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Community Action of Southeast Iowa

Fiscal Policies and Procedures

Board Approved April 15, 2025

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1) **GENERAL**

- A. 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.
- B. The Executive Director has the final executive responsibility for grantee actions and operations.
- C. 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.
- D. 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.
- E. 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.

2) **PETTY CASH**

- A. The agency does not use a petty cash fund.

3) **CASH RECEIPTS (INCLUDING CHECKS)**

- A. When any payment is received, all cash receipts are listed on a Daily Cash Receipts Log by the Office Manager, or in their absence the Planning Director or Receptionist.
- B. A copy of the Daily Cash Receipts Log with all checks and cash received is to be handed directly to the Finance Director daily, if items are received. If the Finance Director is not available this is to be handed directly to another Fiscal staff person. At no time will the log, checks, or cash be laid on staff's desk and left unattended.
- C. The Daily Cash Receipts Log will be initialed by the Fiscal staff person receiving it to verify receipt and date. If the log received contains cash, the fiscal staff person receiving the log will count the cash with the person delivering the log to verify cash amount received. The Finance Director, or Accountant, will code the Log, indicating where the funds are to be applied when entering the payment into the Fiscal accounting software.
- D. The agency uses an electronic check scanner provided by the Agency's bank to deposit checks received. The scanner 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. A report showing the total deposit will be attached to each Daily Cash Receipts Log.

- E. Processed checks are kept in a locked file cabinet in the Fiscal Office for no less than two months. After that time checks may be shredded. Checks are generally not shredded until after the Fiscal Year audit.
- F. Deposits are to be made at minimum of once per week, however will be made more frequently when possible. Rare exceptions may occur due to staffing, illness or other circumstances that may prohibit the weekly deposit.
- G. Cash deposits are kept in a locked file cabinet in the Fiscal Office until the deposit is taken to the bank. Cash deposits are to be made as soon as possible.
- H. A deposit slip for cash deposits will be completed and submitted with the cash to the bank. Once deposited, the validated deposit slip copy will be attached to the Daily Cash Receipts Log along with all supporting documentation received with the cash.
- I. Electronic Fund Transfer (EFT) notices are received by mail or email and are for automatic deposits made into the Agency's bank account from funding sources. The EFT notices are given to the Finance Director when received by mail. The Finance Director, or Accountant, will prepare a journal entry indicating where the deposit is to be posted in the Fiscal accounting software.
- J. If EFT notices are not received, the Finance Director, or Accountant, will prepare a journal entry based on deposits that have been posted to the Agency's bank account when viewing the Agency's daily bank activity online. The journal entries will be entered into the Fiscal accounting system by the Accountant or fiscal staff person other than the one who prepared the journal entry, unless done by the Finance Director.

4) PROGRAM RESOURCES

- A. Grant funds are deposited in a general checking account with each fund identified separately using the agency fund Fiscal accounting software, as per their instruction.
- B. At no time will the agency have federal cash advances that exceed the expenditure projections of the Agency.
- C. 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.
- D. Head Start/Early Head Start (HS/EHS) cash draws are based on actual expenditures. Cash Draws for HS/EHS are typically made when payroll costs have been posted or when Accounts Payable checks have been posted to the Program. The Finance Director, or Executive Director, will determine the negative cash balance in the HS/EHS funds using a current trial balance report, noting all previous cash draws are accounted for. A payment request will be made only if a negative cash balance exists. Once the required amount is determined, the draw is made online using the Division of Payment Management System website.

- E. The agency prohibits the use of any program funds from covering the costs in any other funding streams. (For example: HS/EHS funds can only be used to cover costs in the HS/EHS program.)
- F. Safety Deposit Box: located at Farmers & Merchants Bank and Trust in 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.
- G. Online Banking: Online banking is available through First Interstate Bank. Interstate Bank has provided software that allows access to online banking. The Executive Director, Finance Director, and Accountant have access to all Community Action accounts at First Interstate Bank. Each user selects a unique password to access online services and each user has specific rights assigned to their user profile. The Executive Director and Finance Director have access to all online banking features with the Accountant having limited access. The online 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 First Interstate Bank. All transfers or online loan payments made by the Finance Director must be approved by the Executive Director. All transfers or online loan payments made by the Executive Director must be approved by the Board President.
- H. 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. If it's determined that competitive proposals are needed, 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 of Directors will evaluate the information found during the review. The Board of Directors 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 ensure all Community Action of Southeast Iowa deposits will be considered. Costs and time for the Agency to change banks will be taken into account with review.
- I. Banking services and interest rates may be reviewed, and area banks asked to submit a proposal, sooner than 5 years if there are significant changes in bank fees, services, or interest rates with the Agency's current bank.
- J. Federal funds will be deposited in insured accounts whenever possible.
- K. 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.
- L. The Agency has established a line of credit with First Interstate Bank. 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 of Directors 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.

- M. The following Banking Institutions and accounts are used by the Agency:
- i. First Interstate Bank
 - a. General Checking
 - b. Money Market Commercial
 - c. Line of Credit
 - ii. Other Accounts: CD's – Banking Institution varies depending on available interest rates at time of purchase.

5) **ACCOUNTS PAYABLE AND PROGRAM EXPENSE PROCEDURES**

- A. Purchase Authorization
- i. Agency Personnel shall receive all deliveries, sign and date the receiving documentation when required, and forward the invoice, or receipt, to the appropriate program for processing through Accounts Payable.
 - ii. All original invoices will be immediately forwarded to the program that incurred the expense. (See HS/EHS process in 5.A.iv.)
 - iii. The invoice and all supporting documentation are submitted to the Program Director for review, approval, and to assign the appropriate information for fiscal to use when processing. The approved invoice, receipt, and purchase order is submitted to the Fiscal Office for payment. Invoices are to be approved by the Program Director, or Executive Director. (See HS/EHS process in 5.A.iv.)
 - iv. HS/EHS uses a purchase order system to initiate purchases. Staff requests approval to make purchases, which are forwarded to the HS/EHS Director or designee in their absence. Once the purchase is approved and determined to be reasonable and necessary for the program, the request is emailed to the HS/EHS Administrative Assistant. The HS/EHS Director reviews and approves the actual invoice prior to payment. HS/EHS invoices and vendor statements received in the mail are delivered to the Fiscal Office by the Receptionist or Office Manager. Purchase orders are matched to invoices when received by the Accounts Payable Clerk.
- B. The Accounts Payable Clerk or Finance Director will access the System for Awards Management (SAMS) website to verify that a new contractor has not been placed on the disbarred and suspended list to do business with the federal government.
- C. A Vendor List report from the Fiscal software will be used to verify any changes to existing vendors, or to show new vendors added. This will be used ongoing to verify payments are being made to confirmed vendors.
- D. The Accounts Payable Clerk will mail a Form W-9 to new vendors to determine if a 1099 is to be issued at the end of a calendar year for services/goods provided.

- E. A 1099 is issued to the required vendors receiving payments of more than \$600 during the calendar year. The 1099 will be distributed to vendors and reported federally in accordance to the yearly federal deadline requirements, as well as other dates according to state rules.
- F. Check Control
- i. All checks are pre-numbered. The Finance Director will be responsible for all blank checks, which are locked in the Fiscal Office.
 - ii. Purchase orders received by the Fiscal Office will be processed for payment if all documentation is provided and correct. The Agency typically issues payment within 30 days of the invoice date. Payment requests given to the Fiscal Office will be held for payment until closer to the due date.
 - iii. All checks will be signed using an imbedded signature in the Fiscal 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 Fiscal accounting software. All checks are printed using MICR (magnetic ink character recognition) toner for additional security.
 - iv. There are three staff members within the Agency who have access to the information needed to print checks. They are the Planning Director, Executive Director and Office Manager. These three have access to the password required to activate the embedded signature required for signing all checks within the Fiscal accounting software and will be the only persons allowed to initiate the check signing process. Persons having access to the password will not have access to enter the information required to generate checks in the Fiscal accounting software.
 - v. The Office Manager will be the primary person responsible for entering the password in the Fiscal accounting software which will activate the embedded check signing process and allow for printing of the checks. The Office Manager, or one of the other authorized staff, will print all checks and hand them to the Finance Director, or another fiscal staff person if the Finance Director is not available, other than the person entering the data which is normally the Accounts Payable Clerk. The Office Manager 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 Office Manager, one of the other persons having access to the password will follow the procedures outlined above. The password should be changed at least every three months.
 - vi. The Finance Director, or other 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 printed checks. Invoice addition, appropriate fund and object (expense) codes, vendor number and information, and the attached documentation will be reviewed before the release of the payable checks that have been printed.
 - vii. 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 voided check, if available, is put with the information in the void check file folder kept by the Accounts Payable Clerk.
 - viii. All accounts payable VOIDS will be processed by the Accounts Payable Clerk and approved by the Finance Director. The Accounts Payable Clerk 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, or Accountant in their absence, will be responsible for issuing “Stop Payments” for voided checks if needed. This is done through First Interstate Bank online banking account.

- ix. Checks will be distributed as follows:
 - a. Check is mailed to the payee by the Accountant not preparing the checks.
 - b. The duplicate check stub is attached to the supporting documentation and is filed by check number, by the pay date and kept in the account’s payable files.
 - c. 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 Accounts Payable locked file cabinets.
 - d. When issuing an EFT payment, the Accounts Payable Clerk will create the file to upload to the bank. The Finance Director will review the file and the supporting purchase order and documentation and will approve the file for payment. The Finance Director, or Accountant, will upload the file for payment to the vendor through First Interstate Bank using the online banking account. An automatic email notice is received from the bank by the Executive Director, Finance Director, and the Accountant with details of all scheduled EFT transactions.
- x. All checks and EFT transfers generated through the Accounts Payable process automatically create a file within the Fiscal accounting software. The Finance Director, Accountant, or Executive Director, is required to upload each file created to the Agency’s online account with First Interstate Bank. The files uploaded are used for verification in Positive Pay services with First Interstate Bank. Positive Pay services will compare all checks and automatic payments (EFTs) contained in the uploaded files to actual items attempting to clear the Agency’s bank account by verifying 4 areas: the check number, vendor name, date, and amount of each item. Any discrepancies in any of the 4 areas are emailed to the Finance Director, Accountant, and Executive Director for individual review and authorization before the item will be paid by First Interstate Bank.
- xi. In no event will:
 - a. Checks be prepared from monthly statements without supporting documentation and proper approvals.
 - b. Checks be used other than in chronological order.
 - c. Checks be prepared or signed in advance.
 - d. Checks be made out to “Cash”, “Bearer”, “Petty Cash”, etc.
 - e. Checks be prepared on verbal authorization.

G. Cost Allocation

- i. Each program will pay for direct costs relating to that program.
- ii. Certain costs that are shared (i.e. space, telephone, utilities) are charged to the appropriate programs based on the Agency’s cost allocation plan.
- iii. The Cost Allocation Plan is reviewed annually by the Finance Director and any time there are significant changes that occur that would affect the plan. The Accountant maintains the plan and keeps supporting information that verifies the reasoning behind the allocations and any changes.

6) **BANK RECONCILIATIONS**

- A. Mailed bank statements will be received by the Office Manager or Receptionist and given to the Finance Director unopened. The Finance Director will review the statement and enclosed documents.
- B. Bank accounts are reconciled by the Accountant or Finance Director monthly. When reconciled by the Accountant, the Finance Director will review the reconciliation and initial it indicating approval. In the event the Finance Director reconciles the bank statement, the Executive Director will review and initial the reconciliation page. Specific reconciliation details for each account are as follows:
 - i. General Checking Account: The total amount debited to the checking account for payroll and accounts payable direct deposit is verified against the general ledger from the Fiscal accounting software. A listing of reconciled checks is downloaded from First Interstate Bank online banking account and uploaded into the Fiscal accounting software by the Finance Director. The agency software reconciles checks according to the file that is uploaded. The reconciled bank balance will be compared to the cash account balance in the Fiscal accounting software general ledger. Any discrepancies between the bank's information and the Fiscal cash balance will be notated on the reconciliation monthly report.
 - ii. Money Market Commercial Account: The reconciled bank balance will be compared to money market balance in the Fiscal accounting software general ledger. Any discrepancies between the bank's information and the Fiscal money market balance will be notated on the reconciliation monthly report.
- C. Funds may be transferred in or out of the Money Market 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.
- D. All outstanding checks over 90 days will be reviewed and reissued if appropriate, or voided. The issuing fund will be credited for the checks not reissued unless the fund has been closed out. In this case the credit will be issued to the current fund for the same program. If the program is no longer active, the funder will be contacted to inform them of a refund due to them and the Agency will proceed as instructed by the funder.
- E. The bank reconciliations are presented to the Board Treasurer, or Board President, for approval at the next Board meeting.

7) **PAYROLL PROCESSING**

- A. Hiring
 - i. All new employees meet with the Executive Director or Human Resources Director and complete the following forms which are then provided to the Fiscal Office for payroll.
 - a. Federal W-4 form. Federal tax withholding. (copy to Fiscal, original kept in HR file)
 - b. State W-4 form. State tax withholding. (copy to Fiscal, original kept in HR file)
 - c. IPERS opt out form (original to Fiscal)

- d. Employee Direct Deposit Authorization (original to Fiscal)
- ii. The Human Resources Director 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. A copy of the status form is given to Fiscal for payroll.
- iii. The status sheet must be signed by the Program Director and Executive Director to ensure all parties are aware of the new employee. Fiscal will not set up a new employee without these signatures on the status form.
- iv. The Accountant, or Finance Director, will be responsible for entering the payroll information in the Fiscal 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 holiday accruals will start when the employee begins work. Other leave time (as defined in the Agency's Personnel Policies) will start when the employee has surpassed the required waiting time which is normally through their 90-day probationary period. Probationary periods may be extended for individual employees at the discretion of their Program Director and/or the Executive Director.
- v. The Human Resources Director, or Executive Director in their absence, is responsible for notifying the Fiscal Office of any insurance deductions or changes.
- vi. Confidential files and Personally Identifiable Information are safeguarded by the Human Resource 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.

B. Time Sheets

- i. Each employee will be responsible for completing an electronic timesheet and submitting it to their supervisor for approval on the last day of the pay period or the Monday immediately following the end of the pay period. Employees are responsible for recording the time to be charged to the appropriate grant/program they work in. Timesheets include a notes section where the employee can identify the activities performed while working. Employees are to complete their timesheet accordingly.
- ii. Timesheets are completed online using the THO software. Employees can access their timesheet on the secure THO website. Each employee is assigned unique login credentials which are to be kept private. Completed timesheets are marked "Finished" by the employee. The "Finished" submission of the timesheet is equivalent to the employee's signature verifying that the information provided is complete and accurate. An email is sent to the assigned supervisor indicating the employee's timesheet 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 the needed corrections. Once all corrections are made and the timesheet is "Finished" again 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, complete, and ready for payroll processing. Timesheets are to be approved by end of day on the Tuesday after the end of the pay period.
- iii. The Accountant, or Finance Director in their absence, will review all timesheets for accuracy including attendance, time charged to vacation, sick, holiday or leave

- according to the employee's scheduled hours and in compliance with the Agency's Personnel Policies. The Accountant will discuss any discrepancies with the employee's Supervisor or Program Director.
- iv. Any discrepancies found by the Accountant, or Finance Director, must be corrected by the employee on their timesheet. Once corrected the employee will again "Finish" their timesheet and their supervisor will need to approve the timesheet again. The final corrected timesheet is what will be processed by payroll.
 - v. If the employee is unavailable to correct their own timesheet, the Program Director and/or Executive Director will make the required corrections. Actual hours worked that have been entered by an employee on their timesheet will only be changed by the Program Director or Executive Director with backup verification that the employee's actual hours worked are different than what was entered on the timesheet. Changes to benefit time (vacation, sick, holiday, leave) will be made to comply with the Agency's Personnel Policies.
 - vi. The Accountant, or Finance Director, will download all approved timesheets from the THO server and import the information into the Fiscal accounting software to process payroll.
 - vii. The Accountant, or Finance Director, will record the appropriate vacation, sick, holiday, or leave time taken and accrued each pay period on the employee's Cumulative Leave form kept in the Fiscal office.
 - viii. Any paid benefits time is allocated to programs based on hours the employee charged to programs during the pay period the benefits time 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.
 - ix. The Accountant, or Finance Director, uploads new timesheet information to the THO website for a new pay period on the first Monday of the pay period. This creates current dates and allows employees to start their timesheet for the new pay period.
 - x. Timesheets for a pay period that has not been completely processed must be started prior to the upload of the new pay period timesheet.
 - xi. Staff are assigned to one supervisor who will approve their timesheet. If the employee's timesheet is not directly approved by the Program Director, the timesheet detail is printed out and given to the Program Director for approval if there is overtime or any other issues. The approved timesheet detail is signed by the Program Director and is given to Fiscal to be filed with the payroll documents for the pay period.

C. Payroll Distribution

- i. All staff are 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 Accountant or Finance Director. All entries must be reviewed and verified by another fiscal staff member who did not initially enter the information in the accounting system.
- ii. Biweekly after payroll is processed, the Finance Director creates the direct deposit payroll file using the Fiscal accounting software to upload to First Interstate Bank. 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 Accountant or Executive Director will prepare and upload the file. An automatic email notice is

- received from the bank by the Executive Director, Finance Director, and the Accountant with details of all scheduled EFT (direct deposit) transactions.
- iii. All payroll notices (pay stubs) are sent to employees by email. The notices are typically sent the Tuesday before payday however that is dependent on when payroll is completed. Notices will be sent to employees no later than paydays. If the employee does not provide a personal email for the notice to be sent to, the notice will be sent to an Agency provided email address. All employees are provided with an Agency email address and access to a computer and a printer to print their payroll notice if desired.
 - iv. In the event there is an issue with a direct deposit and a payroll check must be issued, the payroll check is generated using the same payroll process as the direct deposits. The only change is that banking information is removed from the employee's file which will omit the pay from the direct deposit file and prompt a check to be printed instead during the processing steps. Payroll checks are signed with the embedded signatures in the Fiscal accounting software in the same manner as Accounts Payable checks. (See section 5 Accounts Payable and Program Expense Procedures. E. Check Control, iii).
 - v. A payroll check will not be generated for a returned direct deposit until the returned item has been posted back to the Agency's bank account. Once the funds have been posted back to the Agency's bank account a check will be issued to the employee. Employee will be required to correct the information that caused the return of the direct deposit before the next pay date so direct deposits can resume.
 - vi. Written authorization from the employee must be on file in the Fiscal Office in order for a paycheck to be mailed to the employee. The Finance Director or Accountant, not preparing the checks, will mail the payroll checks. If no written authorization is on file the paycheck will be held in the Fiscal office to be picked up in person.
 - vii. In the event that mailed paychecks are not received by the employee, 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.
 - viii. The Finance Director and the Executive Director review the payroll register, verifying employee names, reasonableness of hours worked, and pay.

D. Payroll taxes

- i. The Accountant or Finance Director prepares the related payroll liability payment information described below. The Finance Director prepares payment requests through the Accounts Payable process or makes payment online, as follows:
 - a. 941 taxes: federal withholding and social security taxes are paid by the Wednesday following paydays. This payment is made online. A quarterly 941 report is due to the IRS by the end of the month following each quarter. This report is mailed.
 - b. Iowa withholding taxes: are paid monthly and are due by the 15th of the following month in the first two months of a quarter. The total quarterly tax liability less the previous two month's payments is due by the end of the month following the end of the quarter. Payment and reporting are done online.
 - c. Iowa sales tax: reporting is due annually by January 31 of the following year. Any sales tax payments are due at this time however typically no sales tax is collected by the Agency. Reporting, and payment if needed, are done online.

- d. Illinois withholding tax: is paid by the Wednesday following paydays. A quarterly 941 report is due to the State of Illinois Department of Revenue by the end of the month following each quarter. Payment and required reporting are done online.
 - e. State Unemployment taxes: are paid quarterly by the end of the month following the end of the quarter. Payment and required reporting are done online.
 - ii. The Finance Director will prepare and submit timely payroll tax payments based on the payroll tax registers and general ledger reports from the Fiscal accounting software. All payments and supporting reports are given to the Executive Director for review and approval.
- E. W-2's will be prepared and provided to all employees with earnings during the calendar year. W-2's will be provided to employees and reported in accordance to the yearly federal deadline requirements.
- F. Forms 1094-C and 1095-C will be prepared and distributed according to instructions and deadline dates provided by the Federal Government. This form is required according to the Affordable Cares Act. This information is prepared by the Accountant, and is reviewed and distributed by the Finance Director.
- G. Miscellaneous Deductions must be supported by appropriate documentation and are paid as follows:
 - i. Iowa Public Employees Retirement System (IPERS) – The Finance Director is the reporting official for IPERS. Payment of the IPERS deductions and Agency match is due by the 15th of each month for the prior month. The Finance Director prepares the file using the Fiscal accounting software verifying all wages, deductions and match. The file is transmitted and the payment is made online. Regular employees' wages are subject to IPERS coverage unless they chose to opt-out of IPERS coverage within 60 days of hire or eligibility.
 - ii. Tax Saver Annuity Plan 403b (TSA) – Payment of the TSA deductions and Agency match is due within 7 days of every payday. The Finance Director prepares the file using the Fiscal accounting software verifying all wages, deductions, and match. The file is transmitted and the payment is made online.
 - iii. The Accountant, or Finance Director, will record payroll deductions for insurances, loans, etc., on a computerized spreadsheet. The spreadsheets are reconciled every payroll.
 - a. Insurances: Health, Dental, Vision, Accident, and Life Insurance payroll deductions are reconciled to the corresponding insurance bill verifying the allocations and deductions are accurate with the coverage each Employee is enrolled in. Discrepancies are forwarded to the Human Resources Director, or Executive Director, for follow up action with the employee and Insurance Company. Any payroll corrections will be done the first payroll processed after the discrepancy is resolved. The Executive Director will be informed of ongoing discrepancies.
 - iv. Garnishments and child support deductions are paid out according to court documentation the Agency has received.

H. The Executive Director will approve all online transactions made by the Fiscal Office that involve a request or disbursement of funds from agency bank accounts.

8) TRAVEL

- A. In area travel is considered to be travel within the counties serviced by the program in which the employee traveling works for.
- B. Out of area travel is considered to be travel out of our county service area.
- C. Use of Agency and specific program owned vehicles for work related travel by other programs within the agency is allowed. The program using the vehicle will be charged the current IRS mileage rate based on the number of miles driven. If the IRS mileage rate is not allowed by the program, the allowable rate will be charged. For use of the Agency owned vehicle, the staff using the vehicle will submit the odometer reading at the start and end of travel on mileage log to their Program Director for approval and submission to the Fiscal Office. Quarterly 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. Charges will include all maintenance, license, taxes, and insurance expenses, and any other applicable expenses for the quarter, as well as a quarterly use fee. All expenses will be charged using a percentage of usage based on miles driven.
- D. In area travel is approved by the Program Director. Travel sheets are turned into Fiscal bi-weekly to coincide with the pay period end and paid through the payroll system as a non-taxable adjustment which is added to the employee's paycheck. Odometer readings are required on the travel sheets unless there is a valid reason that the information is not available. In the absence of odometer readings, mileage may be calculated using online mapping information and this documentation will be attached to the travel sheet. Mapping information will only be allowed in rare circumstances. Along with odometer readings; travel dates, the reason for the travel, the employee's signature and the Program Director's signature are all required on the travel sheets before they will be paid out.
- E. 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 agenda or other information supporting the purpose of the travel. Staff may request advance payment of travel expenses on the out of area travel forms.
- i. Approved advance travel payment requests are submitted to the Fiscal Office for accounts payable check processing.
 - ii. Approved travel requests that do not include an advance travel payment are to be turned in to the Accounts Payable Clerk. These will be held until travel is completed and the actual costs are reconciled to the advance travel request form.
- F. 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 online mapping information and this documentation will be printed and submitted. Mapping information will only be allowed in rare circumstances. Any amounts that were paid in

advance that were in excess of actual expenses must be reimbursed back 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 excess advanced funds within 30 days of completion of travel, those funds will be automatically deducted from the employee's paycheck after 30 days from the ending travel date. If the employee's employment is terminated, the excess funds will be automatically deducted from the employee's last paycheck(s) and/or vacation payout. Expenses that exceed the amount paid in advance will be reimbursed to the employee following receipt of the approved travel documentation.

- G. 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 federal per diem rates.
- H. 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.
- I. The President of the Board, or other Board Officer, approves the travel forms for the Executive Director.
- J. 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-federal dollars.
- K. 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-federal dollars. Receipts not covered by the per diem must be submitted for payment, such as hotel, taxi, parking, rental car, etc.
- L. 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.

- M. The Program Director, or the Executive Director, may grant staff permission to travel the night before their scheduled event if traveling the morning of would make the staffs' starting time in the morning unreasonable. If permission is granted, a maximum of 2 quarters of per diem will be allowed for travel on the day before the event.

- N. Agency credit cards are available to make motel reservations and to pay for approved agency related travel costs. 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. The Executive Director may also notify the Fiscal Office with approval for staff to use the credit card if a Program Director is unavailable. Cards are to be returned to the Fiscal Office as soon as use is completed.
- O. 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.
- P. To comply with Iowa Code 80.45A (Iowa House File 2259), Agency employees must confirm an in-state lodging provider has received the Human Trafficking Prevention Training Certification at <https://stopthiowa.org/certified-locations> prior to expending funds for travel lodging, conferences, meetings, banquets, or any Agency/Program funded event. Employees who stay at, or use, non-certified facilities will not be approved to use Agency or Program funds for the expenses incurred at those locations.

9) **PURCHASING AND PROCUREMENT**

- A. 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.
- B. In order to promote open and full competition, purchasers will:
 - i. Be alert to any internal potential conflicts of interest.
 - ii. Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
 - iii. Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
 - iv. Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
 - v. Issue solicitations that clearly set forth all requirements to be evaluated.
 - vi. Reserve the right to reject any and all bids when it is in the Organization's best interest.
 - vii. Not give preference to state or local geographical areas unless such preference is mandated by Federal statute. (200.319(c))
 - viii. "Name brand or equivalent" description may be used as a means to define the performance or requirements (200.319(d)(1))
- C. The agency shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award.
- D. 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:

- i. Are there one-time funds available for the purchase?
 - ii. Are there funds available in the ongoing budget to cover the cost of a lease?
 - iii. Are there financial advantages to leasing when considering the terms and buyout options?
 - iv. Is there an escape clause allowing cancellation in the event of a loss of federal funds?
- E. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services.
- F. 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.
- G. The agency will maintain records sufficient to detail the history of procurement, including: *(2 CFR Part 200.318(i))*
- i. Rationale for the method of procurement;
 - ii. Selection of contract type;
 - iii. Contractor selection or rejection;
 - iv. The basis for the contract price.
- H. The Program Directors will approve and sign all Purchase orders for their program, except purchases made by them for reimbursement, which are approved by the Executive Director.
- I. The Program Director approving Purchase orders must:
- i. Determine if funds are available for the expenditure.
 - ii. Determine if the expenditure is budgeted, allowable under the grant, necessary and reasonable and in accordance with Part 200-Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards.
- J. Purchase of items with a unit cost of less than \$10,000 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.
- K. Items, such as supplies, services and other property costing \$10,000 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.
- L. 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:

- i. Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary.
- ii. Attempt to obtain 3 quotes, depending on the level of expected spending for the year.
- iii. Compare the quotes.
- iv. The vendors with lowest prices, including shipping, will be approved for use during the year.
- v. This process could result in multiple approved vendors if the prices are within 10% of each other. Purchases should be rotated between vendors to provide for open and fair competition.
- vi. Be aware of and follow all disbarment exclusions.

This process should be repeated bi-annually, with the approved list produced by January 31. Vendors may be added throughout the year, but all vendors will be reevaluated by January 31. Documentation showing how the selected vendor was chosen is required. If significant changes have occurred with a vendor the program is encouraged to repeat the process before the bi-annual requirement.

M. All procurement transactions with a unit cost in excess of \$50,000 require Board approval. Additional approval is not needed when the Board already approved the Program budget outlining the details of the purchase.

N. Purchases of \$150,000 or more require 3 Request for Proposals (written bids).

- i. An accurate description of the product or service shall be included in the Request for Proposals (RFP) and shall not contain features which unduly restrict competition.
- ii. The RFP shall contain a description, whenever practical, of technical requirements, performance required, and any minimum acceptable standards.
- iii. 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.
- iv. The contractor will not use “cost plus a percentage of cost” or “percentage of construction cost” methods contracting to determine the final bid price.
- v. Included in the RFP shall be a bid packet with directions on submitting the RFP such as by mail, fax, email, 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.
- vi. 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.

O. Sole source purchases may be made when one or more of the following conditions applies:

- i. The item or service is only available from one source;
- ii. The situation is an emergency and will not permit a delay resulting from competitive solicitation;

- iii. The awarding agency expressly authorizes noncompetitive proposals in response to a written request;
 - iv. After solicitation, competition is deemed inadequate (insufficient bidders).
- P. 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 \$50,000.
- Q. No purchases will be made for/by employees or others so that the party will benefit from the agency's status.
- R. The Executive Director will approve all checks that are written for more than \$5,000.
- S. The Executive Director will approve all online transactions made by the Fiscal Office that involve a request or disbursement of funds from agency bank accounts.
- T. Purchases made online, 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 vendor requires immediate payment, and the item cannot be purchased by any other method, an agency credit card is available. The agency credit cards are kept in a locked file cabinet in the Fiscal Office and must be checked out for use. A log is maintained documenting when and by whom a card is checked out. The Executive Director or Program Director must approve the use of agency credit cards. The credit card receipt will be printed out and attached to the purchase order.
- U. All purchases made using any Agency/Program funds are not allowed to be used to earn personal rewards for any employee (cash back, fuel rewards, store rewards, etc...). When making purchases, staff are not allowed to link any personal reward accounts which would result in benefits for the employee to use. This also applies if an employee pays for purchases with personal funds but will request reimbursement for that purchase from the Agency/Program.
- V. Employees are not allowed to keep any gift cards, discounts, coupons, or other items that may be given as a result of an activity or event paid for with Agency funds. Examples of this may be (but not limited to) staff attending training, responding to a survey or online poll, or volunteering for an organization's committee. Any items received (gift cards, discounts, coupons, etc...) cannot be used for personal benefit by employees. Any items received may only be used to benefit the Program that paid for the activity or event, or that paid for the employee's time to attend the event or activity.
- W. When Programs allow an expense such as meals, or transportation (uber, taxis), adding a tip is allowable. Employees may add up to a maximum of 15% of the total cost to the purchase. Receipts must show the tip amount added and a final total that includes the tip amount. If programs have a limit, only the allowable amount will be charged to the programs. Excess over the limit will be paid for using non-federal funds.
- X. 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

Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)").

10) PROPERTY/EQUIPMENT/FIXED ASSETS

- A. Identification - Equipment shall be defined as all items (purchased, government excess or donated) with a unit value of \$10,000 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 \$10,000 will be capitalized.
- i. The Program Directors will see that equipment inventory additions are prepared and given to the Accountant. The Accountant will enter the equipment on the inventory database.
 - ii. The following information is required:
 - a. Date acquired
 - b. Method of acquisition (purchase or donation)
 - c. Cost or basis at acquisition
 - d. Funding source used to purchase the item(s)
 - iii. A physical inventory of non-expendable property will be taken bi-annually. A Program Director will conduct or supervise the physical inventory. The following information is required:
 - a. Date acquired
 - b. Method of acquisition (purchase or donation)
 - c. Cost or basis at acquisition
 - d. Description
 - e. Serial number/model number
 - f. Source of the equipment, including award Number
 - g. Location
 - h. Disposition of equipment if applicable
 - i. Condition of equipment
 - iv. In the event an item is transferred to another site or program an Inventory Reporting Sheet will be prepared by the program transferring the property and the program receiving and given to the Accountant.
- B. 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.
- C. Loss, Damage or Destruction
- i. The Program Director will immediately notify the Executive Director of all cases of loss, damage or destruction of equipment.
- D. Disposal of Property
- i. Each program must comply with the requirements of the funding source.
 - ii. 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 provided to employees through email by the Planning Director.

- iii. 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, with no preferential treatment given to one buyer and transactions will be arm's length transactions. Funds from the sale are applied as income to the program.
- iv. 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 or Receptionist. The Accountant 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 general ledger entries to record the transfer of items that have been recorded as fixed assets and are being depreciated.

11) LEASES/CONTRACTUAL AGREEMENTS

- A. The Executive Director will review leases/contractual agreements prior to signing.
- B. All leases/contractual agreements will be signed by the Executive Director.
- C. Copies of all leases/contractual agreements will be immediately forwarded to the Office Manager and the Finance Director. All signed leases/contractual agreements will be kept electronically.

12) INSURANCE

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

13) NON-FEDERAL OR IN-KIND MATCH

- A. Each program is responsible for obtaining the In-kind required for the program.
- B. The employee who receives the contribution will prepare the In-kind sheet for non-federal share requirements, and have the donor sign and date the form.
- C. The employee will forward completed sheets to the person indicated below. This person will verify the In-kind sheet and prepare a summary of all non-federal In-kind.

- i. HS/EHS: In-kind documents will be forwarded to the HS/EHS Administrative Assistant at Central Office. Once completed the Administrative Assistant will give all information to the Program Director.
 - ii. All other programs: In-kind will be forwarded to the employee's Program Director at Central Office.
- D. 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.
- E. 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. HS/EHS 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.
- F. 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.
- G. 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.
- H. Documentation showing total In-Kind amounts must be forward to the Fiscal Office. The Finance Director will prepare a journal entry to record the In-Kind to the Program.

14) GRANTS AND CONTRACTS

- A. Copies of all grants and contracts will be immediately forwarded by the Executive Director to the Finance Director and appropriate Program Director.
- B. 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.
- C. The Finance Director will carefully review each award to ensure compliance with all financial provisions.
- D. All contracts or grant awards will be signed by the Board President and/or Executive Director.
- E. All signed grants and contracts will be kept on file in the Fiscal Office by the Finance Director. Program Directors will be given a copy.

15) BUDGETS

- A. Financial budgets will be prepared by the Finance Director working closely with the Executive Director and Program Director.
- B. Final Budgets will be submitted to the Executive Director and the Program Director for review prior to submission to the Board of Directors for approval, and prior to submission to the HS Policy Council for approval for HS/EHS related grants.
- C. The Finance Director will ensure that budgets are on file for all grants and contracts.
- D. The Finance Director and Program Director will work together as needed on any necessary budget revisions.
- E. The revised budget is submitted to the Executive Director for Board approval.
- F. The Finance Director or Executive Director is responsible for submission of the budget revision to the appropriate funding source for approval.

16) FISCAL REPORTS

- A. 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.
- B. The Executive Director, or Finance Director in their absence, is authorized to sign all billing and fiscal reports due to 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 Finance Director in their absence.
- C. The Finance Director will maintain a current listing of due dates for all reports for the year.
- D. Monthly financial reports for all current funds and grants are prepared by the Fiscal Office for submission to the Board of Directors 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 of Directors at each regularly scheduled meeting.
- E. Monthly financial reports for HS/EHS, and other related grants will be prepared by the Finance Director, and/or Fiscal staff persons, for submission to the HS Policy Council. Reports will compare budgeted amounts by cost category to actual expenditures.
- F. Reports submitted to the funding sources shall be prepared based on the monthly financial reports.
- G. Final reports will be submitted according to the funding source contract instructions and due dates.

- H. The final HS/EHS report is submitted using the Federal Financial Form SF425 required by the Office of Head Start. 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.
- I. Credit card statements are submitted to the Board of Directors 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, or partially removed, for security.
- J. A list of all account's payable checks and electronic direct deposit transactions written during the prior month is provided to the Board of Directors for review. The Board of Directors are instructed to shred the lists after each board meeting for confidentiality purposes.

17) TAX EXEMPT STATUS

- A. The Agency is exempt from Federal Taxes described under 501 C (3) - of the Internal Revenue Code.
- B. 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.
- C. Recognized Community Action Agencies are listed as Tax Exempt under Iowa Code (updated version 2022) Section 423.3 (79).

18) BOOKS OF ORIGINAL ENTRY

- A. The agency will utilize a double entry accounting system for all funds.
- B. The Finance Director and/or Accountant will prepare journal entries with adequate documentation to support all entries. Journal entries will be reviewed by someone other than the person preparing the entry, unless done by the Finance Director.
- C. It is the Finance Director's responsibility that all transactions are entered in the Fiscal accounting software.

19) OTHER PROGRAM INCOME AND REVENUE

- A. Program related income will be reported as required by the funding source.
- B. Interest income on HS/EHS Federal funds will be returned quarterly to the Treasurer of the United States, based on their requirements.

- C. Interest earned on Federal advances that earn more than \$500 annually will be returned to the Department of Health and Human Services (HHS) through the Payment Management System. Funding sources that require notification will be advised of the amount paid to HHS. A monthly calculation is made to determine interest earned on federal funds. The total federal funds on deposit are determined using the agency Fiscal 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.
- D. Interest is figured at the current bank rate at the end of the corresponding month.
- E. Donations of cash and non-program related income will be accounted for separately.

20) OTHER FISCAL PROCEDURES

- A. 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, 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.
- B. At the last pay period completed before the Fiscal Year End (September 30), all accrued vacation for all employees will be calculated at the employee's current rate of pay. A 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-federal funds held by the Agency.
- C. An agency wide audit will be conducted annually, in accordance with Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
- D. Auditor Selection Process - Every five years a Request for Proposal (RFP) 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 throughout the state or in neighboring states, as well as firms that are known to audit other Community Action Agencies. The Finance Director may contact other Community Action Agencies to develop a list of possible auditors. Upon receipt of the proposals, the Executive Director and Finance Director will review all proposals in full and compile the information for the Finance Committee. The group will then meet to discuss the information and determine the recommended selection. An information summary and recommendation will be submitted to the Board for final selection. The successful bidder must have previous experience auditing non-profit agencies that receive federal funding. When only 1 proposal is received, meeting of the Finance Committee may not be needed.

- E. Minutes of Board Meetings
 - i. Accurate minutes of all meetings of the Board of Directors will be prepared by the Planning Director, and maintained in the central file.
 - ii. The Finance Director will note all items in the minutes relating to finance and take appropriate action.
- F. Form 990
 - i. The current contracted Auditing Firm will prepare the Form 990, Return of Organization Exempt Income Tax.
 - ii. The Finance Director will review and approve Form 990.
 - iii. The Executive Director or Board President will approve and sign Form 990.
 - iv. The final 990 report is presented to the Board prior to submission or at the meeting following submission.
- G. Form 5500
 - i. Empower Retirement will prepare the 5500 for the Tax-Sheltered Annuity plan.
 - ii. The current contracted Auditing Firm will audit the 5500 Report (if required).
 - iii. The 5500 is presented to the Board at the meeting following completion of the form.
 - iv. The Finance Director submits the 5500 through a secure Empower Retirement website or EFAST.
- H. Credit Applications – the Finance Director or Executive Director will prepare all credit applications, and the Executive Director will sign.
- I. Rebates – Program Directors are responsible for requesting any rebates that the agency is eligible for. They are required to keep details of the rebate requested including date and amount. Rebates received are to be given to the Fiscal Office. The Finance Director will document the date and amount of the rebate then distribute the rebate to the appropriate Program Director who requested the rebate. The Program Director will keep all rebates secured in a locked cabinet. Rebates are to be applied to the requesting program and cannot be given to or used by another program. Upon use of the rebate, the Program Director is to document the date used and a description of what it was used for. Quarterly the Finance Director will reconcile the Fiscal Office’s Rebate spreadsheet to the Program Director’s information for use of the rebates as well as unused rebates still on hand.
- J. The File Server in the Fiscal Office will be backed up daily. The backup is saved locally as well as to the Cloud and is reviewed and maintained by Drake Hardware and Software. Drake Hardware and Software will receive notification if there is a backup failure and notify the Finance Director and Executive Director.
- K. The Agency has several agency issued credit cards:
 - i. Agency credit cards are kept in a locked file cabinet in the Fiscal Office (exceptions are listed in K.ii). 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 the approval. Approval is required for any staff other than Program Directors or the Executive Director to use Agency credit cards. Cards are to be returned to the Fiscal Office as soon as use is complete.
 - ii. Some Agency credit cards are assigned to a specific location, employee, or vehicle therefore are not kept in the Fiscal Office. A list of these specific assigned credit

- cards is kept by the Finance Director and the Accounts Payable Clerk and is updated accordingly for any changes within the Agency.
- iii. The Finance Director receives electronic statements for all Agency credit cards. The Finance Director will print the credit card statements for the Accounts Payable Clerk who will review and distribute the statements to the appropriate programs having statement charges.
 - iv. The Program Directors will obtain all receipts and supporting documentation for the statement charges. The Program Director will complete a purchase order and assign the appropriate codes for the expense to be posted in the Fiscal accounting software. The purchase order, receipt, and any other supporting documentation is submitted to the Accounts Payable clerk for processing.
 - v. The Accounts Payable clerk will reconcile all receipts and documentation and prepare a total Purchase Order for payment of each credit card which is given to the Finance Director with the statement and all supporting documentation. The Finance Director will make monthly online payments on or before the due date for each credit card.
 - vi. The Executive Director will approve all online transactions made by the Fiscal Office that involve a request or disbursement of funds from agency bank accounts.
- L. Head Start, Weatherization and WIC have assigned fuel credit cards for agency owned vehicles. Credit cards are to be kept in a secure location.
- M. 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.
- N. 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 use agency non-federal funds.
- O. Sensitive data, including protected personally identifiable information of employees, such as social security numbers, birth dates, mother's maiden name, etc., and information about the Agency's 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 Fiscal department. Locations of sensitive data include the following Agency Programs and departments such as (but not limited to):
- HS/EHS, Child and Adult Care Food Program, Family Development and Self-Sufficiency, Women, Infants and Children, Weatherization, Senior Home Repair, Community Services Block Grant, Emergency Solutions Grant, Low Income Heating Assistance, and Human Resources.
- P. Electronic or online storage: The agency's policy is that all sensitive data be secured in locked files or password protected electronic systems. All staff are required to maintain a secure system to insure adequate safeguards for such information.

21) RECORD RETENTION

- A. 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.
- B. Electronic documents will be retained and stored in a readable format according to the agency retention policy.
- C. Record Storage: All financial, personnel, legal and program documentation will be kept securely locked.
- D. Method of Destruction:
 - i. 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.
 - ii. 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.
 - iii. Each Program Director responsible for maintaining documents referenced in the table on the following pages 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.
- E. 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).
- F. Security of Electronic Records: Electronic records will be password protected and backed up through an established preservation and backup system. Records will be maintained by the appropriate office or staff member, according to the table on the following pages.

Description of record(s)	Manner of record keeping	Disposition
1. Corporate / Organizational records		
Incorporation documents including articles of incorporation, bylaws, and related documents	Originals stored in Central file and copies in Board Oversight book.	Permanent
Tax-exemption documents including application for tax exemption (IRS Form 1023), IRS determination letter, and any related documents	Store in fiscal office, fiscal server, and fiscal storage area	Permanent 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.
Meeting/board documents including agendas, minutes and related documents	Compile & file records on yearly basis; Store in central file	Permanent Care should be taken to include only necessary information in these documents.
Insurance Policies and claim information	Current in Planning Director office, expired in Admin Storage	Permanent
Litigation Documents	Store in Executive Director's office in locked file	Permanent
2. Real Estate		
Leases	Store in fiscal office, fiscal server, and fiscal storage area	Ten Years
Purchases including deeds, abstracts, opinions, sales agreements mortgages	Store in fiscal office, fiscal server, and fiscal storage area	Twenty Years after the sale
3. Financial records		
Bank statements, canceled checks, check registers, investment statements, and related documents	Compile & file records on a yearly basis	Seven Years Store with financial records. Destroy after seven years.
Tax documents and forms including Quarterly & 941, W-2, 1099, 1096, 1094, 1095 (and any other)	Store in fiscal office, fiscal server, and fiscal storage area	Permanent
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, year end statements	Store in fiscal office, fiscal server, and fiscal storage area	Permanent
Contracts	Store in fiscal office, fiscal server, and fiscal storage area	Ten Years
Retirement/Pension Records	Store in fiscal office, fiscal server, and fiscal storage area	Permanent
Depreciation Schedules	Store in fiscal office, fiscal server, and fiscal storage area	Permanent

Description of record(s)	Manner of record keeping	Disposition
Accounts Payable Documents- invoices and supporting documents	Store in fiscal office, fiscal server, 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.
Other Financial Records: JE's, board reports, program reports, etc.	Store in fiscal office, fiscal server, and fiscal storage area	Seven years Destroy after seven years.
Government Contracts or Awards and any documents or records pertinent to the award (including billings)	Store in fiscal office, fiscal server, and fiscal storage area	Seven Years 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	Bi-annual inventory in fiscal office, fiscal server, and fiscal storage area	Seven Years
In-Direct Cost rate proposals and allocation plans	Store in fiscal office, fiscal server, and fiscal storage area	Permanent
4. Employee Records		
Employment Applications	Store in locked storage room locked files	Three Years
Time Sheets	Store in fiscal office and fiscal storage area. Electronic Time Sheets are stored on the THO electronic time sheet server	Ten Years
Payroll Processing Records	Store in fiscal office, fiscal server, and fiscal storage area	Ten Years
Employee Payroll Reports: deductions, adjustments, etc...	Store in fiscal office, fiscal server, and fiscal storage area	Ten Years
Personnel Records	Current in HR Office in locked file. Terminated employees in storage room locked files	Seven Years after termination
EEO Reports	Planning Director's Office	Permanent
OSHA Records and Forms not located in Personnel Files	Human Resource Office in locked file	Five Years
Workers' Compensation Records	Human Resource Office in locked file	Permanent
5. Client Information		
Client Files	Respective Programs are responsible for secure storage	Five Years
Client Data Base Information	Store at location service is provided	Five Years