

# **COMMUNITY ACTION OF SOUTHEAST IOWA**

## **FISCAL POLICIES AND PROCEDURES**

### **A. GENERAL**

1. The Board of Directors named the Executive Director as the person authorized to sign for agency expenditures and to sign for and represent the Agency when entering into contracts and all other transactions.
2. The Executive Director has the final executive responsibility for grantee actions and operations.
3. The Executive Director will ascertain all fiscal operations are in conformity with generally accepted accounting principles, the Board is fully informed, the fiscal staff is adequately trained, the grant conditions are complied with and the funds are expended for lawful and needed purposes within budgetary limitations.
4. The Fiscal Office will be composed of staff that has the fiscal background necessary to maintain a sound financial system. All staff must be bondable.
5. The agency will provide bond coverage or professional liability insurance for persons authorized to sign or counter sign checks, or to disburse sizeable amounts of cash.

### **B. PETTY CASH**

1. This agency does not use a petty cash fund.

### **C. CASH RECEIPTS (INCLUDING CHECKS)**

1. All cash receipts are listed on the Daily Cash Log by the Office Manager when received in the mail before giving it to the Finance Director. Cash receipts will be handed directly to a Fiscal Staff person if the Finance Director is not available. The cash log will be initialed to verify receipt.
2. A copy of the Daily Cash Log and all checks and cash received are given to the Finance Director daily, if items are received. The Finance Director or Accounting Clerk will record the appropriate fund number and object code on the sheet, indicating where the funds are to be applied.
3. The agency uses a remote electronic deposit machine to deposit paper checks. Paper checks are recorded on the Daily Cash Log and given to the Finance Director. The Finance Director's computer has specialized software that allows for the electronic deposit. A secure login and password are required. Checks are run through the machine, which endorses the check, captures an electronic image and prepares the

deposit for transmittal. Once the deposit total is verified, the deposit is transmitted to the bank for deposit.

4. Processed checks are kept in a locked drawer in the Fiscal Office for no less than two months. After that time, checks are shredded.
5. A deposit slip for cash deposits will be completed in duplicate by the Finance Director or Accounting Clerk. The deposit slip will be compared to the Daily Cash Log.
6. Cash deposits are kept in a locked file cabinet in the Fiscal Office until the deposit is taken to the bank.
7. Deposits are to be made weekly however; exceptions may be made due to staffing, illness or other circumstances that may prohibit the weekly deposit.
8. The validated deposit slip will be attached to the Daily Cash Log along with all supporting documentation received with the checks and cash. A copy of the banking report including the total deposit image provided by the bank will support on-line deposits.
9. Copies of Electronic Fund Transfer notices are given to the Finance Director when received. The Finance Director or Accounting Clerk will record the fund number and object code on the sheet.
10. The Finance Director will prepare the general ledger journal entry based on the Daily Cash Log and Electronic Fund Transfer notices for computer entry by an Accounting Clerk other than the one preparing the journal entry.

#### **D. PROGRAM RESOURCES**

1. Grant funds are deposited in a general checking account with each fund identified separately using the agency fund accounting software, as per their instruction.
2. At no time will the agency have federal cash advances that exceed the immediate expenditure projections of the agency. Grants that allow for cash draw projections indicate so in their contracts. Projections will be made based on the current expenditure trends for that program and any other known cash expenditures. Head Start / Early Head Start cash draws are based on actual current expenditures. Cash Draws for Head Start/Early Head Start are typically made when payroll costs have been posted in order to cover the payroll cash transactions. The Finance Director, or designee in the Finance Director's absence, will determine the negative cash balance in the HS/EHS funds by using the current trial balance. A payment request will be made only if a negative cash balance exists. It should be verified that all cash transactions have been posted prior to determining the required funds needed. Once the required amount is determined, the amount is recorded in the HS/EHS cash draw log. The draw is made using the Division of Payment Management System web site. (See Finance Director Tasks for instructions)

3. The agency prohibits the use of any program funds from covering the costs in any other funding streams. (Head Start funds can only be used to cover costs in the Head Start program.)
4. Safety Deposit Box – Farmers & Merchants Bank and Trust, West Burlington, Iowa – Keys to the Safety Deposit Box are kept in a locked file cabinet in the Fiscal Office. The Finance Director and the Executive Director are authorized to access the Safety Deposit Box. Items kept in the Safety Deposit Box include vehicle titles, CD's, property titles, etc. One signature is required to access the Safety Deposit Box.
5. On-Line Banking – On-line banking is available thru Great Western Bank. The Finance Director, Payroll Accountant and the Executive Director have access to the password allowing internet access to all Community Action accounts at Great Western Bank. On-line banking allows the specified users to view accounts, transactions in those accounts, and to transfer funds between Community Action accounts, and pay Community Action loans at Great Western Bank. The on-line banking software does not allow the transfer or payment of funds to any accounts other than those in the Community Action group. The Finance Director and Executive Director may transfer funds between accounts listed at Great Western Bank. All transfers or on-line loan payments made by the Finance Director must be approved by the Executive Director. All transfers or on-line loan payments made by the Executive Director must be approved by the Board President. Great Western Bank has provided software unique to each computer allowed to access on-line banking. Each user selects a unique password to access on-line services.
6. The Executive Director and Finance Director will review current banking services and interest rates every five years, and compare with other banking options that are available. Area banks will be asked to submit a proposal detailing the costs and benefits their bank has to offer. The Finance Committee and/or Board will evaluate the information found during the review. The Board will select the agency bank based on the most favorable options and services available. Only banks participating in the Iowa State Sinking Fund, or have another guaranteed method to insure all Community Action of Southeast Iowa deposits will be considered.
7. Federal funds will be deposited in insured accounts whenever possible.
8. Federal funds will be in interest bearing accounts unless the best available interest is less than \$500 annually, or the average minimum balance is too high.
9. Interest earned on Federal advances that earn more than \$500 annually will be returned to the Department of Health and Human Services through the Payment Management System. Funding sources that require notification will be advised of the amount paid to HHS or if no funds have been returned. A monthly calculation is made to determine interest earned on federal funds. The total federal funds on deposit are determined using the agency accounting software and the current interest

rate being paid by the agency bank is applied. The interest earned during the agency fiscal year is calculated. Interest earned in excess of \$500 is returned as stated above.

10. The Agency has established a line of credit with Great Western Bank in the amount of \$200,000. The line of credit will only be accessed if funds are not available to pay for immediate cash requirements. The Finance Director will notify the Executive Director that the line of credit should be accessed. They will determine the amount needed and the Executive Director, or the Board President in the absence of the Executive Director, will initiate the transaction. The Board of Directors will be notified at the next board meeting that the line of credit was accessed, the amount and approximately when repayment will be made. The Board will be informed at each meeting the status of the line of credit until the amount has been repaid. Receivables due from funding sources are used as collateral. No Head Start funds, property or equipment are to be used as collateral.

**The following Banking Institutions and accounts are used by the agency.**

1. Great Western Bank
  - a. General Checking.....0941028232
  - b. Money Market Commercial.....14004316
  - c. Line of Credit.....0819001201

Other Accounts

CD's – Banking Institution varies depending on available interest rates at time of purchase

**E. ACCOUNTS PAYABLE AND PROGRAM EXPENSE PROCEDURES**

1. Purchase Authorization
  - a. Agency Personnel shall receive all deliveries and indicate “received by”, sign and date the receiving documentation, and forward the packing slip and/or invoice to the appropriate program for processing through Accounts Payable.
  - b. All original invoices will be immediately forwarded to the program that incurred the expense. (See item E.1.d.) See Head Start process in 1.d.
  - c. The invoice and all supporting documentation are submitted to the Program Director for review, approval, and the appropriate object code and fund number. The approved invoice and purchase requisition is submitted to the Fiscal Office for payment. Invoices are to be approved by the Program Director, or designee. (See item E.1.d)
  - d. Head Start/Early Head Start uses a purchase requisition system to initiate purchases. Staff requests approval to make purchases, which are forwarded to the Head Start/Early Head Start Director or designee in their absence. Once the purchase is approved and determined to be reasonable and necessary for the program, the request is e-mailed to the Fiscal Accounts Payable Clerk and the Head Start Administrative Assistant. The Accounts Payable Clerk assigns a

Purchase Requisition number that is forwarded to the Head Start Administrative Assistant for processing. Invoices and Vendor statements are delivered to the Fiscal Office by the Receptionist. Purchase Requisitions are matched to invoices and receiving documentation when received by the Accounts Payable Clerk. The Head Start/Early Head Start Director reviews and approves the actual invoice prior to payment. The Accounts Payable Clerk maintains a spreadsheet of all outstanding purchase requisition numbers assigned, and follows up on outstanding orders as needed.

- e. The Finance Director or other fiscal staff not preparing checks will review invoices to be paid for addition, appropriate fund and object code numbers, contractor number, documentation and approval prior to the issuance of payable checks.
2. The accounts payable clerk or Finance Director will access the System for Awards Management (SAMS) web-site to verify that a new contractor has not been placed on the disbarred and suspended list to do business with the federal government. The accounting software provides an area to make the notation in the vendor record.
3. The accounts payable clerk will mail a Form W-9 to new contractors to determine if a 1099 is to be issued at the end of a calendar year for services/goods provided. A 1099 is issued to independent contractors earning more than \$600 during the calendar year. The 1099 is due to the contractor by January 31 and to the federal government by January 31, and other dates according to state rules.
4. Check Control
  - a. All checks are pre-numbered. The Finance Director will be responsible for all blank checks, which are locked in the Fiscal Office.
  - b. Purchase Requisitions received by the Fiscal Office on Tuesday will be processed for payment that week.
  - c. All checks will be signed using an imbedded signature in the accounting software. The signatures will be those of the Board President and the Executive Director. Each time a new Board President or Executive Director is named, a new signature will be prepared and changed in the software. All checks are printed using MICR (magnetic ink character recognition) toner for additional security.

The Planning Director, Human Resource Manager, Executive Director and the Office Manager will have access to the password required to activate the embedded signature required for signing all checks and will be the only persons allowed to initiate the check signing process. Persons having access to the password shall not be a part of the process of imputing information required to write checks.

The Planning Director will be the primary person responsible for entering the password in the software, activating the embedded check signing process. The Planning Director will print all checks and hand them to a fiscal staff person other than the person entering the data. The Planning Director will be responsible for maintaining a log of used check numbers and verify that all checks have been

issued according to the above procedures. In the absence of the Planning Director, one of the other persons having access to the password will follow the procedures outlined above. The password will be changed at least every three months.

Fiscal staff not involved in the check processing procedure, including data input, will be responsible for review of the checks and supporting documentation for reasonableness and accuracy and distribution of the checks.

- d. Voided checks will have “VOID” boldly written across the face of the check and the signature portion of the original check will be perforated or cut out. The original of the voided check, if available, is put with the information in the void check file folder.
  - e. All accounts payable VOIDS will be processed by the Accounts Payable Clerk and approved by the Finance Director. Accounts payable will maintain a log for all voided checks; date voided, reason, if a check is reissued and the reissue number and date. The Finance Director will be responsible for issuing “Stop Payments” for voided checks if needed. This is done on-line using the Great Western on-line banking.
  - f. Checks will be distributed as follows.
    - 1) Original is mailed to the payee by the Accounting Clerk not preparing the checks.
    - 2) Duplicate and attached documentation is filed alphabetically by the pay date.
    - 3) Vendors may be given the option to receive payment using EFT (Electronic Funds Transfers). Forms providing banking information and authorization to issue EFT payments will be kept on file in the Fiscal Office. The Accounts Payable Clerk will create the file to upload to the bank. The Finance Director or Payroll Accountant will upload the file for payment to Great Western Bank. The Executive Director will approve the file for payment. An automatic notice is received from the bank by the Finance Director, the Payroll Accountant and the Executive Director with details of the transaction.
  - g. In no event will:
    - 1) Checks be prepared from monthly statements without supporting documentation and proper approvals.
    - 2) Checks be used other than in chronological order.
    - 3) Checks be prepared or signed in advance.
    - 4) Checks be made out to “Cash” “Bearer”, “Petty Cash”, etc.
    - 5) Checks be prepared on verbal authorization.
5. Cost Allocation
- a. Each program will pay for direct costs relating to that program.
  - b. Certain costs that are shared (i.e. space, telephone, utilities) are charged to the appropriate programs based on the agency cost allocation plan.
  - c. The Cost Allocation Plan is reviewed annually by the Finance Director and at any time changes occur that would affect the plan. The Accounting Clerk maintains

the plan and keeps supporting information that verifies the reasoning behind the allocations.

## **F. BANK RECONCILIATIONS**

1. Bank statements will be received by the receptionist, and given to the Finance Director, unopened. The Finance Director will review the statement and enclosed documents.
2. Bank accounts are reconciled by the Accounting Clerk or Finance Director monthly. In the event that the Finance Director reconciles the bank statement, the Planning Director or Human Resource Manager will review and initial the statement.
  - a. General Checking Account: The total amount debited to the checking account for payroll and accounts payable direct deposit is verified against the general ledger. A listing of reconciled checks is downloaded from Great Western Bank and uploaded into the Accounts Payable and Payroll software by the Finance Director. The agency software reconciles checks according to the file that is uploaded.
  - b. The Accounting Clerk reviews 25% of all check copies which are provided in the bank statement, verifying that the payee name and dollar amount on the check agrees with the accounting software. All checks written for an amount over \$5,000 are also reviewed and compared to verify the payee name and amount is the same as the accounting software.
  - c. Money Market Commercial Account: The reconciled bank balance will be compared to the computerized fund cash accounts in the general ledger. Funds may be transferred in or out of this account as needed by the Finance Director or Executive Director. Transactions initiated by the Finance Director are approved by the Executive Director, and transactions initiated by the Executive Director are approved by the Board President.
3. The reconciled bank balance will be compared to the computerized fund cash accounts in the general ledger.
4. All outstanding checks over 120 days will be reviewed and reissued if appropriate, or voided. The issuing fund will be credited for the checks not reissued.
5. Bank reconciliations are to be reviewed by the Finance Director and initialed, or by Fiscal staff not preparing the reconciliation. The bank reconciliation is presented to the Board Treasurer or Board Chair for approval at the next Board meeting.

## **G. PAYROLL PROCESSING**

1. Hiring
  - a. All new employees meet with the Planning Director or Human Resources Manager and complete the following forms and forward copies to the Fiscal Office.
    - 1) W-4 Form, employee withholding certificate (copy)
    - 2) State withholding form (copy)

- 3) IPERS (original)
  - 4) Employee Direct Deposit Authorization
- b. The Human Resources Manager will be responsible for completing and submitting the change of status form, which includes pay rate, personal data, job title, assigned program and scheduled work hours.
  - c. The Payroll Accountant will be responsible for entering the payroll information in the accounting software. This includes all payroll allocations for benefits charged to program funds, all authorized payroll deductions, and accrual information for sick, vacation, holiday and leave. Sick, vacation and other leave information will start when the employee starts work in their designated position.
  - d. Planning Director or Human Resources Manager is responsible for notifying the Fiscal Office of any health insurance deductions.
  - e. The employee notifies the Fiscal Office regarding any other payroll deductions i.e., credit union, life insurance, cancer insurance, and any changes, etc.
  - f. Confidential files and Personally Identifiable Information is safeguarded by the Human Resource Manager, Planning Director, Executive Director as well as the Fiscal Office. Paper documents and information are kept in locked file cabinets, and accessed only by authorized personnel. Electronic confidential information is stored on password protected and secured file servers and computers.
2. Time Sheets
- a. Each employee will be responsible for completing a time sheet and submitting it to the supervisor for approval on the last day of the pay period. Employees are responsible for recording the time to be charged to the appropriate grant or fund that they work in. Timesheets include a notes section where the employee can identify the activities performed while working. Employees are to complete the time sheet accordingly.
  - b. Time sheets are completed on-line using the THO software located at <https://thosolutions.com/time/login.aspx>. Each employee is assigned unique login credentials. Each employee is to keep this information private. Completed time sheets are marked “Finished” by the employee. The submission of the time sheet for approval is equivalent to the employee’s signature verifying that the information provided is complete and accurate. An e-mail is sent to the assigned supervisor indicating the time sheet is ready to approve. The supervisor will review the timesheet for accuracy and completeness. If any corrections are required the supervisor will “Reject” the timesheet and notify the employee of needed corrections. Once all corrections are made and the timesheet is “Finished” by the employee, the supervisor will mark the timesheet “Approved”. The approval of the timesheet is equivalent to the supervisor’s signature verifying the timesheet is accurate and complete and ready for processing. Timesheets are to be approved by the Wednesday after the end of the pay period. The Payroll Accountant will review all time sheets for attendance, charges to annual leave, sick leave, holiday time or other leave. The Payroll Accountant will discuss any discrepancies with the Supervisor or Program Director.
  - c. The Payroll Accountant will record the appropriate information on the Cumulative Leave form.



- d. The Payroll Accountant will download all approved times sheets from the THO server to the Orion accounting software.
  - e. Paid leave is allocated to programs based on hours charged to programs during the pay period the leave is taken. Exceptions may be made if doing so would unfairly charge paid leave to a program. In such a case, paid leave will be allocated based on the employee's normal work schedule.
  - f. The Payroll Accountant uploads new timesheet information to the THO server for the upcoming payroll on the first Monday of the new pay period.
  - g. Staff must complete a timesheet in the previous pay period in order for a new timesheet to be created for the next pay period.
  - h. Timesheets for a pay period that has not been completely processed must be started prior to the upload of the new pay period timesheet.
  - i. Staff is assigned to one supervisor, who will approve their timesheet. If there is overtime or any other issues requiring a Program Director's approval, the timesheet detail is to be printed out and approved by the Program Director. The approved paper copy is given to the Payroll Accountant to be filed with the payroll documents for the pay period.
3. Payroll Distribution
- a. Payroll checks are signed with the embedded signatures in the accounting software. (See Accounts Payable check control – 2.c.) The Finance Director creates the direct deposit payroll file using the accounting software to upload to Great Western Bank for Direct Deposit. The file is uploaded by the Finance Director in order for payments to be made on the designated payday. In the event the Finance Director is absent, the Payroll Accountant will prepare and upload the file. An automatic notice is received from the bank by the Finance Director, the Payroll Accountant and the Executive Director with details of the transaction.
  - b. Direct Deposit is available to all employees. All staff hired after July 1, 2005 will be required to participate in direct deposit of their payroll checks. A signed form, indicating the employee's banking information and the distribution of the payment amount is submitted to the Fiscal Office by the employee. The information is entered into the payroll software by the Finance Director or the Payroll Accountant. All entries must be approved by the party not entering the information in the system.
  - c. The Finance Director or Accounting Clerk, not preparing checks, will mail or distribute the Payroll. Payroll checks and Direct Deposit notices that are to be mailed are mailed on Wednesday, the day before payday. In the event that paper paychecks are not received on payday, no action will be taken by the Fiscal Office to replace the check until 10 business days have passed, allowing time for the check to be delivered through the mail.
  - d. A signed form from the employee must be on file in the Fiscal Office in order for a paycheck to be mailed to the employee.
  - e. The Finance Director and the Human Resources Manager review the payroll register, verifying employee names and reasonableness of hours worked and pay.

#### 4. Payroll taxes

- a. The Payroll Accountant prepares the related payroll liability payment information described below, and the Finance Director prepares payment requests through Accounts Payable or makes payment on line, as follows:
    - 1) 941 taxes; federal withholding and social security taxes, are paid by the Wednesday following payday. Payment is made on-line: <https://www.eftps.com/eftps>. A quarterly 941 report is due to the IRS by the end of the month following each quarter. The report is submitted via the postal system.
    - 2) Iowa withholding taxes are paid monthly, due the 15<sup>th</sup> of the following month, the 1<sup>st</sup> two months of a quarter. The total quarterly tax liability is reconciled, based on taxes withheld during the 3 months in the quarter, and the previous 2 payments. The balance of the quarter tax liability is due by the end of the month following the end of the quarter. Payment is made on-line: <https://tax.iowa.gov>.
    - 3) Illinois withholding is paid by the Wednesday following payday. Payment is made on-line. A quarterly 941 report is due to the State of Illinois Department of Revenue by the end of the month following each quarter. Payment is made using the My Tax Illinois available through the State of Illinois Department of Revenue.
    - 4) State Unemployment taxes are paid quarterly by the end of the month following the end of the quarter. Payment is made on-line; [www.myiowawui.org](http://www.myiowawui.org).
  - b. The Finance Director will prepare and submit timely payroll tax reports based on the payroll tax registers and sign them.
5. W-2's will be prepared and provided to all employees with earnings during the calendar year. W-2's are provided by January 31 to employees. W-2's are submitted to the IRS by January 31, and are filed electronically.
  6. Forms 1095 C will be distributed according to instructions provided by the Federal Government. This form is required according to the Affordable Care Act.
  7. Miscellaneous Deductions must be supported by appropriate documentation.
    - a. IPERS – The Finance Director is the reporting official to Iowa Public Employees Retirement System (IPERS). Payment of IPERS deductions and employer match is due the 15<sup>th</sup> of each month. The Finance Director prepares the file using the payroll software and transmits the file and payment on-line through the I-QUE system. Employees' wages are subject to IPERS coverage unless they chose to opt-out of IPERS coverage within 60 days of hire or eligibility.
    - b. The Payroll Accountant will record payroll deductions for insurance, loans and etc. on a computerized spread sheet.
      - 403(b) – Employment retirement plan payment information is prepared by the Payroll Accountant based on deductions and allocations, and given to the Finance Director following each pay date. Payment is made on-line through the MassMutual web-site. The law requires that participant contributions be deposited in the plan as soon as it is reasonably possible to segregate them from the company's assets, but no later than the 15<sup>th</sup>

- business day of the month following the payday. If it is reasonably possible to make the deposits sooner, the agency will do so.
- Health Insurance payroll deductions are reconciled to the health insurance bill verifying the allocations and deductions. Discrepancies are forwarded to the Human Resources Manager for follow up action.
- c. Garnishments and child support are paid according to court documentation.
8. The Executive Director will approve all on-line transactions made by the Fiscal Office that involve a request or disbursement of funds from agency bank accounts.

## **H. TRAVEL**

1. In area travel is considered to be travel within our service area.
2. Out of area travel is considered to be travel out of our service area.
3. Use of program owned vehicles for work related travel by other programs within the agency is allowed, with the approval of the funding source owning the vehicle. The program using the vehicle will be charged the current state mileage rate based on the number of miles driven. The mileage rate reimbursed to the program owning the vehicle pays for the gasoline and related wear and tear on the vehicle. The program using the vehicle will submit the odometer reading at the start and end of travel to the appropriate program director for approval. The Fiscal Office will prepare a journal entry to charge the program using the vehicle and to reimburse the program that owns the vehicle according to the miles driven.
4. In area travel is approved by the Program Director, turned into Fiscal bi-weekly to coincide with the pay period end and paid through the payroll system as a non-taxable adjustment. Odometer readings are required, unless there is a valid reason that the information is not available. In the absence of odometer readings, mileage may be calculated using maps.
5. Requests to travel out of the service area must be submitted to the appropriate Program Director for approval prior to travel. Documentation should include travel dates, purpose of travel, and if available, agenda or other information supporting the purpose of the travel. Staff may request advance payment of travel expenses
  - a. Approved advance travel payment requests are submitted to the Fiscal Office for check processing.
  - b. Approved requests that do not include an advance travel payment are to be turned in to the Accounts Payable Clerk, and held until travel is completed and the actual costs are reconciled to the advance travel request form.
6. Upon completion of travel, final travel expenses will be submitted to the appropriate supervisor for approval and forwarded to the Fiscal Office within 30 days of completion of travel. Appropriate documentation must be submitted with the travel expense forms. Odometer readings are required, unless there is a valid reason that the

information is not available. In the absence of odometer readings, mileage may be calculated using maps. Any amounts that were paid in advance that were in excess of actual expenses must be reimbursed to the Agency within 30 days. Employees must submit the completed expense form and any excess travel expense funds that are due to the agency prior to receiving additional travel reimbursement and advances. If the agency does not receive the travel reconciliation and is unable to recover advanced funds within 30 days of completion of travel, those funds will be reported as income to the employee. Expenses that exceed the amount paid in advance must be reimbursed to the employee following receipt of the approved travel documentation.

7. Meal expense for out of area travel that does not require an overnight stay will only be reimbursed if actual receipts are submitted, with documentation that the meal was business related. The receipt must include the names of business associates present and what was discussed. The amount reimbursed cannot exceed the meal rate allowed by the IRS.
8. The Executive Director or Planning Director, in the absence of the Executive Director, approves the travel forms for the Program Directors and submits them to the Fiscal Office for payment.
9. The President of the Board or other Board Officer approves the travel forms for the Executive Director.
10. Mileage reimbursement is calculated based on the current **IRS** mileage reimbursement rate. Contracts or grants that limit mileage reimbursement amounts are charged according to the contract limits. The employee is reimbursed according to the IRS rate, with the difference being paid for with non-grant dollars.
11. Meal and Incidental costs incurred during out of area overnight travel are reimbursed to the employee based on federal per diem rates. Hotel rates are reimbursed based on actual costs, or according to contract limits. Contracts or grants that limit travel reimbursement amounts are charged according to the contract limits. The employee is reimbursed according to federal per diem rates, with the difference being paid for with non-grant dollars. Receipts not covered by the per diem must be submitted for payment, such as hotel, taxi, parking, rental car receipts.
12. Reimbursement is made according to quarterly federal per diem rates allowed by location. Quarters are shown below:
  - 12:00 am – 6:00 am
  - 6:00 am – 12:00 pm
  - 12:00 pm – 6:00 pm
  - 6:00 pm – 12:00am

Travel that begins 30 minutes prior to a quarter starting or 30 minutes after a quarter ends will not be considered as a quarter.

13. Agency credit cards are available to make motel reservations and to pay for approved agency related travel costs only. The credit cards are kept in the Fiscal Office. A log is maintained documenting when and by whom a card is checked out. In order for a card to be used by staff, the supervising Program Director notifies the Fiscal Office with approval. Cards are to be returned to the Fiscal Office as soon as travel is completed.
14. Mileage reimbursement is to be made for agency related travel only. Staff traveling on agency business may incur additional travel for personal reasons; however, mileage for personal reasons must be documented and not reported for reimbursement.
15. Travel by air must be supported by submitting boarding passes.

## **I. PURCHASING AND PROCUREMENT**

1. All purchases are subject to the following policies, and will also include any additional requirements specified by the funding source. Program Directors are responsible for complying with the funding source regulations regarding purchasing, including written approval prior to purchase.
2. In order to promote open and full competition, purchasers will:
  - a. Be alert to any internal potential conflicts of interest.
  - b. Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
  - c. Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
  - d. Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
  - e. Issue solicitations that clearly set forth all requirements to be evaluated.
  - f. Reserve the right to reject any and all bids when it is in the Organization's best interest.
  - g. Not give preference to state or local geographical areas unless such preference is mandated by Federal statute. (200.319(b))
  - h. "Name brand or equivalent" description may be used as a means to define the performance or requirements (200.319(c)(1))
3. The agency shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award.
4. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. This analysis should only be made when both lease and purchase alternatives are available to the program. The analysis should include the following:
  - a. Are there one-time funds available for the purchase?
  - b. Are there funds available in the on-going budget to cover the cost of a lease?

- c. Are there financial advantages to leasing when considering the terms and buyout options?
  - d. Is there an escape clause allowing cancellation in the event of a loss of federal funds?
5. Purchasers are encouraged to enter into state and local inter-governmental or inter-entirety agreements where appropriate for procurement of use of common or shared goods and services.
6. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
7. The agency will maintain records sufficient to detail the history of procurement, including: (*2 CFR Part 200.318(i)*)
  - a. Rationale for the method of procurement;
  - b. Selection of contract type;
  - c. Contractor selection or rejection; and
  - d. The basis for the contract price.
8. The Program Directors will approve and sign all Purchase Requisitions for their program, except purchases made by them for reimbursement, which are approved by the Executive Director.
9. The Program Director approving Purchase Requisition must:
  - a. Determine if funds are available for the expenditure.
  - b. Determine if the expenditure is budgeted, allowable under the grant, necessary and reasonable and in accordance with Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
10. Purchase of items with a unit cost of less than \$3,000 may be made at the discretion of the Program Director without competitive quotations; however, documented cost comparisons should be made whenever possible. Purchases should be distributed among qualified vendors.
11. Items, such as supplies, services and other property costing \$3,000 or more but less than \$150,000, require the program director to attempt to obtain three (3) documented cost comparisons. Price comparisons must be obtained from an adequate number of sources. Documentation showing how the selected vendor was chosen is required.
12. Each program/department will develop a list of vendors to use throughout the year for the purchase of similar, commonly-purchased items than can be acquired from a single vendor, and the annual aggregate total of purchases is less than \$150,000. Examples are office supplies, classroom food, and classroom supplies. The following will be taken into consideration:
  - a. Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary.

- b. Attempt to obtain 3 quotes, depending on the level of expected spending for the year.
- c. Compare the quotes.
- d. The vendors with lowest prices, including shipping, will be approved for use during the year.
- e. This process could result in multiple approved vendors if the prices are within 5% of each other.
- f. Be aware of and follow all disbarment exclusions
- g. Purchases should be rotated between vendors to provide for open and fair competition.

This process should be repeated annually, with the approved list produced by January 31. Vendors may be added throughout the year, but all vendors will be reevaluated January 31. Documentation showing how the selected vendor was chosen is required.

- 13. All procurement transactions with a unit cost in excess of \$5,000 require Board approval.
- 14. Purchases in excess of \$150,000 require 3 Request for Proposals (written bids).
  - a. An accurate description of the product or service shall be included in the RFP and shall not contain features which unduly restrict competition.
  - b. The RFP shall contain a description, whenever practical, of technical requirements, performance required, and any minimum acceptable standards.
  - c. The RFP will require that the contractor certifies in writing that it has not been suspended or debarred from doing business with any Federal agency.
  - d. The contractor will not use “cost plus a percentage of cost” or “percentage of construction cost” methods contracting to determine the final bid price.
  - e. Included in the RFP shall be a bid packet with directions on submitting the RFP such as by mail, fax, e-mail, phone; the address where the RFP will be received; contact person; the deadline for submission; and other forms and assurances which must be included and signed.
  - f. Positive efforts shall be made to utilize small businesses, minority-owned firms, and women’s business enterprises, whenever possible. In addition, preference to the extent practical and economically feasible will be given to goods dimensioned in the metric system of measurement and products and services that conserve natural resources, protect the environment and are energy efficient and are American-made.
- 15. Sole source purchases may be made when one or more of the following conditions applies:
  - a. The item or service is only available from one source;
  - b. The situation is an emergency and will not permit a delay resulting from competitive solicitation;
  - c. The awarding agency expressly authorizes noncompetitive proposals in response to a written request;

- d. After solicitation, competition is deemed inadequate (insufficient bidders).
16. Community Action of Southeast Iowa Board of Directors reserves the right, when in the best interest of the Corporation, to waive the bid procedure for purchases under \$10,000.
17. No purchases will be made for/by employees or others so that the party will benefit from the agency's status.
18. The Executive Director will approve all checks that are written for more than \$5,000.
19. The Executive Director will approve all on-line transactions made by the Fiscal Office that involve a request or disbursement of funds from agency bank accounts.
20. Purchases made on-line, including E-Bay purchases, must be pre-approved by the Program Director. Charges are to be billed directly to the agency if at all possible. In the event that the contractor requires immediate payment, and the item cannot be purchased by any other method, an agency credit card is available. The agency card is kept in a locked file in the Fiscal Office and must be checked out for use. The Executive Director must approve the use of the agency card for this purpose. The Officer Manager will place the on-line purchase order using the agency VISA card. The order form will be printed out and attached to the purchase request. All on-line purchases must be verified as received by someone other than the person placing the order if a personal credit card is used.
21. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** When required by Federal program legislation, all construction contracts of more than \$2,000 awarded by the agency and its sub recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction").

## **J. PROPERTY/EQUIPMENT/FIXED ASSETS**

1. Identification - Equipment shall be defined as all items (purchased, government excess or donated) with a unit value of \$5,000 or more, unless a lesser amount is established by the funding source. Items with a useful life of more than one year and a unit price in excess of \$5,000 will be capitalized.
  - a. The Program Directors will see that equipment inventory additions are prepared and given to the Office Manager. The Office Manager will enter the equipment on the inventory database
  - b. The following information is required:
    - 1) Date acquired
    - 2) Method of acquisition (purchase or donation)
    - 3) Cost or basis at acquisition



- c. A physical inventory of non-expendable property will be taken bi-annually. A Fiscal Staff person will conduct or supervise the physical inventory. The following information is required:
    - 1) Date acquired
    - 2) Method of acquisition (purchase or donation)
    - 3) Cost or basis at acquisition
    - 4) Description
    - 5) Serial number/model number
    - 6) Source of the equipment, including award Number
    - 7) Location
    - 8) Disposition of equipment if applicable
    - 9) Condition of equipment
  - d. In the event an item is transferred to another site or program and Inventory Reporting Sheet will be prepared by the program transferring the property and the program receiving.
2. Capitalized property and equipment additions are accounted for at their historical costs, or other basis if donated, and all such assets, except land, are subject to depreciation over their estimated useful lives.
  3. Loss, Damage or Destruction
    - a. The Program Director will immediately notify the Executive Director of all cases of loss, damage or destruction of equipment.
  4. Disposal of Property
    - a. Each program must comply with the requirements of the funding source.
    - b. Property that is not subject to the funding source requirements with a fair market value of less than \$5,000 and is no longer of value to a program will first be made available to other programs within the agency. Current fair market value, if any, will be paid by the program taking the item. In the event that no program wants the item(s), all staff will be given the opportunity to purchase the item(s). The program director offering the items will submit a description of the item to the Planning Director. The description and instructions regarding the bid process for the final disposal of the item(s) will be printed in Cap Coins.
    - c. Items with a fair market value of less than \$5,000 that are no longer of value to a program which are disposed of, may be sold at public auction, or they may be sold privately if not transferred or sold within the agency. Funds from the sale are applied as income to the program.
    - d. Disposal of any inventory items shall be recorded on the Inventory Reporting Sheet prepared by the program disposing of the item and forwarded to the Office Manager. The Office Manager will update the inventory database accordingly. Items that are transferred to another agency program will also be documented using the Reporting Sheet, indicating the program disposing of the item and recording the program receiving the item. The Finance Director will make the

appropriate entries to record the transfer of items that have been recorded as fixed assets and are being depreciated.

#### **K. LEASES/CONTRACTUAL AGREEMENT**

1. The Executive director will review leases/contractual agreements prior to signing.
2. All leases/contractual agreements will be signed by the Executive Director.
3. Copies of all leases/contractual agreements will be immediately forwarded to the Office Manager and the Finance Director. Original copies are kept in the Fiscal Office.

#### **L. INSURANCE**

1. Insurance policies will be maintained in insurance files by the Planning Director.
2. Insurance policies will be carefully reviewed by the Executive Director before renewal.
3. Insurance coverage, at a minimum, will meet the requirements set by the funding source.

#### **M. NON FEDERAL OR IN-KIND MATCH**

1. Each program is responsible for obtaining the In-kind required for the program.
2. The employee who receives the contribution will prepare the In-kind sheet for non federal share requirements, have the donor sign and date the form. In-kind is recorded at the fair market value.
3. The designated Family Specialist in each center will complete and verify the In-kind sheet, prepare a summary of all non-federal In-kind, and forward it to the appropriate program for approval.
4. Volunteer rates will be consistent with those paid for similar work in the agency or with those rates paid for similar work in the labor market in which the agency competes for the service involved.
5. The value of donated space shall not exceed the fair market value of comparable space and facilities in a privately owned building in the locality. Head Start/Early Head Start donated space will be verified by an independent real property appraiser, licensed or certified in the state in which the property is located or by a licensed and independent real estate broker or real estate agent familiar with the rental market in the local community. An appraisal more than three years old cannot be used to establish current fair market rental value of donated space.

6. Cash donations will be identified upon receipt and credited to the designated program. The Program Director is responsible for the allocation of the funds based on the designated purpose.
7. The appropriate Program Director will determine if reported in-kind is accurate and allowable according to 2 CFR Part 200 Subpart E. Cost Principals. According to contract requirements, in-kind documentation may be forwarded to the Fiscal Office for reporting purposes.

## **N. GRANTS AND CONTRACTS**

1. Copies of all grants and contracts will be immediately forwarded by the Executive Director to the appropriate Program Director.
2. Each Program Director reviews each grant award to ensure compliance with all provisions and alerts the Executive Director and Finance Director of any changes or concerns.
3. The Finance Director will carefully review each award to ensure compliance with all financial provisions.
4. All contracts or grant awards will be signed by the Board President and/or Executive Director.
5. An original of all signed grants and contracts will be maintained in the Fiscal Office by the Finance Director, and Program Directors will be given a copy.

## **O. BUDGETS**

1. Financial budgets will be prepared by the Program Director or by the Finance Director working closely with the Program Directors.
2. Budgets will be submitted to the Executive Director and the Finance Director for review prior to submission to the Board for approval. Budgets for Head Start, Early Head Start, Shared Visions and other Head Start related grants will be submitted to the Executive Director and the Finance Director for review prior to submission to the Head Start Policy Council and Board for approval
3. The Finance Director will ensure that budgets are on file for all grants and contracts.
4. The Finance Director and Program Director will work together as needed on any necessary budget revisions.
5. The revised budget is submitted to the Executive Director for Board approval.

6. The Finance Director or Program Director is responsible for submission of the budget revision to the appropriate funding source for approval.

## **P. FISCAL REPORTS**

1. The Finance Director is responsible for the timely submission and accuracy of all fiscal reports. Program Directors are responsible for timely submission and accuracy of all programmatic reports.
2. The Executive Director or designee will sign all reports submitted to the funding sources. Someone other than the person preparing the report will review the report and supporting documentation. Reports that are submitted electronically will be reviewed prior to submission and be signed by the Executive Director or designee.
3. The Finance Director will maintain a current listing of due dates for all reports for the year.
4. Monthly financial reports for all current funds and grants are prepared by the Fiscal Office for submission to the Board and Program Directors. Reports are prepared comparing budgeted amounts by cost category to actual current expenditures. A monthly agency balance sheet and agency consolidated expenditure report will be presented to the Board at each regularly scheduled meeting.
5. Monthly financial reports for Head Start, Early Head Start, Shared Visions and other related grants will be prepared by the Finance Director, and/or Accounting Clerk for submission to the Head Start Policy Council. Reports will compare budgeted amounts by cost category to actual expenditures.
6. Reports submitted to the funding sources shall be prepared based on the monthly financial reports.
7. Final reports will be submitted according to the funding source contract instructions and due dates.
8. The final Head Start / Early Head Start report is submitted using Standard Form 425. All obligated expenditures must be liquidated prior to submission of the final report, unless prior approval is received from Department of Health and Human Services to carry over funds.
9. Credit card statements are submitted to the Board and Policy Council monthly. A detailed report is included indicating the program, person making the charge and the purpose of the charge. The account number on the statement is deleted for security.
10. A list of all accounts payable checks and electronic direct deposit transactions written since the previous Board meeting is provided to the Board of Directors for review. The list is returned to the Executive Director after review to be shredded.

## **Q. TAX EXEMPT STATUS**

1. The Agency is exempt from Federal Taxes described under 501 C (3) - of the Internal Revenue Code.
2. The Agency is exempt from state Sales Tax as determined by the Department of Revenue Sales Tax Division of the State of Iowa in a letter dated June 24, 1969, August 11, 1981 and May 6, 2002.

#### **R. BOOKS OF ORIGINAL ENTRY**

1. The agency will utilize a double entry accounting system for all funds.
2. The Finance Director and/or Accounting Clerk will prepare general journal entries, with adequate documentation to support all entries. Journal entries will be reviewed by someone other than the person preparing the entry.
3. The Office Manager will record all cash and checks on the Daily Cash Log and deliver to the Fiscal Office on a daily basis, except when there are no receipts.
4. It is the Finance Director's responsibility to determine that all transactions are entered on the computer.

#### **S. OTHER PROGRAM INCOME AND REVENUE**

1. Program related income will be reported as required by the funding source.
2. Interest income on Head Start/Early Head Start Federal funds will be returned quarterly to the Treasurer of the United States, based on their requirements.
3. A reconciliation of interest income on federal funds is made annually. Interest in excess of \$500 must be returned to Department of Health and Human Services using the Payment Management System.
4. Interest is figured at the current bank rate at the end of the corresponding month.
5. Donations of cash and non-program related income will be accounted for separately.

#### **T. OTHER FISCAL PROCEDURES**

1. Fiscal procedures will be reviewed annually by the Finance Director. Significant changes in the Fiscal Policies and Procedures Manual will be reviewed by the current agency auditor and the Finance Committee and the Executive Director. The Executive Director will present these changes to the Board at the next regular Board meeting. The Board of Directors must review and approve the Fiscal Policy and Procedures every two years.
2. At Fiscal Year End, September 30, all accrued vacation for all employees will be calculated at the employees current rate of pay. A general journal entry will be made to record the vacation liability. All employees requesting vacation carry over greater

- than 7 days, pro-rated for less than full time, must have prior approval from the Executive Director. In the event that a program/grant does not have sufficient funds to pay the vacation liability associated with that program/grant, the liability will be funded using available non-discretionary funds held by the agency.
3. An agency wide audit will be conducted annually, in accordance with Part 200 Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards.
  4. Auditor Selection Process - Every five years a Request for Proposal will be sent out to procure a bid to perform the annual agency wide audit. The request is sent to the current auditor, local auditors that are known to have experience auditing non-profit agencies, firms that are known nationally, as well as firms that are known to audit other Iowa Community Action Agencies. The Finance Director may contact other Community Action Agencies to develop a list of possible auditors. Upon receipt of the bids, the Executive Director, Finance Director and Finance Committee independently review the bids, using the Evaluation form (see doc. Audit Evaluation) to arrive at a score for each candidate. The group then meets jointly to discuss their evaluations and determine the recommended selection. An information summary and recommendation is submitted to the Board for final selection. The successful bidder must have previous experience auditing non profit agencies that receive federal funding.
  5. Minutes of Board Meetings
    - a. Accurate minutes of all meetings of the Board of Directors will be prepared by the Planning Director, and maintained in the central file.
    - b. The Finance Director will note all items in the minutes relating to finance and take appropriate action.
  6. Form 990
    - a. The current contracted Auditing Firm will prepare the Form 990, Return of Organization Exempt Income Tax.
    - b. The Finance Director will review and approve Form 990.
    - c. The Executive Director or Board President will approve and sign Form 990.
    - d. The final 990 report is presented to the Board prior to submission or at the meeting following submission.
  7. Form 5500 CR
    - a. Massachusetts Mutual will prepare the 5500 CR for the Tax Sheltered Annuity.
    - b. The current contracted Auditing Firm will audit the 5500 CR Report.
    - c. The 5500 CR Audit is presented to the Board at the meeting following completion of the audit.
    - d. The Finance Director submits the 5500 CR report and the audit through a secure Massachusetts Mutual web-site or EFAST.
  8. Credit Applications – the Finance Director or Accounts Payable Clerk will prepare all credit applications, and the Executive Director will sign.

9. Rebates – Program Directors are responsible for requesting any rebates that the agency is eligible for and supplying the Fiscal Office with a copy of the request. Rebates that are received are to be applied to the requesting program. Checks and other forms of rebate or credit will be held in the Fiscal Office. The Fiscal Office will match the credit or rebates to the documentation submitted by programs requesting the rebate or credit. The program director will request the rebate or credit documents from the Fiscal Office when they are ready to redeem them. Invoices are to be returned to the Fiscal Office verifying the use of the rebate for allowable purchases.
10. The File Server in the Fiscal Office will be backed up daily. The backup is saved to the Cloud and is reviewed and maintained by our J&S Electronics. J&S will receive notification if there is a back-up failure and notify the Fiscal Office.
11. Agency VISA cards are kept in the Fiscal Office. The cards may be checked out, with the appropriate Program Director's authorization. The only approved use of these cards is for allowable travel related costs and to make purchases when no other payment method is available or if paying by credit card results in a substantial savings to the agency. Use of the credit card for purchases other than travel must also be approved by the Executive Director. The current agency VISA cards offer a reward rebate which is issued as a check payable to the agency. Reward rebates will be deposited in the agency general fund. The rebate is determined based on a percentage of total purchases.
12. Credit Cards, such as Wal-Mart, HyVee, and Staples are kept in the Fiscal Office, or kept by designated staff at neighborhood centers. The cards may be checked out, with the appropriate Program Director's authorization. A log sheet is maintained, noting date, type of card, person checking the card out and that authorization has been verified. Invoices are processed according to Accounts Payable procedures.
13. Head Start, Weatherization and WIC have control of fuel credit cards for agency owned vehicles. Credit cards to are to be kept in a secure location,
14. A lock will be maintained on the door to the Fiscal Office. The Fiscal Staff and the Executive Director have keys to the lock. The door will be locked at the end of the day and at any time the Fiscal Office is unattended.
15. Meals may be provided at work related trainings or meetings where staff are expected to remain at the location throughout the period. The expense for meals will be paid for using program funds if allowable, or charged to the agency administrative cost pool, or agency non-grant funds.
16. Sensitive data, including protected personally identifiable information, such as social security numbers, birth dates, mother's maiden name, etc., of employees, donors, volunteers, and/or clients will be kept in secure files, such as password protected computer files, locked file cabinets and locked storage areas. Such information may be stored in areas other than the accounting department. Locations of sensitive data include:

Other agency departments such as but not limited to Head Start, Human Resources, Child and Adult Care Food Program (CACFP), Family Development and Self-Sufficiency (FaDSS), Women, Infants and Children (WIC), and Low Income Heating Assistance (LiHeap).

17. Electronic or on-line storage -

The agency’s policy is that all sensitive data be secured in locked files or password protected electronic systems. All staff is required to maintain a secure system to insure adequate safeguards for such information.

**U. Record Retention**

Community Action of Southeast Iowa retains records as required by law and destroys them accordingly. The destruction of records referenced in this document must be approved by the Executive Director. The record retention periods specified in the schedule are minimum periods and commence based on the independent financial audit period related to the grant or period for which the document was created, not from the date of the document itself. The periods may be lengthened if necessary by business or practical considerations, or according to funding source requirements. No records should be destroyed at any time if they are subject to subpoena. Correspondence should be retained for the life of the principal document or contract.

Electronic documents will be retained and stored in a readable format according to the agency retention policy.

Description of record(s)	Manner of record keeping	Disposition
<b>I. Corporate/ organizational records:</b>		
<b>Incorporation documents including articles of incorporation, bylaws, and related documents</b>	<b>Originals stored in Central file and copies in Board Oversight book.</b>	<b>Permanent</b>
<b>Tax-exemption documents including application for tax exemption (IRS Form 1023), IRS determination letter, and any related documents</b>	<b>Store in fiscal office</b>	<b>Permanent.</b> Federal law requires copies of these documents to be held at organization’s headquarters office. These records must be made available for public inspection upon request.
<b>Meeting/board documents including agendas, minutes and related documents</b>	<b>Compile &amp; file records on yearly basis; Store in central file</b>	<b>Permanent</b> Care should be taken to include only necessary information in these documents.
<b>Insurance Policies and claim information</b>	<b>Current in Planning Director office, expired in Admin Storage</b>	<b>Permanent</b>



Litigation Documents	Store in Executive Director's office in locked file	Permanent
<b>2. Real Estate</b>		
Leases	Store in fiscal office	Ten Years
Purchases including deeds, abstracts, opinions, sales agreements mortgages	Store in fiscal office	Twenty Years after the sale
<b>3. Financial records:</b>		
Bank statements, canceled checks, check registers, investment statements, and related documents	Compile & file records on a yearly basis	<b>Seven Years</b> - Store with financial records. Destroy after seven years.
Annual information returns (IRS Forms 990)	Federal law requires that the three most recent years returns be kept in the organization's headquarters office and be made available for public inspection upon request	Permanent
Audit, General Ledgers and year end statements	Store in fiscal office	Permanent
Contracts	Store in fiscal office	Ten Years
Retirement/Pension Records	Store in fiscal office	Permanent
Depreciation Schedules	Store in fiscal office	Permanent
Accounts Payable Documents- invoices and supporting documents	Store in fiscal office and fiscal storage area	Seven years – Destroy after seven years. Payable documents related to real estate purchases or other capital purchases should be retained according to related policies.

Description of record(s)	Manner of record keeping	Disposition
Government Contracts or Awards and any documents or records pertinent to the award	Store in fiscal office	<b>Seven Years</b> from the date of acceptance of the final expenditure report. If any litigation claim or audit the records shall be retained until resolved and final action taken.
Inventory	Maintained on Office Manager Computer. Bi-annual inventory in fiscal office	<b>Seven Years</b>
In-Direct Cost rate proposals and allocation plans	Store in Fiscal Office	Permanent
<b>4. Employee Records</b>		
Employment Applications	Store in storage room locked files	Three Years

<b>Time Sheets</b>	<b>Store in fiscal office/Electronic Time Sheets are stored on the THO electronic time sheet server.</b>	<b>Ten Years</b>
<b>Personnel Records</b>	<b>Current in HR Office in locked file. Terminated employees in storage room locked files</b>	<b>Seven Years</b> after termination
EEO Reports	Planning Director's Office	Permanent
OSHA Records and Forms not located in Personnel Files	Human Resource Office in locked file	5 Years
Workers' Compensation Records	Human Resource Office in locked file	5 Years
<b>5. Client Information</b>		
<b>Client Files</b>	Respective Programs are responsible for secure storage	Three Years
<b>Client Data Base Information</b>	<b>Store at location service is provided</b>	<b>Three Years</b>

- Record Storage: All financial, personnel, legal and program documentation will be kept securely locked.
- Method of Destruction:
  - Physical documents will be shredded. Depending upon the volume of documents, such shredding will either be done by staff or by an external third party secure shredding service.
  - Electronic documents will be permanently deleted from the electronic device they are stored on. Hard drives will be physically destroyed when a device is disposed of.
  - Each program director responsible for maintaining documents referenced in the above table will maintain a log sheet listing the documents being destroyed, the method of destruction and the date of destruction. The Executive Director will provide written approval on the log sheet prior to the destruction of the documents.

Use of Electronic Records: All retention periods for printed records described in this policy apply to electronic records. Retention of an electronically stored version of a record will meet the requirements of retention as long as the electronic version preserves the original content and format of the printed records (such as creating a pdf version of the physical document).

Security of Electronic Records: Electronic records will be password protected and backed up through an established preservation and back-up system. Records will be maintained by the appropriate office or staff member, according to the above table.