

## **GENERAL ITEMS**

The Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Director. The Board of Directors reviews and understands the agency's financial operations and activities. The Board of Directors receive monthly financial statements in order to ensure that the expenditures are monitored and analyzed.

The Executive Director has responsibility for all operations and activities, including financial management.

The Accounting Department, Administrative Assistant, Program Directors, County Coordinators and Program Coordinators are responsible to the Executive Director.

All employees will follow the lines of authority on the Agency's organizational chart.

Current job descriptions, indicating duties and responsibilities, will be maintained for all employees.

Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc.

The agency maintains three bank accounts (General, Payroll, Special). Any bank accounts opened or closed will be approved, or ratified, by the Board and reflected in the minutes.

Any variance from the procedures described in this manual must be approved in writing by the Executive Director.

## **REVENUE RECEIPTS**

### **Receipt of Cash & Checks**

The receipt of cash and checks is divided into two general areas:

**Cash/ Check Collections (Walk-Ins)** - The collection, control and deposit of amounts due to INCA Community Services from cash sales, collections of accounts receivable, donations and other sources that are brought directly to INCA.

Only under specific circumstance approved by the Fiscal Officer or Executive Director will cash be accepted as a means of payment. Receipts are issued to the payee for both cash and checks. Receipt books are pre-numbered and 3-part. All cash and checks are placed in a safe along with one copy of the receipt. Only the County Director or approved staff will have access to the safe. Receipts are turned in to bookkeeping the last business day of the week, regardless of dollar amount by noon.

**Check Collections (Mail)** – The collection, control and deposit of amounts due to INCA from sales, collection of accounts receivables, donations and other sources that are received via US Mail or other service.

All mail received by the administrative office, county offices, Career Opportunities, RSVP, Transit and KIDS Daycare will be delivered unopened to the authorized staff person to collect cash receipts for that county or program. Checks that are received are removed from their envelope and recorded on a check log. The log will indicate:

- The date received
- The check date
- The check number
- The payee name
- The amount
- The initial of staff receiving check

Checks are attached to the envelope and placed in the safe until they can be sent to the Administrative Office in Tishomingo. Checks/Cash from the counties and other sites should be sent to the Administrative Office by the last business day by noon in a sealed envelope with the receipt and log. The authorized person will initial the receipt log.

**Controls** – The Administrative Assistant will remove all cash and checks from the sealed envelope upon receipt from the program or county. The Administrative Assistant will immediately stamp “For Deposit Only” and log. The checks/cash will be given to bookkeeping for deposit. The Fiscal Consultant will verify that all cash/receipts has been deposited and accounted for upon reconciliation of bank statements.

The Accounting Department will perform the following procedures:

1. Prepare deposit slip in duplicate by listing: a) the funding source; b) the general ledger account number to post to; c) the month the funds are for, if applicable; d) the amount of each separate check being deposited.
2. Log the deposit into the accounting folder revenue log and post the deposit into the MIP accounting system.
3. Have the deposit made at the bank by the Executive Director, or designee.
4. The supporting documentation for the check, such as the report returned from the funding source, a copy of the check, any correspondence, etc., will be filed in the appropriate cash receipts file. These are filed by grant year, regardless of when received.
5. Draw down of funds from Payment Management System is done periodically as needed. The amount drawn down is never to exceed what is needed to break even per the trial balance that day. The funds drawn down are to be recorded that day

by way of journal entry into the general ledger for each program that draws down funds. Screen shots are printed during the draw down showing the person doing the draw and the confirmation of the transaction. Funds are received via ACH transfer in the agency bank account the next business day. The Accounting Department will notify the Executive Director and the Program Director of funds that are drawn down from the Payment Management System. A printout of the transaction will be given to both. ( In accordance with 45 CFR 74.21 (b)(5)

6. The agency prohibits the use of Federal Head Start funds to cover the cost of other funding streams.

A file drawer will be designated for each program. Everything relating to a program will be filed in that drawer by contract period. All payment authorization vouchers will be filed by vendor, contract period and program.

There will be separate accounting folders maintained for each program. These folders will contain the following items:

1. Contract
2. Budget
3. Reporting Procedures
4. General Ledgers
5. Statement Of Revenues & Expenditures
6. Copy of monthly or quarterly reports
7. Copies of checks or money received

Bank statements along with the cancelled checks, deposit slips and bank reconciliation will be kept by bank account in binders filed by audit year.

No more than two contract years' activity will remain in the filing cabinets. When it is time to remove a contract year's activity from the filing cabinet, all of the relating files and bank statements will be boxed and labeled as to the specific program, the contract year and storage date. The documents will be kept in storage for a period of five years.

## **PROCUREMENT**

The purpose of this section is to establish standards and procedures for the procurement of supplies, equipment and services for all grant/contracts administered through INCA Community Services, Inc. These standards are established to ensure that all procurement transactions, without regard to dollar value are conducted in a manner that will ensure maximum open and free competition, while making every effort to utilize small and minority owned businesses as well as compliance with all applicable federal laws **(74.21 (b)(6) written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award)** executive orders, state laws and grant/contract provisions. **(In accordance with 45 CFR 74.44 (a) (1-3))**

### **BUDGET AVAILABILITY**

No person is authorized to obligate the agency to any purchase or contract without first ascertaining that sufficient funds are available to meet the obligation and obtaining the necessary authorization for the purchase. Any purchase that is not in compliance with the agency purchasing policy may not be an obligation of the agency and consequently may be considered a personal obligation. A purchase order is used to encumber or reserve funds for payment once an invoice is presented for payment. It is important for staff to review their available budgets before ordering goods or services. Purchasing is directed to reject requisitions for accounts with insufficient funds.

To avoid a lengthy delay in the receipt of goods, the budget should be reviewed and if necessary make the appropriate budget revisions before purchase requisitions are prepared.

### **PURCHASING PROCEDURE**

A purchase requisition form will be completed for all purchases of office and or program supplies, equipment and services greater than \$100. Items not requiring a purchase request are rent, utilities, phone, insurance and travel. However, properly documented invoices/contracts are required.

The employees initiating procurement should follow the specific requirements of their funding source. In the absence of specified requirements for a program, the following guidelines will be followed:

1. Purchases less than \$100 may be obtained from the vendor and a receiving report submitted for payment.
2. Purchases between \$100 and \$500 may be made without competitive bids; verbal quotes are recommended. A purchase order is required.

3. Purchases of more than \$500, but less than \$5,000 will require at least three informal bids, these may be either verbal or written. If verbal, written documentation will be prepared by the employee receiving the quotes. Verbal quotes should be discouraged and used only in extreme situations. The documentation will be submitted with the invoice for payment.
4. Purchases of \$5,000 or more will be made only after receiving at least 3 written bids in response to written specifications or requests for purchase.
5. Splitting purchases to avoid competitive bids will not be allowed.

Solicitations will clearly set forth all requirements that the bidder must fulfill in order for the bid to be evaluated. Awards will be made to the responsible bidder whose bid in response to the solicitation is most advantageous to the program, with price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid. Any and all bids may be rejected when it is in the program's best interest to do so.

The employee initiating the procurement in order to ensure that the best price is obtained should make some form of price analysis in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicators together with discounts.

Procurement procedures have been established to provide for, at a minimum that:

- (1) Unnecessary or duplicate items are not purchased.
- (2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be most economical and practical procurement for the program.
- (3) Solicitations for goods and services provide for all of the following:
  - (i) 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.
  - (ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
  - (iii) 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.
  - (iv) The specific features "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
  - (v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

- (vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

### **SOLE-SOURCE PURCHASE**

A sole-source is one in which the item can only be purchased from a specific vendor. This situation makes it impossible to obtain competitive bids. In a sole-source situation, documentation is required from the requisitioner explaining why an item must be obtained from the specified vendor and may not be bid out.

### **CREDIT CARDS**

The Accounting Department maintains a list of all staff authorized to purchase with the BOA (Bank Of America) Visa agency credit cards and fuel cards. Each authorized user must adhere to the procurement policies and procedures as stated in the Procurement Policies and Procedures section. Authorized purchasers are program directors, program coordinators, county coordinators and those designated by the Executive Director. Each authorized user will have a credit limit placed on his or her card. The limit can only be increased with the approval of the Executive Director. The Accounting Department and the Executive Director will monitor all credit card activity via the BOA website in order to ensure internal control and to maintain accountability.

The Accounting Department has the responsibility to determine that purchase requisition signatures are legitimate. Individuals placing orders without agency authorization assume the risk of the order being considered a personal purchase.

The Accounting Department will match the credit card receipts to the credit card statement prior to the payment of the bill. As with all other purchases payment of credit card purchases is subject to approval and budget constraints.

## **FIXED ASSETS**

Fixed Assets will be defined as all items with a unit cost and a useful life based upon each individual funding sources requirement. Non-federal or state purchases will be classified as a fixed asset if they have a unit cost of \$2,500 or more and have a useful life of greater than one year.

The Accounting Department will prepare a property record for all fixed assets and properly mark all new fixed assets with the Agency name and an identifying number. The Executive Director will ensure that the new fixed asset was purchased in compliance with the procurement procedures and proper purchasing requirements of the Agency and the funding source of the program the fixed asset will be charged to.

All fixed assets will be recorded in an inventory ledger by the Accounting Department identifying the program funds that were used. An entry must be made whenever property is disposed of or acquired.

The Accounting Department, with the assistance of the Program Directors or Coordinators will take a physical inventory of all fixed assets at least once every two years, indicating on the listing the condition and location of the fixed asset, and to insure that all fixed assets are properly marked. The Accounting Department will reconcile the physical inventory with the property records and the prior year's inventory. All discrepancies must be properly explained and changes made to the records. The Accounting Department will be immediately notified of all cases of loss, damage, or destruction of fixed assets, and will make a report to the Executive Director and adjust the inventory records, accordingly.

## **PURCHASING PROCESS**

### **PURCHASES LESS THAN \$100**

When purchasing goods or services under \$100, the purchaser will need to provide the following items:

1. ***Prior to approval the Program Director or County Director must review the request to determine if the request is allocable, reasonable and allowable.***
2. Check to see if budget funds are available.
3. The original receipt for goods or services.
4. The Receiving Report (INCA 18) signed by employee receiving the goods and approved by County Director or Program Director and final approval from the Executive Director.

### **PURCHASES GREATER THAN \$100 BUT LESS THAN \$500**

When purchasing goods or services between \$100 and \$500, the purchaser will need to provide the following items:

1. ***Prior to approval the Program Director must review the request to determine if the request is allocable, reasonable and allowable.***
2. Complete (INCA 88) Purchase Requisition Form.
3. Submit Requisition Form approved and signed by the Program Director to the Accounting Department.
4. Accounting Department will verify if funds are available in the program budget
5. If funds are available the Accounting Department will assign a Purchase Order # to the Purchase Requisition
6. Purchase Order approved and signed by the Executive Director or his/her designee.
7. A copy of the approved Purchase Order is submitted to the appropriate Program Director.
8. Purchase Goods.
9. Upon receipt of goods or services complete (INCA 18) Receiving Report and submit to the Accounting Department.
10. If Purchase Requisition is not approved the Accounting Department will return the requisition to the Program Director who submitted the request giving an explanation as to why the purchase can not be made at the time requested.

### **PURCHASES GREATER THAN \$500 BUT LESS THAN \$5000**

Purchases of more than \$500, but less than \$5,000 will require at least three informal bids. These may be either verbal or written. If verbal, written documentation will be prepared by the employee receiving the quotes. Verbal quotes should be discouraged and used only in extreme situations. The documentation will be submitted with the invoice for payment.

1. ***Prior to approval the Program Director must review the request to determine if the request is allocable, reasonable and allowable.***
2. Obtain at least three quotes
3. Complete (INCA 90) Quotes/Bids
4. Upon securing the lowest and best bid, complete (INCA 88) Purchase Requisition Form
5. Submit Requisition Form approved and signed by the Program Director to the Accounting Department with supporting documentation
6. Accounting Department will verify if funds are available in the program budget
7. If funds are available the Accounting Department will assign a Purchase Order # to the Purchase Requisition
8. Purchase Order approved & signed by the Executive Director or his/her designee
9. Purchase Goods.

10. Upon receipt of goods or services complete (INCA 18) Receiving Report and submit to the Accounting Department

### **PURCHASES GREATER THAN \$5,000**

Purchases of \$5,000 or more will be made only after receiving at least 3 bids in response to written specifications or Requests for Purchase.

1. Obtain at a minimum three written bids from vendors.
2. Upon securing the lowest and best bid, complete the Purchase Order Form.
3. Purchase Order approved and signed by the Program Manager and Executive Director.
4. Purchase Order Number assigned by Accounting Department.
5. Purchase Goods.
6. Upon receipt of goods or services complete (INCA 18) Receiving Report, Attach invoice, pink copy of Purchase Order, quotes and bids. Written justification must be maintained in the Accounting Department if other than the lowest bid is accepted.

An employee submitting a completed purchase requisition (INCA 88) to their Program Director will initiate purchases for goods or services. *The Program Director will consider the following items when approving a purchase requisition: a) Is the expenditure allocable, reasonable and allowable; b) is the expenditure budgeted, and are budget funds available; c) Does the purchase require bids? If so, the entire bid packet will be attached to the purchase requisition.*

Once the Program Director approves the purchase requisition and submit the requisition to the Accounting Department, the Accounting Department will issue a purchase order with a Purchase Order number if funds are available. It will then submit the purchase order to the Executive Director for final approval. *The Executive Director will consider the following items when approving a purchase order: a) Is the expenditure allocable, reasonable and allowable; b) is the expenditure budgeted, and are budget funds available; b) Does it require bids? If so, was the bid process followed correctly; c) If so, the entire bid packet will be attached to the purchase order.*

(The Head Start program will comply with 45 CFR 74.34)

### **PURCHASE ORDERS PROCESSING**

Purchase Orders will be controlled and maintained in numerical order by the Accounting Department. Once the purchase order is approved, the Accounting Department will then

do the following: a) issue a number to the purchase order; b) issue the pink copy of the purchase order to the employee requesting it, to be attached to the final paperwork for payment; c) file the white copy with the yellow copy until paid and then attach behind payment. The employee will then use the approved purchase order to make the purchase, or place an order for the purchase.

Once the goods are delivered or the contracted service is performed, the Program Director or County Director, or designee will examine the goods received, or the work done to ensure that all items ordered have been received and are in good condition, or that the work has been completed to their satisfaction. They will then complete a receiving report attaching the pink copy of the purchase order, original purchase request and the invoice for payment. This will be sent to the Program Director, to the Executive Director for final approval for payment and then sent to the Accounting Department for payment.

All invoices received from vendors in the mail will be routed directly to the purchaser or designee. The purchaser or designee will make sure that they have the pink purchase order copy and that it has the Executive Director's approval on it. They will then submit a completed receiving report with the original invoice, purchase requisition, signed by the program director, pink copy of purchase order and a bid packet (if necessary) will be sent to the Executive Director for final approval. After final approval the receiving report is submitted to the Accounting Department and they will match the pink copy of the purchase order to the yellow copy to ensure validity of items purchased and make payment.

If a statement is received, it will be matched up to the appropriate invoices and the Executive Director will be notified of any discrepancies. No checks will be prepared from a statement, only from the supporting invoices.

When the Accounting Department approves a receiving report, it indicates that the following has been considered: a) there is a budgeted line item for this expenditure and budget funds are available; b) the account coding of the receiving report is accurate; c) the proper supporting documentation is attached, including an adequate invoice; d) if it is a purchase, proper purchasing procedures were followed and there is approval from the Program Director, or designee, on their pink purchase order copy that the goods have been received in good condition or that the services have been performed to their satisfaction.

## **EMERGENCY, HOMELESS AND ENERGY ASSISTANCE**

Requests for these types of assistance will be submitted on a receiving report and the type of assistance will be noted in the comments section of the form so that the Accounting Department will know that this does not require a purchase order or purchase requisition. The receiving report will be approved by the Executive Director and then submitted to the Accounting Department for payment.

## **EMERGENCY ORDERS**

An emergency is defined as “a sudden, generally unexpected occurrence demanding immediate action!” Failure to plan or anticipate supply needs is not considered an emergency. True emergency examples are: Broken windows, vehicle repairs, breakdown of vital equipment, (e.g. plumbing, electrical, etc.)

In a true emergency certain procedures must still be followed:

Purchase orders over \$100 cannot be issued without a purchase requisition. Authorized signatures must appear on the requisition.

## **OUT OF AREA TRAVEL**

When employees need payment for travel advances (80% of total costs) they will submit a completed travel report form (INCA 19) to their Program Director, or designee, for approval. This approved form will then be forwarded to the Executive Director for approval, and then given to the Accounting Department for payment. Completed travel report (INCA 5) reconciliation must be received from the employee upon completion of travel. If not received within 10 days of the first working day upon completion of the travel, the Accounting Department will notify the employee that a reconciliation report must be filed. The Executive Director will also be notified of this situation.

When the reconciliation report is prepared and approved, if the employee owes money back to the agency, they will pay the amount owed and the Accounting Department will attach a copy of the check to the travel report. If the agency owes additional money to the employee, a copy of the check written will be attached to the travel report.

## **WITHIN AREA TRAVEL**

Every employee is required to complete a (INCA 2) transportation and mileage claim form for travel in any of the four counties that we operate in. The employee must sign the form and submit it to the Program Director for approval and then the form is submitted to the Executive Director for final approval. The Accounting Department will then receive the travel form for payment.

## **PREPARING CHECKS**

The Accounting Department will prepare all expense checks for the agency once a week. All bills for payment must be submitted to the accounting department by Friday of one week for payment the following week. The only exception to this will be assistance type payments that are deemed to be emergency situations that cannot wait until the day checks are normally processed.

When the Accounting Department is ready to pay bills for a particular program, they will get all the receiving reports that are waiting in that program's ready basket and perform the following procedures:

1. Group all approved receiving reports by program.
2. Verify receiving report amounts approved and invoices. Consider if there is adequate cash on hand to pay these bills.
3. Add any new vendors, or make any vendor changes in the accounting software.
4. Code receiving reports to the appropriate general ledger codes and enter accounts payable.
5. Select the checks for payment and print checks.
6. Post the sessions to accounting.
7. Once the checks are printed, the accounting department will do the following: a) tear the checks apart and attach each one to the corresponding receiving report with supporting documents attached; b) stamp the attached invoices paid; c) take the checks to the Executive Director for signature. Once the Executive Director has signed the checks, they will be given to the Human Resource Director to sign. In the absence of either, the Chairman of the board will sign the checks. All checks require two signatures.

Once the proper signatures have been obtained by the Administrative Assistant she will return them to the accounting department for distribution of the checks. The Accounting Department will apply the postage for mail and include all vendor return receipts/slips in the envelopes. After distribution, the Accounting Department will attach the copy of the check to the front of the receiving report and then file by vendor.

The Accounting Department will be responsible for all blank checks. All blank checks will be stored in a locked cabinet. All voided checks must be marked "VOID" in ink on the front of the check and have the signature block torn off.

The Executive Director must approve any payments required to be paid before the regular weekly checks are processed.

In no event will the following be done:

1. Checks prepared unless these procedures are followed.
2. Checks prepared from monthly statements without individual invoices.
3. Checks used other than in chronological order.
4. Checks prepared or signed in advance.

5. Checks made out to “cash”, “bearer”, “petty cash”, etc.
6. Checks prepared on verbal authorization.

## **SIGNATURE STAMPS**

### **SECURITY**

1. The Board of Directors must approve the issuance of all signature stamps.
2. All checks require two signatures
3. Authorized check signers are bonded
4. The Executive Director, Human Resource Director and the Board Chair are authorized check signers on all INCA bank accounts.
5. All signature stamps are properly safeguarded in the administrative office to ensure that only authorized persons have access.

## **BANK RECONCILIATIONS**

Bank statements will be received unopened by the Accounting Department who will examine paid checks for the date, name, cancellation, and endorsements. The Fiscal Consultant will then prepare bank reconciliation for each bank account. The balance will be reconciled to the cash balance on the general ledger for accuracy. The completed reconciliation will be dated and initialed by the Board’s Finance Committee Chair.

The Accounting Department will be conscious of all checks outstanding over 90 days and take appropriate action on these checks.

## **JOURNAL ENTRIES**

The Accounting Department will prepare all journal entries.

## **GENERAL LEDGERS/FINANCIAL STATEMENTS**

The general ledgers will be maintained by the Accounting Department. The Accounting Department will complete a chart of accounts for each program according to the budget.

Entries will be made in the general ledger on an as needed basis. At month end, the financial statements will be printed for each program by the Accounting Department. The Accounting Department will be responsible for distributing a copy of the financial statements to the Executive Director, Program Directors, Board of Directors and Policy Council on a monthly basis. Each will review these reports for proper postings and accuracy and notify the Accounting Department immediately if any discrepancies are found.

## **FINANCIAL REPORTS**

The Accounting Department will prepare monthly and quarterly reports to funding sources. If the reports are prepared by the Accounting Department, the Executive Director will approve them. The reports will always be reconcilable to the agency's general ledgers. The Executive Director will review and approve these reports before submission. After they have been submitted, a copy of the reports will be given to the Accounting Department where they will be filed by each program's grant year. The Accounting Department will be responsible for maintaining a current listing of reports and due dates to ensure current filing.

## **PAYROLL PROCEDURES**

### **HIRING**

A payroll transaction form will be completed by the Program Director or Executive Director upon the hiring of an employee or for any changes in an employees pay, hours, program allocation, or any other relevant information. The payroll transaction form will include the department and percentage of time and pay to be allocated to each program.

The Human Resource Director will be responsible that new employees complete the following documents:

1. W-4 form (employee withholding certificate state/federal)
2. Insurance application form and insurance booklet (after six month probation)
3. I-9 form
4. Authorization forms for other deductions from pay
5. Copy of Drug Free Workplace Policy to sign
6. Form to sign, stating that the Agency's Personnel Policy manual is available in each county office and head start center for viewing or questions.

An employee's hiring is not effective until the payroll transaction form and W-4 are completed and turned in to the Accounting Department. The Accounting Department will maintain a personnel file for each employee including the payroll transaction form, W-4 form, authorization for insurance and other deductions form and any other information that is relevant to payroll. All other employee information will be kept in their main personnel file in the Administrative office. The information for new employees will be given to the Accounting Department who will assign all new employees an employee number and enter the employee information into the computer.

## **TIME SHEETS**

Each timekeeper will be responsible for completing a time sheet for his or her designated employees on a semi-monthly basis. The completed time sheets must be signed by the employee and approved for payment by their supervisor. Proper allocation of time between programs will be reflected on the time sheets. Employees taking annual leave should complete form INCA SF71 and submit them to their supervisors before taking their leave time.

At the end of a pay period the timekeepers will submit the approved time sheets to the Administrative Assistant for processing. The Administrative Assistant will verify the accuracy of the time sheets and then the timesheets are given to Accounting for verification of hours and leave time. Time sheets that are incomplete will be returned to the timekeeper for completion. No check will be processed without an approved time sheet. The verified time sheets are then given to the Executive Director for approval.

Payroll will be processed on a semi-monthly basis. Time sheets must be submitted by the following day after the 15<sup>th</sup> and the last day of the month. Payroll checks will be issued within five working days after the end of each pay period.

Weatherization Crew Chief and Crew members will be paid on a weekly basis to conform with the Federal Davis Bacon Rule while working on 2009's American Recovery and Reinvestment Act (ARRA).

## **PAYROLL PROCESSING**

Any employee changes will be submitted to the Accounting Department before the day of the payroll processing. Changes will be made in the computer for each employee at that time. Upon receipt of approved time sheets the Accounting Department will process the payroll as follows:

1. Verify the time attendance worksheet.
2. Enter the employee's time into the computer from the time attendance worksheet.
3. Calculate the payroll and print the payroll checks.
4. After printing is complete, accounting records are printed and the payroll records submitted, funds are then transferred at the bank.
5. The payroll checks are then submitted to the Executive Director for signature.
6. After signature, the checks will be given to the Human Resource Director for signature. In the absence of either the Chairman of the board will sign the checks. All checks require two signatures.

After the proper signatures are obtained by the Accounting Department, the checks will be distributed to the employees. All copies are properly filed.

When the health and life insurance bills, 401(k) bill and other payroll deduction bills are due, they will be routed to the Accounting Department who will pay them from the proper payable. The Executive Director will have the bills reviewed by the Accounting Department to ensure that any coverage, which should have been dropped or added, is correctly reflected on the bill.

At month end the Accounting Department will prepare the state income tax withholding and submit it to the Executive Director for approval, then process for payment.

At quarter end the Accounting Department will do the following things:

1. Will print the quarterly reports from the computer and file in the payroll report binders.
2. Will prepare the quarter and 941 reports. A worksheet will be done showing the salary amounts recorded on each program's general ledger for the quarter. These amounts will be reconciled to the 941 salary amounts on the payroll report. Any discrepancies will be resolved and/or explained.
3. Will prepare the state unemployment report. A worksheet will be prepared to allocate the portion of the bill due by each program. Checks will be prepared for each program's share.

### **CONTRACT SERVICES AND CONSULTANTS**

An authorization form with proper approvals and description of the services will be on file for all consultants and contract labor. The authorization will be completed by the coordinator, director, or Executive Director and signed by the contractor and then sent to the Accounting Department. The proper procurement procedures will be followed.

### **LEASES**

Program Directors will be responsible for ensuring that all leases meet the requirements of their funding source. Leases will correspond to program years whenever possible. The Executive Director will approve all leases and copies will be immediately forwarded to the Accounting Department.

### **INSURANCE**

Program Directors will be responsible for ensuring that the requirements of their funding source concerning insurance are met. This includes obtaining necessary insurance policies and maintaining adequate insurance coverage. Insurance policies will be maintained in the insurance files by the Administrative Assistant. The Executive Director before renewal will carefully review these.

Insurance claims for student insurance, workers compensation and auto will be submitted to the Administrative Assistant on the appropriate forms within 24 hours of the incident. The Administrative Assistant will be responsible for contacting the insurance carrier

within 48 hours, and will follow up with the appropriate claim forms. Program Directors or designees will be responsible for obtaining estimates when necessary.

### **NON-FEDERAL IN-KIND CONTRIBUTIONS**

Non-Federal resources (in-kind) must follow the same standards and cost principles as Federal resources. Each Program Director will be responsible for the in-kind requirements of that program. The director, or designee, will determine if the goods or services received were necessary and reasonable for accomplishing the program objectives. The Director, or designee will also determine if the goods and services received were allowable under the cost principles. The Director, or designee, summarizing that month's in-kind activity, will send a report each month to the Accounting Department. The employee who received the contribution will prepare an INCA 63 or INCA 17 and have the donor sign and date the form. The vouchers for the non-federal share will be approved by the Program Director. When received, the Accounting Department will verify if the goods and services received were allowable under the cost principles and check the accuracy of the totals and rates used. Journal entries will then be made to record the in-kind received for each program into the general ledger.

### **GRANTS, CONTRACTS AND BUDGETS**

Copies of all grants, contracts, budgets and all amendments will be immediately forwarded to the Accounting Department. The Accounting Department will maintain a file by grant of all grant agreements, contracts and budgets. Financial budgets, including any amendments to existing budgets, will be prepared by the program coordinators, or directors and submitted to the Executive Director and Accounting Department for review prior to submission. The Accounting Department will ensure that budgets are on file for all grants and contracts, where applicable.

The Accounting Department will carefully review each award to ensure that all financial provisions will be in compliance. The Accounting Department will ensure that the chart of accounts is updated timely to reflect any changes in budget amounts or line items, etc.

## **OTHER**

### **MINUTES OF MEETINGS**

Accurate and complete minutes of all meetings of the Board of Directors and committees will be prepared by the Administrative Assistant. The Accounting Department will note all items in the minutes relating to finance and take appropriate action.

### **CONFLICT OF INTEREST**

No employee of the agency shall accept gifts or money for entering into a service contract with an outside vendor. No procurement or contract award may go to a relative or official of the agency initiating procurement. All procurement transactions shall be conducted in a manner to provide to the maximum extent practical, open and free competition to include any minority businesses.

\*For remedial actions taken in case of violations, please refer to the Disciplinary Action section of the Personnel Policies & Procedures Manual.

### **PROGRAM INCOME**

Program related income would be used to augment the total cost of the program generating the income. Interest income on federal funds will be returned to the Treasurer of the United States, if necessary. Donations of cash and non-program related income would be separately accounted for.

### **TAX FORM 990**

An independent auditing firm will prepare form 990 in conjunction with the annual audit. The Executive Director will sign the form 990.

### **FINANCIAL PROCEDURES**

Financial procedures will be reviewed semi-annually by the Executive Director. The Board of Directors prior to implementation will approve changes in the Financial Procedures Manual.

## **COST ALLOCATION PLAN**

Once common costs to be shared among programs are identified, a basis of allocation must be agreed upon and approved by the Executive Director and Program Directors that is fair, measurable, consistent, and supported by ongoing data collection. This data will form the audit trail. The allocation assigned to each Program will be reviewed annually by the Executive Director and Accountant for allowability, reasonableness and allocability of costs. Changes to allocation arrangements may be needed due to changes in funding or variations in costs from year to year. Each program will pay for direct costs relating to that program.

The following plan identifies costs associated with programs sponsored by INCA. The plan describes the programs for which cost data is needed, the methodology for identifying program-specific costs, and the procedures used to accumulate and document cost data.

### **PROGRAM**

**CSBG  
HEAD START/USDA  
CAREER OPPORTUNITIES  
JAMM  
HOUSING (CHDO)**

### **AUDIT**

#### **ALLOCATION BASIS**

Number of dollars in each grant or contract; Direct audit hours; Expenditures audited for each program.

### **FIDELITY BOND**

#### **ALLOCATION BASIS**

Number of dollars in each grant or contract; Number of bonded check signers and bonded employees.

### **COPY MACHINE LEASES**

#### **ALLOCATION BASIS**

Each program's specific usage of copy machines, logs of copy machine records.

## **OFFICE SPACE (UTILITIES/TELEPHONE/MAINTENANCE)**

### **ALLOCATION BASIS**

Each program's square foot of space occupied. Telephone logs of long distance calls and percentage of the basic charge for access usage by each program benefiting from the service. Maintenance logs of direct labor hours.

## **PAYROLL SERVICES**

### **ALLOCATION BASIS**

Number of employees in each program; time sheets and daily activity sheets to document the percentage/hours worked for each program; Fringe benefits will be allocated on the basis of direct payroll costs of each program. The Executive Director's salary is allocated based on the number of employees in each program. The Accounting Department personnel salary is allocated based on the number of financial transactions processed for each program during the month.

## **POSTAGE**

### **ALLOCATION BASIS**

Postage purchased for offices other than the Central Office are program specific. Postage from Central Office is dispensed from a postage meter. Postage cost will be allocated based on postage logs indicating volume of usage by each program.

## **INSURANCE**

### **ALLOCATION BASIS**

Property and Commercial General Liability – square foot of space occupied.

Commercial Inland Marine- number of computers used in each program.

Professional Liability – number of teachers and other employees benefiting from professional liability insurance coverage.

Commercial Vehicle Insurance – all cost charged to each program leasing/owning vehicles.

Directors and Officers Liability – number of dollars in each grant or contract; number of employees.

Umbrella Insurance – number of employees.

**ADMINISTRATION COST ALLOCATION**

After reviewing the administration cost allocation the following percentages has been established as of February 1, 2011. This is based on the number of employees as of February 1, 2011 plus FTE job openings. Employee working over 50% of time in one program allocated fully to that program with the exception of Head Start.

Head Start/USDA	72	employees
SAF/HS	10	employees
JAMM	40	employees
RSVP	3	employees (supported by CSBG)
Weatherization SDOE	18	employees
HPRP	2	employees
Housing (CHDO)	2	employees
Career Opportunities	5	employees
HTS/ Homemakers	22	employees (count as 1/2 FTE to Career Ops 1/2 to CSBG)
Workshop Clients	8	employees
CSBG Administrative	5	employees
Total	179	Total Employees
<b>Workshop Clients</b>	<b>8</b>	
<b>Total</b>	<b>187 Total</b>	
<b>Head Start</b>	<b>46%_ 82 (includes HS, SAF-HS)</b>	
<b>CSBG</b>	<b>11%_ 19 ( CSBG Admin, RSVP/1/2 of CO's HTS)</b>	
<b>JAMM</b>	<b>22%_ 40</b>	

<b>Career Opportunities</b>	<b>9%_16 (does not include 8 Workshop Clients)</b>
<b>CHDO</b>	<b>1%_2</b>
<b>HPRP</b>	<b>1%_2</b>
<b>WX/SDOE</b>	<b>10%_18</b>

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**100%**

**TISH OFFICE #1**

Executive Director	354 sq ft	
Administrative Assistant	208 sq ft	
Human Resource Manager	165 sq ft	
Receptionist/Bookkeeper	170 sq ft	
Bookkeeping	138 sq ft	
Total _ CSBG	1035 sq ft	66%

HS Secretary	248 sq ft	
HS Director	288 sq ft	
Total __ Head Start	536 sq ft	34%

Grand Total 1571 sq ft

**Basic Telephone**

<b>5</b>	<b>CSBG</b>	<b>42%</b>
<b>1</b>	<b>TRANSIT</b>	<b>8%</b>
<b>6</b>	<b>HS</b>	<b>50%</b>

**TISH OFFICE #2**

CSBG	Outreach	208 sq ft	
RSVP	Coordinator	50 sq ft	
Total		<u>258 sq ft</u>	20%
Transit	Drivers	235 sq ft	19%
HS	Family Advocate/Supervisor	244 sq ft	
HS	Nutrition Mgr	158 sq ft	
HS	Health/Training	367 sq ft	
Total		<u>769 sq ft</u>	61%
Grand Total		1,262 sq ft	

**ATOKA OFFICE**

HPRP	CSBG	129 sq ft	
Victim Impact	CSBG	129 sq ft	
		<u>258 sq ft</u>	4% - CSBG
Housing	Housing/WX	1424 sq ft	16% - Housing/WX
DDSD	Career Opportunities	712 sq ft	7% - DDSD
HS	ADA/Licensing Transp Mgr	356 sq ft	
HS	Advocate	251 sq ft	

HS	Operations/IT Mgr	218 sq ft	
HS	Classroom #1	709 sq ft	
HS	Classroom #2	709 sq ft	
HS	Classroom #3	709 sq ft	
HS	Kitchen Facility	1053 sq ft	
HS	Teachers work room	218 sq ft	
HS	Cafeteria	1281 sq ft	
Total		<u>5504 sq ft</u>	63% - Head Start
Transit	Drivers	457 sq ft	
Transit	Transit Secretary	129 sq ft	
Transit	Operations Mgr	255 sq ft	
Total		<u>841 sq ft</u>	10% - Transit
Grand Total		8739 sq ft	

**Basic Telephone**

<b>1</b>	<b>CSBG</b>	<b>6%</b>
<b>8</b>	<b>HS</b>	<b>44%</b>
<b>1</b>	<b>HOUSING</b>	<b>5%</b>
<b>5</b>	<b>WX</b>	<b>28%</b>
<b>3</b>	<b>TRANSIT</b>	<b>17%</b>

**SULPHUR OFFICE**

RSVP	Project Director	132 sq ft	
Total	CSBG	<u>132 sq ft</u>	16%

HS	Education Manager	132 sq ft	
HS	Disabilities/Mental Health Mgr	132 sq ft	
HS	Advocate	132 sq ft	
Total	Head Start	<u>396 sq ft</u>	49%
Transit	Route Supervisor	136 sq ft	
Transit	Drivers	146 sq ft	35%
Grand Total		<u>810 sq ft</u>	

**Basic Telephone**

<b>1</b>	<b>RSVP</b>	<b>17%</b>
<b>3</b>	<b>HS</b>	<b>50%</b>
<b>2</b>	<b>TRANSIT</b>	<b>33%</b>

**MADILL OFFICE**

HPRP	Outreach Worker	143 sq ft	37%
TRANSIT	Route Supervisor	117 sq ft	
TRANSIT	Drivers	132 sq ft	63%
Grand Total		<u>392 sq ft</u>	

**Basic Telephone**

<b>1</b>	<b>HPRP (CSBG)</b>	<b>40%</b>	<b>4 employees</b>
<b>1</b>	<b>TRANSIT</b>	<b>60%</b>	<b>6 employees</b>