



FISCAL POLICY

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Noted Definitions: The terms “GL”, “GLs” and “GL form” are used frequently throughout this manual. These terms all relate to a single form that apparently is an invention (long ago) of Community Action. The form sometimes takes the place of several fiscal-related forms including; purchase orders, request for payment, receipt of payment, summary of payments received (for reporting) and other forms. The form is time-tested, seems to work well for Community Action and is accepted (sometimes reluctantly by fiscal monitors and auditors).

FORWARD & INTERNAL CONTROLS STATEMENT

The Fiscal Department of Community Action is comprised of three staff members including the Chief Fiscal Officer, Fiscal Manager and a Fiscal Assistant.

Each member of the department has a specific list of daily duties which when combined establishes the best possible accounting and record keeping program for the corporation. The Fiscal Office staff uses accounting software to ensure accurate accounting records.

There are daily back-ups of the accounting program as provided in the private cloud subscription per the software agreement.

The Governing Board of Directors formulates financial procedures and is ultimately responsible for all fiscal and legal factors affecting or affected by the Agency. The Executive Director has penultimate responsibility per Agency By-Laws and shall delegate daily responsibility and operations at his/her discretion to staff.

Internal Controls have been established and are described in this manual to protect Community Action Partnership of Central Illinois, Inc. from fraud, abuse, and inaccurate data recording and in order to track essential financial activities for the long-term. In addition, these internal controls serve as a safeguard of Agency assets against theft and unauthorized use, acquisition, or disposal. The internal controls herein ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Control activities included in the internal controls include segregation of duties, proper authorization procedures, adequate documents proving legitimacy and physical control over records/assets.

Financial duties and responsibilities will be separated so that no one employee has sole control over cash receipts, disbursements, payrolls, reconciliation of bank accounts, etc. Policies are based on the current Office of Management and Budget (OMB) Super Circular No. A-122, “Cost Principles for Non-Profit Organizations.”

GENERAL

The Governing Board of Directors, while responsible for all operations and activities of the corporation known as Community Action Partnership of Central Illinois, delegates the daily administration of the Corporation to the Executive Director.

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Periodically the Board reviews all the operations and activities of the corporation using committees such as the Executive/Personnel Committee and the Finance/Audit Committee. They are kept advised of the activities of the corporation through board meetings and direct contact with the Executive Director.

The Executive Director is responsible for all operations and activities of the individual programs, Administrative Staff, and the Fiscal Department.

The Executive Director enforces all corporate policies and is kept abreast of all activities by the Department Directors and the Fiscal Officer.

The Fiscal Officer is responsible for all operations and activities of the Fiscal Department. This shall include maintaining sound accounting practices as set forth in the Fiscal Policy Manual, working with all Department Directors to establish and maintain program fiscal records, answering all funding sources regarding financial practices, and being accountable to the Executive Director for the daily financial status of the corporation.

The Fiscal Officer shall assure that the financial status of the organization is, always, accurately and openly portrayed to the Executive Director, the Treasurer and the Finance/Audit Committee.

Fiscal procedures shall be maintained with a series of checks and balances that assures that each document is viewed by at least three persons with the Fiscal Officer being the final verifier.

All forms of documentation shall be completed in standard blue ink or black ink.

Separate bank accounts will be maintained for Accrued Leave Liability and Payroll. The corporate account shall house the remaining funds. All accounts will be held at FDIC institutions and any amounts over that limit shall be collateralized. At no time, will funds that belong to one program be used to pay another program's expenses.

ATTENDANCE RECORDS

The Community Action workweek is Saturday through Friday.

All Community Action staff members are required to use the Employee Web Service through the integrated accounting software that is used to accurately track hours worked.

The Fiscal Officer and/or Executive Director have the authority to adjust the procedural timeline to accommodate for holidays.

Failure to record work attendance is the sole responsibility of the employee and shall result in a delay of wages.

Verification of payroll includes recording earnings and/or use of accrued annual leave, respite leave, sick leave and/or personal time, as applicable. These figures are

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maintained in the payroll accounting system and are crossed checked at least quarterly to verify uniform information.

OVERTIME, DOWNTIME AND COMPENSATORY TIME

In no instance, shall a non-exempt (hourly) employee work more than 40 hours in a workweek without receiving prior authorization from his/her supervisor based on extra work required. Non-exempt employees who exceed 40 hours in a workweek will earn overtime (time and a half). Per the Fair Labor Standards Act regarding non-exempt employees, if a holiday falls within a workweek, holiday hours will NOT count toward the initial full-time workweek. Only hours worked will be counted toward a workweek in the determination of overtime.

No employee shall take or earn any compensatory time at anytime. Downtime can and should be taken within a workweek to ensure that no overtime is expended unless prior approval has been given.

PAYROLL DISTRIBUTION

Payroll is distributed bi-weekly on Fridays. Payroll is generated 26 times each calendar year.

Community Action employees may elect to receive their paychecks via direct deposit or by paper checks.

LOCAL TRAVEL

Local travel is paid with payroll every two weeks. Mileage reimbursement will only be paid up to the prior 30 days.

The supervisor responsible for approving timesheets also verifies the miles driven and the rate earned. It is then also reviewed by the Fiscal Assistant.

The Agency mileage rate is the allowance approved by the IRS tax code or LESS as set by the Executive Director. Changes in the mileage rate **MUST** be approved by the Executive Director.

Parking and toll fees over \$20.00 require a receipt and must be included as part of the mileage report.

Meal reimbursements may be included with payroll.

TRAVEL ADVANCE

When travel requires an overnight stay, a travel and training request shall be made through the Human Resources SharePoint page. The request must be approved by the Department Director, Human Resource Director and the Executive Director. The Department Director should submit approved requests through the Abila Procurement request form no less than 14 but preferably 21 days prior to the travel.

All travel arrangements shall be organized and directed through the Fiscal Office.

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Allowable meal cost shall be per the Meals and Incidental Expense (M&IE) rates as indicated in the current IRS Per Diem rate tables.

Upon returning, employees who have received a travel advance have three business days to turn in their receipts and excess cash to the Fiscal Department. Receipts are to be itemized on a travel voucher form and submitted to the Fiscal Department with a signed GL and any refund attached. Reimbursement from the travel must be cash and must be exact. The traveler may not write personal checks for the reimbursement.

Failure to have all paperwork submitted to the Fiscal Department in three days shall result in the following:

1st offense – The Fiscal Officer shall memo the Department Director and the Executive Director suggesting disciplinary action be taken.

2nd offense – The Fiscal Officer shall memo the Executive Director that the traveler has not been responsible in their actions, the Executive Director may deny the traveler future advances.

PETTY CASH

The following Petty Cash Funds will be maintained by the Agency:

Location	Custodian	Amount
Central Office	Fiscal Department	\$500.00

Any irregularities in the Petty Cash fund will be immediately reported to the Executive Director and the Fiscal Officer. Loans will NOT be made from Petty Cash funds. Mismanagement of funds will result in disciplinary action.

HEAD START FIELD TRIPS

Field trip advances shall be made in accordance to Head Start guidelines as well as the Fiscal & Operations Policies.

NO CHECKS SHALL BE GIVEN OUT MORE THAN FIVE DAYS IN ADVANCE.

Reimbursements must be cash and must be exact. The employee may not write personal checks for any reimbursements.

FRAUD

While Community Action acknowledges that is not possible to prevent all fraud, the corporate fraud policy established herein by the Governing Board of Directors has established these policies and procedures to create comprehensive internal controls. These controls will both prevent possible frauds and ensure that our systems will quickly identify fraud if it does occur. It is the intent of Community Action to promote consistent organizational behavior.

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Fraudulent activities include, but are not limited to, the following:

- Any dishonest or fraudulent act.
 - Forgery or alteration of documents (checks, promissory notes, time sheets, mileage sheets, independent contractor agreements, supply requisitions, budgets, etc.)
 - Misrepresentation of information on documents.
 - Misappropriations of funds, securities, supplies or any other asset.
 - Theft, disappearance, or destruction of any asset.
 - Improprieties in the handling or reporting of money transactions.
 - Authorizing or receiving payments for goods not received or services not performed.
 - Authorizing or receiving payment for hours not worked.
 - Any apparent violation of Federal, State or local laws related to dishonest activities or fraud.
-
- Destruction, removal or inappropriate use of records, furniture, fixtures and equipment.
 - Using tax exempt status for anything other than official agency business.

Management is responsible for the detection or prevention of fraud, misappropriations and other in appropriate conduct. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility.

To promote the identification and prevention of fraud:

- All Fiscal staff shall be crossed trained.
- All Fiscal staff should take one consecutive week away from the corporate office per year to promote cross training. While staff is away from the office that person's job responsibilities will be handled by another Fiscal Staff member.
- Separation of responsibilities to create levels of internal controls will be actively developed and maintained.

Any Fraud within the Agency shall be reported to the Fiscal Officer and the Executive Director immediately. Fraud is grounds for immediate dismissal.

WHISTLEBLOWER PROTECTION

In keeping with the policy of maintaining the highest standards of conduct and ethics, Community Action will investigate any suspected fraudulent or dishonest use or misuse of the corporation's resources or property by staff, board members, consultants, providers of professional services, or volunteers.

Staff, board members, consultants, providers of professional services, and volunteers are encouraged to report suspected fraudulent or dishonest conduct (i.e., to act as "whistleblower"), pursuant to the procedures set forth below.

CAPCIL – Fiscal Policy Manual REPORTING

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to the Executive Director or Governing Board President. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to one of the individuals listed above.

DEFINITIONS

Baseless Allegations

Allegations made with reckless disregard for their truth or falsity. Individuals making such allegations may be subject to disciplinary action by Community Action, and/or legal claims by individuals accused of such conduct.

Whistleblower

An employee, board member, consultant, provider of professional services, or volunteer who informs the Executive Director or Governing Board President about an activity relating to Community Action which that person believes to be fraudulent or dishonest.

RIGHTS AND RESPONSIBILITIES

Supervisors are required to report suspected fraudulent or dishonest conduct to the Executive Director or Governing Board President. Reasonable care should be taken in dealing with suspected misconduct to avoid:

- Baseless allegations
- Premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
- Violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow-up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

- Should not contact the person suspected to further investigate the matter or demand restitution
- Should not discuss the case with attorneys, the media, or anyone other than the Executive Director or Governing Board President
- Should not report the case to an authorized law enforcement officer without first discussing the case with the Executive Director or Governing Board President

WHISTLEBLOWER PROTECTION

Community Action shall protect whistleblowers as defined below:

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- Community Action will use its best efforts to protect whistleblowers against retaliation. Whistleblower complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that whistleblower complaints will only be shared with those who have a need to know so that Community Action can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a Result of a whistleblower complaint, such persons may also have the right to know the identity of the whistleblower.)
- Employees, board members, consultants, and volunteers of Community Action may not retaliate against a whistleblower for informing management or the board of directors about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistleblowers who believe that they have been retaliated against may file a written complaint with the Executive Director and/or the President of the Governing Board of Directors. Any complaint of retaliation will be promptly investigated, and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from acting, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistleblowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).

REIMBURSEMENT

The use of personal funds to purchase Agency supplies is highly discouraged. However, if an employee makes a purchase with personal funds for Agency supplies or needs, the Department Director may request that the employee be reimbursed.

When an employee uses personal funds, they may be required to pay sales tax on their purchase. For this reason, it is NOT a preferred practice that employees use personal funds for Agency purchases.

BOOKS OF ORIGINAL ENTRY

The Agency will utilize a double entry system for accounting for all funds.

Program GLs should be written by the Department Director and his/her appointee. GLs for Administration may be written and signed by a member of Administration barring the Executive Director. GLs for cost allocation will be written and signed by a member of The Fiscal Department. Original GLs along with supporting documentation is given to the Fiscal Department. The Program should maintain copies of the same.

BOOKS OF ORIGINAL ENTRY IN THE ABSENCE OF A DEPARTMENT DIRECTOR

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If the position of Department Director of any program within the Agency shall be vacated whether permanently or temporarily, the Executive Director shall become the Interim Director of that program.

Under the terms and conditions of the Fiscal and Operations policies, as specified by the Board of Directors of this Agency, the Executive Director is excluded from signing general ledger entry forms.

Therefore, the Fiscal Assistant shall sign GLs and the Executive Director shall initial all original bills, as an indication that the Interim Department Director has approved them.

REVENUES

Revenues are received in three forms: Direct Debit, Check/Money Order or cash.

Revenues that are received first by the ~~Agency Development Director~~ **Fiscal Assistant** are logged into the receipt ledger **in Share point on the Fiscal Page**. ~~Copies are made of the checks/money orders and submitted to the Fiscal Department for distribution to Department Directors as appropriate.~~ Verification of ACH transactions are made by the Fiscal Officer through the internet-based site hosted by the bank. When locked, boxes are received by the Fiscal Department. Two people should open and count the money.

The Fiscal Department prepares the deposit slip, separating all revenues by program. The deposit slip is copied on to the copy of the revenue. Best effort should be made for a GL to reflect the information as it is recorded on the deposit slip.

Duplicate deposit slips shall be maintained in the deposit book.

Deposits are held in the safe until delivered to the bank by the Fiscal Department.

Bank deposits should be made at least twice per week. However, when the total deposits in the safe exceed \$1,000.00 they should be delivered to the bank immediately.

ACCOUNTS PAYABLES

Invoices must be submitted by the Department Director or their designee to the Fiscal Assistant within 2 days of receipt for proper and timely payment. Accounts Payables are issued on biweekly basis. Invoices submitted after 4:00 p.m. on the Friday prior to payables week will not be processed until the next payables week.

Original invoices are required by the Fiscal Department for each charge generated by the programs. If the original invoice becomes lost or destroyed, a copy may be obtained from the creditor. Repetitive loss of original documents will prompt disciplinary action.

To implement Internal Controls, it is the responsibility of the Fiscal Officer to observe the purchasing habits of the programs, and to make recommendations to the Department Directors regarding their efficient use of funds.

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The Fiscal Officer shall assure that the expenses do not fall under the guidelines of questionable costs or that generating the entry will in any way cause a finding to be placed upon the program.

The Fiscal Assistance shall pay vendor invoices based on the selections made on the aging of accounts.

All monies drawn down from the funding sources for each grant will be dispersed within the regulated time. Specifically, all Head Start and Foster Grandparent Program monies must be disbursed within 3 days of being drawn from the Payment Management System to uphold grant regulations.

ISSUANCE OF ~~CHECKS~~ PAYABLES

EXPENDITURE SIGNERS

The Governing Board President appoints the signers, which will always include himself/herself, the Executive Director, in the absence of the Executive Director, the Treasurer and select members of the Board. The Fiscal Officer may endorse checks for petty cash only.

EXPENDITURE SIGNATURE PROVISIONS

At NO TIME, may a blank check to be signed in advance.

The original GLs are attached to these expenses so that the signers may review the bills being paid and request additional information regarding the bill at their discretion. The check register or journal register must be signed at this time.

All expenses exceeding \$5,000 must be signed by two expenditure signers. The Executive Director or authorized signer is authorized to be the sole signer for payables of \$4999.99 or less except for his/her own travel reimbursements, and or travel advances. Two authorized signers must sign the check register or expense register ALWAYS.

USE OF SIGNATURE STAMPS

Signature stamps are not encouraged; however, the authorized signers at their discretion may use signature stamps. The only ruling regarding these stamps is that under no circumstances shall a stamp be used by a person to whom the signature does not belong. Stamps should be kept by the owner and never left in the care of a Community Action staff member.

BANK RECONCILIATION

Bank statements will be delivered to the Fiscal Officer UNOPENED and is to open by him/her.

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The Fiscal Officer reconciles the bank balance and compares it to the end of the reported period to the Cash General Ledger.

The Fiscal Officer will make note of any checks outstanding over 90 days. The Fiscal Department will perform due diligence to contact the bearer of the outstanding checks and ascertain their status.

INSURANCE

The Fiscal Department will maintain an insurance binder, which will include all insurance policies pertaining to the Agency.

Insurance costs will be broken down per program and will be charged out in a journal entry no less than once per program year.

All insurance policies will be reviewed by the Fiscal Officer and the Executive Director, prior to renewal.

The Executive Director and the Finance/Audit Committee of the Governing Board should review insurance annually. When appropriate, proposals should be solicited to improve coverage, reduce costs or determine if current costs are reasonable.

GRANTS AND CONTRACTS

All grants will be handled in accordance with federal and state guidelines as set per the funding source.

The Department Director will prepare all applications for grants with the assistance of the Executive Director and the Fiscal Officer.

The Executive Director will review each award to assure compliance with all programmatic provisions. Copies of all grants and contracts will be given to the Fiscal Officer who will maintain the grant files.

All employees that directly work with any awarding and administration of contracts are to strictly adhere to the conflict of interest and code of ethics policies detailed in the personnel policies of the Employee Handbook. Department of Health and Human Services Regulations state: "No employee, officer or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee, officer or agent, or any members of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award."

BUDGETS

Grant and contract awards shall be the foundation of the program budget, which is prepared jointly between the Department Director, Executive Director and the Fiscal Officer.

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Budgets will be prepared in a joint effort between the Department Director, the Executive Director and the Fiscal Officer.

Budgets shall be completed and ready for entry into the accounting system no less than 15 days prior to the beginning of the program year.

The Fiscal Department shall regularly monitor expenditures in comparison to the established budget of each program. Regular meetings will be held with the Fiscal Officer, Executive Director and Department Director to ensure proper oversight and adherence to the program budget.

Budget modifications may be done IF additional grants or a grant modification is made during the program year. Such modifications should be done in accordance with Grant standards of the additional award.

Budgets entered into the accounting system will be reflected on the monthly Revenue and Expenditure Statements available at any time to the Department Directors, the Executive Director and appropriate Governing Board Committees.

REPORTING

All reports will be prepared and processed by the Fiscal Department as required by law.

REPORTS TO DEPARTMENT DIRECTORS AND GOVERNING BOARD

Statements of Revenues and Expenditures (R&Es) shall be run by the Department Directors bi-monthly. Each Department Director shall be provided with permission/access to financial software allowing them the opportunity to run financial reports for their program at any time. A hard copy of Programmatic Revenue and Expense reports shall be made available to Directors through the Fiscal Office at any time upon request.

To ensure ongoing fiscal monitoring and proper oversight, summary R&E reports and the monthly credit card statements shall be submitted to the Finance/Audit Committee, monthly and summary R&E reports and the monthly credit card statements shall be given to Governing Board members monthly. Detailed R&E reports shall be distributed to the Finance/Audit Committee members monthly.

REPORTS TO THE FUNDING SOURCES

The Fiscal Officer shall prepare all financial reports presented to the funding sources.

The Executive Director or Designee or the Fiscal Officer shall sign all financial reports presented to the funding sources, as required.

TAX REPORTING

Annual tax reports for the Corporation shall be prepared by the Auditors and submitted per tax laws.

Payroll taxes shall be prepared and processed by the Fiscal Department.

In the interest of fiscal oversight, the IRS Form 990 is reviewed by the Governing Board prior to its annual submission.

The form 5500 is prepared by the Fiscal Officer.

PROCUREMENT

Community Action operates CAP offices and Head Start sites in six counties (DeWitt, Fulton, Logan, Mason, Menard and Piatt). To the best of its ability, the Agency shall strive to do business with local purveyors in this six-county area, providing it is cost effective. No purchase of goods or services shall be made with prejudice to race, religion, political preference or family relationships. Use of minority owned businesses are encouraged as part of the Agency's Affirmative Action Plan.

It is NOT recommended that Community Action conduct business with purveyors directly connected to employees. The Governing Board's conflict of interest policy shall also be upheld for all procurement purchases. In cases where such purveyors prove to be the most cost effective, the Executive Director and the Governing Board of Directors shall be afforded full disclosure of the personal relationship PRIOR to beginning the business relationship. Purveyors cannot be suspended or be a debarred party. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.**

Community Action will avoid purchasing unnecessary items always.

When required by Federal program legislation, all construction providers that accrue up to or more than \$2,000 in billing in a fiscal year shall provide all documents required for compliance with the Davis-Bacon Act and as supplemented by Department of Labor regulations. CAPCIL will maintain an approved list of vendors, vendors that have placed on file their required tax forms and concede to abiding by the federal guidelines, including the requirement of providing their payroll information as required.

All purchase will follow the following rules must be reasonable, allowable and allocable.

Reasonable costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. The question of the reasonableness of specific costs must be scrutinized with care in connection with organizations or separate divisions thereof which receive the preponderance of their support from awards made by the Federal agencies.

To be allowable under an award costs must meet the following general criteria:

- a. Be reasonable for the performance of the award and be allocable thereto under these principles.
- b. Conform to any limitations or exclusions set forth in these principles or
- c. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.

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A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received. A cost is allocable to a Federal award if it is treated consistently with the other costs incurred for the same purpose in like circumstances and if it:

1. Is incurred specifically for the award.
2. Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or
 - a. Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.
 - b. Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

In addition, the following steps shall be taken to assure that all purchases of goods and/or services are necessary and that funds are being utilized according to the guidelines specified in the grant from which funds will be drawn.

GUIDELINES

The approval process for *single items* that exceed the ranged dollar amounts for the procurement of products and goods is as follows:

\$1-\$3500 are approved by the Department Director

\$3500-\$4999 are approved by the CFO

\$5000-\$19,999 are approved by the Executive Director

**Expense in excess of \$3500 require a cost analysis by the Operations Department*

***Expenses in excess of \$5000 require a bid committee recommendation*

\$20,000 + require Governing Board approval

When making a purchase with grant funds, the guidelines set forth by the funding source shall be reviewed and the more stringent (Agency versus Funding source) guidelines shall be adhered to.

Minutes from the meeting of the Bid Committee shall be kept and stored in the Abila procurement request along with all the bids considered in the process.

Any bidders who would like to review documentation regarding a specific bid selection process shall contact the Fiscal Officer to request a time/date to review the materials. The Fiscal Officer or another agency designee shall be present during the review of the materials.

While it is the policy of Community Action to bid out services and products, contracts may be renewed up to 5 years if there is a price change of less than 5% unless otherwise specified in the request for proposal or bid specifications.

INVENTORY

All Agency Inventory tracking is conducted electronically, capturing the following categories:

1. Equipment

Community Action complies with the federal definition of equipment and keeps an inventory listing for assets that are purchased at a unit cost at or exceeding \$5,000

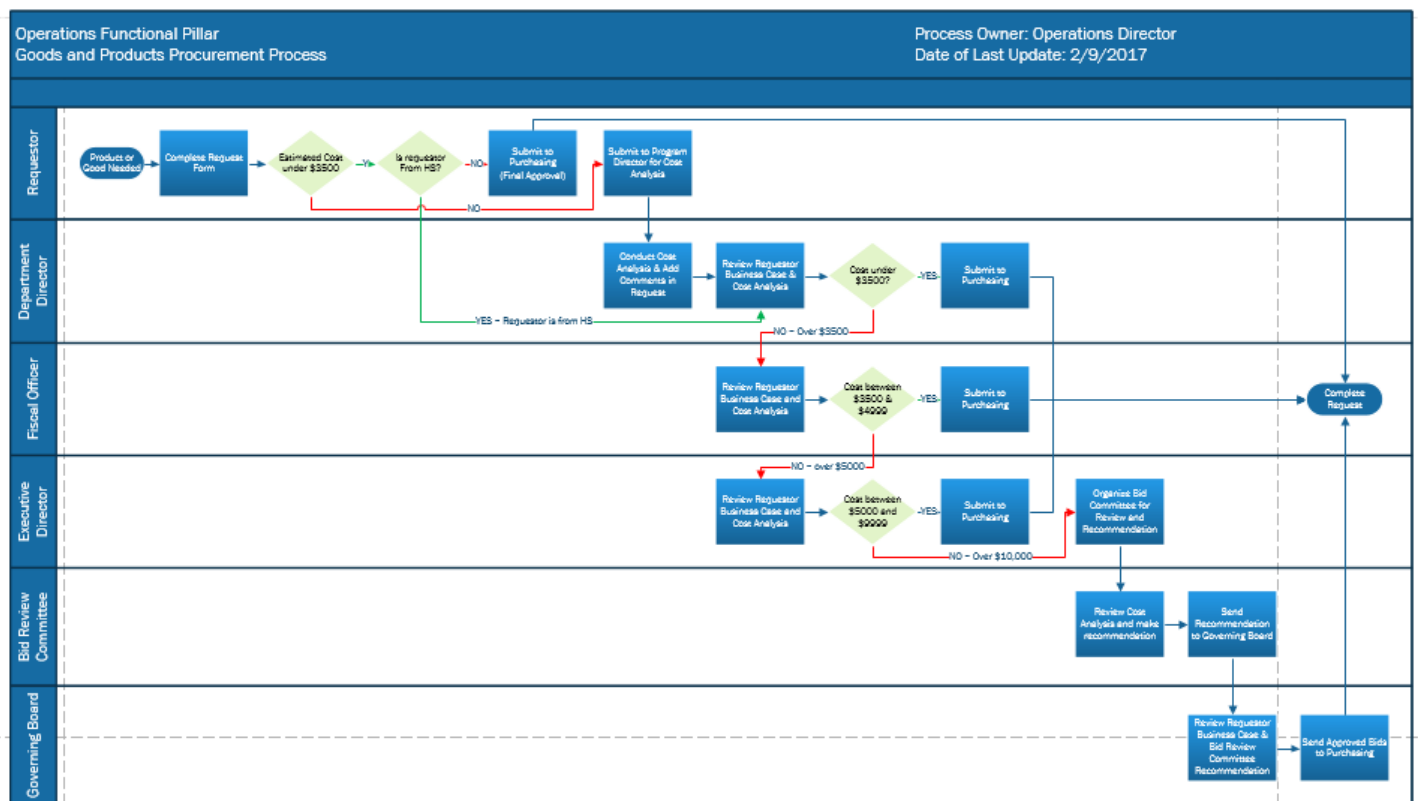
2. Supplies

Community Action tracks smaller property purchases of items that cost \$3500 or more for internal tracking

3. Disposed Equipment

Community Action enforces and tracks the proper disposal of supplies and equipment. Community Action retains records of asset disposal for 7 years.

ASSET PROCUREMENT PROCESS



PERPETUAL INVENTORY SYSTEM

On a regular monthly schedule, the Operations Department visits various site locations in the Service area to conduct a random audit of Agency assets.

ASSET RELOCATION and ASSET DISPOSAL

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If a tracked asset is relocated, an “[Asset Relocation and Disposal Request](#)” must be filled out by the program staff and authorized by the Department Director, verified by the Operations Department, and approved by Executive Director and Fiscal Officer.

When a piece of equipment or supply is no longer reasonably useful for its intended purpose, an “[Asset Relocation and Disposal Request](#)” must be completed. The Operations Department is responsible for verifying the request with the Department Director and determining if any specific disposal requirements must be met. The Operations Department Director, the CFO and the Executive Director must approve the request. The Operations Director obtains permission for asset disposal as required by the funding source and appropriately disposes in compliance with grant requirements. The disposal request and any required signatory authorizations will be attached to the electronic request form.

LEASES

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

When a landlord requires a lease, Community Action may enter such an agreement with the approval of the Executive Director.

Terms and conditions of the lease shall be established per individual lease, and the Executive Director shall make the decision on an individual basis as to the feasibility of the terms.

No contract will be entered without a clause allowing Community Action the opportunity to remove itself from the agreement with minimal injury.

Renewal of leases will be reviewed and approved by the Executive Director.

The Executive Director will sign into agreement ALL leases.

EQUIPMENT LEASES

Equipment may be leased when circumstances prevent the agency from making a purchase or leasing is more cost efficient.

As much as possible, such leases shall be set up as a “rent-to-own”.

CREDIT CARD POLICY

The Agency has one major credit card account and three cards assigned to the Executive Director, Fiscal Officer, Operations Director and the as the authorized signers.

The Agency credit card may be used for appropriate and allowable travel expenses including, but not limited to hotel reservations/room charges, meals and airline or railway tickets.

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Travel tickets (bus and/or train) may be charged to the Agency card for client assistance, providing the charge can be verified with a receipt from a travel agency or the vendor, with the approval of the Executive or Chief Fiscal Officer.

Items needed on an emergency basis for client assistance may also be charged to the credit card. Such purchases would be for items that require cash on delivery or in the case of a vendor with whom the agency does not have a charge account. In these situations, it will be determined if this is a vendor that may be needed again in the future, so a normal charge account will be established if possible.

Under no circumstances is the Agency credit card to be used to pay a debt that is normally or usually paid by check.

Any charges made to the credit card will be paid upon receipt of the bill to avoid interest charges.

Receipts for all charges on company credit card must be submitted within 5 days of purchase or return of travel. All receipts must be submitted to the Fiscal Department.

At no time, shall alcohol be purchased using company credit card.

LOANS

THIRD PARTY LOANS

The Governing Board of Directors at the recommendation of the Executive Director will approve loans from outside sources.

When it is determined that a loan should be obtained, consideration shall be given to the lending institutions that are locally operated providing they offer the most competitive interest rate.

EMPLOYEE LOANS

No loans shall be made to employees at anytime including the Executive Director and Fiscal Officer.

AUDIT

Audits of the books and records shall be made by a certified public accountant, as required by law and/or funding sources. The services of a qualified accountant/firm will be procured following policies contained in this manual. Per the By-Laws of Community Action Partnership of Central Illinois, the Governing Board of Directors is to oversee the procurement of an annual, agency wide audit.

The audit is to be presented annually to the Governing Board directly by the Certified Public Accountant.

The audit will be sent to all funding sources as required and requested.

The Office of Management and Budget Circular No A-133 Audits of States, Local

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Governments, and Nonprofit Organizations (Super Circular No. A-133) requires recipients of Federal funding to submit copies of their audit report to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor's report, or nine months after the end of the fiscal year unless a longer period has been approved, in advance, by the cognizant or oversight agency for audit.

The public shall be entitled to have access, at reasonable times during business hours, to see the books, financial records, accounts, membership lists and like records of the Corporation, to the extent required by law or by government regulation, including Section 1030.5 of Volume 45 of the Code of Federal Regulations.

RECORD RETENTION AND DESTRUCTION

It is the policy of Community Action to retain records as required by law and to destroy them when appropriate. Some records, even though not required by law, should be retained permanently, such as audited financial statements, some personnel records, minutes, legal correspondence, tax records, or other documents that may be important to the organization or eligible for its archives. Records are kept at an off-site storage company.

ELECTRONIC RECORDKEEPING

It is the policy of Community Action to maintain electronic record keeping that so to allow the production of legible records. Machine sensitive records must be readily retrievable and contain sufficient transaction-level detail to identify any source documents. Documentation of procedures, file contents, and system checks is required.

Computer generated documents relating to the above records, such as email, spreadsheets, tables and graphs, letters, graphics and photographic images should be retained 7 years.

Voicemail that is believed by staff to be relevant to existing or potential litigation should be forwarded to the Executive Director to be tape recorded and stored. All other voicemail messages are retained at the discretion of individual staff members and should be removed before the storage capacity of the telephone system is reached.

Email messages are to be retained at the discretion of individual staff members. However, any computer-generated document relating to the recruitment, hiring, evaluating, disciplining or firing of personnel shall be retained 7 years.

RETENTION AND DESTRUCTION TIME GUIDELINES

It is the policy of Community Action to retain records as required by law and to destroy them when appropriate. Some records, even though not required by law, should be retained permanently, such as audited financial statements, some personnel records, minutes, legal correspondence, tax records, or other documents that may be important to the organization or eligible for its archives.

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The destruction of records must be approved by the Department Director (if appropriate) and the Fiscal Officer and logged into the Agency's Destroyed Records Log. The formal records retention policy of Community Action is as follows:

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Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Audit reports	permanently
Bank reconciliation's	3 Years
Chart of Accounts	permanently
Cancelled Checks	7 Years
Contracts, mortgages, notes and leases (expired)	7 Years
Correspondence:	
General	2 Years
Legal and important matter only	permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	permanently
Depreciation schedules	permanently
Duplicate deposit slips	2 Years
Employment applications	90 Days
Expense analyses/expense distribution schedule	7 Years
Financial statements: Year End	permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	permanently
In-Kind Records	3 Years
Insurance policies (expired) and records	3 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	permanently
Loan Documents	4 Years
Minute books of directors, bylaws and charters	permanently
Notes, receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Procurement documents (bids, etc)	3 Years
Property records	permanently
Retirement and pension records	permanently
Requisitions	3 Years
Sales records	7 Years
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination report	
And other documents relating to determination	
Of income tax liability	permanently
Time sheets/cards	7 Years
Trademark registrations and copyrights	permanently
Voucher registers and schedules	7 Years
Withholding tax statements	7 Years

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STORAGE OF BACK-UP FILES

It is the policy of Community Action to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by management.

HIRING

The Governing Board of Directors hires the Executive Director. The Executive Director approves the hiring of all other employees.

After the interview process, successful candidates are provided an offered letter. Upon acceptance of that offer, the Department Director completes a [Change in Status Request](#). Information regarding the start: start date, rate of pay, supervisor, location of assignment, operational and IT needs, link to job description, wage distribution, and exemption status are all found on the request. That Request is then approved electronically in serial by the HR Director, the IT Administrator, Operations Department Director, Chief Fiscal Officer and the Executive Director.

When the new employee arrives, a new employee file is generated by the HR Director and held in his/her dedicated and secured location for personnel files. The packet at minimum shall include:

- Application of Employment, Resume and/or Cover Letter
- Employment Eligibility Verification (I-9)
- Emergency Information form
- Federal and State W-4 forms

The Fiscal Manager shall be responsible for entering information from the new hire employee packet into the financial software of the Fiscal Department.

Pay history and/or changes of status shall be tracked electronically in the secured SharePoint request form.

Each new employee must receive and read the following information:

Employee Handbook (including Drug Free Work Place Policy)
Mission Statement
Overview of Agency activities
Confidentiality Statement
Risk Management Handbook
Organizational Chart
Fiscal Policy
Process Repository

CONSULTANTS

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Consideration will be made of in-house capabilities to accomplish service before contracting for them.

Written contracts clearly defining work to be performed will be maintained for all consultant and contracted services. Said contracts shall be signed by the Executive Director.

The qualification of the consultant and reasonableness of fees will be considered in the hiring.

Terms of payment generally shall be “paid in completion”, except in the case of on-going contracts which will be paid according to the terms, agreed upon at the initiation of the contract.

Consultants must abide by EEO/AA.

DETERMINING COMPENSATION

This Policy on the Process for Determining Compensation of Community Action applies to the compensation of the Executive Director employed by the Organization.

The process includes these elements: (1) review and approval by the board of directors; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. Review and approval. The compensation of the person is reviewed and approved by the Governing Board, if persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. The use of data as to comparable compensation. The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
3. Contemporaneous documentation and recordkeeping. There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation agreement.