

Financial Procedures Manual

The Sexual Trauma & Abuse Care Center

Approved: November 2006

Revised: February 2012

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I. GENERAL:

- A. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Director and reviews operations and activities.
- B. The Executive Director has management responsibility including financial management.
- C. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
- D. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll, reconciliation of bank accounts, etc.
- E. All employees involved with financial procedures shall take vacations or leaves of 5 consecutive work days each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
- F. A blanket employee dishonesty coverage in the amount of \$5,000 shall be maintained.
- G. Professional financial service providers will be established annually, i.e. bookkeeping and payroll, checking and reserve and audit and 990 preparation.
- H. The outside bookkeeper will maintain a current accurate log of the chart of accounts, job accounts and accounting classes.
- I. These policies and procedures will be reviewed annually by the Finance Committee and/or the Executive Board.

II. CASH RECEIPTS

- A. The Executive Director or designee opens any mail addressed to The Sexual Trauma & Abuse Care Center, Inc. or without specific addressee. All checks received through the mail or otherwise by staff members will be documented, stamped and given to the Executive Director. The Executive Director will

provide notification of the deposit and receipt of checks or cash will be e-mailed to bookkeeper and funds will be deposited in a timely manner at Capital City Bank pursuant to B through H, below.

- B. The Executive Director or designee will endorse all checks by a stamp to read as follows:

PAY TO THE ORDER OF:

CAPITAL CITY BANK

Account # XXXXX

FOR DEPOSIT ONLY

The Sexual Trauma & Abuse Care Center, Inc.

The endorsement stamp will specify into which corporate account (major account/savings, petty account/checking) the deposit will be made.

- C. If no cash is received the envelope may be sealed and sent through the US mail. If cash is present, the Executive Director will verify deposited funds prior to sealing the envelope and making the deposit in person. The Executive Director will e-mail all deposit information to the bookkeeper.
- D. Documentation for all receipts (a copy of check, letter, etc.) will be recorded in the log book. A copy of the documentation will be placed in the Log Book and also in the accounting file.
- E. All receipts will be deposited intact. No disbursements will be made from cash or checks prior to deposit.
- F. Cash shall be locked in a secure location until taken to the bank.
- G. The Executive Director will receive a copy of all deposits reports for review and will provide a copy of all deposit reports to the bookkeeper.

III. CASH DISBURSEMENTS

A. Check Authorization

1. All invoices will be immediately forwarded to the Executive Director, who will review for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with bid requirements.
2. Prior to payment, all invoices will be approved (indicated by initialing) by the Executive Director or a designated member of the Board of Directors, who will code the invoice with an appropriate expense or other chart of accounts line item number, class and

funding source. The Executive Director will obtain permission to authorize a check from the Executive Board if the expense is \$500.00 or more.

- a. Approval of an invoice by the Executive Director indicates that it has been reviewed and authorizes payment.
 - b. The Executive Director will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. The Executive Director is responsible for timely follow-up on discrepancies and payment.
 - c. The Executive Director will develop and sign a list of monthly payables that are authorized for payment without further signature requirements.
3. The bookkeeper will prepare checks upon request by the Executive Director or designated member of the Board of Directors.
 4. Authorized signers on The Sexual Trauma & Abuse Care Center's accounts include the Executive Director, President of the Board and Treasurer of the Board.

B. Checks

1. The Executive Director and the bookkeeper will be responsible for the safekeeping of all blank (unsigned) checks.
2. All checks, will be signed by the Executive Director or designated members of the Board of Directors. Payroll will be sent via direct deposit by the bookkeeper, a check register of each payroll will be provided to the Executive Director.
3. The bookkeeper will generate checks for approved invoices.
4. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file at the bookkeepers office.
5. In no event will:
 - a. Invoices be paid unless approved by an authorized signer or including on the monthly payables list.
 - b. Blank checks (checks without a date or payee designated) be signed in advance
 - c. Checks be made out to "cash", "bearer", petty cash", etc.

6. In the event that it is necessary to issue a duplicate check for checks in an amount of \$50 or greater, a stop payment will be ordered at the bank on the original check.

C. Bank Reconciliations

1. Bank statements will be received directly and opened by the bookkeeper.
2. The bookkeeper will reconcile the bank statement monthly. The Treasurer of the Board will randomly review reconciliations and is authorized to review bank statements monthly.
3. The Executive Director shall verify the reconciliation of the bank accounts on at least a quarterly basis.
4. On all checks outstanding over 180 days, the Executive Director should take appropriate action as decided on a case by case basis.

IV. PURCHASING

A. Petty Cash

1. The Executive Director monitors a petty cash fund of \$200.00. It is used for small purchase of postage and other miscellaneous expenses and shall be kept in a locked place. A signed petty cash voucher and a receipts is required of all expenditures. At the end of each month, the Executive Director will prepare a report for the bookkeeper, attaching all receipts and voucher, to request an amount needed to replenish the petty cash back to \$200. The bookkeeper will record the expenses into the general ledger and prepare a check, with the next payable run, to be cashed by the Executive Director.

B. Purchases Over \$500

1. All purchases over \$500 must be approved in advance by the Executive Director and the Executive Board.
2. If the purchase is related to a grant funded program or position, the Sexual Trauma & Abuse Care Center employee requesting the purchase is responsible to know if the item ordered is within the budget and guidelines, i.e., is an allowable line item.

C. Purchases Over \$5000

1. All purchases including services over \$5000 must be approved in advance by the Executive Director and the Executive Board.

2. Purchases over \$5000 will be required to undergo a competitive bid procedure.
3. All bid requests will contain clear specifications and will not contain features which unduly restrict competition.
4. The Sexual Trauma & Abuse Care Center employee will be responsible to ensure that all conditions and specifications of a contract, bid or order have been satisfactorily fulfilled, and will be responsible for timely follow-up of these purchases.
5. The Sexual Trauma & Abuse Care Center employee will obtain at least 3 bids wherever possible. Obtaining less bids shall be approved by the Executive Director.
6. Purchases over \$5000 will not be fragmented or reduced to components of less than \$5000 to avoid the bid process.

V. PAYROLL

A. Time Sheets

1. Each hourly employee will be responsible for completing a time sheet on a semi-monthly basis
2. Completed time sheets will be dated and signed by the employee and will be submitted to the Executive Director at the end of the last working day of each pay period.
3. No payroll checks will be issued without a completed time sheet.
4. The Executive Director will verify the accuracy of the time sheets and addition.
5. Employees will be paid twice monthly.

B. Payroll

1. The Executive Director will distribute the payroll checks to the employees.
2. Checks will not be issued to any person other than the employee without written authorization from the employee sent to the bookkeeper.
3. The bookkeeper is responsible for entering payroll reports into the accounting system.

4. Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid on day of separation.

C. Payroll Taxes

1. The bookkeeper will prepare and transmit the payroll tax reports, W-2/W-3 forms and 1099/1096 forms, KW3 and KW5.
2. The Executive Directors and Treasurer will verify payroll tax preparation on a quarterly basis.

D. Benefits

1. Payroll will be prepared in accordance with the personnel policies and benefit plans.

VI. TRAVEL AND EXPENSES

- A. Each employee will complete an expense voucher for all travel. The expense voucher should include all expenses including credit card charges and should reflect reimbursements sources (grants and/or general funds).
- B. Mileage to and from residence will not be paid by The Sexual Trauma & Abuse Care Center.
- C. The expense voucher will be submitted to the bookkeeper within 60 days of travel for payment, with an accurate total, signed by the employee and authorized for payment by the Executive Director. Copies of the voucher will be placed in the accounting file by employee. Receipts must be attached to the expense voucher for lodging, common carrier transportation, and for meals where required.
- D. Incomplete expense vouchers will be returned.
- E. Employees and board members will be reimbursed for travel and other related expenses at the rate set by the Board. The Executive Director and, if appropriate, the Executive Committee, must approve employee travel and workshop expenditures prior to their occurrence. The mileage and per diem rate will be established annually by the Board and will be equal to that currently provided by the State of Kansas.
- F. The Sexual Trauma & Abuse Care Center will reimburse for the following:
 1. Meal expenses incurred in direct connection with The Sexual Trauma & Abuse Care Center employment, on a per diem rate equal to that currently provided by the State of Kansas; and
 2. the standard mileage rate of the business use of a car as established by the IRS.

VII. PROPERTY

A. Equipment

1. Equipment shall be defined as all items (purchased or donated) with a unit cost of \$500 or more and useful life of more than one year.
2. The Executive Director will maintain an inventory log, which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.
3. A depreciation schedule shall be prepared at least annually for the audited financial statements.
4. The bookkeeper will record all equipment disposals and purchases in the accounting system. An entry must be made whenever property is disposed of or acquired.

B. Forfeiture

1. Any equipment purchased with grant funds will be returned or disposed of following the directions of the funding source.

VIII. INSURANCE

- A. Reasonable, adequate coverage will be maintained to safeguard the assets of the Sexual Trauma & Abuse Care Center. Such coverage will, at a minimum, include property, general liability, worker's compensation, and employee dishonesty.
- B. The Executive Director will carefully review insurance policies before renewal.
- C. The Executive Director will maintain insurance policies in insurance files.
- D. Insurance policies will correspond to the calendar year whenever possible.

IX. TELEPHONE

- A. There will be no long distance personal calls charged to the agency.
- B. The Sexual Trauma & Abuse Care Center business calls from phones outside the office should be billed to the its telephone account.

X. BOOKS OF ORIGINAL ENTRY

- A. The bookkeeper will utilize a double entry system for accounting for all funds.
- B. Adequate documentation will be maintained to support all general entries.
- C. At the end of each month, the bookkeeper will prepare a Statement of Cash Flow that will be reviewed by the Executive Director and Board Treasurer. The Board Treasurer may review these statements randomly. A Statement of Financial Position, Statement of Activities and Statement of Activities by Grant will be provided to the Executive Director and Board Treasurer when requested. Additional financial reports will be provided to Board of Directors at quarterly meetings or when requested.
- D. The Statement of Cash Flow report will include a comparison to the budget.
- E. The bookkeeper will maintain its accounting records on a cash basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

XI. GRANTS AND CONTRACTS

- A. The Executive Director will carefully review each award and contract to ensure compliance with all financial programmatic provisions. The Executive Director will maintain originals of all grants and contracts in a file. The bookkeeper will prepare initial entries as appropriate to record each award.
- B. The Executive Director will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded to The Sexual Trauma & Abuse Care Center. This form/file shall include the name, address, contact person and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all required financial and program report and due dates; and the chart of accounts line item number for the revenue deposited.
- C. Payments for projects for which The Sexual Trauma & Abuse Care Center serves as fiscal agent shall be paid out within one week.
- D. The Consulting Accountant will prepare financial reports to funding sources as required. The Executive Director will review and approve all reports to funding sources.
- E. It will be the responsibility of the Executive Director to insure that all financial reports are submitted on a timely basis.

XII. BUDGETS

- A. The Executive Director, the Board Treasurer and the bookkeeper will prepare the financial budget.
- B. The Executive Director will insure that budgets are on kept in a secure location for an appropriate retention period.
- C. The Board of Directors must approve all proposed budget revisions over \$5000. Proposed budgets revisions under \$5000 shall be approved by the Executive Board.

XIII. LOANS

- A. The Board of Directors must approve all loans for any amount.
- B. A promissory note will be prepared and signed by the Board President and another officer of the Board before funds are borrowed.

XIV. OTHER

- A. Minutes of Meetings
 - 1. The Secretary of the Board will prepare accurate minutes of all meetings of the Board of Directors and committees.
 - 2. The Executive Director will note all items in the minutes relating to finance and take appropriate action.
- B. Non-Program Income
 - 1. Donations of cash and non-program related income will be separately accounted for.
- C. Accounts Receivable
 - 1. Documentation will be maintained for accounts receivable.
 - 2. Accounts receivable will be recorded in the books and collected on a timely basis.
- D. Financial Procedures
 - 1. Financial procedures will be reviewed bi-annually by the Finance Committee.
 - 2. The Board of Directors must approve changes to the Financial Procedures manual prior to implementation.

E. Form 990

1. The Board of Directors and/or Executive Board in conjunction with the audit will authorize preparation of Form 990. Form 990 will be signed by an officer of the Board or the Executive Director.
2. Copies of Form 990 will be filed in the Executive Director's files, and a copy of the The Sexual Trauma & Abuse Care Center, Inc's Form 990 and Form 1023 shall be made available for public inspection and/or copying upon request.

F. Audits

1. The Board of Directors shall annually contract with an independent auditing firm for a full audit of the books, to be completed prior to the following first of September. The Board of directors shall not contract with the same independent auditing firm for more than 5 years.

G. Personnel Files

1. The Executive Director will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation and charitable contributions.

CONFLICT OF INTEREST STATEMENT/POLICY:

The Sexual Trauma & Abuse Care Center, Inc., as a non-profit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of The Sexual Trauma & Abuse Care Center, Inc., first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between The Sexual Trauma & Abuse Care Center, Inc. and its board, officers and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of The Sexual Trauma & Abuse Care Center, Inc. honestly and prudently, and of exercising their best care, skill and judgment for the sole benefit of The Sexual Trauma & Abuse Care Center, Inc. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with The Sexual Trauma & Abuse Care Center, Inc. or knowledge gained therefrom for the personal benefit. The interests of the organization must have the first priority in all decisions and actions.

This statement is directed not only to board members and officers, but to all employees who can influence the actions of The Sexual Trauma & Abuse Care Center, Inc. For example, this includes all who make purchasing decisions, all other persons who might be described as “management personnel” and all who have proprietary information concerning The Sexual Trauma & Abuse Care Center, Inc.