**STATEWIDE independent living COUNCIL OF KANSAS**

**FISCAL POLICIES *& PROCEDURES***

***FISCAL POLICIES:***

I. General

1. The Board of Directors formulates financial policies, delegates the administration of the financial policies to the Executive Director and reviews operations and activities. These fiscal policies will be reviewed by the SILCK Finance Committee on regular basis and submitted to the full Governing Board for review and approval.
2. SILCK will utilize a modified accrual system for accounting of all funds.
3. The Executive Director has responsibility for all operations and activities, including financial management.
4. The Executive Director is responsible to the SILCK Board of Directors for all financial operations. The SILCK Board shall contract with an accounting firm to review monthly financial activities, reconcile bank account(s) and provide the board with monthly financial statements and other financial services as needed.
5. To assure a check and balance system in a small organization, financial duties and responsibilities are separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts and other financial transactions. In the situation where SILCK has a one person office, the approval process for checks shall be the responsibility of the Executive Director, who will prepare the checks for signature. All prepared checks with the appropriate back up material will be provided to a member of the Executive Committee, with signature authority to sign.
6. The SILCK Chair will appoint members to the SILCK Finance Committee. The SILCK finance committee will review on a quarterly basis the check register, credit card statements and the financial statement as an additional check and balance for the organization. The Treasurer of SILCK will chair the finance committee.
7. The SILCK Executive committee with the Executive Director will examine and determine the financial institutions SILCK shall utilize.
8. In **no** event will checks be:
9. prepared from monthly statements (without review of supporting documentation.)
10. prepared in other than chronological order without immediate explanation.
11. signed in advance
12. be made payable to “cash”, “bearer”, or similar payee
13. prepared on verbal authorization.
14. All out-of-state travel must be approved in advanced by a SILCK Executive Committee member, with the exception of the Kansas City Metro area.
15. All forms will be completed in ink.
16. Purchasing
17. Purchases of $1,000 or less may be made at the discretion of the Executive Director without approval from the board.
18. All purchases for items or services not in the SILCK budget, exceeding $2,500 will require at least three written vendor quotations before authorization may be granted. Exceptions to this rule must be approved in writing by the Executive Committee.
19. No personal purchases will be made for employees, their relatives or friends.
20. The SILCK Executive Director will be responsible to see that each employee receives his/her payroll check/stub.
21. Financial operations will be in compliance with the regulations set forth in the current Generally Accepted Accounting Principles (GAAP), and other applications as required.
22. SILCK’s fiscal year is October 1 – September 30. The Executive Director will assist the finance committee in developing a yearly organizational budget. The draft budget shall be presented to the Governing Board for review and adoption prior to the beginning of the fiscal year. The board will assure that the budget is reasonable and the expenditures of federal and state funds are necessary and allowable, as defined in the Uniform Grant Guidance, and that the use of federal and state funds complies with all applicable laws, rules and regulations governing non-profit corporations. The board will also ensure compliance with the Rehabilitation Act of 1973 as amended in 1992 and 2014 and future years.
23. An external independent audit of the organization shall be completed within 90 days of the end of the fiscal year, or as designated by the Finance Committee. SILCK will have a completely separate auditing firm from its accounting firm.
24. The same auditing firm may be used for three (3) years only, at which time the board shall solicit bids and choose a different auditing firm
25. The Executive Director has the authority to move funds between line items up to 10% of the line item. Any modification to the budget above the 10% limit must be submitted to the Executive Committee for review and approval.
26. SILCK will adhere to the conflict of interest policy. (see Conflict of Interest Policy)
27. Original contracts, leases and subcontracts will be scanned and filed electronically. The original paper copy shall be kept on file in the SILCK office.
28. Back up documentation will be kept off-site to ensure that in the event of an emergency SILCK business can continue as seamlessly as possible.

**FISCAL PROCEDURES:**

I. INCOMING FUNDS

1. Mail Receipts
   1. The Executive Director shall immediately stamp all checks with “For Deposit Only, “Statewide Independent Living Council of Kansas”.
   2. The Executive Directorshall copy the checks. Copies of documentation accompanying receipts (SILCK grant payments etc.) shall be posted and filed appropriately. The copy shall include the check number, amount, date received and name of organization issuing check if different than purchaser’s name.
   3. The Executive Director will complete a deposit slip when deposits are to be made. The photocopy of the checks will be attached to the ‘copy” of the deposit slip and matched with the bank statement when it arrives and filed by month.
   4. The Executive Director will deposit all receipts intact within at least one week of receipt.
   5. Any non-cash donation valued at $500 dollars or more shall have a third party appraisal prior to issuing a tax receipt.

II. DISBURSEMENTS

1. Check authorization:
2. The Executive Director approves payment for invoices related to specific projects or grants by completing the payment process.
3. All invoices will be paid by checks prepared by the Executive Director.
4. The following procedure shall be used when writing checks
   1. No check shall be written and signed by the same person.
   2. A SILCK Board Member will write checks only in the absence of the Executive Director.
   3. All checks will be signed by member of the Executive Committee.
   4. A copy of all back-up documents and a copy of the check will be filed by the Executive Director.
5. Checks
6. Blank checks are kept in a locked file cabinet in the SILCK office*.*
7. The SILCK Executive Director will record all invoices, according to cost allocations into Quicken general ledger.
8. *A* copy of the check and stub must be attached to the invoiceand back-up documentation. The SILCK Executive Director will file these documents in the SILCK office.
9. Voided checks will have “VOID” written across the face of the check and attached to the check-stub, which will also be marked voided. If another check is issued to pay the invoice, the documentation will be transferred from the void check to the second check’s check-stub.
10. Bank Reconciliation
11. The image of cancelled checks will be examined for date, name, cancellation and endorsement. The bank statements will be reviewed monthly and initialed upon completion of review and reconciliation. The Board Treasurer will have access to all bank accounts electronically for periodic review.
12. The Executive Director enters the revenues and expenses for the organization and develops a draft reconciliation report on a monthly basis.
13. The Executive Director will submit a copy of the bank statement, a copy of the credit card statement, the KRS invoice, the expenditure report and any other monthly expenditure that were not included in the KRS invoice to the contract accountant on a monthly basis.
14. The Contract accountant will reconcile the bank statement on a monthly basis and provide Executive Director with a copy of the completed bank reconciliation
15. The Executive Director will review both monthly bank reconciliations and contact the Contract Account if any discrepancies are found.
16. The Executive Director will follow-up on any outstanding checks after 90-days from issue and will void outstanding checks if appropriate.
17. Original bank statements will be kept on file in the SILCK office for seven years.

III. ACCOUNT’S RECEIVABLE

1. The Kansas Rehabilitation Services (KRS) Grant
2. The KRS Grant’s Administrator will send the SILCK Executive Director an email noting the amount of the monthly payment.

B. Invoicing of other Grants or Contracts

1. The SILCK Executive Directorwill inform the Contract Accountant of any new grant or contract and supply them with a copy.
2. The SILCK Executive Directorand the Contract Accountant shall set up the G/L account codes for the new grant/contract.
3. The SILCK Executive Directorwill prepare monthly invoices according to the contractual agreement.
4. Copies of all invoices and back-up documents will be kept by the SILCK Executive Directorin a monthly file system. The email of the monthly funds from the grant shall be matched up with the copies of the invoices and kept on file by the Executive Director.
5. The Executive Directorshall create a tracking sheet for any additional grant(s) and will maintain this documentation throughout the duration of the Grant.
6. The Executive Director shall review the grant tracking sheets monthly.

IV. PURCHASING

1. Purchases
   1. All requests for supplies must be made through the Executive Director.
   2. Executive Directorwill review supply requests to insure expenditures are within the budget line item and are reasonable and necessary to SILCK operations; and that the use of federal and state funds meets the standard of reasonable and necessary as defined in the Uniform Grant Guidance.
   3. If goods or services are purchased from a relative of the purchase approver, it must be shown in writing that the price is at or below the prevailing market rate for the goods or services.
   4. Only goods and services necessary for the continuing or completion of SILCK’s goals and mission may be purchased. All purchase decisions are subject to the review of the Executive Committee.
2. Contracts and Leases
   1. Consideration will be given to in-house capabilities before contracting.
   2. If the total cost of leasing equipment, over three-years or the expected life span period, is greater than the purchase price, the equipment should be purchased.
   3. Written contracts clearly defining the work/service to be performed will be obtained for all consultant and contractual services.
   4. The qualifications of the consultant and reasonableness of fees will be considered in awarding contracts.
   5. Consultant and contractual services will be paid as stipulated in the contract.
   6. Contract compliance monitoring procedures and specifications will be stipulated within the contract. Final payment of all contracts will be withheld until all contractual obligations are met.
   7. All leases and contracts must be approved as directed by the Executive Committee and signed by the Executive Director.

# V. INVENTORY AND PROPERTY

1. To perpetuate the property control process, the following is the responsibility of the Executive Directorand the Contract Accountant.
   1. The Executive Directormaintains a master file of all property and assets at the SILCK office(s). This file is sent to the Contract Accountant when changes are made to the master file.
2. To insure that the inventory of property and assets is maintained for insurance

and grant (funding sources) purposes.

* 1. The requirement for maintaining property and asset records applies to all property with an acquisition cost of over $500.00 and depreciated over its useful life. A copy of all invoices for purchase of property and assets are kept by the Executive Director.

VI. PAYROLL

1. New Employees

The Executive Directorwill be responsible for:

1. Obtaining a completed W-4 for new employees.
2. Providing new employee with health insurance and other benefit forms, explaining benefits to new employees and answering employee questions about benefits.
3. Establishing a personnel file for each new employee. The employee payroll information form, W-4, I-9 and all original deduction authorizations will be kept in the personnel file.
4. The Executive Director will enter payroll information for all new employees, as well as any changes in payroll information, such as change in pay rate, etc. and will provide the Contract Accountant with the information.

B. Payroll Disbursements

* 1. Payroll checks will be produced by the contract accountant and electronically deposited to employee’s bank of choice twice a month 2 to 3 days after the pay period. SILCK’s pay period runs from the 1st thru the 15th and the 15th thru the last day of the month.
  2. The contract Accountant sends the payroll information to Executive Director and will file the information.  The Executive Director will be provided a her/his paystub on a by-monthly basis

VII. INSURANCE

A. All insurance policies will be maintained by the Executive Director.

B. Reasonable, industry standard coverage will be maintained for property, general liability, worker’s compensation, unemployment, and directors and officers liability.

C. Insurance policies will be reviewed annually before renewal. Bids

may be sought from other vendors at the discretion of the Executive Director. Increased coverage or higher limits must be approved by the Executive Committee unless required by legislation.

VIII. BOOKS OF ORIGINAL ENTRY

1. SILCK will utilize a modified accrual system for accounting of all funds.

B. All disbursements are coded directly to the expense accounts on the general ledger. All cash deposits are recorded by journal entry in the general ledger.

C. The Executive Director will make adjusted journal entries to the general ledger as advised by the Contract Accountant and will maintain sufficient documentation to support the journal entries.

D. After the end of each month, the executive director will provide the Contract Account with the payroll information, accounts payable & accounts receivable. After the information has been processed, the balance sheet, trial balance, general ledger journals, revenue and expense statements will be printed and presented to the Executive Director by the end of the following month. The finance committee of the Governing Board will receive a copy of the monthly financial statements prior to Executive Committee meetings. The full Governing Board will receive a copy of the financial statements during the regularly scheduled board meeting.

E. The Finance Committee of the Governing Board will meet prior to each board meeting to review and approve finance statements, review credit card statements and the agency check registry.

F. Expense accounts in the general ledger will correspond as closely as possible to the budget line items.

G. Capital assets are defined to be equipment, furniture, fixtures, and improvements owned by the agency with an acquisition cost of over $500 per item and depreciated over its estimated useful life.

IX. GRANTS AND CONTRACTS

A. Preparation

1. All grant budgets will be prepared by the Executive Director, with input, as needed, from the finance committee and/or the appropriate project staff.

B. Receipt

1. Originals of all grant awards and contracts will be maintained by the Executive Directorand filed. A copy will be forwarded to the Contract Accountant.
2. The Executive Director and thefinance committee will carefully review each award to insure that all financial provisions are correct and in compliance with applicable regulations.
3. The Executive Director will carefully review each award to insure that all programmatic provisions will be fulfilled.

C. Revisions

1. If the KRS budget requires a “line” item revision, the Executive Director in consultation with the Board Treasurer will make the revision and submit it to the Executive Committee for approval.

D. Reports to funding sources:

1. The Executive Director will prepare financial reports to funding sources as required by the terms of the grant award or contract.

2. The Executive Director will sign all reports to funding sources.

X. OTHER

A. Travel Reimbursement

1. Staff shall be reimbursed for costs associated with approved travel upon receipt of travel reimbursement request forms and receipts for costs.
2. Approved costs associated with travel include: meals, mileage, parking, tolls, airline/train tickets and/or hotel sleeping room.
3. Approved reimbursement requests must be submitted to the Executive Directorby the 10th of each month in order to be paid onor beforethe 15th of the month.
4. The Executive Director’s reimbursement request will be submitted for approval to the designated SILCK Board member, who will initial in the designated area, and the original signed copy of the approval will be kept with payment documentation.
5. Meal per diems and mileage reimbursement rates will follow rates set by the state of Kansas. Rates are in effect until such time as a *state* change in rates is made. The Executive Director will review the mileage reimbursement rate and will not exceed the state reimbursement rate.
6. Travel advances – Occasionally an employee may request a travel advance check when out-of town travel is planned. The employee will compute the per diem allowance, any transportation costs such as parking fees, shuttle bus, taxi fares, etc. and submit it in memo form, along with her or his departure and return date and destination to the Executive Director, or Board Chair when advance is for the executive director for approval.

B. Corporate Credit Card

1. Corporate credit cards shall only be issued to the Executive Directorand Board Chair.
2. When travel is required the corporate credit cards may be used to purchase airline/train tickets, cover hotel sleeping room costs, and incidentals (within approved reimbursement rates). Use of the corporate credit card for costs not related to travel, must be pre-approved by the Executive Director and/or the Board Chair when appropriate.
3. The Executive Director will prepare, print, and attach a Purchase Order to all corporate credit card receipts. The Executive Directorwill determine the line item and/or program to which the cost is to be allocated.
4. Staff may be asked to reimburse the agency if they are unable to produce a receipt for a purchase made with the corporate credit card.
5. Under NO circumstances shall the SILCK corporate credit card be used for purchasing personal items.
6. If the corporate card is lost or stolen, the employee must contact the credit card company immediately and inform the Executive Director and the Board Chair.
7. Any misuse of the corporate credit card shall result in immediate cancellation of the card and possible disciplinary action.

C. Minutes of meetings:

1. The Treasurer/Finance Committee will provide the Board of Directors and other committees with a written report on decisions that impact the finances of the organization.

XI. REPORTING

A. Form 990 will be prepared by the Contract Accountant. The SILCK Board will review and approve the 990 report prior to the Executive Director’s signature.

B. All monthly, quarterly and year end reports shall be prepared and signed by the Contract Accountant.