQUIPMENT**

- Equipment shall be defined as all items (purchased, government excess, or donated) with a unit cost of \$5,000.00 or more and a useful life of more than two years
- The Finance Director will retain a copy of all invoices for the purchase of equipment.
- Equipment records will be maintained to comply with funding source regulations. The records will provide the following:
  - Description of property
  - Serial number or other identification number
  - Acquisition cost
  - Acquisition date
  - Source of property
  - Funds used in acquisition
  - Location, use and condition of property
  - Disposition data
- Care will be taken to prevent loss, damage or theft of property. The Finance Director will be immediately notified of all cases of loss, damage, or destruction of equipment and will make a report to the Executive Director and request relief of liability from the appropriate funding source.
- Equipment with a cost of \$5,000.00 or greater will be recorded in the general ledger by the Fiscal Office. An entry must be made whenever property is disposed of or acquired. This control record will be reconciled annually to the inventory list.
- Adequate insurance will be carried on all equipment.
- Disposition of equipment will be made in accordance with the appropriate funding source.

## **PHYSICAL INVENTORY**

- An annual physical inventory of all equipment will be completed to insure that all equipment is properly accounted for. The location and condition of each inventory item will be noted.
- The Finance Director will reconcile the physical inventory with the property records and the prior year's inventory. All discrepancies must be properly explained.

## INSURANCE

- All insurance policies will be maintained in the central file by the **Deputy Director**.
- Insurance billing will be prepared by the Finance Director
- Insurance forms and claims will be maintained in the Fiscal Office.
- Insurance policies will correspond to the program year whenever possible.
- Insurance policies will be carefully reviewed by the Finance Director and Executive Director before renewal.
- Coverage shall be maintained for workmen's compensation, motor vehicle, fire and theft, sexual/physical abuse, cyber, other property, employee bond, Director's & Officers and liability insurance.

## LEASES

- All leases will be approved and signed by the Executive Director or his designee.
- Leases will correspond to program years whenever possible. If a lease extends beyond the program year end, a clause should be included regarding payment contingent upon availability of grant funds.
- Copies of all leases will be immediately forwarded to the Central Office. A lease file will be maintained in the Central file by the **Deputy Director**.

## NON-FEDERAL IN-KIND CONTRIBUTIONS

- Each Program Director is responsible for the in-kind required of the program.
- In-kind will be received and recorded utilizing a computerized system on a weekly basis.
- Each center will prepare the appropriate voucher for non-federal share requirement. The center must have the donor sign the form. An employee will check the voucher for accuracy and sign the form.
- Rates for volunteer services will be consistent with those paid for similar work in other activities of the Agency. Where the kinds of work involved are not found in the Agency, the rates used will be consistent with those paid for similar work in the areas labor market.
- Fair market value will be used for donated items.
- An independent appraisal of fair market rent in the area will be used for donated space.
- All in-kind documentation will be checked for allowability and accuracy.
- Journal entries are made directly from the reports to the general ledger of the program.
- In-kind documentation will be filed by program and funding year.

## **DIRECT DEPOSIT STAFF PAYROLL**

**Each employee will be responsible for accurately completing and submitting their time sheet.** Payroll is Bi-weekly and computerized. (Attachment #9)

- Completed time sheets must be signed by the employee and given or mailed to the supervisor no later than the Monday morning following the Saturday payroll ending date.
- It is the employee's supervisor responsibility to check time sheets for accuracy. He or she will then sign the time sheet and send to Fiscal Office.
- Accounting staff check time sheets to verify that sick leave, vacation and other leave is recorded correctly. Accounting staff check time sheets for employee and supervisor signatures. Time sheet mileage and hours are again checked for accuracy.
- All incomplete time sheets will be returned and late time sheets will be held until the following pay period.
- There is a payroll information file for each employee on the computer. This file is updated as changes are received in writing by the Fiscal office.
- Processing payroll includes the following steps:
  - Accounting staff input hours and total mileage for each employee.
  - Payroll is calculated by the computer.
  - A Payroll Register Report is printed, and compared to the total hours and total miles of all time sheets.
  - When the totals agree a backup is done.
  - A Detail Register and Department Reports are printed.
  - The payroll is posted on the computer to each employee's record
  - Data is exported from the payroll program into the Bank ACH program
  - The information is copied to a disk and a detail register is printed
  - The detail register is reviewed and signed by the Finance Director and the Executive Director.
  - The ACH Transmittal Register is prepared by accounting staff. (Attachment 15)
  - The ACH Transmittal Register is submitted to authorized check signers for review and signature.
  - The ACH Transmittal Register and detail register disk are taken to the bank for processing.
  - The bank uploads the payroll to a clearing agency and signs the ACH Transmittal.
  - The uploaded information prints to the banks printer and is given to us, along with our disk and the ACH Transmittal Register.
  - Time and mileage sheets are stamped with the date and amount paid and filed by program.
  - Check stub reports are distributed by the receptionist.

## CLIENT PAYROLL

**Each client will be responsible for accurately completing and submitting their time sheet.**

Payroll is Bi-weekly and computerized.

- Completed time sheets must be signed by the client and given or mailed to the supervisor no later than the Monday morning following the Saturday payroll ending date.
- It is the client's supervisor responsibility to check time sheets for accuracy. He or she will then sign the time sheet.
- Client timesheets are picked up by program staff, checked for accuracy and allowable hours and sent to central office.
- Timesheets are checked for accuracy and allowable hours and brought to fiscal office.
- Accounting staff check time sheets for accuracy, and client and supervisor signatures.
- There is a payroll information file for each client on the computer. This file is updated as changes are received in writing by the Fiscal office.
- Processing payroll includes the following steps:
  - Accounting staff input hours for each client
  - Payroll is calculated by the computer.
  - A Payroll Register Report is printed, and compared to the total hours of all time sheets.
  - When the totals agree a backup is done.
  - A Detail Register and Department Reports are printed.
  - The payroll is posted on the computer to each client's record
  - Client payroll checks are printed.
  - Time sheets are stamped with the date and amount paid and filed by program.
  - Checks are mailed by the receptionist.

## **BOARD AND POLICY COUNCIL EXPENSE**

- The individual incurring expense while carrying out duties for the Agency will complete and sign a reimbursement voucher.
- The voucher will be signed by the individual in charge of the meeting or activity and approved by the Program Director.
- Approved vouchers will be submitted to the Fiscal Office for final verification and payment.
- The rates paid will be the same rates used for employees.

## **LOCAL MILEAGE**

- Use of a privately owned vehicle will be reimbursed at the rate of **(50)** cents per mile for actual miles traveled on Agency business.
- Mileage to and from an employee residence will not be paid by the Agency unless the residence has been deemed the employee work site by the Executive Director.
- The mileage voucher is on the back of the employee time sheet and will be completed daily. Biweekly, at the end of the pay period the voucher will be totaled, signed by the employee and submitted with the time sheet to the supervisor. (Attachment #10)
- Incomplete or inaccurate travel vouchers will be returned to the employee for correction. Late travel vouchers will be held until the following pay period.
- Employees traveling in our local area who are required to stay away from their personal residence overnight in order to perform agency duties must complete a "Request and Authorization of Official Local Travel" no later than five (5) working days prior to stay. All official local area travel requests must be submitted to the Program Director and approved by the Executive Director in advance.

## OUT OF AREA TRAVEL

- All employees will complete and submit a "Request and Authorization of Official Travel" no later than five (5) working days prior to departure. All out-of-area travel must be submitted to the supervisor and approved by the Executive Director in advance. Failure to obtain the required prior approval may result in disallowance of the reimbursement. (Attachment #11)
- All approved Request and Authorization of Official Travel will be forwarded to the Finance Director.
- A travel advance of 90% of estimated out of pocket expenses may be requested for specific out of area travel. Advance checks will not be issued more than three (3) working days prior to departure.
- Within five days after an employee's return, employee will submit a completed travel voucher for approval and payment. If the advance exceeds the amount on the travel voucher, the difference will be paid immediately by the employee. If the advance does not exceed the amount of the travel a check will be issued for the balance. (Attachment #12)
- Travel advances will be recorded in a receivable account at the time the check is written for the advance. When the travel voucher is turned in for reimbursement the receivable will be cleared and the appropriate travel expense account charged for total costs incurred.
- In the event the travel advance is not cleared within the time required, the total advance will be deducted from the employee's next payroll check.
- When traveling out of area in a privately owned vehicle, mileage will be paid from home, or office, to the point of destination and return, at the rate of (50) cents per mile. However, in cases where two or more employees are traveling to the same area and their departure and return times coincide, only one vehicle mileage will be paid.



## PER-DIEM

- Board members, Policy Advisory Council members, staff, or others authorized to travel on Agency business that are in out-of-area travel status will be paid the actual cost of lodging.
- Expenditures incurred for meals and incidentals will be reimbursed as follows:
- Regular rate area: \$39.00 per day based on number of quarters in travel status
- High rate areas: \$50.00 per day based on number of quarters in travel status
  
- Receipts for meals are not required. Travelers will be required to furnish a lodging receipt to obtain reimbursement for travel. Receipts **are required** for all other travel related expenses such as air fare, auto rental, parking fees, taxi, etc.
- Expenses which may be incurred and can be anticipated in advance, such as air fare, auto rental, parking fees or taxi fares must have Prior approval of the Executive Director.
- Persons who are in out-of-area travel status on agency business and have lodging and/or meals included as a package or in a registration fee, will not be paid per-diem for the lodging and/or meals included therein.

## **COST ALLOCATION PLAN**

### **ALLOCATED INDIRECT COST**

- The United States Department of Health and Human Services is the Federal Cognizant Agency for South Central Missouri Community Action Agency. As such they are responsible for review of the Agency's Indirect Cost Proposal and approval of the negotiated rate. The Indirect cost rate will be charged to all programs within the limits set forth by individual funding sources.
  
- The Agency charges all costs directly to grants and contracts with the exception of those costs contained in the Indirect Cost Proposal.

## **PRORATED COSTS**

### **► COPIES**

The central office copiers are equipped with counters. Each program that the Agency operates has a code that is used to track number of copies made by program. All costs incurred to operate the copiers are allocated to each program quarterly, based on the number of copies made.

### **► TELEPHONE**

In most areas long distance telephone calls are automatically coded by program when the call is made. The billing reflects the calls by program and they are charged accordingly. For all areas where this technology is not available telephone logs are prepared for all long distance calls made. Logs are signed and submitted to the Central Office to coincide with the billing period. The logs are used to charge long distance calls to programs. Any calls unaccounted for will be allocated to the programs on a percentage basis. All long distance calls which are not logged will be investigated and appropriate action taken.

### **► POSTAGE**

Postage logs are prepared and reconciled daily by the receptionist as postage is metered. Cumulative program charges are submitted to the Fiscal Office for reimbursement when meter is refilled by Postmaster.

### **► RENT & UTILITIES**

Rent and utilities are prorated by the percentage of square footage occupied by the program.

### **► LIABILITY INSURANCE**

Liability Insurance is prorated based on use.

### **► OFFICE SUPPLIES**

All office supplies will be ordered through the Central Office, so that the lowest price can be obtained by quantity ordering. Each program will be charged for items received when the invoice is paid.

## **PETTY CASH**

- Petty cash will be maintained on an imprest basis.
- At all times the petty cash box will contain receipts and cash totaling the amount of the fund
- Petty cash funds will be kept in a locked drawer. The Petty Cash Custodian and the Finance Director will be responsible for the keys.
- The Petty Cash fund will be replenished by submitting a recap of all receipts and other documentation for check authorization and disbursement.
- The Petty Cash reimbursement check payee will be:

**"Employee name - Petty Cash"**

## PERSONNEL RECORDS

Personnel records of the Agency will be maintained for each employee. Personnel files will be kept in locked files in the Finance Directors office so as to maintain confidentiality. Each file will contain the following information:

- Payroll status change (Attachment #14)
- Completed employment application, transcripts if applicable, EEO-1 Questionnaire, and Emergency Contact Info
- Completed Reference questionnaire
- W-4 Federal & State withholding forms
- Copy of check for Direct Deposit
- Social Security Card and Driver's License
- Personnel Policy Manual - Statement of Orientation and Confidentiality
- Conflict of Interest Policy - signed
- Drug-free & Smoke Free Workplace - Confirmation of Participation
- Safety Policy - Confirmation of Participation
- Agency vehicle policy – signed, Vehicle Insurance Card, Vehicle Operators Requirements
- Job Description & Overtime Policy - signed
- Insurance application forms, changes and cancellations
- Promotions, salary changes, disciplinary actions, dismissals, separations or resignations
- Performance evaluations
- Documentation of special training received by the employee
- Cumulative leave record - reflecting all leave taken with or without pay
- Employer copy of W-2 with earning record for calendar year
- Other information as may be required or pertinent

