



Fiscal Policies & Procedures

Table of Contents

Introduction.....	4
Accounting Procedures	4
1.0 Basis of Accounting	4
2.0 Bank Reconciliations	4
3.0 Record Retention and Access to Records.....	5
Internal Controls	5
4.0 Lines of Authority	5
5.0 Bank Accounts & Counter Signatures.....	6
6.0 Conflict of Interest	6
7.0 Segregation of Duties.....	6
8.0 Physical Security & Computer Back-up Procedures	8
Financial Planning and Reporting.....	8
9.0 Budgeting Process	8
10.0 Internal Financial Reports	8
11.0 Cost Allocation.....	9
12.0 Audit and Tax Compliance	9
Revenue and Accounts Receivable	9
13.0 Billings and Reimbursement Requests	9
14.0 Revenue Recognition.....	10
15.0 Cash Receipts and Deposits.....	10
16.0 Donations Received by Credit Card	11
17.0 Donated Materials, Facilities and Services Procedures	11
18.0 Grant Compliance.....	12
19.0 School District Contracts.....	12
20.0 Grants and Contributions.....	12
Expense and Accounts Payable.....	13
21.0 Invoice Approval & Processing.....	13
22.0 Cash Disbursements	13
23.0 Petty Cash.....	14
24.0 Payroll	14
Processing Payroll.....	15
Direct Deposit.....	15
Payroll Taxes.....	15
25.0 Purchases and Procurement	16
Selection:	18
26.0 Procurement File.....	18
27.0 Equal Opportunity	19
28.0 HUBS	19
Asset Management.....	19
29.0 Cash Management & Investments	19
30.0 Capital Equipment	20
31.0 Inventory of Property and Equipment	20
32.0 Debt and Other Liabilities	20
33.0 Bonding	21

Introduction

This manual has been prepared to establish and document the internal accounting procedures for Communities In Schools of Greater Central Texas, Inc. (CISGCT). Its purpose is to ensure that assets are safeguarded, accurate records are maintained, financial statements are in conformity with regulatory standards, and that finances are managed with responsible stewardship.

All personnel with a role in the management of Communities In Schools of Greater Central Texas, Inc.'s fiscal operations are expected to uphold the policies in this manual which serves as our commitment to proper, accurate financial management and reporting.

Accounting Procedures

This section covers the basic accounting procedures for the organization. Communities in Schools of Greater Central Texas, Inc. utilizes accounting software to reduce errors and improve internal control, security and efficiency. The accounting procedures used shall conform to Generally Accepted Accounting Principles (GAAP) 2 CFR 220. EDGAR and OMB Circular A-122 "Cost Principles for Non-Profit Organizations" to ensure accuracy of information and compliance with external standards.

1.0 Basis of Accounting

Policy: CISGCT uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred.

Procedures:

- 1.1 Throughout the fiscal year, expenses are accrued into the month in which they are incurred.
- 1.2 The books are closed at the time of reconciliation.
- 1.3 Invoices received after closing the books will be counted as a current-month expense.
- 1.4 At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year.
- 1.5 When possible, year-end books are closed no later than 90 days after the end of the fiscal year.
- 1.6 Revenue is always recorded in the month in which it was received.

2.0 Bank Reconciliations

Policy: Reconciliation is the process of matching the balances in the accounting records to the corresponding information on a bank statement. The goal of this process is to ascertain the differences between the two and to book changes to the accounting records as appropriate. All bank statements will be opened and reviewed in a timely manner. Bank reconciliation will occur within 20 working days of receipt of the bank statement.

Procedures:

- 2.1 All incoming bank statements are opened and reviewed by the Administrative Assistant. The Administrative Assistant routes the bank statements to the Director of Finance.
- 2.2 All bank accounts should be reconciled within 20 working days of receipt of the bank statement.
- 2.3 The Director of Finance performs the bank reconciliation.
- 2.4 The reconciliation should include checking for:
 - Comparison of dates and amounts of all deposits on bank statement with the deposit register
 - Investigation of bank transfers

- Investigation of items rejected or charged back
 - Comparison of cancelled checks with the disbursement register
 - Examination of cancelled checks for alterations
 - Examination of cancelled checks for irregular endorsements
 - Review of voided checks
 - Accounting for numerical sequence of checks
- 2.5 At the time of the bank reconciliation, outstanding checks over 90 days will be rectified by either a stop payment or a letter of inquiry to the payee.
- 2.6 Any journal entries made by the Director of Finance resulting from the bank reconciliation should be reviewed and approved by the Executive Director.
- 2.7 A copy of the bank reconciliation report will be attached to the corresponding bank statement and filed.
- 2.8 Bank reconciliation reports as well as all other financial reports shall be available for review by the Treasurer of the Board of Directors.
- 2.9 Bank reconciliation reports are examined by the auditor during the year-end audit.

3.0 Record Retention and Access to Records

Policy: All financial records shall be maintained for a minimum of five years or for a longer period as specified in any particular contract.

Procedures:

- 3.1 Financial records shall be retained for a minimum of five years after final contract closeout or for a longer period as specified in any particular contract.
- 3.2 In the event of an audit discrepancy, records shall be maintained for three years after the resolution of the discrepancy. This is in addition to the retention period specified in any given contract.
- 3.3 The U.S. Department of Labor, U.S. Department of Health and Human Services, Comptroller General of U.S., General Accounting Office, Texas State Auditor and other state and federal auditing agencies have the right to access, examine and copy all reports, books, documents, and other records pertaining to contracts awarded through the Texas Education Agency.

Internal Controls

CISGCT employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

4.0 Lines of Authority

Policy: The board of directors has authority to approve fiscal policy and should review it annually. The Executive Director has the authority to approve expenses in accordance with the approved budget.

Procedures:

- 4.1 The fiscal policies are developed by the Executive Director with assistance from the Director of Finance and are approved by the Board of Directors.
- 4.2 The Board of Directors has the authority to change fiscal policy.
- 4.3 Changes to fiscal policy must be approved by the board and documented in the board meeting minutes.
- 4.4 The Executive Director has authority to approve expenses in accordance with the approved budget.

5.0 Bank Accounts & Counter Signatures

Policy: The Board Chair, Vice Chair of Finance, and Treasurer can be selected as counter signatories on all bank accounts.

Procedures:

- 5.1 The Board of Directors approves all bank accounts and authorizes all signatures on bank accounts.
- 5.2 Any changes of authorized check signatures must be reported to the bank within 3 business days.
- 5.3 No single account should contain more than the FDIC will insure. A collateral agreement must be maintained with the bank should the cash balance exceed FDIC limits.
- 5.4 The Executive Director, Board Chair, Vice Chair of Finance and/or Treasurer are the usual signatories.
- 5.5 All checks over \$4,999.99 require counter signatures.
- 5.6 Signatories will review all vouchers and invoices for those checks which require his or her signature.
- 5.7 The Executive Director signs payroll checks. Another signatory signs the Executive Director's checks.

6.0 Conflict of Interest

Policy: All CISGCT employees and members of the Board of Directors are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of CISGCT. Both the fact and the appearance of a conflict of interest should be avoided.

Procedures:

- 6.1 Each Officer, Director, and Committee member with governing board delegated powers shall annually sign a statement which affirms such person has received a copy of the Conflict of Interest Policy.
- 6.2 Each Officer, Director, and Committee member shall immediately bring to the attention of the Chairperson or Executive Director any matter that he or she suspects may present a conflict of interest with Communities In Schools.
- 6.3 Employees and Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After the disclosure, the employee or Board member will not be permitted to participate in the transaction or decision.
- 6.4 Should there be any dispute as to whether a conflict of interest exists:
 - The Executive Director shall determine whether a conflict of interest exists for an employee, and shall determine the appropriate response
 - The Board of Directors shall determine whether a conflict of interest exists for the Executive Director or a member of the Board, and shall determine the appropriate response

7.0 Segregation of Duties

Policy: The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

Procedures:

The following is a list of personnel who have fiscal responsibilities:

- 7.1 Board of Directors
 - Manages the activities, property, and financial affairs of CISGCT
 - Reviews and approves financial reports
 - Reviews and approves annual budget
 - Approves all bank accounts and authorizes all signatures on bank accounts

- 7.2 Designated Board Member
 - The Board Chair, Vice Chair of Finance, and Treasurer can be selected as signatories on bank accounts
 - Acts as second signature on checks in excess of \$4,999.99
 - Reviews all vouchers and invoices for those checks which require his or her signature

- 7.3 Executive Director
 - Works with the Director of Finance to develop the annual budget
 - Reviews and approves all financial reports
 - Reviews all vouchers and invoices for those checks which require his or her signature
 - Reviews all bank reconciliations
 - Reviews the payroll summary
 - Reviews and approves disbursements
 - Signs quarterly payroll tax returns
 - Approves and signs disbursement checks up to \$4,999.99

- 7.4 Director of Finance
 - Processes payroll, deposits, and payroll tax returns
 - Works with Executive Director to develop the annual budget
 - Prepares all financial reports, including requests for reimbursements
 - Reconciles all bank accounts
 - Reconciles the statement of credit card deposits and service charges
 - Double-checks all reimbursement requests against receipts provided
 - Prints disbursement checks

- 7.5 Administrative Assistant
 - Opens and reviews all incoming mail
 - Logs all donations and mails acknowledgement receipts to donors
 - Mails all disbursement checks for payments

- 7.6 Director of Staff Support
 - Develops campus budgets and works with the Executive Director to finalize
 - Maintains oversight of approved campus budgets
 - Processes all bills, purchase orders, and invoices for disbursement
 - Serves as the custodian of the petty cash fund
 - Serves as backup for processing payroll

- 7.7 Director of Special Projects & Marketing
 - Processes credit card payments made to the organization
 - Submits processed credit card payment information to the Director of Finance

8.0 Physical Security & Computer Back-up Procedures

Policy: CISGCT maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, and other valuable property.

Procedures:

- 8.1 A locked fireproof file drawer is located in the office of the Director of Staff Support
- 8.2 Access to the locked fireproof file drawer is limited to the Executive Director, Director of Finance, Director of Staff Support, Director of Special Projects and Marketing, and the Administrative Assistant
- 8.3 Blank checks are stored in the locked fireproof file drawer
- 8.4 Any cash or checks are stored in the locked fireproof file drawer
- 8.5 Postage stamps are stored in the locked fireproof file drawer.
- 8.6 Company credit cards and credit card reader are stored in the locked fireproof file drawer.
- 8.7 Bank deposits are made weekly to minimize the amount of cash or checks in the office.
- 8.8 A password is needed to access CISGCT accounting software.
- 8.9 Only the Director of Finance and the Director of Staff Support possess a password for access to the accounting software.
- 8.10 The Director of Finance is responsible for creating a backup copy of the accounting system on a removable drive at the close of business each day.
- 8.11 The backup copy should be stored in the locked fireproof file drawer.

Financial Planning and Reporting

9.0 Budgeting Process

Policy: The organization's budget is prepared and approved annually. The budget is prepared by the Executive Director and the Director of Finance. The budget is approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

Procedures:

- 9.1 The Executive Director will work with the Director of Finance to draft an annual budget.
- 9.2 The Board of Directors approves the budget annually and approves any budget amendments as needed.
- 9.3 The Executive Director may approve the transfer of monies between line items within the budget without Board approval. The transfer cannot be more than 10% of the overall budget.

10.0 Internal Financial Reports

Policy: Regular financial reports are prepared on a monthly basis. This includes reports provided to the Board of Directors as well as to funders as part of a grant requirement.

Procedures:

- 10.1 The Director of Finance should prepare a financial report for distribution at scheduled board meetings.
- 10.2 The reports should include a balance sheet and a statement of income and expenses.
- 10.3 The reports should be reviewed by the Executive Director and Treasurer prior to distribution to board.
- 10.4 The Director of Finance will prepare financial reports as part of a grant requirement and to

potential funders when applying for grants.

11.0 Cost Allocation

Policy: OMB Circular A-122, “Cost Principles for Non-Profit Organizations,” establishes the principles for determining costs of grants, contracts and other agreements with the Federal Government. Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs. The Director of Finance is responsible for developing and maintaining the cost allocation system. The Executive Director approves the cost allocation system and changes made. Costs are allocated as they relate to various programs, grants, contracts and agreements.

Procedures:

- 11.1 Costs are allocated among the various grants as they relate to a grant.
- 11.2 Means used to determine allocation percent might include: Payroll
 - An employee’s time is allocated to grants and contracts as defined by a specific grant, contract, or other source of income
 - The Director of Finance assigns specific dollar amounts or percentages based upon the programmatic design of the employee’s job description
 - Direct service personnel are charged to grants based on the participants with whom they work
 - Direct Link with employee who initiated the expense: Supplies, local travel, staff development, insurance, and other line items which are directly related to a program or campus are singled out and coded directly to the grant which funds that campus
- 11.3 Shared costs are prorated to various grants in an amount, which reflects that grant’s percentage of the total income.
- 11.4 Administrative costs are charged to the grant or contract’s administrative allowances. As with all other costs, any cost directly related to a grant or program is charged to that grant. All administrative costs beyond the predetermined administrative allowance are paid by unrestricted funds.

12.0 Audit and Tax Compliance

Policy: The organization is required to have an annual audit conducted in accordance with the Single Audit Act of 1983, Single Audit Amendments of 1996, P.L. 98-502, and OMB circulars A-122 and A-133.

Procedures:

- 12.1 An annual audit is conducted in accordance with the Single Audit Act of 1983, Single Audit Amendments of 1996, P.L. 98-502, and OMB circularA-133.
- 12.2 The Annual Single Audit and 990 are conducted and prepared by an outside accounting firm. The Director of Finance and Executive Director coordinate the audit process.
- 12.3 The annual audit is presented to the Board of Directors by the Certified Public Accountant conducting the audit.
- 12.4 The accounting firm conducting the annual audit should change every 3 years.

Revenue and Accounts Receivable

13.0 Billings and Reimbursement Requests

Policy: All billings and reimbursement requests shall be made by the Executive Director or the Director of Finance in accordance with the restrictions set out by the organization’s funding sources.

CIS of Greater Central Texas, Inc.

Approved by the Board of Directors, Feb. 16, 2016

Procedures:

- 13.1 The Director of Finance is responsible for generating all billings and reimbursement requests.
- 13.2 Reimbursement requests shall be made in accordance with the restrictions set out by the organization's funding sources.
- 13.3 Supporting cost documentation as specified by the funding source should accompany the reimbursement request.
- 13.4 The Executive Director should review reimbursement requests before submission to funding sources

14.0 Revenue Recognition

Policy: All revenue will be recorded in accordance with GAAP and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

Procedures:

- 14.1 The Executive Director reviews all revenue in excess of \$1000 and indicates on the letter or copy of the check how the revenue shall be recognized (contribution/donation, restricted/unrestricted). If there is a question or uncertainty about how to recognize a particular contribution, the Executive Director will ensure that the donor is contacted to clarify the intent of the contribution.
- 14.2 The Director of Finance is responsible for posting revenue to the general ledger in the accounting software in accordance with the specific grant or contract or, if there is no grant or contract, the determination is made by the Executive Director.
- 14.3 All funds received on a reimbursement basis are requested by the Executive Director or the Director of Finance in accordance with the guidelines set out in the specific grant.

15.0 Cash Receipts and Deposits

Policy: All mail is opened by the Administrative Assistant. The Executive Director reviews all revenue in excess of \$1000 and indicates on the letter or copy of the check how the revenue shall be recognized. All revenue is then routed to the Director of Staff Support in preparation for deposit. The Director of Finance is responsible for posting revenue to the general ledger in the accounting software in accordance with the determination made by the Executive Director.

Procedures:

- 15.1 All incoming mail is opened and reviewed by the Administrative Assistant. Mail is then distributed to the appropriate areas. All checks and invoices are routed to the Director of Staff Support.
- 15.2 All cash received is counted and verified by the Director of Staff Support and one other employee.
- 15.3 The Director of Staff Support stamps checks for deposit, logs them in the deposit book, and places all checks and cash in a locked fireproof drawer. A copy of each check is placed in the deposit book by month.
- 15.4 The Director of Staff Support prepares a deposit slip and a deposit journal entry.
- 15.5 Bank deposits are made weekly.
- 15.6 No single account should contain more than \$250,000 – or an amount over which the FDIC will insure. A collateral agreement must be maintained with the bank should the cash balance exceed FDIC limits.
- 15.7 The Director of Staff Support is responsible for depositing the funds into the banks. The validated deposit slip is submitted to the Director of Finance, who then files it in the deposit register.
- 15.8 The Director of Finance is responsible for posting revenue to the general ledger in the accounting software in accordance with the specific grant or contract or, if there is no grant or contract, the determination is made by the Executive Director.
- 15.9 The Administrative Assistant will maintain a log of donors and donated funds received at the

Central Office location.

- 15.10 The Administrative Assistant will provide donor with a donation acknowledgement receipt in compliance with all pertinent IRS regulations.
- 15.11 When funding checks are received, the check stub is attached to the funding request invoice which it pays.
- 15.12 Any CISGCT campus staff receiving monetary donations must submit a Revenue & Expenditure report on a quarterly basis to the Director of Staff Support.

16.0 Donations Received by Credit Card

Policy: All donations made by credit card will be processed by the Director of Special Projects & Marketing monthly. A list of the monthly deposits will be provided to the Director of Finance for reconciliation.

Procedures:

- 16.1 The Director of Special Projects & Marketing is responsible for processing the receipt of funds made by credit card.
- 16.2 Transactions should be compiled on a monthly basis with a list of the credits and dates processed; and delivered to the Director of Finance in order to double-check against the bank statement.
- 16.3 The statement of deposits and service charges will be reconciled by the Director of Finance.

17.0 Donated Materials, Facilities and Services Procedures

Policy: Any materials, facilities, or services donated to Communities In Schools must be logged on an in-kind report and submitted to the Director of Staff Support. All information made public about the types of materials for which donations are requested must be approved by the Executive Director.

Procedures:

- 17.1 The Executive Director shall approve information made public about the types of materials for which donations are requested.
- 17.2 The Executive Director shall approve the use of facilities made available by donors, and policies for estimating and recording the value of donated services.
- 17.3 Any materials, facilities or services donated to Central Office must be logged on an in-kind report by the Administrative Assistant and submitted monthly to the Director of Staff Support.
- 17.4 The Administrative Assistant will maintain records on all donations including donor's name, amount, date and any related restrictions of all contributions, gifts, etc.
- 17.5 The Administrative Assistant will send an acknowledgement of contribution receipt to all donors in compliance with IRS regulations.
- 17.6 Any materials, facilities or services donated to Campus Staff must be logged on an in-kind report and submitted on a quarterly basis to the Director of Support.
- 17.7 All campus in-kind receipts are entered and maintained in a log by the Director of Staff Support.
- 17.8 These entries are totaled at the end of the fiscal year.
- 17.9 All Central Office in-kind receipts are entered and maintained in a log by the Director of Staff Support. These entries are totaled at the end of the fiscal year.
- 17.10 Campus in-kind totals and Central Office in-kind totals are submitted to the auditor at the end of the fiscal year.

18.0 Grant Compliance

Policy: It is the policy of Communities In Schools to adhere to any restrictions imposed by its funders, both governmental and private.

Procedures:

- 18.1 When a new grant is received or renewed, a permanent file for the grant will be created and maintained along with any financial correspondence regarding the grant.
- 18.2 It is the responsibility of the Director of Finance to review the grant contract and extract any fiscal items which must be complied with by CISGCT.
- 18.3 Typically, for government grants, reference will be made to various publications put out by the Office of Management and Budget (OMB) and the Comptroller General's Office to which CISGCT is responsible for adhering. Currently, the publications include:
 - OMB Circular A-122, "Cost Principles for Non-Profit Organizations"
 - OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations"
 - State of Texas Single Audit Circular
 - Governmental Generally Accepted Accounting Principles
 - CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 18.4 CISGCT will adhere to any restrictions imposed by its funders, both governmental and private.

19.0 School District Contracts

Policy: Each School District served will contribute an annual amount per campus served as designated by the Board of Directors.

Procedures:

- 19.1 The district contribution will be approximately 40 to 45 percent of the total funding for campuses when possible.
- 19.2 Some districts may elect to fully fund a campus as requested.

20.0 Grants and Contributions

Policy: The Executive Director and Director of Finance shall be responsible for assuring compliance with the terms and conditions of all grants, restricted contributions, endowments, etc.

Procedures:

- 20.1 The Board of Directors will be informed of any grant proposal and grant awards pursued by CISGCT.
- 20.2 The Board of Directors will be informed of any fundraising activities benefiting the entire agency.
- 20.3 The Administrative Assistant will maintain records on all donations including donor's name, amount, date and any related restrictions of all contributions, gifts, etc.
- 20.4 The Administrative Assistant will send an acknowledgement of contribution receipt to all donors in compliance with IRS regulations.
- 20.5 The Executive Director and Director of Finance shall be responsible for assuring compliance with the terms and conditions of all grants, restricted contributions, endowments, etc.

Expense and Accounts Payable

21.0 Invoice Approval & Processing

Policy: All invoice and bill payments must be approved by the Executive Director. Approved invoices and bills will be paid within 30 days.

Procedures:

- 21.1 Invoices and bills will be opened and reviewed by the Administrative Assistant and routed to the Director of Staff Support.
- 21.2 The Executive Director will be notified immediately of any unexpected or unauthorized expenses.
- 21.3 Director of Staff Support creates a purchase order for the invoice or bill and submits to the Director of Finance.
- 21.4 The Director of Finance reviews the purchase order and the invoice or bill. The Director of Finance then submits the check, purchase order, and the invoice or bill to the Executive Director for final approval and signature.
- 21.5 Copies of all invoices paid will be filed at Central Office for two years. After two years, these documents will be archived in storage for five years.

22.0 Cash Disbursements

Policy: All cash disbursements will require vendor documentation (i.e. invoice). The Executive Director must authorize all disbursements.

Procedures:

- 22.1 The Executive Director is authorized to approve disbursements.
- 22.2 The Executive Director is authorized to sign disbursement checks up to \$4,999.99.
- 22.3 Any disbursement checks over \$4,999.99 requires two board approved signatures.
- 22.4 All check signors must review all supporting documentation of expenses and approvals at the time of check signing.
- 22.5 No checks will be made payable to "cash".
- 22.6 A purchase order is required to process all disbursements. The purchase order must include a description of expense, the account to be charged, authorization signature, and accompanying receipts and /or vendor invoices.
- 22.7 Each campus is designated a specific budget to include a limited amount for supplies and in-district & out-of-district travel.
- 22.8 All requests for reimbursement are checked by the Director of Staff Support for mathematical accuracy and reasonableness prior to being submitted.
- 22.9 Site Coordinators are required to attend in-service each year to receive directives regarding their individual campus budgets and allowable costs.
- 22.10 Any disbursement request must be submitted to the Director of Staff Support in the form of a purchase order with appropriate documentation attached. Any purchase order received without proper documentation or signature will not be processed.
- 22.11 All purchase orders will include an assigned reference code based on the campus budget. Purchase orders must have the signature of the Site Coordinator.
- 22.12 Request for travel reimbursement is to be submitted no later than the last day of the quarter in which the expense was incurred.
- 22.13 The Director of Staff Support is responsible for all general operating expenses and will prepare all administrative purchase orders reconciling against the vendor statements.

- 22.14 It is the responsibility of the Executive Director to ensure that all bills are paid in a timely manner.
22.15 After the check is signed, the check stub is attached to the purchase order/invoice prior to filing.

23.0 Petty Cash

Policy: The petty cash fund is maintained for payment of small, incidental expenses. The Director of Staff Support is the custodian of petty cash which will not exceed \$150 and will be kept in a locked fireproof drawer in the Central Office.

Procedures:

- 23.1 The petty cash fund should never exceed \$150.00.
23.2 The Director of Staff Support is the custodian of the petty cash fund.
23.3 A vendor receipt along with any remaining change must be submitted to the Director of Staff Support.
23.4 Petty cash is reconciled monthly or more frequently if needed by the Director of Staff Support.
23.5 The data from the reconciliation is entered by the Director of Finance into the accounting system as a cash disbursement with appropriate documentation as outlined in the *Cash Disbursements Procedures* section.
23.6 Periodically, a purchase order will be processed to replenish petty cash funds.
23.7 A petty cash check is created in the amount of the reconciliation. The words, “Petty Cash Reimbursement” should be entered on the Memo Line of the check.
23.8 The petty cash check is made payable to the Director of Staff Support.
23.9 A petty cash fund is maintained at the CISGCT Central Office in a locked fireproof drawer in the Central Office.
23.10 Cash in the fund plus receipts for payments should always equal the petty cash amount of \$150.00.
23.11 CISGCT campus staff may maintain an individual petty cash fund (from their campus budgets) on campus, in an amount not to exceed \$75.00.
23.12 Campus Staff will submit quarterly, a Campus Petty Cash Report along with a Revenue & Expenditure Report to the Director of Staff Support.

24.0 Payroll

Policy: All employees are required to record time and effort on a grant personnel activity report for all hours worked each day based upon the percentage of each funding source allocated to their salary. Employees are paid monthly on or by the last working day of the month.

Procedures:

Time & Effort / Timesheets

- 24.1 Timesheets are required for all employees.
24.2 Time and Effort (specific time spent on each grant/project) is recorded by each employee on the timesheet
24.3 Employee timesheets are due on the 27th of each month unless employees are notified otherwise.
24.4 Signed timesheets are submitted to the Director of Staff Support.
24.5 The Director of Staff Support will review them for accuracy and proper signatures.
24.6 The Director of Staff Support will maintain employee attendance reports in a leave book, documenting leave accrued and taken.
24.7 The Director of Staff Support will maintain an employee log to ensure that all timesheets are submitted.
24.8 The Executive Director approves and signs all employee timesheets.
24.9 The Board Chair approves and signs the Executive Director’s timesheet

Payroll Preparation

- 25.10 Payroll is prepared by the Director of Finance. If the Director of Finance is out, this responsibility is carried out by the Director of Staff Support.
- 24.11 The Director of Staff Support works with the Director of Finance to determine any salary adjustments or deductions to employee paychecks based on policy, with direction from the Executive Director.
- 24.12 The Executive Director reviews and approves payroll for direct deposit.
- 24.13 Direct Deposit through ACH (Automatic Clearing House) is submitted online by the Director of Finance or the Director of Staff Support. A copy of this submittal is maintained in the fireproof file drawer.
- 24.14 Direct Deposit or paper paycheck is made available on the last working day of the month unless employees are notified otherwise.
- 24.15 If an employee is involuntarily terminated, final pay is due within 6 calendar days of discharge.
- 24.16 If the employee quits, resigns, or otherwise leaves employment voluntarily, the final pay is due on the next regularly scheduled payday following the effective date of resignation.

Processing Payroll

- 24.17 The Director of Finance will process payroll for each employee submitting a timesheet.
- 24.18 The Director of Finance will process and maintain payroll reports.
- 24.19 The Director of Finance will file quarterly tax reports.

Direct Deposit

- 24.20 As an employee benefit, CISGCT offers direct deposit through the employee's own financial institution.
- 24.21 Employees complete a form authorizing direct deposit of pay.
- 24.22 Through ACH (Automatic Clearing House), pay is deposited directly into the employee's account on payday.

Payroll Taxes

- 24.23 Payroll tax is automatically calculated by the accounting software and electronically filed within three working days after the payday.
- 24.24 The Director of Finance submits federal tax deposits (payments) online using the EFPTS (Electronic Federal Tax Payment System) at www.eftps.gov.
- 24.25 Tax deposit confirmations are maintained on file at Central Office.
- 24.26 The Director of Staff Support prepares the State Unemployment Tax Act (SUTA) report, which is reviewed by the Executive Director before being submitted online to the Texas Workforce Commission.
- 24.27 The SUTA report is submitted electronically by the Director of Staff Support and a copy is maintained on file at Central Office. Reports are due:
 - April 30
 - July 31
 - October 31
 - January 31
- 24.28 The Director of Finance prepares the Quarterly tax returns (IRS form 941), which are reviewed and signed by the Executive Director.
- 24.29 The signed tax return is mailed to the IRS and a copy is maintained on file at Central Office
- 24.30 Quarterly tax returns (IRS form 941) are due:
 - April 15
 - July 15
 - October 15
 - January 15

25.0 Purchases and Procurement

Policy: All procurements made by CISGCT will be made in accordance with the following procurement standards. Procurement transactions shall be procured in a manner that provides maximum open and full competition consistent with the standards of 24 CFR Sections 84.41 through 84.48. Where no competition exists, or where it is not cost effective to obtain competitive bids, documentation shall be maintained which substantiates why there was a deviation from full and open competition. CISGCT shall not engage in procurement practices which may be considered arbitrary or restrictive.

Procedures:

- 25.1 All purchases must have approval before the purchase is made.
- 25.2 The Director of Finance reviews the purchase to be certain that it is reasonable, necessary, allowable, and allocable.
- 25.3 The Director of Finance must approve all invoices and/or purchase orders for payment.
- 25.4 The Executive Director approves all purchases over \$500.
- 25.5 All procurement documentation, including phone quotes, must be recorded and kept on file.
- 25.6 For procurements over \$4,999.99, the Executive Director will notify the Board Chair and/or Treasurer of the need for the item/service.
- 25.7 For procurements over \$4,999.99, the Executive Director and the Director of Finance will provide all documentation acquired during the procurement process to the Board Chair and/or Treasurer for recommendation.
- 25.8 The Executive Director will have final approval.
- 25.9 Procurements over \$500 shall be made using one of the following methods: (a) small purchase procedures, (b) competitive sealed bids, (c) competitive negotiations, (d) non-competitive negotiation and shall be made in accordance with procedures set forth at 24 CFR § 84.44 (a)(1) through (a)(3) at a minimum.

Methods of Procurement:

a. Small Purchases

i. (\$500 - \$1,000)

Single item purchases which cost between \$500 and \$1,000 will require three over-the-telephone quotations of rate, price, etc. A memorandum will be prepared setting forth the date calls were made, parties contacted and prices obtained. For purchases of less than \$500, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

ii. (\$1,000 - \$10,000)

Purchases of supplies, equipment and services which cost between \$1,000 and \$10,000 will require written estimates but no legal advertisement is required. CISGCT will solicit written responses from at least three vendors, and if no such responses are available, a statement explaining the procurement will be prepared and filed.

b. Competitive Sealed Bids (Exceeds \$10,000)

- i.* Bidding will be employed when detailed specifications for the goods or services to be procured can be prepared and the primary basis for award is cost. When the cost of a contract, lease or other agreement for materials, supplies, equipment or contractual services, other than those personal or professional, exceeds \$10,000, an Invitation for Bids (IFB) notice will generally be prepared. This notice will be published at least once in the local newspaper of general circulation. This newspaper notice will appear not less than seven (7) days and not more than twenty-one (21) days before the due

date for bid proposals. CISGCT may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice.

c. Competitive Negotiations

CISGCT will use competitive negotiations upon a written determination that:

- i. Specifications cannot be made specific enough to permit the award of a bid on the basis of either the lowest bid or the lowest evaluated bid price (in other words, bidding is not feasible).
- ii. The services to be procured are professional in nature. With the exception of certain professional services (principally engineering services), competitive negotiations will proceed as follows:
 - Proposals will be solicited through newspaper advertisement; additionally, a Request for Proposal (RFP) may be prepared and mailed to qualified vendors. The newspaper advertisement must be published at least seven (7) days and not more than twenty-one (21) days before the date for receipt of the proposals. The RFP will describe services needed and identify the factors to be considered in the evaluation of proposals and the relative weights assigned to each selection factor. The RFP will also state where further details regarding the RFP may be obtained. The RFP will call attention to the same regulations discussed in the bidding process. Requests for proposals will always include cost as a selection factor.
 - Award must be made to the proposal determined in writing by the CISGCT to be the most advantageous to CISGCT. Evaluations must be based on the factors set forth in the Request for Proposal and a written evaluation of each response prepared.

For the procurement of certain professional services, an alternative to RFP's may be used. CISGCT may publish a Request for Qualifications. RFQ's are handled in a similar method to RFP's with the exception that cost is not a factor in the initial evaluation. CISGCT will evaluate the responses and rank them by comparative qualifications. The highest scoring person or firm will be contacted and the Director of Finance will negotiate cost.

d. Noncompetitive Negotiations

Noncompetitive negotiations may be used for procurements in excess of \$10,000 when bidding or competitive negotiations are not feasible. CISGCT may purchase goods and services through non-competitive negotiations when it is determined in writing by the Board of Directors that competitive negotiation or bidding is not feasible and that:

- i. An emergency exists which will cause public harm as a result of the delay caused by following competitive purchasing procedures, or
- ii. The product or service can be obtained only from one source, or
- iii. The contract is for the purchase of perishable items purchased on a weekly or more frequent basis, or
- iv. Only one satisfactory proposal is received through RFP or RFQ, or
- v. The state has authorized the particular type of noncompetitive negotiation (e.g., the procurement of services by an Area Development District).

Procurement by noncompetitive negotiation requires the strictest attention to the observation of impartiality toward all suppliers. CISGCT must approve all procurements by non-competitive negotiation when only one supplier is involved or

only one bid or response to an RFP/RFQ is received.

- e. Bids will be accepted only from those contractors who have a proven record of ability to successfully complete the scope of work being bid. References will be requested along with the contractor's bid proposal. Any contractors submitting a bid must produce (along with his/her bid documents) written proof of liability insurance and worker's compensation coverage. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.
- f. Upon submission of a bid, the contractor will present a bid guarantee equivalent to 5 percent of the amount of the contractor's submitted bid. Unsuccessful bidders will have their bid guarantee returned to them with the notice which advises them they are an unsuccessful bidder. The successful bidder will post (at the signing of the contract and notice to proceed) a performance bond equal to 100 percent of the contract amount, along with a payment bond equivalent to 100 percent of the contract amount.

Selection:

All proposals accepted shall be reviewed. Initially, proposals must be reviewed for completeness. If a proposal is incomplete, the procuring contractor may either contact the proposers to obtain additional information or declare the proposal unresponsive, thereby eliminating it from further consideration. Communities In Schools of Greater Central Texas, Inc. will ensure that respondents are not organizations listed on neither the federal debarment list nor corporations delinquent in a tax owed to the State under Chapter 171, Tax Code.

Proposals will be evaluated based on reasonableness of cost/price; technical evaluation of responses to include:

- Quality of services offered
- Operating characteristics
- Technical innovations
- Administrative capability
- Compatibility with the applicant's other ongoing programs
- Previous experience in providing the same or similar programs
- A review of monitoring reports, goal attainment, and program outcomes

The Executive Director and the Director of Finance will provide documentation along with a comparison sheet to the Board of Directors to obtain a recommendation for the award. The Executive Director will have the final approval. The State Office will be utilized for direction and guidance on the process when State Compensatory Funds are to be used.

26.0 Procurement File

Policy: The purpose of this section is to ensure that a clear and consistent audit trail is established. All source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/RFQ data and bid materials) will be retained and filed in a secure, centrally accessible location. At a minimum, source document data must be sufficient to establish the basis for selection, basis for cost, (including the issue of reasonableness of cost), rationale for method of procurement, and basis for payment.

Procedures:

- 26.1 Procurement files will be maintained in a secure, centrally accessible location.
- 26.2 Procurement files shall include the following:
 - Needs assessment determination
 - Procurement method selected
 - Procurement authorization
 - Request for Proposal/Invitation for Bids document
 - Proposals received/Independent cost estimates
 - Notice of award or non-selection
 - Fully executed contract, including amendments/modifications
 - Signature of authorities
 - General correspondence related to the specific procurement action
 - Documentation related to disputes, protests, and claims
- 26.3 The procurement files/records will be made available for necessary auditing or monitoring.

27.0 Equal Opportunity

Policy: CISGCT is committed to providing equal opportunity to all prospective sources of goods and services.

Procedures:

- 27.1 Equal opportunity must be available to all prospective sources of goods and services to be purchased.
- 27.2 Equal access will be made available to bid specification information and evaluation must be ensured for all bidders and prospective providers.

28.0 HUBS

Policy: Contracting opportunities for historically underutilized (disadvantaged) businesses (HUBs) will be considered in the procurement process.

Procedures:

- 28.1 HUBs, as defined by Texas Government Code 481.101(1), are minority owned businesses and small organizations that are locally based and considered disadvantaged.
- 28.2 CISGCT will ensure that small, minority, disadvantaged, and women’s businesses are considered as sources for acquisitions whenever possible by:
 - Choosing the HUB organization in the case of tie bids
 - Soliciting HUB businesses whenever they are potential sources

Asset Management

29.0 Cash Management & Investments

Policy: The Board and the Executive Director are responsible for administering all investment accounts. The Executive Director and Director of Finance closely monitor all cash and fund balances.

Procedures:

- 29.1 In addition to the previously described systems to monitor receipts and disbursements and to ascertain that each transaction is verified and validated by multiple employees, the Executive

- Director closely monitors all cash and fund balances.
- 29.2 Cash balances are carefully monitored weekly by the Director of Finance; and quarterly by the Executive Director and the Executive Committee of the Board of Directors.
- 29.3 The Executive Director carefully monitors fund balances for the different grants and contract funds.
- 29.4 Financial statements are presented quarterly at the Executive Committee Meetings and Full Board Meetings of the Board of Directors.

30.0 Capital Equipment

Policy: Capital items are those items costing in excess of \$500. The Director of Finance and the Treasurer may determine at what dollar amount and years of useful life an item is capitalized or expended.

Procedures:

- 30.1 Capital items are those items costing in excess of \$500.
- 30.2 The Director of Finance and the Treasurer may determine whether items costing \$500 or less should be expended or capitalized.
- 30.3 The Executive Director with the Director of Finance must approve all additions to, or disposal of property or equipment.
- 30.4 A detailed property and equipment listing shall be maintained at the Central Office and shall include:
- the description
 - date purchased or received
 - fair market value
 - funding source
 - disposition status
- 30.5 Fully depreciated items should be maintained in the accounting records to help maintain control.
- 30.6 The Director of Finance should make periodic reviews and appraisals relative to insurance considerations.

31.0 Inventory of Property and Equipment

Policy: A detailed property and equipment listing of all CISGCT property and equipment on school campuses shall be maintained by each Site Coordinator and the Director of Staff Support.

Procedures:

- 31.1 A physical inventory will be conducted annually by each Site Coordinator.
- 31.2 The physical inventory will be compared to the detailed listing kept by the Director of Staff Support and any discrepancies will be reconciled.

32.0 Debt and Other Liabilities

Policy: All loans must be approved by the Board of Directors. The Executive Director is the custodian of all debt agreements and lease documents.

Procedures:

- 32.1 The Board of Directors must authorize all borrowing.
- 32.2 All debt agreements and lease documents shall be in the custody of the Executive Director and updated periodically for any needed changes.
- 32.3 The Executive Director and the Director of Finance should review the debt transactions on a quarterly basis to ensure that the source, description, maturity, interest rate, service payment dates, and collateral are in compliance with debt agreement restrictions and procedures.

33.0 Bonding

Policy: All staff and board of Communities In Schools are covered by general liability insurance.

Procedures:

- 33.1 CISGCT has position bonds for the Executive Director, Treasurer and Board Chair.
- 33.2 General liability is carried on all employees for personal or bodily injury.
- 33.3 Copies of insurance policies are maintained at the Central Office.