



RESOURCE CENTER FOR ACCESSIBLE LIVING, INC.

Financial Policies and Procedures

For Board Consideration: 12/18/10

I. ACCOUNTING AND ACCOUNTABILITY

- A. The Resource Center for Accessible Living, Inc. (**RCAL**) accounting system has been designed to ensure the following objectives:
1. Proper financial operation of the agency with full accountability and transparency.
 2. Compliance with applicable laws, contracts and regulations.
 3. Maintenance of maximum financial management and internal controls given the limitations of funds and personnel.
 4. Generation of reports required by:
 - a) Board of Directors
 - b) Funding sources
 - c) Tax agencies
 - d) Attorney General's Office (Charities Bureau)
 - e) Others as directed by the Executive Director
- B. These objectives are accomplished by:
1. An account code structure that readily identifies all grants, funding sources, donations, major and minor cost centers, revenues and expense categories.
 2. A segregation of duties to ensure proper internal controls.
 3. Implementation of proper accounting controls: i.e., a plan of procedures and records concerned with the safeguarding of assets and the reliability of financial records.
- C. Consequently, **RCAL**'s accounting controls are designed to provide reasonable assurances that:
1. Transactions are executed in accordance with management's authorization and not-for-profit best practices.
 2. Transactions are recorded to permit preparation of financial statements in conformity with generally accepted accounting principals and/or any other criteria applicable to such statements and to maintain accountability for assets.
 3. Access to assets is permitted only in accordance with management's authorization.
 4. Assets are accounted for and an appropriate action is taken with respect to any differences.

Member Agency, United Way of Ulster County

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II. RECEIPTING OF MONEY

- A. To ensure all cash (including checks) intended for **RCAL** is received, promptly deposited, properly recorded, reconciled and kept under adequate security, the following procedures will be followed:
1. The responsibility of receiving all monies (cash and checks) is that of either the Executive Director, Assistant Executive Director or the holder of the cash receipts log (usually the administrative assistant).
 2. The responsibility for receipting money is that of the Fiscal Administrator (with Executive Director responsible in his/her absence).
 3. All receipted monies are deposited in a checking and/or savings account on a timely basis by the Fiscal Administrator, Executive Director, Assistant Executive Director or designee.
 4. The responsibility for insuring bank statements are reconciled with internal records of receipts and disbursements are that of the Fiscal Administrator.

III. DISBURSEMENT OF CASH

- A. To ensure cash is disbursed only upon proper authorization of management for valid business purposes and all disbursements are properly recorded, the following procedures will be followed:
1. Requests for disbursement checks are submitted to the Executive Director or the Assistant Executive Director. This may include, but not be limited to, receipts and/or mileage reimbursement forms, bills, invoices and orders properly completed and signed. All disbursement vouchers are approved by the Executive Director. The Fiscal Administrator does not have the authority to approve disbursements.
 2. All disbursement checks are keyed and printed by the Fiscal Administrator upon receipt of proper authorization and documentation.
 3. All disbursement checks, including payroll, are signed by the Executive Director.
 4. When equipment or furnishings are purchased that need to be recorded on agency inventory records, information including purchase date, purchase amount, description and funding source must be given to the Fiscal Administrator for listing.

IV. PURCHASING

- A. To ensure purchases are appropriate and fall within budget guidelines, the following procedures are followed:
1. Requests for supplies are submitted to the Office Administrator or Administrative Assistant
 2. Requests for equipment are submitted to the Office Administrator with final approval by the Executive Director.
 3. If the equipment is over \$1,000, the Executive Director may obtain at least three (3) price quotations and will stay within Board/State approval budget guidelines for equipment purchases as required.

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V. INTERNAL FISCAL CONTROLS

A. In order to protect **RCAL** from the loss of assets, **RCAL** maintains internal controls in its operations as follows:

1. Monies are deposited in the bank electronically from state contracts and by the Fiscal Administrator and/or Executive Director (or designee). Receipt of cash is never used to pay bills.
2. After money has been receipted, the receipts are given to the Fiscal Administrator weekly to cross check with bank statements.
3. Cash receipts log will be reconciled at least bi-weekly.
4. All disbursements are made by check, with the exception of the petty cash account. This control provides a permanent record of how much was paid to whom. This also allows the Fiscal Administrator and Auditor to trace financial activity with the check serving as documentation. To minimize the possibility of a fraudulent disbursement, checks are made payable to a specific person or entity.
5. Those authorized to sign disbursement checks are the Executive Director and Board Treasurer.
6. The Fiscal Administrator receives bank statements and reconciles the checking account on a monthly basis. The Fiscal Administrator reconciles the bank statement with the internal computer records.
7. To ensure **RCAL** has a permanent record of all assets, a record of fixed assets (furniture, copy machine, electronics, typewriters, etc.) are maintained and an annual inventory done. This record details as much information about an asset as is reasonable including cost, location, serial number and any funding source information required. The Auditor's office maintains a depreciation schedule of all fixed assets.

VI. PETTY CASH

A. To ensure petty cash funds are disbursed only for proper purposes, adequately safeguarded and properly recorded, the following will be observed:

1. **RCAL** has \$150 in petty cash for general office and \$100 in petty cash for last-minute supplies. (Amount held in petty cash is to be approved by the Executive Director.)
2. The Executive Director and designee are custodians of general office petty cash funds. The Office Administrator maintains the supply of petty cash at his/her desk.
3. Advances provided to employees for purchases of miscellaneous items are authorized by the Executive Director or designee.
4. Cash disbursed is recorded on a petty cash slip. Item receipt and petty cash slip for purchase must be submitted to the Executive Director or designee maintaining petty cash.
5. Petty cash reconciliation will be performed by the Fiscal Administrator when the petty cash fund is depleted.

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VII. INCOME TAX, FICA AND OTHER TAX PAYMENTS

- A. To ensure estimated federal income taxes and other taxes are withheld from employees of RCAL and remitted in a timely manner, the following guidelines will be followed:
1. **RCAL** will use a payroll service (as of January 2010, Ulster Payroll Services) to calculate and remit correct tax payments within the prescribed Federal and State deadlines for payment.
 2. The Fiscal Administrator or designee tabulates the hours to be paid from time sheets submitted by-weekly. The hours for each employee are called into the **RCAL** payroll services by the Fiscal Administrator or designee. The payroll service computes wages and taxes based on mandated information provided by **RCAL** from all employees.
 3. As of 1/1/98, **RCAL** is required to deposit Federal Income Tax withheld and FICA/MC taxes electronically. This is done as part of payroll service from Ulster Payroll Services, Inc.

VIII. OTHER ASSETS

- A. To ensure the security and proper use of credit cards or credit card numbers:
1. Credit cards will be kept in locked drawers in locked offices.
 2. For credit card purchases a form must be completed describing purchase, cost, program, Payee, date, staff making the request and signed by the Executive Director or Assistant Executive Director. The form is then given to the Fiscal Administrator for reconciliation.
 3. When materials/supplies cannot be pre-ordered and staff need to physically carry and use a credit card, staff person must be pre-authorized to do so by either the Executive Director or Assistant Executive Director (e.g. signing into a hotel).

IV. RECORD MANAGEMENT

- A. All records whether in paper form or electronic will be maintained in a secure room.
1. Paper records will be kept in locked drawers in locked offices.
 2. Electronic data is protected by our in-house redundant server and/or backup batteries in the event of a power outage.
 3. Electronic data is backed up daily by the Fiscal Administrator and taken off site using a portable data device.