

**The Workforce Connection, Inc.**

**Policy Title: Fiscal**

**Modification Approved: September 12, 2023**

**Policy Number: 2016-100-06, Change 5**

**Status: Active**

**Effective: August 2012**

**Purpose:**

To clearly state The Workforce Connection's expectations for transparency and accountability for all finance-related functions, and to ensure that assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship.

**References:**

None

**Background:**

The policy and procedural guidelines are designed to protect the assets of the organization; ensure the maintenance of accurate records of TWC's financial activities; provide a framework for decision making; establish operating standards and behavioral expectations; serve as a training resource for staff; and ensure compliance with federal, state and local legal and reporting requirements.

**Responsible Party:**

The Workforce Connection Board of Directors, the Executive Director and all staff members with a role in the management of TWC's fiscal operations. All personnel with a role in the management of TWC's fiscal operations are expected to uphold the policies and commit to proper, accurate financial management and reporting.

**Procedures:**

**General Accounting**

- Lines of authority are identified on the organization's organizational chart and will be followed by all employees.
- Current job descriptions, including duties and responsibilities, will be maintained for all employees and reviewed annually by the Executive Director.
- To ensure all funds are protected from mishandling and to help promote a system of checks and balances, financial duties and responsibilities will be specifically separated to ensure that no one employee has sole control over cash receipts, disbursements, etc.
- All forms will be completed in ink.
- As checks or ACHs are issued, the paid voucher and supporting documentation are filed in the appropriate files.
- All costs and revenue will be posted to a General Ledger.

- All checks must have a voucher prepared prior to payment that includes an explanation of the cost, account coding, and supporting documentation validating the cost. All vouchers will be reviewed for accuracy by the Business Account Liaison and approved by the Executive Director.

### **Cash Receipts and Deposits**

- Checks and cash received will be received by the Business Account Liaison, logged into the receipts book, and given to the Fiscal Manager. The Fiscal Manager will prepare and make the bank deposit. The MIP bank receipt report and the receipts book will be compared and reconciled monthly by the Executive Director.

### **Cash Disbursements**

- Checks will be written and distributed to the appropriate check signatories for review and signature.
- Signed checks will be mailed to the appropriate recipients, unless specifically requested to be picked up by the program participant. The check stub will be attached to the documentation as proof of payment and filed appropriately.
- In no event will checks be:
  - Prepared unless these procedures are followed.
  - Used other than in Numerical order.
  - Prepared or signed in advance.
  - Made out to “cash” or “bearer”.
  - Prepared on verbal authorization.
- Voided checks will have “VOID” boldly written in ink across the face of the check, the signature portion will be removed, and voided in the accounting software program. The voided checks will be retained in a separate file.

### **Credit Card**

- Only the Executive Director, or the Business Account Liaison; with the advanced approval of the Executive Director; have authority to use the credit card.
  - A Purchase Requisition will be completed in advance for all credit card purchases.
  - Only items within the approved budget can be purchased with the credit card.
  - These procedures will be followed and confirmed for all credit card purchases.
  - All credit card purchases must be business related. Under no circumstances can the credit card be used for personal purchases.

### **Bank Reconciliations**

- The reconciliation will be done monthly.
- It will be reconciled using the accounting software and compared to the General Ledger to ensure all are in balance.
- The Executive Director and the Board Secretary/Treasurer will review and approval the reconciliation report.
- Canceled checks will be examined for date, name, and required signatures.
- Lost or stolen checks –
  - Upon receiving notification that a check has been stolen or lost, an immediate stop payment order will be submitted to the bank providing the check number, date, amount, and payee.
  - When the stop payment confirmation is received from the bank, a voucher will be prepared to account for the transaction.
  - If, or when, a check is reissued, a voucher is prepared which will explain the nature of the check.

**Signature Authority**

Checks or ACH Payments for less than \$5000 will require only one signature, while checks or ACH Payments of more than or equal to \$5000 will require two signatures.

The Executive Director will sign checks or approve ACH payments, with a designated Board member additionally signing those checks or approving ACH payments more than or equal to \$5000.

In the absence of the Executive Director, any of the Board Members who are authorized signers on the account may sign checks or authorize ACH payments.

Approval of ACH payments for more than or equal to \$5000 may be approved by a designated Board member via an email to both the Fiscal Manager and Executive Director.

Approved ACH payments will be reviewed and approved by the Executive Director and the designated Board member on a monthly basis.

**Unrestricted funds**

- Any expenditure of unrestricted funds exceeding \$5,000 will require the approval of the Board.

**Purchasing**

- Special Purchase Requisitions will be prepared by an authorized staff member and approved by the Executive Director. The Executive Director will determine the appropriateness of expenditure and availability of funds.
- All purchases will be in accordance with the Board's procurement policy.
- Special Purchase Requisitions will be signed by the Fiscal Manager and approved by the Executive Director.
- Receipt of Purchased Items
  - The Business Account Liaison will be the authorized receiving agent.
  - The following procedures will be followed:
- Ensure all items have been received and sign the packing slip;
- Ensure all items are in "good" order; and
- Upon receipt of the invoice, compare the packing slip and purchase order to the invoice.
- Process for payment.

**Travel**

All travel will be paid/reimbursed in accordance with TWC's Travel Policy, 2016-400-03

**Property**

- Equipment is defined as items with a unit cost of \$1,000 or more and with a useful life of more than one year.
- Records will be maintained in accordance with 2 CFR 200.
- Equipment will be tagged and tracked.
- A physical inventory of equipment will be conducted annually.

**Financial Reporting**

- Reports will be provided to the Finance Committee and Board at least quarterly.

**External Audit**

Audits will be conducted in accordance with the Uniform Circular 2 CFR 200.500 and the Grant Accountability and Transparency Act. The audit report will be presented to the Finance Committee upon completion. The Finance Committee Chair will then report the results of the audit to the TWC Board.

The Chairperson of the Finance Committee shall monitor the audit process. The tasks associated with monitoring the audit may include, but not be limited to, communications with the auditor about the scope, timing, status and/or results of the audit; receiving information from the auditors as to issues and/or concerns identified during the audit process; reporting to the rest of

**The Workforce Connection, Inc.**

*Fiscal Policy Cont.*

the Finance Committee and/or to the Board of Directors concerning the status and/or results of the audit; and similar tasks.

**Action Required:** This information should be disseminated to TWC Board members and Board staff.

**Inquiries:** Questions regarding any aspect of this policy should be directed to TWC's Executive Director.

**Effective Date:** *Immediately Upon Board Approval*