

SUBJECT: Operating Funds and Other Woodhaven Funds

PURPOSE: To carry out the mandate of the Office of the Chief Financial Office Policy No. 3

 The Chief Financial Officer (CFO) will prepare two annual budgets; one for the Operating Fund and one for capital expenditures.. These budgets will be submitted to the Board of Directors for review and approval.

The fiscal year will be January 1st through December 31st. Routine monitoring of working capital and cash flow needs will be performed by the CFO in conjunction with the accounting staff. Excess operating funds will be invested in the manner selected by the Board of Directors. Contingency needs will be addressed with operating funds or reserve funds with Board approval, if appropriate.

Operational bank accounts will be authorized by the CEO. Investment accounts will be maintained that are authorized by the Board of Directors and handled through the accounting office. Authorized signers for these accounts are documented through the bank's documents. A list is available in the accounting office. Checks written for \$100,000 or greater will require two signatures. ACH credit transactions initiated for \$100,000 will require two electronic authorizations before being processed by the initiating banking institution. Domestic wire payments initiated for \$100,000 or more will require two approvals from authorized signers. Outbound domestic wire transfers shall only be initiated after all other payment options are exhausted, and will require the CFO's authorization. International wire transfers are prohibited. . All paychecks, except manual paychecks, are paid through direct deposit or signed with a facsimile stamp at the payroll service company. All operating expenses will run through the operating bank account. Other fund accounts may be checking, money market, CDs as determined by the CEO or CFO or other investment accounts as determined by the Board of Directors. All accounts are to be reconciled to the general ledger by the 10th of the following month.

All of Woodhaven's funds will be audited annually by an independent certified public accounting firm.

RECEIPTS – In order to safeguard receipts and ensure that they are properly accounted for, the following procedure will be utilized. The same procedure applies to both mail receipts and those received directly on the premises:

1. Mail will be opened by the Administrative Specialist / IT. All checks will be restrictively endorsed upon opening. All monies received by mail (check or cash) will be listed on a computerized daily record (Mail Log). The daily record will be e-mailed to the CEO, CFO, Accounting Manager, Development Office staff and Accounts Receivable Accountant. Accounting may also receive directly other monies over the counter. Accounting will batch Development funds separately and prepare the bank deposit slips.
2. Any mail that is addressed to a staff member but which has enclosed cash or checks shall be brought to the accounting office unless it is made out to an individual served and they have a community account. The accounting office shall restrictively endorse for deposit any check received over the counter. These items will be added to the Mail Log.
3. Funds received at special events, such as fundraisers shall be safeguarded, accounted for, deposited intact and receipted in an acceptable manner. Upon returning to the administrative offices, development staff will log the funds, make copies of the gifts, send thank you receipts to the donor and enter receipts into appropriate software or client record management (CRM) systems. The funds will then be sent to Administrative Specialist / IT who will make enter the deposit on the mail log before turning the money over to accounting.
4. All funds will be deposited at least weekly. Accounting personnel will prepare the deposits and record them on the batch logs. Small cash payments made in the accounting office for employee services such as copies, telephone charges, postal expense, etc. will be placed in the safe and deposited weekly.
5. All funds on hand, such as vending machine monies, petty cash returns, and day program returns, will no later than the last working day of the month be recorded in the month received, deposited and a cut-off established.

BIDS AND COST COMPARISONS – Whenever feasible the best price available for the type or quality of item will be secured. In some cases, due to quality, experience, reputation or other factor, a vendor may be chosen who is not the lower price but the reason will be documented.

SUBJECT: Operating Funds and Other Woodhaven Funds

PURPOSE: To carry out the mandate of the Office of the Chief Financial Office Policy No. 3

A concerted effort will be made by all parties making purchases to ensure that resources are being expended in the most economical and efficient manner. An economical manner does not always mean the cheapest price if there are staff time considerations or other factors to be weighed. Again, selection of a vendor with a higher price should have the reason documented.

Tax exemption shall be taken whenever feasible on cash, charge, or credit card purchases. A tax-exempt letter will be given to all credit card holders. The letter will be available in accounting for other staff making agency purchases. Tax paid will not be reimbursed to employees. It will be stressed to employees using the tax-exempt letter that it is only for Woodhaven purchases. Contractors who purchase supplies on behalf of Woodhaven are authorized to utilize the tax-exempt letter on Woodhaven's behalf only.

For purchases over \$25,000, specifications will be written outlining goods or services desired. Two written bids will be required.

For purchases over \$50,000, specifications will be written outlining goods or services desired. Two written bids will be required. Board approval is required and may be authorized through the budgetary process.

The required written bid rules listed above will not apply to purchases made with donor restricted funds as long as the donor has given her or his consent with how the money is being spent. If the donor is not available to give consent, then the requirements for written bids would apply.

Written specifications should be considered any time services, labor, materials or goods may vary in quality. This practice will ensure that bids are based on a comparable basis. References or prior experience with contractors, laborers or services and goods should be required and reviewed prior to purchase approval.

EXPENDITURES AND PAYMENT PROCEDURES – Routine purchases should be approved by the department head. These might be items such as printed materials, medical supplies, office supplies, etc. Items that are not regularly purchased shall be approved by the CEO, COO or CFO. All packing slips or other purchase documents shall be initialed by staff receiving the goods noting that goods were received and forward this documentation to accounting.

Payment will be initiated through the use of a payment requisition. A payment requisition shall be completed by accounting personnel or other departmental staff. Discounts available should be watched for and taken.

- a. All supporting documentation substantiating the requisition shall be attached including any packing slips or other purchase documents. The requisition shall then be submitted for review and approval for payment by the CEO, COO or CFO. In the event that the required personnel are not available to follow these procedures, the check may be signed and payment made if the deadline is imminent. Check signers will always review what payments are for and the supporting documentation and question anything they feel is unusual or inappropriate. Immediately upon the availability of the required personnel, the requisition should be reviewed and approved. Any problem with this procedure in relation to expenditure should be brought to the attention of the CFO or other executive staff.

Requests for reimbursement submitted after thirty (30) days may not be reimbursed. Only reasonable amounts shall be considered for reimbursement. Staff should be cost conscious in their expenditures. Staff is expected to purchase services or goods that are sufficient in nature but that are not of an extravagant quality or expense. Staff should utilize available corporate rates when traveling.

Should substantiating receipts become lost, the employee will be required to submit a signed statement giving the amounts and the request must be approved by the CEO or CFO before the employee will be reimbursed. Lost

SUBJECT: Operating Funds and Other Woodhaven Funds

PURPOSE: To carry out the mandate of the Office of the Chief Financial Office Policy No. 3

receipts are expected to be an exception rather than a usual occurrence. Repeat situations of lost receipts by the same staff may result in disciplinary action.

- b. Upon approval of the check requisition, a check is prepared by the accounting office and signed by individuals authorized to sign checks. All check requests (with appropriate backup, approval signatures, etc.) turned in by noon on Monday will be available to staff for pickup on Wednesday morning. All check requests (with appropriate backup, approval signatures, etc.) turned in by noon on Wednesday will be available to staff for pickup on Friday morning. The CEO, COO or CFO can approve exceptions for check requests not meeting the deadline
- c. Fund advances shall be made in the following cases:
 - 1. The vendor will not accept a credit purchase and a check must be presented when the purchase is made. An example would be furniture movers who require payment at the time of service.
 - 2. Staff who is asked to travel may request a cash advance of sufficient amount as to cover anticipated expenses. When staff receives a cash advance in the form of a check, a cash advance statement shall be signed by the staff accepting liability for the funds. The employee is required to attach all receipts and return any unused funds to accounting within five (5) working days of completing the trip. Staff that travel have the option of requesting a per diem and not requiring receipts. See procedure 3-9-5.
- d. Some individuals served residentially and their related staff may have some routine living expenses for which they make purchases paid to them in the form of a check in advance. Woodhaven requires receipts on these funds except those checks made out to the clients for food and supplies. In these cases, the check endorsed by the individual proves they did receive the funds.
- e. The cash advance or check check-out statement will be similar to the following:

"I have received a check and am responsible for all receipts and change to be turned into accounting within (X) days. If not returned, the deficient amount may be deducted from my paycheck."

The number of days will be determined based on the check's usage. For routine checks, such as weekly or monthly groceries or supplies, the sign-out form might be in the form of a list of checks that staff sign for with the responsibility statement at the top of the form.

PETTY CASH (Accounting Office) - A petty cash impress fund of \$150.00 is maintained in the accounting office for payment of small, unanticipated, incidental expenses such as cash on delivery (COD) parts, small cash reimbursements to staff, etc. A receipt must be received for all expenditures out of petty cash. The petty cash fund is replenished at the end of the month.

PETTY CASH (Individualized Supported Living or ISL) – A petty cash impress fund in an established amount, usually \$50.00 to \$75.00 (but sometimes higher based on number of individuals in the home), may be established and kept for each ISL. The employee accepting responsibility for the fund shall sign the petty cash check-out sheet that assigns responsibility for those funds. The money shall be kept in a secure location. This fund shall be used for the payment of small, unanticipated incidental expenses of the home and for office supplies for the home. Office supplies are budgeted at \$10 a month. (It must

SUBJECT: Operating Funds and Other Woodhaven Funds

PURPOSE: To carry out the mandate of the Office of the Chief Financial Office Policy No. 3

be kept in mind that if the home orders office supplies through the administrative office, that these amounts spent comes out of the \$10 a month budget.) Sales receipts, invoices or bills for all purchases made through this fund should be kept with the fund until the 24th of the month, at which time, all receipts and the remaining cash should be turned in to the accounting office by the Home Coordinator or Program Manager for replenishment.

All documents evidencing expenditures should be clearly identified as to type and purpose and any expenses to be paid from funds of the individuals served should be identified. The Home Coordinator shall complete a Petty Cash Expenditures Form that categorizes expenses and turn this in with receipts when requesting replenishment of the fund. Car washes normally do not have receipts and the home coordinator should make note of the amount and date of car washes.

It is suggested that the fund should be balanced weekly by the Home Coordinator to ensure accountability and the safekeeping of funds. This intermediate reconciliation will also alert the Home Coordinator of any undocumented expenditure or loss of funds. Should funds be unaccounted for, the Home Coordinator shall document the circumstances and submit these to the CFO for disposition. The employee who accepted responsibility for the funds may be personally liable for monies that cannot be accounted for.

The staff in the ISL should be aware of the funds each individual has available so that an individual's account is not overspent using petty cash.

COMMUNITY CONNECTIONS – Please refer to procedure 3-6-4 for more details.

AGENCY CREDIT CARDS – Credit card accounts may be opened at the discretion of the CEO or CFO. All statements and receipts shall be turned in to accounting no later than ten (10) days prior to the payment due date on the statement. Staff should ensure that they do not exceed their credit limit or utilize the card for personal use. Cards may be used for CARF surveys and are then required to be reimbursed. In the accounting safe there are two credit cards that are designated for client purchases only. One card is allowed to leave the office while the other card must stay in the office. These purchases must be pre-approved, in writing and the check-out sheet must indicate date, employee name and purchase. These cards should be checked out just prior to shopping and returned immediately with receipts.

DESIGNATED FUNDRAISING – Staff and clients who pursue a fundraising project need submit a plan with designated purpose and obtain permission from the Chief Development Officer with copies to the Chief Executive Officer and Chief Financial Officer. The purpose of such notification is so that any issues or concerns can be addressed prior to the project. All funds collected will be deposited into Woodhaven accounts through the accounting office and receipted through the development office. Funds may be run through operating if they are to be spent in the same year and easily matched to the source and expenditure and are not of a capital nature. Other funds raised will be kept in a separate designated fund and available for the project expense through the regular expenditure procedures.

GIFT CARDS – In some instances gift cards are purchased to make routine expenditures more controlled and accessible. An example of this is buying Wal-Mart gift cards with which to buy vending machine stock. A staff and individual served can go shopping at Sam's with gift cards, purchase the items specified and pay for the items. This procedure alleviates the problems associated with a pre-cut check being the wrong amount or the utilization of a credit card. Gift cards are safeguarded in the accounting safe, checked out and back in with receipts that evidence the purchase. Gift cards are reflected on the accounting books as a prepaid expense until they are utilized, at which time the entry is made to expense and reduce the prepaid expense.

SAM'S CARD – If purchases are to be made for the agency at a SAM's Club, the person making the purchase will need to

PROCEDURE NO. 3-9-3

ISSUED: 12-30-03

REVISED: 12-16-24

REVIEWED: 12-16-24

SUBJECT: Operating Funds and Other Woodhaven Funds

PURPOSE: To carry out the mandate of the Office of the Chief Financial Office Policy No. 3

=====

check out the SAM's membership card and Wal-Mart gift card or credit card from accounting.

Approved by: _____
Chief Financial Officer

Date: _____

- Attachments:
- Payment requisition form
 - Petty cash Expenditures form
 - Receipts flowchart
 - Expenditure flowchart
 - Cash advance form