



**Clark County Youth Shelter and
Family Services, Inc.**

118 East Chestnut Street
Jeffersonville, IN 47130

Accounting Manual

Revised by the Board of Directors (10/99, 7/01, 7/03, 7/07)

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TABLE OF CONTENTS

<u>Item</u>	<u>Page Number</u>
Purpose	3
Responsibility for Oversight	3
Fiscal Year	3
Accounts Receivable, Billing Procedures	
• Per Diem	4
• Federal Grant	4
• State Grants	4
• United Way	4
• Special Grants	4
Accounts Receivable, Deposit Procedures	4
Accounts Payable	5
Payroll	6
Financial Statements	6
Cancelled Checks	6
Safety Deposit Box	7
Investments	7
Audit	7
Purchasing	7
Annual Budget	8
Reserve Policy	8

PURPOSE

The purpose of this manual is to document in specific written form the financial policies and procedures governing the Clark County Youth Shelter and Family Services, Inc. The Board of Directors reserves the right to change any of these policies or procedures as needed to improve the accountability or functioning of the corporation.

RESPONSIBILITY FOR OVERSIGHT

1. Board of Directors

The final responsibility for monitoring the financial matters of the corporation rests with the Board of Directors. The Board will meet at least quarterly and at those meetings will review year-to-date financial statements, funds held in financial institutions and with investment companies, and monitor adherence to the reserve policy. The Board will also set fiscal policy, approve corporation budget, and govern all other fiscal operations of the corporation. The Executive Committee of the Board of Directors will meet at least 8 times per year and will review monthly financial statements, funds held with financial institutions and with investment companies, and adherence to the reserve policy.

2. Finance Committee

The Finance Committee is appointed by the President of the Board of Directors. The Treasurer of the Board of Directors serves as Chair of the Committee. The Committee will meet at least quarterly to review and oversee all matters of accounting, investments, budgeting, financial planning, auditing, internal controls, grants requiring matching funds or future commitments, and will serve as liaison between the auditors and the Board of Directors.

3. Executive Director

The Executive Director functions as the chief financial officer for the corporation. The Executive Director is responsible for day to day fiscal management of the corporation. The Executive Director must ensure the corporation's fiscal operations function within the parameters set by the Board of Directors.

4. Bookkeeper

The Bookkeeper is responsible for monitoring accounts payable and receivable, writing checks, maintaining and utilizing accounting software, payroll functions, balancing and reconciling bank statements, grants management, monitoring employee leave, assisting with state and independent audits, and other accounting responsibilities as assigned by the Executive Director or Board of Directors.

FISCAL YEAR

The corporation's fiscal year is July 1 through June 30.

ACCOUNTS RECEIVABLE

Billing Procedures

A. Per Diem

Billing for per diem is completed monthly by the Bookkeeper, utilizing the days of service log maintained by the Residential Director. The Bookkeeper prepares the per diem billing forms, attaches court orders, and submits to Executive Director for review. The Bookkeeper must give the completed forms to the Executive Director by the 7th day of each month. After review the Executive Director signs the billing forms and mails to various counties in order for those offices to receive the forms by the 10th day of each month. Payment is normally received from the various counties within 30 days.

B. Federal Grants

On a monthly basis the Bookkeeper calculates the amount of reimbursement owed the corporation. The Bookkeeper tracks the amount requested from the grants. The Bookkeeper readies billings and phone payment requests and gives to Executive Director to send or call in.

C. State Grants

On a monthly basis the Bookkeeper, Executive Director, or Assistant Director calculates the amount of reimbursement owed the corporation. The employee tracks the amount requested from the grant. The employee completes the grant reimbursement form and presents it to the Executive Director for review. After review, the form is signed and mailed by the Executive Director.

D. United Way

All funds for regular and special allocations are paid in equal amounts based on a 12-month request. On a monthly basis the Shelter receives the allocation via direct deposit into the checking account. The Executive Director tracks the amount received from the grants.

E. Special Grants, Foundations, Local Grants, etc.

These funds are paid as reimbursements for special projects. After the expenses for the projects are incurred the Executive Directors submits the receipts and requests for reimbursement to the grantor. The Executive Directors tracks the amounts requested. Payment is normally received within 30 days.

Accounts Receivable, Deposit Procedures

The Executive Director opens mail. Checks are immediately endorsed to the corporation and recorded in a log maintained by the Executive Director. The Executive Director makes copies of the checks and prepares the deposit slip. Copies of checks, along with account codes are attached to a copy of the deposit slip. A member of the administrative staff takes the bank deposit to the bank.

The bank gives a slip documenting the deposit. This slip is attached to the check copy and deposit slip and is given to the Bookkeeper. The Bookkeeper records the deposit in the checking account journal.

ACCOUNTS PAYABLE

Mail is opened by the Executive Director. The Executive Director reviews the mail and separates invoices. The Executive Director reviews all invoices for accuracy. Invoices are then given to the Bookkeeper for payment. The Bookkeeper prepares a check request form, attaches copy of the invoice, and writes the check. The check request, copy of invoice, and check are then given to the Executive Director. The Executive Director reviews the information, designates approval by signing the check request and the check. In the absence of the Executive Director, the Assistant Director may sign checks. The check request and attached invoice copy are held by the Executive Director for review by a Board of Directors member. After the review the Board member initials the check request. A Board member reviews all check requests at least one time per month. After Board member review, the check requests are returned to the Executive Director who gives them to the Bookkeeper for filing. Any check in an amount over \$500.00 requires two signatures. Those signatures include: (1) Executive Director or Assistant Director and (2) an officer from the Board of Directors (Pres., Vice-Pres., Secretary, Treasurer or Past President). Once all necessary signature(s) are obtained the Executive Director or designee mails checks.

The main supply of blank checks is secured in a locked file cabinet in the Bookkeeper's office. The cabinet and office are locked when the Bookkeeper is not present. Only the Bookkeeper and Executive Director have access to the file cabinet and office.

The Bookkeeper writes checks one time per week. If there is an immediate need for a check the Executive Director may handwrite a check. The procedures for handwritten checks are: a check request is obtained, the check written, and the receipt attached to the check request. The Executive Director documents on a check register sheet the following information: date check written, who check written to, amount of check, and account code. A supply of not more than 50 blank checks is maintained in a locked cabinet in the Executive Director's office for this purpose. Only the Executive Director and Bookkeeper have access to this cabinet. The Executive Director's office is locked when the Executive Director is not present.

PAYROLL

Payroll is completed every two weeks. Each employee is responsible for completing an Attendance Sheet documenting days and hours worked for the two-week period. In order to be processed the Attendance Sheet must be fully completed, signed and dated by the employee. The Sheet is then submitted to the employee's immediate supervisor for review. The supervisor indicates their approval by signing the Sheet, which is then submitted to the Executive Director. The Executive Director indicates approval by signing the Sheet and submitting it to the Bookkeeper. The Bookkeeper totals all hours, calculates the pay, and writes the check. The Executive Director reviews the Sheet and designates his/her approval by signing the Attendance Sheet and the check. (Checks over \$500.00 must have a second signature.) The Attendance Sheets are reviewed by a member of the Board of Directors at least one time per month. The Board member initials the Sheets and returns them to the Executive Director who gives the Sheets to the Bookkeeper for filing.

Checks are issued to the employees every other Friday.

FINANCIAL STATEMENTS

The Bookkeeper maintains the check register, documenting deposits and checks written. The register includes account codes for revenues and expenditures. At the end of each month the Bookkeeper prepares monthly and year-to-date financial statements. The monthly statements list the actual monthly revenues and expenditures by program, budgeted and actual monthly revenues and expenditures. The monthly statements also list the separate amounts of all cash and investments. The year-to-date statements list the actual year-to-date revenues and expenditures by program, budgeted and actual year-to-date revenues and expenditures.

Financial statements are submitted by the 7th day of each month to the Executive Director. The financial statements are given monthly to the Executive Committee and in quarterly mailings to the Finance Committee and Board of Directors at their scheduled meetings. During each monthly Executive Committee, quarterly Finance Committee and Board of Directors meetings, the statements are discussed.

CANCELLED CHECKS

Cancelled checks are mailed by the bank to the Executive Director one time per month. The Executive Director reviews the checks and routes them to the Bookkeeper for reconciliation.

On a monthly basis the cancelled checks and reconciliation are given to the Treasurer of the Board of Directors for review. The Treasurer must complete this review within 30 days. After reviewing, the Treasurer signs a sheet documenting the review. The sheet and cancelled checks are returned to the Executive Director who gives both to the Bookkeeper for filing.

SAFETY DEPOSIT BOX

A safety deposit box is rented by the agency. Items maintained in the box include: titles and deeds to property owned by the agency, certificates of deposit, and all other financial materials in need of secure storage. Access to the safety deposit box must be by two persons and will be restricted to the Executive Director and/or officers of the Board of Directors.

INVESTMENTS

The corporation may invest reserve funds with a financial institution or with an investment company. Investment options will be recommended to the Board of Directors by the Finance Committee. Final approval regarding all investments rests with the Board of Directors.

The Executive Director may invest and/or transfer funds into different accounts, stocks, bonds, with approval by the Board of Directors or Executive Committee. Two signatures are required for withdrawals from investments (the Executive Director and an officer or two officers from the Board of Directors). The Executive Committee will be given monthly updates and the Finance Committee and Board of Directors quarterly updates on the status of all investments.

AUDIT

At the end of each fiscal year an audit will be conducted by an independent accounting firm. All aspects of the agency's accounting and financial procedures will be audited. The accounting firm will complete a written report of their findings and this report must be distributed to each member of the Board of Directors. A member of the accounting firm will be asked to attend a Board of Director's meeting in order to explain the findings. Any audit recommendations will be responded to by the Board of Directors within 30 days of the Board's receipt of the final copy of the audit.

The daily financial operations of the agency are on a cash accounting system. One time per year when the accounting firm completes the audit the end of the year financial information will be reported on an accrual basis by the accounting firm.

PURCHASING

Items of \$2,000 or less that are included in the budget approved by the Board of Directors may be purchased by the Executive Director without additional Board

approval. Any item over \$2,000 or items not included in the budget approved by the Board of Directors must have approval by the Executive Committee or Board of Directors. Items over \$2,000 must have at least three bids submitted. The only exception to the three-bid policy is in emergency situations when the safety of the youth, staff, or facility is in question. In this event bids are not necessary and the Executive Director is to obtain immediate Executive Committee approval by telephoning each Committee member.

The agency may maintain charge accounts with approval of the Executive Committee or Board of Directors. Access to the accounts will be limited to the Executive Director, Assistant Director, and House Coordinator. The Assistant Director is authorized to make charge account purchases up to \$50 without Executive Director approval. Amounts over \$50 must have Executive Director approval prior to the purchase. All receipts for purchases made to a charge account must be immediately submitted to the Executive Director for review. The Executive Director then submits the receipts to the Bookkeeper for filing, pending receipt of the bill. When the bill is received the Bookkeeper will reconcile the receipts against the bill. Any discrepancy will be brought to the Executive Director's attention.

ANNUAL BUDGET

The agency's annual budget is developed each winter with the participation of the Executive Director, Board Treasurer, Administrative and Program Staff, Finance Committee, and the Board of Directors. The proposed budget is presented by the Executive Director and Chair of the Finance Committee at the January meeting of the Board of Directors. The annual budget must be approved by the Board of Directors. One time per year, in the Fall, the Executive Director may prepare a revised budget. The revised budget would be submitted to the Finance Committee and Board of Directors for review.

RESERVE POLICY

The corporation will maintain in reserve 50% of the amount of the previous year's operating expenses. This reserve will be utilized for emergencies encountered by the corporation. Expenditure of funds held in reserve must have Board of Directors or Executive Committee approval.