



MANUAL OF ACCOUNTING POLICIES

COMMUNITY ACTION PARTNERSHIP OF MID-NEBRASKA
July 2009

ACCOUNTS PAYABLE

The person obligating funds will determine that the expenditure is allowable under the appropriate contracts and regulations. Disbursements of federal funds will only be made for costs that are allowable under OMB A-122. Disbursements of grant funds will only be made for costs that are allowable under the grant contract. Expenditures will be charged to the appropriate contract and charged during the appropriate funding period.

An agency payment voucher will be completed in ink for all purchases requiring payment. An invoice that includes the vendor name, purchase date, purchase price, and the item(s) purchased must be attached to the voucher for documentation. Documentation will not be required to be attached if the payment is authorized per a contract or other written agreement that is on file in the fiscal office. The director of the program that is allocating funds for the purchase will review the payment voucher and authorize payment by signing the voucher and submitting it the fiscal office. Reimbursements to employees must be signed by the employee's supervisor. Recurring monthly expenses (i.e. telephone, utilities, rent) will be authorized and processed for payment by the fiscal department per documentation due to time constraints.

Petty cash is available to pay for purchases under ten dollars. One petty cash officer may be authorized per program or office location. The amount of the petty cash fund will be determined by the program director and the fiscal department. A petty cash memorandum will be completed by the petty cash officer and submitted for payment using the same process as an agency payment voucher. The petty cash fund will be verified annually by the employee's supervisor.

The fiscal staff will review the voucher for reasonableness and allowability, and verify the cost is being allocated to the correct program and expense account. After the payment voucher has been reviewed by the fiscal staff, the voucher will be processed for payment.

Checks will be processed once a week on Monday morning. If the agency is closed on Monday, then the checks will be processed on Tuesday morning. Vouchers must be received in the fiscal office by noon on Friday to be included in the Monday check run. Vouchers will be paid thirty days from the invoice date unless another due date is specified. Reimbursements to employees will normally be processed during payroll week and mailed with payroll information to reduce postage expense.

All agency checks will require two signatures. Checks will be mailed the day they are processed and signed, unless other arrangements have been made for the delivery of payment. A copy of the check will be attached to the payment voucher and filed in the fiscal office.

PAYROLL

Program directors must submit an agency employment authorization, IRS W-4 employee withholding certificate, and direct deposit authorization for all new employees. A paycheck cannot be issued until all required paperwork is completed and has been received by the fiscal department.

Agency timesheets will be considered to be the official time, attendance, and personnel activity records for all employees. A timesheet will be completed in ink and submitted weekly by each employee. Hours recorded on the timesheet should be rounded to the nearest quarter of an hour. The timesheet must be verified and signed by the employee's supervisor. Timesheets must be received in the fiscal office by noon on Monday for the previous week. If a supervisor is unable to obtain a timesheet from an employee by this time, the supervisor will be required to submit a timesheet reflecting the employee's hours and activities for that week. Timesheets will be used to allocate leave costs, allocate multi-program salaries, and determine regular and overtime pay for non-exempt employees. The fiscal staff will review the timesheets for accuracy and verify that the cost is being allocated to the correct program account. If a non-exempt employee works less than the number of hours required under employment terms then the difference must be recorded as leave. Any employee taking leave will be required to attach a request for leave form that has been approved and signed by their supervisor or the Chief Executive Officer/Executive Director or designee if the leave is administrative. A request for leave form is not required for holiday leave.

The agency will pay employees every four weeks. Employees who are considered laborers or mechanics and are required by their funding contracts to comply with the Davis Bacon Act will be paid weekly based on the prevailing wage rate. All staff will be paid by direct deposit. The payroll register will be reviewed and approved by two fiscal staff. New employees will go through a prenote to verify account information, and receive a paper check for their first payroll. After the initial payroll, the employee's paycheck will be direct deposited into their account on the Thursday following the end of the four week pay period. If the agency is closed any days during payroll week, payday will be one day later for each day the agency is closed. Pay stubs will be distributed to employees whose worksite is Kearney. All other employee pay stubs will be mailed to the employee's address on file. Payroll information will not be released to anyone other than the employee unless written authorization has been received from the employee. Employees will be paid the rate authorized on the employment authorization form kept in the personnel office. An employee change of status form needs to be completed by an employee's supervisor if an employee has a change in rate of pay, number of hours worked, or job position and submitted to the fiscal department for the changes to become effective. All employee address changes should be submitted to the fiscal office in writing.

Each employee will receive a pay stub documenting the gross and net pay, tax withholding, benefit deductions, hours worked, and personal leave balance. All taxes will be withheld and remitted in accordance with the appropriate federal and state guidelines. Fringe benefit deductions will be made by the fiscal department in

accordance with the employee benefit authorization form and the agency benefit policy. The agency benefit dollars and the employee benefit deductions will be forwarded to the agency's benefit providers.

If an employee terminates, the program director is required to complete and submit an exit interview to the fiscal office. The exit interview will authorize the fiscal department to pay out any accrued leave on the employee's final paycheck and terminate the employee from the payroll system.

TRAVEL

Travel costs are the expenses for transportation, lodging, food, and related items incurred by an employee, board member, or volunteer who are traveling on official business of the organization.

All travel should be authorized in advance. A "Request and Authorization for Official Travel" form needs to be completed by the traveler, and approved by their supervisor prior to the dates of travel. A travel advance may be requested by the traveler if the "Request and Authorization for Official Travel" is submitted to the fiscal department at least one week prior to the dates of travel. An agenda or registration should be attached to the document stating the times and purpose of travel.

Food expenses will be charged on a per diem basis. Per Diem will only be given to staff for overnight travel. The agency will use the lesser of the federal per diem rate or the funding source per diem rate. Lodging, airfare, mileage, and other travel expenses will be charged on an actual basis.

A traveler must leave from their office prior to 7:00 a.m. to receive breakfast, 12:00 p.m. to receive lunch, and 7:00 p.m. to receive dinner. Per Diem will not be given to the traveler for meals that are provided as part of their accommodations, training, or travel. The federal incidental expense (IE) per Diem will be given to staff that are in travel status for the full day.

Employees are encouraged to use agency vehicles when available. When using an agency vehicle, the employee must complete the "Official Travel Log" for the designated vehicle. Charges will be allocated to the identified program account from the agency's vehicle cost pool based upon the number of miles driven.

If an agency vehicle is not available, an employee may use a personal vehicle for agency travel. The employee must complete the "Mileage Record for Personal Use" form and submit it to their supervisor for approval. The "Mileage Record for Personal Use" form is then submitted to the fiscal department for reimbursement. Reimbursements for mileage will normally be processed and distributed with payroll. The agency will reimburse personal mileage at the federal mileage rate. Mileage to and from the employee's residence should not be included unless the distance from the employee's residence is less than the distance from the employee's office.

An "Out of Town Travel Expense Statement" must be completed by the employee and approved by their supervisor, after returning from travel. Receipts must be attached for all expenses to be reimbursed, excluding meals and incidental expenses. The statement is then submitted to the fiscal department for reimbursement, or if reimbursement is due to the agency, the funds must be attached.

Members of the agency's Board of Directors will be reimbursed for their mileage to attend the agency board meetings. The board members will submit their round trip mileage on an agency payment voucher at each board meeting to be reimbursed at the federal mileage rate.

EQUIPMENT

The agency defines equipment as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the funding source capitalization or \$5000.

Acquisition cost will include any accessories or installations to make the equipment usable and any ancillary charges such as taxes and freight.

A list of equipment with an acquisition cost of \$5000 or more will be maintained by the fiscal department. Program directors will maintain a list of equipment in accordance with their funding source capitalization levels and submit the list to the fiscal department at the end of their program year. Equipment lists will include the following information:

- 1) Description of equipment
- 2) Identification number
- 3) Source of the equipment
- 4) Acquisition date
- 5) Percent – federal share
- 6) Location, condition, and date reported
- 7) Acquisition cost
- 8) Disposition data

A physical inventory of equipment will be performed every two years.

Approval will be obtained from the funding source prior to the acquisition or disposal of equipment in accordance with the funding source requirements.

Any proceeds received from the disposition of the equipment shall be treated as program income unless other instructions are received from the funding source.

COST ALLOCATION

The agency will allocate costs in accordance with OMB A-122. Costs that benefit only one program will be treated as a direct cost of that program. Costs that benefit more than one program will be treated as a shared cost between the programs that receive the benefit. If an expense is treated as a shared cost, an equitable basis will be determined to distribute the cost to the programs.

The agency has negotiated an indirect cost agreement with their cognizant agency, the Department of Health and Human Services, to use as a basis to allocate agency costs that have been incurred for the mutual benefit of all agency programs and are not identifiable to a specific program.

CASH RECEIPTS

Cash and checks will be logged by an administrative staff member and delivered to the fiscal department. Funds will normally be deposited the day they are received. The fiscal staff will review the funds and allocate the income to the appropriate program account. A copy of the checks will be attached to the deposit receipt for documentation. The checks will be logged in the appropriate program folder also. Deposits received by ACH transfer will be posted by using a journal entry and filed in the ACH folder for reference.

MATCHING FUNDS/IN-KIND CONTRIBUTIONS

Some of the agency's programs are required to match their grant funds either with cash or with in-kind contributions. In-kind contributions are non-cash donations received by a program including: volunteer services, professional services, building space, land, equipment, supplies, or mileage/transportation. Program directors will be responsible for securing the match for their programs. In-kind contributions require the same information as actual program expenditures for documentation. In order to be allowable as match, third party in-kind contributions must meet the same requirements as grant expenditures. Volunteer services will be valued at the federal minimum wage unless another valuation is allowed by the funding source. Individuals who volunteer in their trained/skilled capacity may be valued at their professional rate of pay. Land, building space, equipment, and supplies will be valued at fair market value. Donated mileage will be valued at the agency approved mileage rate. Transportation will be valued at the current market rate. The program director or designee will approve all match and submit it to the fiscal department for review. The fiscal staff will apply the matching funds to the program.

BUDGETS

Budgets will be completed by the program director and reviewed by the fiscal director for all programs. The budgets will normally be completed and updated prior to the beginning of the agency's new fiscal year. Budgets will be reviewed periodically to ensure that actual program expenditures are consistent with the funding received.

BORROWING FUNDS

The agency may only borrow funds as authorized by the Board of Directors.

CREDIT CARDS

Corporate credit cards may be issued to employees at the discretion of the Chief Executive Officer/Executive Director or designee. Fleet credit cards will be available to purchase fuel and provide general maintenance for agency vehicles. One fleet credit card will be located in the binder for each agency vehicle. Other credit cards may be issued to staff based upon need and as determined necessary by their supervisor. Credit cards are only to be used for allowable and reasonable agency travel and purchases. Credit card receipts should be vouchered promptly to avoid finance charges and should follow the agency accounts payable procedure on page 2. All credit card statements will be reconciled monthly. Unauthorized or personal use of agency credit cards is prohibited and may result in the loss of this privilege or other disciplinary action. Unauthorized or personal charges may be deducted from the employee's pay.

RECORD RETENTION

All financial records will be retained for a period of three years from the date of submission of the final financial report. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records will be retained until all issues involving the records have been resolved. Certain records may be kept longer if required by contract or law.

DRAWING DOWN FUNDS

Funds will be drawn down based on the actual, immediate cash requirements of the program. Funds will normally be drawn down on a monthly basis unless another draw down schedule is specified by the funding source. Each time funds are drawn down they will be reconciled to the monthly and year to date financial reports. The draw down of funds will be made as close as possible to the actual disbursements. The agency prohibits the use of federal funds from one funding source to cover the costs of other funding streams.

INTERNAL MONITORING

Accounting duties are segregated to provide checks and balances for each accounting function. All bank and vendor statements are reconciled monthly. Financial reports and documentation are reviewed periodically to ensure that staff is complying with agency policies and procedures. Financial reports are given to the Chief Executive Officer/Executive Director or designee, Board of Directors, and agency program directors on a regular basis. Any potential problems are discussed with the agency management staff.

CHECK SECURITY

Checks are secured in a locked cabinet in the fiscal office. Two signatures are required on all checks. Checks are pre-numbered in sequential order. The agency accounting system automatically generates the starting check number for all checks based on the last check number generated by the system. Staff must override the system to enter a different starting check number. All checks issued (including voided checks) are automatically posted to the bank reconciliation by the computer system. Any deviations in the check number sequence or missing checks should be reported to the Fiscal Director.

AUDIT

The agency will have an agency wide A-133 audit performed annually.

PROCUREMENT

Supplies and other expendable property, equipment, real property and other services will be purchased in compliance with the funding source requirements and OMB A-110.

No employee, officer, or agent shall participate in the selection, award, or administration of a contract where, to his knowledge, he/she or his/her immediate family, partners, or organization has a financial or potential employment interest.

Officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous in regard to price and other factors.

Any and all proposals may be rejected when it is not in the best interest of the agency to accept.

The agency shall assure the avoidance of purchasing unnecessary or duplicative items.

Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description shall not contain features which unduly restrict competition.

Positive efforts shall be made to utilize small business and minority-owned business sources of supplies and services.

The agency will consider purchasing recycled goods when available, unless impractical or not cost effective.

Metric will be accepted, unless otherwise stated.

The program director will ensure that the expenditure is budgeted, funds are available, and the expenditure is allowable under the grant, prior approval is not required, or obtained if necessary, the expenditure is reasonable and necessary to the program and a comparison of lease versus purchase when applicable is made. The fiscal department is available to assist program directors in making these and other determinations.

All purchases will have, through the accounts payable/cash disbursement process, the approval of the program director or designee and the fiscal director or designee.

Administration or program directors will be responsible for purchasing and ordering.

Small Purchases <\$500

All purchases will be made in a manner that will assure that the best price is paid. Purchases of less than \$500 may be made at the discretion of the program director without competitive price quotations. In the event that funding sources require stricter guidelines, those guidelines will be followed.

The program director and/or the Chief Executive Officer/Executive Director will designate an individual or individuals to complete the purchasing and ordering of supplies.

Purchases from \$500-4999.99

Purchases of all items having a single unit acquisition cost between \$500 and \$4999.99 must have a Small Item Purchase Comparison Form with a price cost analysis completed prior to the purchase. The purchase comparison must include quotes from at least three sources; telephone, catalog, store or internet price quotes are acceptable. The Small Item Purchase Comparison Form must be attached to the payment voucher that is submitted for payment.

Purchases >\$5000

Purchases of all items having a single unit acquisition cost of \$5000 or more must be determined on the basis of competitive proposals. Procurement files for items with an acquisition cost over \$5000 should contain the following:

- Evidence of publication of the request for proposal in a regional newspaper.
- Evidence of other methods used to contact vendors, if applicable.
- Evidence of proposals received.
- Basis for proposal/vendor selection.
- Basis for award cost or price.
- Justification for lack of competition and evidence of funding source approval (if required) when only one proposal is received.

A Purchase Comparison Form may be used to document the proposal/vendor selection and award cost or price. Purchases over \$5000 must be approved by the Program Director, Fiscal Director, Chief Executive Officer/Executive Director or designee, and the Board of Directors. The procurement file will be kept and maintained by the Program Director.

Leases

The Board of Directors shall approve all new leases. The Chief Executive Officer/Executive Director or designee is authorized to review and approve all renewal leases, if the cost of the lease has not increased more than 15% and the nature of the lease has not changed substantially. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

Contracts

Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement. A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases.

Contracts <\$5000

Program Directors are authorized to review and approve contracts of less than \$5000.

Contracts \$5000-\$10,000

The Chief Executive Officer/Executive Director or designee shall review and approve all contracts between \$5000 and \$10,000.

Contracts >\$10,000

The Board of Directors will approve all contracts of \$10,000 or more.

Contracts >\$25,000

The contract shall contain provisions that allow for administrative, contractual, or legal remedies in instances which a contractor violates or breaches the contract terms.

The contract shall contain provisions for termination by the recipient, termination for default, or termination because of circumstances beyond the control of the contractor.

The contract shall contain a provision that the recipient, the Federal awarding agency, or any of their authorized representatives shall have access to records of the contractor which pertain to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions.

All contracts, awarded by a recipient including small purchases (<\$25,000), shall contain the following provisions as applicable:

- Equal Employment Opportunity
- Copeland "Anti-Kickback" Act (\$2000 or > construction or repair)
- Davis-Bacon Act, as amended (\$2000 or > construction or repair)
- Contract Work Hours and Safety Standards (\$2000 or > construction or labor)
- Rights to Inventions Made Under a Contract or Agreement
- Clean Air Act (\$100,000 or >)
- Byrd Anti-Lobbying Amendment (\$100,000 or >)
- Debarment and Suspension (All Contracts)

ACCESS TO PUBLIC RECORDS

Community Action Partnership of Mid-Nebraska (Mid) will allow access to public records in accordance with applicable laws and individual program guidelines.

Procedures:

1. All requests for access to public records should be in writing and directed to the Chief Executive Officer/Executive Director of Mid. These requests may be directed to the Administrative Office, 16 W 11th Street, P.O. Box 2288, Kearney, NE 68845.
2. All written requests should contain the name, address, and phone number of the requesting party. Requests should be as specific as possible in the time frame/information they are seeking. If copies (charges apply) are requested it should be so noted.
3. All written requests will be approved or denied within five business days of their receipt by the Chief Executive Officer/Executive Director. If the request is approved, the Executive Director will consult with the office in possession of the records requested and provide an estimate of when those records will be available for inspection. If the request is denied, the requesting party will receive a response on why those records are unavailable for public viewing.
4. No fee will be charged to inspect a public record. Mid will charge a fee for the following services; copying (\$.15 each), faxing, or mail transmission. If the requested information is stored on computer disc, computer tape, or similar record system, or require retrieval from long term storage, the cost of extracting that information may apply. Estimate on costs associated with the retrieval of the information will be forwarded to the individual requesting the information. All expenses must be paid in full before the records are sent or are made available to the requestor.