A4AA Fiscal Department

Accounting Manual

Accounting Software

1. Purpose

The purpose of this policy is to document the accounting system used by the organization and establish standards for its use, security, and maintenance. This ensures consistency, accuracy, and reliability in financial processing and reporting.

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2. Policy Statement

The organization utilizes AccuFund as its official accounting system. All financial transactions, reporting, and recordkeeping must be processed and maintained within AccuFund in a controlled and consistent manner that:

- Ensures accurate financial data and reporting
- Supports multi-fund accounting requirements
- Maintains compliance with internal controls and regulatory standards
- Provides a complete and auditable financial record

All system usage must comply with the procedures and controls outlined in this policy.

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3. Scope

This policy applies to all fiscal staff and any personnel authorized to access or use the accounting system.

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4. System Overview

- The accounting system in use is **AccuFund**, a multi-fund accounting software.
- The system processes inter-fund transactions using due to/due from clearing accounts.
- AccuFund serves as the system of record for all financial activity.

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5. Modules in Use

The following AccuFund modules are actively used:

- Accounts Payable
- Cash Management
- Cash Receipts
- Fixed Assets
- General Ledger
- Grants
- Purchasing

Planned Implementation:

- Payroll module is scheduled for implementation beginning in FY 26-27.

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6. Procedures

6.1 System Usage

- All financial transactions must be recorded in AccuFund.
- Each module must be used for its designated purpose (e.g., AP for invoices, GL for reporting).

- Inter-fund transactions must be properly recorded using due to/due from accounts.

6.2 Financial Reporting

- All standard financial reports are generated from AccuFund.
- Reports are used by fiscal staff for:
  - Financial analysis
  - Budget monitoring
  - Compliance reporting
  - Audit support

6.3 Training & Support

- AccuFund operating manuals are available to all fiscal staff.
- Staff receive training through:
  - Formal classroom instruction provided by the system installer
  - Internal guidance and procedures
- Ongoing support is available via:
  - Telephone support
  - Online/internet support services

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7. Systems Used

- AccuFund Accounting Software
- Vendor-provided training and support resources

Accounting Software Internal Controls
1. Access Controls

- **User access control:** System access limited to authorized personnel.
- **Role-based permissions:** Access levels assigned based on job responsibilities.

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2. Data Integrity Controls

- **System of record control:** All financial transactions must be recorded in AccuFund.
- **Inter-fund control:** Due to/due from accounts used to properly record fund activity.

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3. Processing Controls

- **Module usage control:** Transactions processed in appropriate modules.
- **Standardized processes:** All modules follow established procedures (e.g., AP, GL).

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4. Reporting Controls

- **System-generated reports:** Financial reports generated directly from AccuFund.
- **Consistency control:** Reports used consistently for monitoring and compliance.

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5. Training & Competency Controls

- **Training requirement:** Staff trained in system use prior to processing transactions.

- **Ongoing support control:** Access to vendor support and documentation maintained.

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6. Compliance Controls

- **Policy adherence:** All users must follow system procedures.
- **Audit readiness:** System maintains complete and accurate financial records.

Accounting Software – Control List

AS 01 – Authorized System Access

- **Description:** Only approved users have access to AccuFund
- **Owner:** Controller / IT
- **Frequency:** Ongoing
- **Evidence:** Access list
- **System:** AccuFund
- **Type:** Preventive (P)

AS 02 – Role-Based Permissions

- **Description:** System access is aligned with employee job roles
- **Owner:** Controller / IT
- **Frequency:** Ongoing
- **Evidence:** User roles
- **System:** AccuFund
- **Type:** Preventive (P)

AS 03 – System of Record

- **Description:** All financial activity is recorded in AccuFund
- **Owner:** Accounting Staff
- **Frequency:** Ongoing
- **Evidence:** System records
- **System:** AccuFund
- **Type:** Preventive (P)

AS 04 – Interfund Processing Control

- **Description:** Due to/due from accounts are used correctly for interfund activity
- **Owner:** Accountant
- **Frequency:** Ongoing
- **Evidence:** General ledger entries
- **System:** AccuFund
- **Type:** Preventive (P)

AS 05 – Module Usage

- **Description:** Transactions are processed in the appropriate modules
- **Owner:** Accounting Staff
- **Frequency:** Ongoing
- **Evidence:** Transaction logs
- **System:** AccuFund

- **Type:** Preventive (P)

AS 06 – Financial Reporting

- **Description:** Financial reports are generated directly from the system
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Reports
- **System:** AccuFund
- **Type:** Detective (D)

AS 07 – Training Documentation

- **Description:** Staff are trained on system usage and procedures
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Training records
- **System:** N/A
- **Type:** Preventive (P)

AS 08 – Vendor Support Access

- **Description:** Vendor support is available for system issues and troubleshooting
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Support logs
- **System:** N/A
- **Type:** Preventive (P)

AS 09 – Record Retention

- **Description:** Financial records are maintained within the system
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** System data
- **System:** AccuFund
- **Type:** Detective (D)

Accounts Payable

1. Purpose

The purpose of this policy is to ensure timely, accurate, and compliant processing of all vendor and funded-partner invoices. This policy establishes standardized procedures that promote efficiency, accuracy, security, cash-flow management, strong vendor relationships, and effective audit readiness.

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2. Policy Statement

The Accounts Payable (AP) function must be executed in a consistent and controlled manner that:

- Improves processing efficiency and productivity
- Ensures accurate and complete financial data
- Maintains compliance with internal controls and regulatory requirements
- Safeguards organizational financial assets
- Supports timely payments and positive vendor relationships
- Enables comprehensive training, reporting, and audit review

All AP activities must follow the procedures outlined in this document.

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3. Scope

This policy applies to all employees involved in receiving, processing, approving, and paying:

- Vendor invoices
- Funded partner invoices
- Monthly Financial Reports (MFRs)
- Electronic Funds Transfers (EFTs)
- Purchase Orders (POs) and Recurring Purchase Orders (PRs)

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4. Roles & Responsibilities

Receptionist

- Opens all incoming mail containing invoices or MFRs
- Date-stamps all received documents

Accountant / Auditor

- Retrieves MFRs received via email
- Prints and date-stamps emailed MFRs

Accounting Technician

- Matches invoices with approved PO or PR
- Reviews documentation for accuracy
- Enters invoices into AccuFund AP module weekly
- Prepares check batches and supporting documentation
- Prints checks (when applicable)
- Mails checks and files supporting documents
- Transmits EFT payment files to the bank

Controller

- Reviews and approves AP batches (checks and EFTs)
- Authorizes payment release in AccuFund.

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5. Procedures

5.1 Receiving and Logging Invoices

1. Mail-received invoices and MFRs are opened and date-stamped by the receptionist.
2. Emailed MFRs are opened, printed, and date-stamped by the Accountant/Auditor.
3. The Accounting Technician matches each invoice to the approved PO/PR and verifies accuracy.

5.2 Invoice Entry

- The Accounting Technician enters invoice data into the AccuFund Accounts Payable module on a weekly schedule.

5.3 Accounts Payable Batch Review & Approval

1. The open payables screen in AccuFund is reviewed for items due within the next two weeks.
2. The Accounting Technician prepares and prints the check batch.
3. All backup documentation (invoice, PO/PR, MFR, etc.) is attached.
4. The complete packet is submitted to the Controller.
5. The Controller reviews and approves the batch for payment.

5.4 Check Printing and Distribution

- Checks are printed twice per month for items due within the next two weeks.
- After printing:
  - Checks and required documentation are mailed to vendors.
  - The check stub copy and supporting documents are filed in Accounts Payable.

5.5 Electronic Funds Transfer (EFT) Payments

Some vendors are paid via EFT. In these cases:

1. All standard AP procedures apply except check printing.
2. A cash disbursement form is created for all expenditures due in the next two weeks.
3. The Controller approves the EFT batch in AccuFund.
4. The Controller transmits the ACH file to the bank.
5. Funds are deposited into vendor accounts and withdrawn from the A4AA checking account.
6. EFT confirmations are emailed to payees.

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6. Systems Used

- **AccuFund Accounts Payable Module**
- **Automated Clearing House (ACH) Banking System**

Accounts Payable – Internal Controls

1. Invoice Receipt & Logging Controls

- **Segregation of duties:** Receptionist opens mail and date-stamps invoices/MFRs, separate from AP data entry.
- **Date-stamping control:** All invoices/MFRs stamped upon receipt to establish a verifiable receipt date.
- **Email receipt control:** Accountant/Auditor retrieves emailed MFRs to avoid bypassing mail controls.
- **Document intake completeness:** All received documents must be logged before processing.

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2. Matching & Verification Controls

- **Three-way match control:** Invoice must match PO/PR and supporting documentation before entry.
- **Accuracy review:** Accounting Technician verifies vendor name, quantities, pricing, and terms.
- **Exception handling control:** Discrepancies must be resolved prior to AP entry.

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3. System Entry Controls

- **Timely entry control:** Invoices are entered weekly to ensure current liability records.
- **Access controls in AccuFund:** Only authorized staff may enter or modify AP records.
- **Data validation:** Required fields must be completed before an invoice can be posted.

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4. Approval Controls

- **Batch approval control:** All check/EFT batches require Controller review and approval.
- **Supporting documentation control:** Invoices, POs, MFRs, and related documents must accompany batch.
- **Dual control:** Technician prepares batches; Controller approves (segregation of duties).

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5. Payment Processing Controls

Check Payments

- **Scheduled payment cycles:** Checks issued only twice per month to control cash flow.
- **Due-date review:** Only invoices due within the next two weeks are selected.
- **Check printing control:** Check stock secured; only authorized personnel print checks.
- **Mailing control:** Technician mails checks with required documents.

EFT Payments

- **Restricted EFT process:** EFT batch reviewed and approved by Controller before transmission.
- **ACH transmission control:** Only the Accounting Technician may submit the EFT file.
- **Confirmation control:** EFT confirmations emailed to payees for transparency.

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6. Filing & Record-Keeping Controls

- **Retention control:** Copies of check stubs and backup documents filed in AP.
- **Documentation completeness:** All related payment documents must be retained.
- **Audit trail maintenance:** AccuFund batch approvals and payment logs preserved.

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7. Security & Fraud Prevention Controls

- **Segregation of duties:** No single employee controls the entire AP process.
- **Check stock security:** Stored in secure location with limited access.
- **User access rights:** System permissions limited based on job role.
- **Electronic transmission control:** EFT files transmitted only through authorized channels.

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8. Compliance Controls

- **Policy adherence:** AP staff must follow approved procedures for each step.
- **Audit readiness:** All records maintained in a format accessible for internal/external audit.
- **Regulatory compliance:** Payments processed in alignment with federal, state, and agency guidelines.

Accounts Payable – Control List

AP 01 – Mail Opening & Date Stamp

- **Description:** All mailed invoices and MFRs are opened by the Receptionist and date stamped
- **Owner:** Receptionist
- **Frequency:** Daily
- **Evidence:** Date-stamped documents
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 02 – Email MFR Intake

- **Description:** Emailed MFRs are printed and date stamped
- **Owner:** Accountant/Auditor
- **Frequency:** As received
- **Evidence:** Printed MFRs
- **System:** Email
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 03 – Intake Completeness Log

- **Description:** All invoices and MFRs logged before processing
- **Owner:** Receptionist
- **Frequency:** Daily
- **Evidence:** Log
- **System:** N/A

- **Type:** Preventive/Detective (P/D)
- **Nature:** Manual (M)

AP 04 – PO/PR Match (3-Way Match)

- **Description:** Invoice matched to PO/PR and MFR before entry
- **Owner:** Accounting Technician
- **Frequency:** Weekly
- **Evidence:** Full packet
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP 05 – Invoice Accuracy Review

- **Description:** Review vendor, pricing, quantity, and terms
- **Owner:** Accounting Technician
- **Frequency:** Weekly
- **Evidence:** Initialed packet
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 06 – Role-Based System Access

- **Description:** Only authorized staff may enter or modify AP records
- **Owner:** Controller / IT
- **Frequency:** Ongoing
- **Evidence:** Access log
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** Automated (A)

AP 07 – Timely Invoice Entry

- **Description:** Invoices entered into AccuFund weekly
- **Owner:** Accounting Technician
- **Frequency:** Weekly
- **Evidence:** AP entry report
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP 08 – Due Date Review

- **Description:** Only invoices due within next 2 weeks selected for payment
- **Owner:** Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Payables aging
- **System:** AccuFund
- **Type:** Preventive (P)

- **Nature:** IT Dependent (ITD)

AP 09 – Batch Support Packet

- **Description:** All supporting documentation compiled prior to approval
- **Owner:** Accounting Technician
- **Frequency:** Per batch
- **Evidence:** Batch packet
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 10 – Controller Batch Approval

- **Description:** Controller reviews and approves payment batches
- **Owner:** Controller
- **Frequency:** Per batch
- **Evidence:** Approval log
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP 11 – Check Stock Security

- **Description:** Check stock secured and access restricted
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Access log
- **System:** Physical
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 12 – Authorized Check Printing

- **Description:** Only authorized personnel print checks
- **Owner:** Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Print logs
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP 13 – Check Mailing & Filing

- **Description:** Checks mailed and documentation filed
- **Owner:** Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Filing records
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

AP 14 – EFT Cash Disbursement Form

- **Description:** Form prepared for EFT payments due within 2 weeks
- **Owner:** Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Signed form
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** Manual (M)

AP 15 – EFT Approval & ACH Transmission

- **Description:** Controller approves EFT; Technician transmits ACH file
- **Owner:** Controller / Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Bank ACH receipt
- **System:** Bank/ACH
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP 16 – Email EFT Confirmations

- **Description:** Payment confirmations emailed to vendors
- **Owner:** Accounting Technician
- **Frequency:** Biweekly
- **Evidence:** Confirmation emails
- **System:** Email
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

AP 17 – AP Filing & Retention

- **Description:** All documents retained for audit trail
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** AP files
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

AP E1 – Vendor Master File Change Control

- **Description:** Vendor changes require approval and verification
- **Owner:** Controller
- **Frequency:** As needed
- **Evidence:** Vendor change form
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

AP E3 – AP Subledger to GL Reconciliation

- **Description:** Monthly reconciliation performed and reviewed
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Reconciliation sheet
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

AP E4 – Bank Reconciliation

- **Description:** Monthly bank reconciliation prepared and reviewed
- **Owner:** Accountant / Controller
- **Frequency:** Monthly
- **Evidence:** Bank reconciliation report
- **System:** Bank
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

AP E5 – AP Aging Review

- **Description:** AP aging reviewed for past due items and credits
- **Owner:** Controller
- **Frequency:** Monthly
- **Evidence:** Aging report
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

Accounts Payable – Purchase Orders (One-Time & Ongoing)

1) Purpose

To standardize the use and approval of **Purchase Orders (POs)**—both **ongoing/recurring** and **one-time**—so the organization maintains visibility over overhead costs, ensures proper authorization, supports accurate accounting, and preserves a complete audit trail.

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2) Policy Statement

- **Ongoing (Recurring) POs** are required for continuing expenses (e.g., monthly rent, utilities, telecom, medical/vision plans).
- **One-Time POs** are required for discrete purchases of goods or services.
- Purchases **over $5,000** require **three (3) quotes** and a **Procurement Justification** form attached to the PO.
- **Prepaid** or **Credit Card** purchases must be explicitly indicated on the PO using the designated checkboxes.
- Equipment containing **data/memory** requires **I.T. Manager approval**.
- Accounting must maintain documentation packets and system records for all POs.

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3) Scope

Applies to all staff involved in initiating, approving, purchasing, receiving, or paying for goods and services via PO, including ongoing overhead expenses.

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4) Definitions

- **Ongoing (Recurring) PO**: A PO established to cover repetitive, periodic expenses (e.g., monthly rent).
- **One-Time PO**: A PO for a single, non-recurring purchase.
- **Prepaid**: Payment issued **before** goods/services are received.
- **Credit Card Purchase**: Purchase paid via the organization's card; the PO supports later card statement payment.
- **Procurement Justification**: A form explaining vendor selection; required for purchases > $5,000 (with 3 quotes).

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5) Roles & Responsibilities

- **Originator (Requestor)**: Completes PO, attaches quotes/justification, selects Prepaid/Credit Card flag if applicable.
- **Supervisor**: Reviews business need and budget; approves or returns for correction.
- **Fiscal Administrator / Controller (Fiscal Department)**: Reviews coding, budget, compliance; approves or returns.
- **Executive Director (ED)**: Final approval for one-time POs and annual approval of ongoing POs.
- **I.T. Manager**: Approves POs for equipment with **data/memory**.

- **Accounting Technician (PR)**: Assigns PO number, verifies account code, files copy, forwards to AP.
- **Accounting Technician (AP)**: Sends PO (and check if prepaid) to Originator, processes payment, files packet.
- **Support Staff / Receiving**: Verifies deliveries, notes damages, forwards receiving documents to AP.

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6) Procedures

A. Ongoing (Recurring) Purchase Orders

1. **Annual/Ad-Hoc Approval**
   - Ongoing POs are approved by the **Executive Director** and **Fiscal Administrator** at the start of the fiscal year **or** as needed during the year.
2. **Payment Recording**
   - When a **check or EFT** is generated, the **check number** and **date paid** fields on the ongoing PO form are completed.
3. **Documentation & Filing**
   - Maintain the ongoing PO with payment notations and supporting invoices in the AP files.

B. One-Time Purchase Orders

1. **Originate PO**
   - Complete all fields; **sign** and **date** the PO.
   - If **Prepaid**, check the **Prepaid** box (payment before receipt).
   - If **Credit Card**, check the **Credit Card** box (no vendor check—supports card payment later).
   - If the Originator needs to **hand-deliver** the check, enter the Originator's name on the **Mail To** line.
   - **If total > $5,000**: attach **3 quotes** and a **Procurement Justification** form.
2. **Supervisor Approval**
   - Supervisor **approves & signs**, or **returns** with reasons/required changes.
3. **Fiscal Department Approval** (Fiscal Administrator or Controller)
   - Fiscal **approves & signs**, or **returns** with reasons/required changes.
4. **Executive Director Approval**
   - ED **approves & signs**, or **returns** with reasons/required changes.
5. **I.T. Approval (Conditional)**
   - If the request includes **equipment with data/memory**, obtain **I.T. Manager** approval.
6. **PO Numbering & Coding**
   - **Accounting Technician (PR)** assigns the **PO#**, verifies **account code(s)**, files a copy, and forwards PO to **Accounting Technician (AP)**.
7. **Order Placement**

- **AP** sends a copy of the PO (**and check if prepaid**) to the Originator to place the order.
- For **Credit Card** purchases, the Originator coordinates with the **Cardholder**.

8. **Receiving & Close-Out**
    - Upon delivery, Support Staff checks for **accuracy/damage**.
    - Forward **PO copy, packing slip and/or invoice, receiving record (white copy), and credit card slip (if applicable)** to **AP**.
    - **AP** attaches documents to the original PO and **pays or files** accordingly.

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7) Internal Controls

Governance & Authorization

- Annual approval of **ongoing POs** by **ED** and **Fiscal Administrator**.
- **Tiered approvals** for one-time POs: Supervisor → Fiscal → ED (plus I.T. when required).
- **$5,000 threshold**: **3 quotes** + **Procurement Justification** attached.

Segregation of Duties

- Originator prepares request; separate levels approve; Accounting assigns PO#, codes, and processes payment; Receiving verifies goods.

Documentation Completeness

- PO packet includes PO, quotes/justification (if applicable), approvals, receiving docs, invoice, and payment evidence.

Payment Controls

- **Prepaid** flagged on PO and requires approvals before payment.
- **Credit Card** flagged on PO; vendor check **not** issued; documentation retained for card statement payment.
- Ongoing PO **check/EFT number and date** recorded on the PO form.

I.T. & Asset Safeguards

- **I.T. Manager approval** for equipment with data/memory to ensure security requirements and asset tracking.

Accounting & Filing

- **PO numbering and coding** performed by Accounting Technician (PR).
- **AP** maintains **complete, filed packets** to support audit trail.

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8) Purchase Orders – Control List

PO 01 – Annual Ongoing PO Approval

- **Description: Recurring purchase orders are approved annually or as needed**
- **Owner: Executive Director, Fiscal Administrator**
- **Frequency: Annual / As needed**
- **Evidence: Signed ongoing PO**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 02 – Ongoing PO Payment Notation

- **Description: Check/EFT number and payment date recorded on PO when paid**
- **Owner: Accounts Payable (AP)**
- **Frequency: Each payment**
- **Evidence: Updated ongoing PO form**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

PO 03 – PO Origination & Signature

- **Description: Originator completes, signs, and dates PO and selects payment method if applicable**
- **Owner: Originator**
- **Frequency: Per request**
- **Evidence: Completed PO**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 04 – Supervisor Review

- **Description: Supervisor reviews, approves, or returns PO with comments**
- **Owner: Supervisor**
- **Frequency: Per request**
- **Evidence: Signed PO or return comments**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 05 – Fiscal Review

- **Description: Fiscal reviews coding, budget, and compliance before approval**
- **Owner: Fiscal Administrator / Controller**
- **Frequency: Per request**
- **Evidence: Signed PO or return comments**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

PO 06 – Executive Director Approval

- **Description: Final approval provided for one-time purchase orders**
- **Owner: Executive Director**
- **Frequency: Per request**

- **Evidence: Signed PO**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 07 – I.T. Approval for Data-Bearing Assets

- **Description: IT approval required for equipment containing data or memory**
- **Owner: IT Manager**
- **Frequency: Per request**
- **Evidence: IT approval documented on PO**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 08 – $5,000 Competitive Quote Control

- **Description: Purchases over $5,000 require three quotes and justification**
- **Owner: Originator / Supervisor / Fiscal**
- **Frequency: Per request**
- **Evidence: Quotes and justification form**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

PO 09 – PO Numbering & Coding

- **Description: PO number assigned, coding verified, copy filed and forwarded to AP**
- **Owner: Accounting Technician (PR)**
- **Frequency: Per request**
- **Evidence: PO log and coded PO**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

PO 10 – Prepaid Payment Control

- **Description: Prepaid designation required and approved before payment issuance**
- **Owner: Fiscal / Executive Director / AP**
- **Frequency: Per prepaid transaction**
- **Evidence: Prepaid PO and check register**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

PO 11 – Credit Card Flag & Process

- **Description: Credit card transactions marked and documented; no vendor check issued**
- **Owner: Originator / AP**
- **Frequency: Per transaction**
- **Evidence: PO, receipt, card statement packet**
- **System: AccuFund / Card Portal**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

PO 12 – Order Placement & Distribution

- **Description: AP sends PO to originator to place order**
- **Owner: AP**
- **Frequency: Per request**
- **Evidence: Email or distribution record**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

PO 13 – Receiving Verification

- **Description: Delivery verified and discrepancies noted before forwarding documentation**
- **Owner: Support Staff**
- **Frequency: Upon receipt**
- **Evidence: Packing slip, receiving record**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

PO 14 – AP Packet Filing & Payment

- **Description: Supporting documentation attached and retained after payment**
- **Owner: AP**
- **Frequency: Per payment**
- **Evidence: Complete AP packet**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD**

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9) Operational Checklists

A. Ongoing (Recurring) POs – Annual Setup & Monthly Cycle

Annual / As-Needed Setup

- Prepare list of recurring vendors/amounts (rent, utilities, telecom, medical/vision, etc.).

- Create **ongoing PO** for each expense.
- Obtain **ED** and **Fiscal Administrator** approvals. *(PO-01)*
- File approved ongoing POs in AP recurring binder/folder.

Monthly Cycle

- Receive invoice; verify against ongoing PO.
- Process **check or EFT** in AccuFund.
- Record **check/EFT number** and **date paid** on ongoing PO form. *(PO-02)*
- File invoice with the ongoing PO record.

B. One-Time POs – Request to Payment

Initiation

- **Complete, sign, date** PO; select **Prepaid** or **Credit Card** if applicable. *(PO-03, PO-10, PO-11)*
- If **>$5,000**: attach **3 quotes** + **Procurement Justification**. *(PO-08)*
- If equipment with **data/memory**: obtain **I.T. Manager** approval. *(PO-07)*

Approvals

- **Supervisor** approval (or returned with reasons). *(PO-04)*
- **Fiscal Admin/Controller** approval (coding/budget/compliance). *(PO-05)*
- **Executive Director** approval. *(PO-06)*

Accounting Setup & Ordering

- **Accounting Tech (PR)** assigns **PO#** and verifies account code; files copy; forwards to **AP**. *(PO-09)*
- **AP** sends PO (and check if **prepaid**) to Originator to place order. *(PO-12)*
- If **Credit Card**, Originator coordinates with **Cardholder**.

Receiving & Close-Out

- Support Staff verifies items/services received; note any **damage/shortage**. *(PO-13)*
- Forward **PO copy, packing slip/invoice, receiving record, and card slip (if applicable)** to **AP**.
- **AP** attaches all support to the original PO and **processes payment or files**. *(PO-14)*

---

10) Systems Used

- **AccuFund** (PO numbering, coding, AP processing, payment records)
- **Credit Card Portal** (where applicable)
- **Network/File Repository** (procurement justification, quotes, scanned packets)

Accounts Payable – Voided & Stale-Dated Checks

1. Purpose

To ensure the **check register remains accurate and current**, maintain proper accounting of cash activity, preserve audit integrity, and ensure that voided and stale-dated checks are handled consistently and in accordance with internal controls.

---

2. Policy Statement

- All voided checks must be processed through the **Accounts Payable module** in AccuFund using the **current date**.
- Voiding a check returns the funds to the cash account and reopens the related invoice for payment or cancellation.
- **Stale-dated checks** (checks older than six months) must be voided following the same process as standard voids, and the payee must be contacted to determine whether a **replacement** is required.
- All voids and cancellations must preserve the **audit trail** in the general ledger.

---

3. Scope

This policy applies to all Accounts Payable staff who manage, reconcile, void, or reissue checks through the AccuFund Accounts Payable module.

---

4. Roles & Responsibilities

Accounting Technician (AP)

- Locates and voids checks within the AP module.
- Records cash adjustments and updates the Cash Sheet.
- Reopens or cancels invoices as appropriate.
- Contacts payees for stale-dated checks.
- Issues replacement checks when required.

Controller / Fiscal Manager

- Oversees accuracy of void and stale-date processes.
- Reviews cash activity as part of monthly reconciliations.

Executive Director

- Ensures policy compliance at the organizational level (oversight role).

---

5. Procedures

A. Voided Checks (Any Check Voided for Any Reason)

Step 1: Void the Check in AccuFund

- Locate the check in the **Accounts Payable module**.
- Select **Void Check**.
- Use the **current date** as the void date.
- This returns the funds to the **cash account** in the general ledger.

Step 2: Update the Cash Sheet

- Record a **cash increase** using the **current date** in the appropriate column.

Step 3: Determine Invoice Disposition

The associated invoice is now re-opened:

If the invoice should still be paid:

- Mark invoice for payment.
- Regenerate check or EFT.

If the invoice should be canceled:

- Select **Cancel Invoice** using the **current date**.
- System automatically **credits the original expense account**.
- Canceling (rather than deleting) preserves the audit trail.

B. Stale-Dated Checks (Checks ≥ 6 Months Old)

Stale-dated checks follow the same voiding steps as above, **plus additional payee verification**.

Step 1: Perform Standard Void Steps

(Voiding the check + updating cash + reopening/cancelling invoice.)

Step 2: Contact the Payee

- Determine whether the payee still requires payment.
- If requested, prepare a **replacement check**.

Step 3: Complete Invoice Action

- **If payment is still required:** reissue payment.
- **If not required:** cancel the invoice following standard procedure.

---

6. Internal Controls

Preventive Controls

- Voids must be done **in-system** to avoid off-ledger adjustments.
- Only the Accounting Technician has authority to execute voids.
- Stale-dated checks require **payee confirmation** before reissuing.

Detective Controls

- Voiding restores invoice status, which must match supporting documentation.
- Cash Sheet is updated to reflect restored cash.
- Stale-dated checks identified during **monthly bank reconciliation**.

Documentation & Audit Controls

- Voids and cancellations must use the **current date** to maintain clear audit trails.
- Canceling invoices keeps the original transaction history intact.
- Replacement checks must reference the original voided check.

Reconciliation Controls

- Monthly bank reconciliation ensures timely detection of stale-dated items.
- Controller reviews voids and associated entries as part of month-end review.

---

7. Void Checks – Control List

VC 01 – System-Based Check Void

- **Description: Check is voided in Accounts Payable module using current date**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: Voided check record**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

VC 02 – Cash Sheet Update

- **Description: Cash increase recorded on Cash Sheet when check is voided**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: Updated Cash Sheet**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

VC 03 – Invoice Reopens Upon Void

- **Description: Voiding a check reopens the invoice; technician selects whether to pay or cancel**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: Invoice record**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

VC 04 – Invoice Cancellation Audit Trail

- **Description: Canceling an invoice preserves GL history; system credits the expense account**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: Canceled invoice record**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

VC 05 – Stale-Dated Check Identification

- **Description: Stale-dated checks are identified during monthly bank reconciliation**
- **Owner: Accountant / Controller**
- **Frequency: Monthly**
- **Evidence: Bank reconciliation**

- **System: Bank / AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

VC 06 – Payee Verification for Stale-Dated Checks

- **Description: Payee must be contacted before reissuing stale-dated payments**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: Email or phone documentation**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

VC 07 – Replacement Check Control

- **Description: Replacement checks are issued only after payee confirmation**
- **Owner: AP Technician**
- **Frequency: As needed**
- **Evidence: New check record with reference to original**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

VC 08 – Month-End Review of Voids

- **Description: Controller reviews all voided checks for accuracy and proper documentation**
- **Owner: Controller**
- **Frequency: Monthly**
- **Evidence: Void report**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

---

8. Operational Checklists

A. Voiding a Check – Checklist

- Locate check in **AP module**.
- Void using **current date**. *(VC-01)*
- Update **Cash Sheet** with cash increase. *(VC-02)*
- Determine invoice outcome:
    - **Reissue payment**, or
    - **Cancel invoice** using current date. *(VC-03, VC-04)*

- Attach notes/documentation to void packet.
- File according to AP retention procedures.

B. Stale-Dated Check – Checklist

- Identify stale check during **bank reconciliation**. *(VC-05)*
- Void check using standard void procedure. *(VC-01)*
- Update Cash Sheet. *(VC-02)*
- **Contact payee** to confirm: *(VC-06)*
  - Payment still needed → issue replacement. *(VC-07)*
  - Payment not needed → cancel invoice. *(VC-04)*
- Document payee communication.
- File all documents with void packet.

---

9. Systems Used

- **AccuFund Accounts Payable Module**
- **Bank Portal / Statements**
- **AP Cash Sheet (internal)**

Billing – CDA Title III–VII (Area Plan)

1. **Purpose**

To ensure timely, accurate, and complete submission of monthly billing reports to the California Department of Aging (CDA) for reimbursement of eligible expenditures incurred under Title III–VII programs, while maintaining compliance with grant requirements, internal financial controls, and audit standards.

---

2. Policy Statement

• Monthly billing to CDA must be submitted by the final day of each month for the prior month (i.e. June 30th is the deadline for billing May expenditures.)
• The billing preparation process must begin no later than the 28th day of the month and completed no later than the 5th day of the following month if late.
• If the final submission date falls on a weekend or Monday, the billing must be submitted by the last business day of the prior week (i.e. June 30th is a Saturday, the billing should be completed Friday, June 29th).
• All expenditures reported must be supported by posted financial records in AccuFund and verified against Monthly Financial Reports (MFRs) and funded partner documentation.
• Billing entries must reconcile to the agency's general ledger and be retained with sufficient documentation to support audit review.

---

3. Scope

This policy applies to all accounting staff responsible for grant billing, reporting, reconciliation, and journal entries related to CDA Title III–VII Area Plan funding for both funded partners and in-house agency programs.

---

4. **Roles & Responsibilities**

Accountant / Auditor

• Ensures Monthly Financial Reports (MFRs) are complete and posted to the expenditure file.
• Confirms expenditures are properly recorded in AccuFund.
• Assists with reconciliation and review of expenditure support.

Accounting Technician / Grant Accountant

• Prepares billing support schedules and tracking files.
• Compiles funded partner and in-house expenditure data.
• Enters billing data into the LFRS system.
• Maintains billing documentation and shared drive records.

Controller

• Reviews CDA billing for accuracy, completeness, and compliance.
• Approves journal entries related to disbursements and expenditures.
• Oversees month-end reconciliation and control effectiveness.

Executive Director

• Provides oversight to ensure regulatory and contractual compliance.

---

5. Procedures

A. Pre-Billing Verification

Step 1: Confirm Prior Month Activity

• **Verify** that all prior month Monthly Financial Reports (MFRs) have been received and posted to the expenditures file by the Accountant/Auditor.
• **Ensure** all Title III–VII related expenditures have been posted in AccuFund.

Step 2: Generate Supporting Reports

• **Print** the Title III–VII, C1, and C2 Funded Partner Spending Tracking files.
• **Print** Revenue/Expense reports from AccuFund for:
– In-house program expenditures
– Administrative expenditures

B. Billing Compilation

Step 3: Complete Combining Worksheet

• **Populate** the combining worksheet with:
– In-house program expenditures
– Administrative expenses
– Funded partner expenditure totals
• **Ensure** totals reconcile to AccuFund reports and funded partner submissions.
• Worksheet structure must mirror LFRS reporting categories.

Step 4: LFRS Data Entry and Submission

• **Enter** reconciled data into the LFRS system.
• **Review** entries for accuracy and completeness.
• **Submit** the billing by the required deadline.

C. Post-Submission Documentation & Accounting

Step 5: Record Retention

• **File** all billing support, reports, and submission confirmations in the appropriate CDA billing binder.
• **Download** and store disbursement and expenditure records to the designated shared drive.

Step 6: Journal Entries

• **Generate** journal entries reflecting disbursed and expended funds.
• **Ensure** entries align with approved billing and AccuFund balances.
• Controller **reviews** and **posts** entries as part of month-end close.

---

6. Internal Controls

Preventive Controls

• **Billing cannot proceed until all MFRs are posted and expenditures are recorded in AccuFund.**
• LFRS entries must reconcile to AccuFund and funded partner tracking files.
• Separation of duties between preparation and review of billing.

Detective Controls

- Reconciliation of combining worksheet to system reports.
- Controller review of billing submission and journal entries.
- Month-end financial review identifies discrepancies.

Documentation & Audit Controls

- All billing support retained in accordance with grant and record retention requirements.
- Worksheets and reports provide a clear audit trail from expenditure to reimbursement request.
- Shared drive storage ensures controlled access and version integrity.

---

7. **Billing – Control List**

BL 01 – MFR Posting Verification

- **Description:** Confirm all prior month MFRs are posted before billing begins
- **Owner:** Accountant / Auditor
- **Frequency:** Monthly
- **Evidence:** MFR file
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

BL 02 – AccuFund Posting Confirmation

- **Description:** All expenditures are verified as posted in AccuFund prior to billing
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** AccuFund reports
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

BL 03 – Funding Tracking Review

- **Description:** Funded partner spending reconciled to tracking files
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Tracking worksheets
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** Manual (M)

BL 04 – Combining Worksheet Reconciliation

- **Description:** In-house, administrative, and partner data reconciled to AccuFund
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Combining worksheet
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** Manual (M)

BL 05 – LFRS Entry Control

- **Description:** Data entered into LFRS matches approved worksheet totals
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** LFRS submission
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

BL 06 – Submission Deadline Compliance

- **Description:** Billing is submitted by month end or prior business day if required
- **Owner:** Grant Accountant
- **Frequency:** Monthly

- **Evidence:** Submission timestamp
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** Manual (M)

BL 07 – Journal Entry Review

- **Description:** Disbursement and expenditure journal entries are reviewed and approved
- **Owner:** Controller
- **Frequency:** Monthly
- **Evidence:** Journal entry approval
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

BL 08 – Document Retention Control

- **Description:** Billing support is filed and stored in shared drive and binder
- **Owner:** Accounting Technician
- **Frequency:** Monthly
- **Evidence:** Billing binder / shared drive files
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

---

8. Operational Checklist

Monthly CDA Billing Checklist

• **Confirm** MFRs are posted (BL 01)
• **Verify** AccuFund expenditures (BL 02)
• **Print** funded partner and AccuFund reports
• **Complete** and **reconcile** combining worksheet (BL 04)
• **Enter** and **submit** LFRS billing (BL 05, BL 06)
• **File** all documentation and save to shared drive (BL 08)
• **Prepare** and **route** journal entries for approval (BL 07)

---

9. **Systems Used**

• AccuFund General Ledger
• LFRS (State Reporting System)
• Funded Partner Tracking Worksheets (Excel)
• Shared Drive – Grant Billing Repository
• Physical CDA Billing Binders

Billing – CDA Health Insurance Counseling and Advocacy Program (HICAP)

1. Purpose

To ensure timely, accurate, and complete submission of monthly billing reports to the California Department of Aging (CDA) for reimbursement of eligible expenditures incurred under the Health Insurance Counseling and Advocacy Program (HICAP), while maintaining compliance with grant requirements, internal controls, and audit standards.

---

2. Policy Statement

• M**onthly HICAP billing must be submitted to CDA by the final day of each month.**
• The billing preparation process must begin **no later than the 28th day of the month.**
• If the final submission date f**alls on a weekend or Monday, the billing must be submitted by the last business day of the preceding week.**
• **Only expenditures supported by posted Monthly Financial Reports (MFRs) and recorded in AccuFund may be billed.**
• **Billing submissions must reconcile to the general ledger and retain sufficient documentation to support reimbursement and audit review.**

---

3. Scope

This policy applies to all accounting staff responsible for preparing, reviewing, submitting, and recording CDA HICAP billing activity, including funded partner expenditures and administrative costs incurred by Area 4.

---

4. Roles & Responsibilities

Accountant / Auditor

• **Ensures** Monthly Financial Reports (MFRs) are complete and posted to the HICAP expenditures file.
• **Verifies** expenditures are properly recorded in AccuFund.
• **Supports** reconciliation between system reports and billing documentation.

Accounting Technician / Grant Accountant

• **Prepares** HICAP billing schedules and supporting documentation.
• **Confirms** accounts payable activity is fully posted in AccuFund.
• **Enters** billing data into the LFRS system.
• **Maintains** billing binders and shared drive records.

Controller

• **Reviews** HICAP billing submissions for accuracy, completeness, and compliance.
• **Reviews** and **approves** related journal entries.
• Oversees month-end reconciliation and billing-to-GL consistency.

Executive Director

• **Provides** organizational oversight to ensure compliance with CDA grant requirements.

---

5. Procedures

A. Pre-Billing Verification

Step 1: Confirm Prior Month Reporting

• **Verify** that all prior month Monthly Financial Reports (MFRs) have been received and posted to the HICAP expenditures file by the Accountant/Auditor.

• **Confirm** all accounts payable transactions for the billing period have been posted in AccuFund.

Step 2: Generate Supporting Reports

• **Print** the HICAP Expenditures Summary Page.

• **Print** the Revenue and Expense Year-to-Date (YTD) report from AccuFund for:

– HICAP program expenditures

– HICAP administrative costs

B. Billing Preparation and Submission

Step 3: Reconcile Billing Support

• **Reconcile** funded partner tracking sheets to AccuFund reports.

• **Confirm** totals agree with posted expenditures and approved MFRs.

Step 4: LFRS Data Entry and Submission

• **Enter** reconciled expenditure data into the LFRS system.

• **Review** entries for completeness and accuracy.

• **Submit** the billing in accordance with established deadlines.

C. Post-Submission Documentation & Accounting

Step 5: Record Retention

• **File** all billing documentation, reports, and submission confirmations in the designated HICAP billing binder.

• **Download** disbursement and expenditure records and store them on the shared drive.

Step 6: Journal Entries

• **Generate** journal entries reflecting billed disbursements and expenditures.

• **Ensure** entries reconcile to AccuFund balances and approved billing amounts.

• **Route** entries for Controller review and posting.

---

6. Internal Controls

Preventive Controls

• Billing cannot proceed unless all MFRs are posted and AP activity is recorded in AccuFund.

• Reconciliations must be completed before LFRS submission.

• Separation of preparation and review responsibilities is maintained.

Detective Controls

• Reconciliation of AccuFund reports to funded partner tracking sheets.

• Controller review of billing submissions and related journal entries.

• Month-end reviews identify discrepancies between billing and GL balances.

Documentation & Audit Controls

• Billing support documentation retained in binders and electronic shared drive.
• All reports provide a traceable audit trail from expenditure to reimbursement.
• Records maintained in accordance with grant and retention requirements.

---

7. **HICAP Billing – Control List**

HB 01 – MFR Posting Verification

- **Description:** Confirm all prior month MFRs are posted before billing begins
- **Owner:** Accountant / Auditor
- **Frequency:** Monthly
- **Evidence:** MFR file
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

HB 02 – AP Posting Confirmation

- **Description:** Verify all AP expenditures are posted in AccuFund
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** AccuFund AP reports
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

HB 03 – Expenditure Summary Review

- **Description:** HICAP expenditure summary reviewed for completeness
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Summary report
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** Manual (M)

HB 04 – AccuFund Reconciliation

- **Description:** Revenue and Expense YTD reports reconciled to tracking sheets
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Reconciliation worksheet
- **System:** AccuFund / Excel
- **Type:** Detective (D)
- **Nature:** Manual (M)

HB 05 – LFRS Entry Control

- **Description:** LFRS entries agree to reconciled expenditures
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** LFRS submission
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

HB 06 – Deadline Compliance

- **Description:** Billing submitted by required deadline

- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Submission timestamp
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** Manual (M)

HB 07 – Journal Entry Review

- **Description:** Billing-related journal entries reviewed and approved
- **Owner:** Controller
- **Frequency:** Monthly
- **Evidence:** Journal entry approval
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

HB 08 – Document Retention

- **Description:** Billing support filed and stored appropriately
- **Owner:** Accounting Technician
- **Frequency:** Monthly
- **Evidence:** Binder / shared drive
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

---

8. Operational Checklist

Monthly HICAP Billing Checklist

• **Confirm** MFRs are posted (HB 01)
• **Verify** AP activity in AccuFund (HB 02)
• **Print** HICAP expenditure summary and YTD reports
• **Reconcile** tracking sheets to AccuFund (HB 04)
• **Enter** and submit billing in LFRS (HB 05, HB 06)
• **File** documentation and save to shared drive (HB 08)
• **Prepare** and route journal entries for approval (HB 07)

---

9. Systems Used

• AccuFund General Ledger & Accounts Payable
• LFRS (State Reporting System)
• Funded Partner Tracking Sheets (Excel)
• Shared Drive – HICAP Billing Repository
• Physical HICAP Billing Binders

---

2 CFR Part 200 Crosswalk

Billing – CDA Health Insurance Counseling and Advocacy Program (HICAP)

This crosswalk maps the HICAP Billing policy, procedures, and internal controls to applicable sections of **2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)** as adopted by the California Department of Aging.

A. Financial Management & Reporting

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Monthly billing based on posted expenditures	**§200.302(a)**	Financial management systems must provide accurate, current, and complete disclosure of financial results	Billing is based solely on posted expenditures in AccuFund and approved MFRs, ensuring completeness and accuracy
Reconciliation of AccuFund to billing support	**§200.302(b)(3)**	Records must identify source and application of funds	Reconciled AccuFund reports and tracking sheets identify program vs. administrative costs
Use of Revenue & Expense YTD reports	**§200.302(b)(2)**	Financial records must show expenditures by Federal award	YTD reports clearly segregate HICAP expenditures and administrative costs

---

B. Allowable Costs & Cost Principles

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Billing limited to approved MFRs and posted AP	**§200.403(a), (g)**	Costs must be necessary, reasonable, and adequately documented	Only documented, approved, and posted expenditures are billed
Reconciliation prior to billing	**§200.403(g)**	Costs must be supported by adequate documentation	Funded partner tracking sheets and AccuFund reports serve as support
Administrative cost identification	**§200.413**	Direct vs. indirect costs must be properly classified	Administrative costs are reported separately and supported by AccuFund reports

---

C. Internal Controls

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Pre-billing verification steps	**§200.303(a)**	Non-Federal entity must establish effective internal controls	Verification of MFRs, AP posting, and reconciliations prior to submission

Separation of duties (prep vs. review)	**§200.303(a)**	Controls must provide accountability for assets and expenditures	Grant Accountant prepares; Controller reviews
Controller review of journal entries	**§200.303(a), (b)**	Internal controls must safeguard Federal funds	Independent review mitigates risk of error or misuse

---

D. Reporting Requirements

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Monthly LFRS submission	**§200.327**	Financial reports must be submitted as required by the Federal agency	LFRS submissions comply with CDA reporting requirements
Submission deadline controls	**§200.328(b)(1)**	Financial reports must be timely and accurate	Policy establishes month-end deadlines and early start requirements
Reconciliation before submission	**§200.328(b)(2)**	Reports must be supported by accounting records	AccuFund and tracking reconciliations completed prior to submission

---

E. Cash Management & Reimbursement

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Billing based on expended funds	**§200.305(b)**	Reimbursements limited to allowable incurred costs	Only incurred, posted expenditures are billed
Journal entries reflecting disbursements	**§200.302(b)(4)**	Effective control over cash and reimbursement activity	Journal entries align billing, cash activity, and GL balances

---

F. Record Retention & Audit Trail

Internal Policy Component	2 CFR Reference	Requirement	How Policy Meets Requirement
Billing binders & shared drive storage	**§200.334**	Financial records retained for required period	Physical and electronic records maintained
Documentation of expenditures	**§200.334(a)**	Records must be accessible for audit or review	Support documentation retained and organized
System-based audit trails	**§200.302(b)(3)**	Records must provide support for transactions	AccuFund and LFRS provide traceable audit trails

---

G. Single Audit Readiness

Audit Focus Area	2 CFR Reference	Control Evidence
Allowability & documentation	**§200.403, §200.405**	MFRs, AccuFund reports, tracking worksheets
Reporting accuracy & timeliness	**§200.327, §200.328**	LFRS submissions and timestamps
Internal controls over compliance	**§200.303**	Control matrix, reconciliations, Controller review
Record retention	**§200.334**	Billing binders and shared drive records

Billing – SNAP-Ed (CalFresh Healthy Living)
1. Purpose
The purpose of this policy is to establish standardized procedures for the preparation, reconciliation, and submission of monthly SNAP-Ed billing to the California Department of Aging (CDA). This ensures timely reimbursement of eligible expenditures and compliance with grant requirements, Uniform Guidance (2 CFR Part 200), internal controls, and audit standards.

---

2. **Policy Statement**
SNAP-Ed billing must be completed in a consistent and controlled manner that:

- Ensures monthly billing is submitted by the 30th of the month for prior month activity
- Requires billing preparation to begin no later than the 25th of each month
- Limits billable costs to expenditures that are:
    - Recorded in AccuFund
    - Supported by Monthly Financial Reports (MFRs)
    - Properly classified as Program or Administrative costs
- Requires all billing to reconcile to:
    - General Ledger
    - SNAP-Ed reconciliation worksheets
    - CDA reporting requirements
- Ensures full documentation is retained in accordance with record retention and grant requirements

---

3. Scope
This policy applies to all accounting personnel involved in SNAP-Ed billing, including preparation, reconciliation, submission, and journal entries.

---

4. Roles & Responsibilities
Accountant / Auditor

- Confirms prior-month MFRs are received and posted
- Verifies SNAP-Ed expenditures are recorded in AccuFund

Grant Accountant / Accounting Technician

- Prepares SNAP-Ed billing reports and reconciliation worksheets
- Enters billing data into LFRS
- Prepares associated journal entries

- Maintains billing documentation

Controller

- Reviews billing submissions for accuracy and compliance
- Approves all billing-related journal entries
- Performs oversight of reconciliation and month-end review

---

5. Procedures

5.1 Pre-Billing Verification

1. **Confirm** all prior-month MFRs are posted.
2. **Verify** all SNAP-Ed Program and Administrative expenditures are recorded in AccuFund.
3. **Review** AccuFund reports for completeness and accuracy.

5.2 Billing Compilation & Submission

1. **Prepare** SNAP-Ed reconciliation worksheet using AccuFund reports.
2. **Reconcile** totals to the general ledger and internal tracking.
3. **Enter** reconciled data into LFRS system.
4. **Review** all entries for accuracy prior to submission.
5. **Submit** billing by the 30th of the month.

5.3 Post-Submission Documentation & Accounting

1. **File** all supporting documentation including:
    - Reconciliation worksheets
    - AccuFund reports
    - LFRS submission confirmations
2. **Prepare** journal entries for billing activity.
3. **Submit** journal entries for Controller approval and post to AccuFund.

---

6. Systems Used

- AccuFund General Ledger
- LFRS (Local Fiscal Reporting System)
- Excel Reconciliation Worksheets
- Shared Network Drive

SNAP-Ed Billing – Control List

SE 01 – MFR Posting Verification

- **Description:** Confirm all prior-month MFRs are posted before billing
- **Owner:** Accountant / Auditor
- **Frequency:** Monthly
- **Evidence:** MFR file
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

SE 02 – AccuFund Posting Confirmation

- **Description:** Verify SNAP-Ed expenditures are posted in AccuFund
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** AccuFund reports
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

SE 03 – Reconciliation Worksheet Control

- **Description:** Program and Administrative expenditures reconciled to AccuFund
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** SNAP-Ed reconciliation worksheet
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** Manual (M)

SE 04 – LFRS Entry Control

- **Description:** LFRS entries match reconciled expenditure totals
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** LFRS submission
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

SE 05 – Submission Deadline Compliance

- **Description:** Billing submitted by the 30th of each month
- **Owner:** Grant Accountant
- **Frequency:** Monthly
- **Evidence:** Submission timestamp
- **System:** LFRS
- **Type:** Preventive (P)
- **Nature:** Manual (M)

SE 06 – Journal Entry Review

- **Description:** Billing-related journal entries reviewed and approved
- **Owner:** Controller
- **Frequency:** Monthly
- **Evidence:** Journal entry approval
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

SE 07 – Document Retention Control

- **Description:** All SNAP-Ed billing support retained for audit purposes
- **Owner:** Accounting Technician
- **Frequency:** Monthly
- **Evidence:** Billing folder / shared drive
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

---

7. Operational Checklist – SNAP-Ed Monthly Billing

- **Confirm** prior-month MFRs are posted
- **Verify** SNAP-Ed expenditures posted in AccuFund
- **Generate** Program and Administrative reports
- **Complete** reconciliation worksheet
- **Enter** and submit billing in LFRS
- **File** documentation
- **Prepare** and **submit** journal entries for approval

---

8. Program Alignment & Consistency

The SNAP-Ed billing process follows the same control framework as other CDA programs (e.g., HICAP), including:

- Consistent reliance on AccuFund as the system of record
- Monthly reconciliation of expenditures to the general ledger
- Structured submission through LFRS
- Segregation of duties between preparation and review
- Standard documentation and audit trail requirements

Billing – LFRS Software

1. Purpose

The purpose of this policy is to establish standardized procedures for reporting expenditures and billing through the LFRS (Local Fiscal Reporting System) software. This ensures timely, accurate, and compliant reporting of program expenditures and proper receipt of funding based on reported activity.

---

2. Policy Statement

The LFRS billing process must be completed in a consistent and controlled manner that:

- Ensures accurate and complete reporting of expenditures
- Supports timely reimbursement of program funds
- Maintains compliance with funding and regulatory agency requirements
- Provides a clear audit trail of reported expenditures and received revenues
- Promotes accountability and transparency across all funded programs

All LFRS reporting activities must follow the procedures outlined in this document.

---

3. Scope

This policy applies to all personnel responsible for reporting, reviewing, and maintaining documentation for programs funded through LFRS, including:

- Title III–VII programs
- HICAP
- MIPPA
- SNAP-Ed
- CalFresh Expansion
- ADRCs
- Other limited-term funding programs

---

4. Roles & Responsibilities

Accountant / Program Reporting Staff

- Compile monthly expenditure data for each applicable program
- Enter expenditure data into the LFRS system
- Ensure completeness and accuracy of reported amounts
- Maintain supporting documentation for all reported expenditures

Accounting Technician

- Assist with data gathering and reconciliation to internal records
- Maintain organized electronic files of submissions and support

Controller

- Review reported expenditures for accuracy and reasonableness (if applicable)
- Ensure compliance with funding and reporting requirements
- Oversee overall LFRS reporting process

---

5. Procedures

5.1 Monthly Expenditure Reporting

1. Expenditure data is compiled for each program on a monthly basis.
2. All expenditures must be supported by internal accounting records.
3. Data is entered into the LFRS system for each applicable funding source.

5.2 Submission Timeline

- LFRS reports must be submitted monthly by the 30th of the month for the prior month's activity.
- Timely submission is required to ensure receipt of funding.

5.3 Funding Distribution

- Funding is distributed based on reported monthly expenditures.
- The LFRS system tracks:
    - Reported expenditures
    - Revenue distributions received

5.4 Documentation & Record Retention

- Copies of all LFRS submissions, expenditure reports, and distribution records must be retained.
- Documentation is stored electronically in the shared drive by program.
- Files must be organized to support audit review and reconciliation.

---

6. Systems Used

- LFRS (Local Fiscal Reporting System)
- Internal Accounting System (e.g., AccuFund)
- Shared Network Drive for document storage

Billing – LFRS Software Internal Controls

1. Reporting Controls

- **Monthly reporting control:** Expenditures are reported each month to ensure up-to-date financial data.
- **Submission deadline control:** Reports must be submitted by the 30th to ensure funding is not delayed.
- **Program-level tracking:** Each funding source is reported separately to maintain accuracy.

---

2. Accuracy & Validation Controls

- **Source data verification:** Reported expenditures must tie to internal accounting records.
- **Review control:** Data is reviewed for completeness and accuracy prior to submission.
- **Error correction control:** Any discrepancies identified must be resolved before submission.

---

3. System Controls

- **Restricted system access:** Only authorized personnel may enter or modify LFRS data.
- **Data integrity control:** LFRS maintains records of reported expenditures and funding distributions.

---

4. Funding & Reconciliation Controls

- **Revenue tracking control:** Funding received is tracked against reported expenditures.
- **Reconciliation control:** LFRS reports should be periodically reconciled to internal accounting records.

---

5. Documentation & Recordkeeping Controls

- **Retention control:** All reports and supporting documentation are stored in the shared drive.

- **Organized filing control:** Files are maintained by program for easy retrieval.
- **Audit trail control:** Documentation supports all reported expenditures and received funding.

---

6. Compliance Controls

- **Regulatory compliance:** Reporting aligns with funding source requirements.
- **Audit readiness:** All records are maintained and accessible for audit review.
- **Policy adherence:** Staff must follow established reporting procedures.

LFRS Billing – Control List

BL 01 – Monthly Expenditure Reporting

- **Description: Expenditures are compiled and reported monthly in LFRS**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: LFRS submission**
- **System: LFRS**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BL 02 – Submission Deadline Compliance

- **Description: Reports are submitted by the 30th of each month**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Submission confirmation**
- **System: LFRS**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BL 03 – Source Data Verification

- **Description: Reported data is tied to internal accounting records**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Reconciliation support**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BL 04 – Data Accuracy Review

- **Description: Expenditure data is reviewed prior to submission**
- **Owner: Accountant / Controller**
- **Frequency: Monthly**
- **Evidence: Reviewed report**
- **System: LFRS**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BL 05 – Restricted System Access

- **Description: Only authorized users have access to LFRS**
- **Owner: Controller / IT**
- **Frequency: Ongoing**
- **Evidence: Access logs**
- **System: LFRS**
- **Type: Preventive (P)**
- **Nature: Automated (A)**

BL 06 – Revenue Tracking

- **Description: LFRS tracks distributions against reported expenditures**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: LFRS reports**
- **System: LFRS**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

BL 07 – LFRS to GL Reconciliation

- **Description: Reported amounts are reconciled to the accounting system**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Reconciliation sheet**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

BL 08 – Document Retention

- **Description: Copies of submissions are saved in the shared drive**
- **Owner: Accounting Technician**
- **Frequency: Monthly**
- **Evidence: Stored files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

BL 09 – Program File Organization

- **Description: Files are maintained by program for audit support**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: File structure**
- **System: Shared Drive**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BL 10 – Audit Trail Maintenance

- **Description: Documentation supports all reported expenditures**

- **Owner: Accountant**
- **Frequency: Ongoing**
- **Evidence: Complete file set**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Cash Reconciliation – Checking & Savings Accounts

1. Purpose

The purpose of this policy is to establish standardized procedures for reconciling cash accounts to ensure accuracy, completeness, and timely identification of discrepancies. This policy supports strong internal controls, accurate financial reporting, and audit readiness.

---

2. Policy Statement

Cash reconciliations must be performed monthly in a consistent and controlled manner that:

- Ensures all bank activity is accurately recorded in the general ledger
- Identifies and resolves discrepancies in a timely manner
- Provides a clear audit trail for all reconciling items
- Safeguards organizational cash assets
- Maintains compliance with internal control and financial reporting requirements

All reconciliation activities must follow the procedures outlined in this document.

---

3. Scope

This policy applies to all personnel responsible for reconciling:

- Checking accounts
- Savings accounts
- Payroll and related cash transactions
- Deposits, transfers, and disbursements

---

4. Roles & Responsibilities

Accounting Technician / Accountant

- Perform monthly bank reconciliations
- Verify all transactions are recorded accurately
- Maintain reconciliation schedules and supporting documentation
- Investigate and resolve discrepancies

Controller

- Review completed bank reconciliations
- Ensure discrepancies are resolved timely
- Approve final reconciliation reports

---

5. Procedures

5.1 Checking Account Reconciliation

1. Print prior month's outstanding check list, current month's general ledger, current month cash balance spreadsheet, and a copy of the prior month bank statement.
2. Verify that all deposits and transfers on the cash balance spreadsheet were recorded in the general ledger and processed by the bank.
3. Verify that all payroll transactions and payroll-related fees are properly recorded.
4. Confirm Paychex deductions agree with payroll records (withdrawals and other debits).
5. Using the bank statement and prior month outstanding checklist, mark all cleared checks.
6. Using the bank statement and general ledger, identify current month checks that cleared.
7. Update the outstanding check list:
    - Roll forward prior month list
    - Remove cleared checks
    - Add new uncleared checks
8. Review payroll register:

   - Mark cleared checks
   - Add uncleared checks to outstanding list (exclude direct deposits)
9. Prepare bank reconciliation:
   - Enter balance per bank statement
   - Enter outstanding checks
   - Enter beginning general ledger balance
   - Enter cash activity totals from cash balance spreadsheet
10. Verify that the general ledger balance matches the cash balance spreadsheet.
11. Confirm adjusted bank balance equals general ledger balance.
12. Investigate and resolve any differences (unidentified amounts).
13. File all canceled checks numerically in designated storage.

5.2 Savings Account Reconciliation

1. Obtain bank statement, cash balance spreadsheet, and general ledger for the current month.
2. Verify deposits agree with the front desk check log.
3. Ensure all reports (bank, general ledger, and cash balance) agree.
4. Investigate and resolve any discrepancies.

---

6. Systems Used

- Bank Statements
- General Ledger (e.g., AccuFund)
- Cash Balance Spreadsheet (Excel)
- Payroll System (e.g., Paychex)

Cash Reconciliation Internal Controls

1. Reconciliation Controls

- **Monthly reconciliation control:** All bank accounts reconciled monthly.
- **Independent review control:** Controller reviews and approves reconciliations.
- **Timely completion control:** Reconciliations completed within reporting cycle.

---

2. Transaction Verification Controls

- **Deposit verification control:** Deposits verified against bank and internal records.
- **Payroll verification control:** Payroll transactions and deductions validated against payroll system.
- **Check clearing control:** Cleared vs. outstanding checks tracked and updated.

---

3. Accuracy & Reconciliation Controls

- **GL tie-out control:** General ledger must match reconciliation balances.
- **Cash balance validation:** Cash spreadsheet agrees with general ledger.
- **Unidentified difference control:** All reconciling differences must be investigated and resolved.

---

4. Documentation & Recordkeeping Controls

- **Outstanding check list control:** Maintained and updated monthly.
- **Supporting documentation control:** Bank statements, registers, and reports retained.
- **Canceled check control:** Checks filed numerically for audit support.

---

5. Segregation of Duties Controls

- **Preparation vs. review:** Different individuals prepare and review reconciliations.

- **Access control:** Only authorized personnel perform reconciliations.

---

6. Compliance Controls

- **Policy adherence:** All steps must be followed consistently.
- **Audit readiness:** Documentation supports all balances and adjustments.

Cash Reconciliation – Control List

CR 01 – Monthly Bank Reconciliation

- **Description: All bank accounts are reconciled on a monthly basis**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Reconciliation report**
- **System: AccuFund / Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CR 02 – Deposit Verification

- **Description: Deposits are verified against bank records and general ledger**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Deposit reports**
- **System: Bank / General Ledger**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CR 03 – Payroll Validation

- **Description: Payroll transactions and deductions are verified against Paychex**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Payroll reports**
- **System: Paychex**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CR 04 – Check Clearing Review

- **Description: Cleared checks are identified and matched to records**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Marked checklists**
- **System: Bank / General Ledger**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CR 05 – Outstanding Check List Maintenance

- **Description: Outstanding check list is updated monthly**
- **Owner: Accountant**

- **Frequency: Monthly**
- **Evidence: Updated checklist**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CR 06 – GL to Bank Tie-Out

- **Description: General ledger balances are reconciled to bank balances**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Reconciliation sheet**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

CR 07 – Difference Investigation

- **Description: All discrepancies are identified, investigated, and resolved**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Supporting analysis**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

CR 08 – Controller Review & Approval

- **Description: Reconciliations are reviewed and approved by the Controller**
- **Owner: Controller**
- **Frequency: Monthly**
- **Evidence: Signed reconciliation**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CR 09 – Document Retention

- **Description: All reconciliation supporting documents are retained**
- **Owner: Accounting Technician**
- **Frequency: Monthly**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

CR 10 – Savings Account Reconciliation

- **Description: Savings account balances are verified against supporting records**
- **Owner: Accountant**
- **Frequency: Monthly**

- **Evidence: Reconciliation**
- **System: Bank / General Ledger**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

Match Cash

1. Purpose

The purpose of this policy is to establish standardized guidance for identifying, calculating, documenting, and reporting non-federal matching contributions (match cash). This ensures compliance with federal and grant requirements and supports accurate financial reporting and audit readiness.

2. Policy Statement

Match contributions must be properly identified, calculated, documented, and tracked to ensure compliance with funding requirements. The organization must:

- Meet or exceed required match percentages
- Use only allowable non-federal funding sources
- Maintain adequate documentation supporting all match contributions
- Ensure match is properly recorded and reported

All match calculations and reporting must follow the procedures outlined in this policy.

3. Scope

This policy applies to all programs requiring non-federal match, including federally funded programs administered by the organization.

4. Eligible Match Sources

Acceptable sources of match may include:

1. Revenue from City, County, and State
2. Revenue from private organizations and foundations
3. Individual contributions and program participants
4. United Way funding
5. Revenue sharing funds
6. Volunteer services, donated space, consultants, and other non-federal contributions (in-kind)
7. Legal Services Corporation funds
8. Fundraising event proceeds
9. Proceeds from sale of non-A4AA property
10. Service fee income

All match sources must be non-federal unless explicitly allowed by grant terms.

5. Roles & Responsibilities

Accountant / Program Staff

- Identify and track eligible match sources
- Calculate match requirements
- Maintain documentation supporting match contributions
- Record match in accounting system

Accounting Technician

- Assist with tracking and documenting match activity
- Maintain supporting files and schedules

Controller

- Review match calculations and compliance
- Ensure match requirements are met for each program
- Approve reported match balances

6. Procedures

6.1 Match Identification

- Identify allowable non-federal revenue and in-kind contributions.
- Ensure all match sources comply with grant requirements.

6.2 Match Calculation – 10% Requirement

When match requirement is 10% of total program funding:

Formula:

- Total Funding = Federal Award ÷ 0.90
- Match = Total Funding − Federal Award

Example:

- Federal Award: $25,000
- Total Funding: $25,000 ÷ 0.90 = $27,778
- Match Required: $27,778 − $25,000 = $2,778

Key Points:

- Federal share = 90% of total
- Match = 10% of total
- Effective match rate = 11.1% of federal share

6.3 Match Calculation – 25% Requirement

When match requirement is 25% of total program funding:

Formula:

- Total Funding = Federal Award ÷ 0.75
- Match = Total Funding − Federal Award

Example:

- Federal Award: $33,000
- Total Funding: $33,000 ÷ 0.75 = $44,000
- Match Required: $44,000 − $33,000 = $11,000

Key Points:

- Federal share = 75% of total
- Match = 25% of total
- Effective match rate = 33.33% of federal share

6.4 Documentation & Tracking

- All match contributions must be supported with documentation (e.g., invoices, payroll, donation records, valuation support for in-kind contributions).
- Match must be tracked by funding source and program.
- Documentation must clearly support reported amounts.

6.5 Monitoring & Review

- Match balances must be reviewed regularly to ensure compliance.
- Any shortfalls must be identified and corrected prior to reporting deadlines.

---

7. Systems Used

- General Ledger (e.g., AccuFund)
- Excel tracking schedules
- Shared Drive for documentation storage

Match Cash Internal Controls

1. Eligibility Controls

- **Allowable source control:** Only non-federal and approved sources used for match.
- **Grant compliance control:** Match reviewed against grant requirements.

2. Calculation Controls

- **Standard formula control:** Match calculated using approved formulas.
- **Accuracy review control:** Calculations reviewed for correctness.

3. Documentation Controls

- **Support requirement:** All match supported by verifiable documentation.
- **In-kind valuation control:** Non-cash contributions properly valued and documented.

4. Monitoring Controls

- **Ongoing tracking control:** Match tracked throughout grant period.
- **Shortfall identification control:** Deficiencies identified and resolved timely.

5. Review & Approval Controls

- **Controller review:** Match calculations and balances reviewed.
- **Segregation of duties:** Preparation and review performed by different personnel.

6. Compliance Controls

- **Regulatory compliance:** Match meets federal and grant requirements.
- **Audit readiness:** Documentation retained and accessible for audit.

Match Cash – Control List

MC 01 – Match Source Eligibility

- **Description:** Match funding sources are verified to ensure they are allowable
- **Owner:** Accountant
- **Frequency:** Ongoing
- **Evidence:** Funding documentation
- **System:** General Ledger / Excel
- **Type:** Preventive (P)
- **Nature:** Manual (M)

MC 02 – Match Calculation Accuracy

- **Description:** Match is calculated using approved formulas and requirements
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Calculation worksheet

- **System:** Excel
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

MC 03 – Documentation Support

- **Description:** All match contributions are supported with proper documentation
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Support files
- **System:** Shared Drive
- **Type:** Detective (D)
- **Nature:** Manual (M)

MC 04 – In-Kind Valuation

- **Description:** Non-cash contributions are properly valued and documented
- **Owner:** Accountant
- **Frequency:** As needed
- **Evidence:** Valuation support
- **System:** Excel
- **Type:** Preventive (P)
- **Nature:** Manual (M)

MC 05 – Ongoing Match Tracking

- **Description:** Match is tracked by program and funding source
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Tracking schedule
- **System:** Excel
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

MC 06 – Shortfall Monitoring

- **Description:** Match deficits are identified, analyzed, and resolved
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Analysis report
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

MC 07 – Controller Review

- **Description:** Match balances are reviewed and approved
- **Owner:** Controller
- **Frequency:** Monthly
- **Evidence:** Approval sign-off
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

MC 08 – Compliance Verification

- **Description:** Match compliance with grant requirements is verified
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Grant review notes
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

MC 09 – Record Retention

- **Description:** Match documentation is retained for audit purposes
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Files
- **System:** Shared Drive

- **Type:** Detective (D)
- **Nature:** Manual (M)

Billing – Monthly Financial Reports (MFRs)

1. Purpose

The purpose of this policy is to establish standardized procedures for receiving, processing, tracking, and billing Monthly Financial Reports (MFRs) submitted by Funded Partners. This ensures accurate expense tracking, compliance with funding requirements, and timely processing of reimbursements.

---

2. Policy Statement

All MFRs must be submitted, reviewed, and processed in a consistent and controlled manner that:

- Ensures timely submission of partner expenditures
- Maintains accuracy and completeness of reported data
- Supports proper billing and reimbursement
- Provides a clear audit trail for all funded partner activity
- Prevents unauthorized changes to reported financial data

All MFR-related activities must follow the procedures outlined in this policy.

---

3. Scope

This policy applies to all personnel involved in receiving, reviewing, tracking, and processing MFRs from funded partners across all programs.

---

4. Roles & Responsibilities

Accountant / Program Staff

- Receive and log MFRs from funded partners
- Enter expenditure data into tracking spreadsheets
- Verify accuracy of reported figures
- Communicate with funded partners regarding discrepancies

Accounting Technician

- Review MFRs for accuracy and completeness
- Process MFRs through Accounts Payable procedures
- Ensure compliance with internal controls

Controller

- Oversee MFR process and compliance
- Resolve escalated discrepancies
- Ensure policy adherence

---

5. Procedures

5.1 MFR Submission Requirements

- MFRs are due by the 15th of the month following the month in which expenses were incurred.
- Exceptions to submission deadlines must be formally approved.

5.2 MFR Processing

1. Date stamp each MFR upon receipt (mail or email).
2. Record current month expenditures in the Funded Partner Spending Tracking spreadsheets.
3. Compare current expenditures to:
    - Year-to-date (YTD) expenditures
    - Approved program budget

4. Save a PDF copy of each MFR in the shared drive by program.
5. Forward MFR to the Accounting Technician for review and approval.
6. The Accounting Technician processes the MFR following Accounts Payable procedures.

5.3 MFR Billing & Data Entry

1. Enter current month figures into the appropriate program spreadsheet.
2. Verify that YTD totals in the spreadsheet match the MFR YTD column.
3. If discrepancies exist, stop processing and contact the Funded Partner for correction.
4. Verify in-kind reporting:
    - Total in-kind expenditures must equal in-kind revenue reported on the MFR.
5. After entry is complete, save the finalized MFR to the shared drive.

5.4 Post-Processing Controls

- Funded Partners are not allowed to revise prior month MFRs once processing is complete.
- Any corrections must follow formal adjustment procedures.

---

6. Systems Used

- Funded Partner Spending Tracking Spreadsheets (Excel)
- General Ledger System (e.g., AccuFund)
- Shared Network Drive
- Email system (for MFR receipt and communication)

Billing – MFR Internal Controls

1. Submission Controls

- **Deadline control:** MFRs required by the 15th of each month.
- **Exception approval control:** Late submissions require documented approval.

---

2. Intake & Logging Controls

- **Date stamp control:** All MFRs stamped upon receipt.
- **Completeness control:** All received MFRs logged and saved before processing.

---

3. Accuracy & Validation Controls

- **YTD reconciliation control:** Current and cumulative figures must match tracking spreadsheets.
- **Budget comparison control:** Expenditures reviewed against approved budgets.
- **In-kind validation:** In-kind expenditures must equal in-kind revenue.
- **Discrepancy control:** Errors must be resolved prior to processing.

---

4. Processing Controls

- **AP integration control:** All MFRs processed through Accounts Payable procedures.
- **Segregation of duties:** Data entry, review, and approval handled by separate roles.

---

5. Change Management Controls

- **Lockdown control:** Prior month MFRs cannot be altered after processing.
- **Adjustment control:** Corrections require formal documentation and approval.

---

6. Documentation & Recordkeeping Controls

- **Retention control:** All MFRs stored electronically by program.
- **Audit trail control:** Documentation supports all reported expenditures.

---

7. Compliance Controls

- **Policy adherence:** All staff must follow established procedures.
- **Audit readiness:** Records maintained for internal and external review.

MFR Billing – Control List

BM 01 – MFR Submission Deadline

- **Description: Monthly Financial Reports (MFRs) are received by the 15th of each month**
- **Owner: Funded Partner / Accountant**
- **Frequency: Monthly**
- **Evidence: Submitted MFR**
- **System: Email / Files**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BM 02 – Date Stamp Control

- **Description: All MFRs are date stamped upon receipt**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Stamped MFR**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BM 03 – MFR Data Entry

- **Description: Monthly expenditures are entered into tracking spreadsheets**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Spreadsheets**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BM 04 – YTD Reconciliation

- **Description: Spreadsheet totals are reconciled to MFR year-to-date balances**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Reconciliation check**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BM 05 – Budget Review

- **Description: Expenses are compared to approved budgets**
- **Owner: Accountant**

- **Frequency: Monthly**
- **Evidence: Budget analysis**
- **System: Excel**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

BM 06 – In-Kind Validation

- **Description: In-kind revenue equals in-kind expenditures**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: MFR review**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BM 07 – Discrepancy Resolution

- **Description: Errors and discrepancies are investigated and resolved prior to processing**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Email or supporting documentation**
- **System: Email**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BM 08 – AP Processing Control

- **Description: MFRs are processed through Accounts Payable procedures**
- **Owner: Accounting Technician**
- **Frequency: Monthly**
- **Evidence: AP batch**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BM 09 – File Retention

- **Description: MFRs are saved and maintained in the shared drive by program**
- **Owner: Accounting Technician**
- **Frequency: Monthly**
- **Evidence: File storage**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

BM 10 – Change Restriction

- **Description: Prior month MFRs cannot be modified after processing**
- **Owner: Controller**

- **Frequency: Ongoing**
- **Evidence: Policy enforcement**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

Billing – Annual Advance from CDA

1. Purpose

The purpose of this policy is to establish standardized procedures for receiving, distributing, monitoring, and reconciling annual advances from the California Department of Aging (CDA). This ensures proper cash management, compliance with funding requirements, and accurate financial reporting.

---

2. Policy Statement

Advances received from CDA must be managed in a consistent and controlled manner that:

- Ensures funds are distributed appropriately to funded partners
- Maintains compliance with program-specific advance limits
- Supports accurate tracking and reconciliation of advance balances
- Ensures all advances are fully reconciled at program closeout

All advance-related activities must follow the procedures outlined in this policy.

---

3. Scope

This policy applies to all CDA-funded programs receiving advance funding, including:

- Title III–VII programs
- HICAP
- Other CDA-funded programs with advance provisions

---

4. Roles & Responsibilities

Accountant / Program Staff

- Track advance amounts received from CDA by program
- Allocate and monitor advances distributed to funded partners
- Maintain schedules of advance balances and usage

Accounting Technician

- Process advance payments to funded partners
- Maintain supporting documentation and payment records

Controller

- Review advance calculations and distributions
- Ensure compliance with program requirements
- Oversee reconciliation and closeout of advances

---

5. Procedures

5.1 Receipt of CDA Advance

- Record advance funding received from CDA in the general ledger by program.
- Verify the advance amount aligns with CDA award terms.

5.2 Advance Limits

- Title III–VII and HICAP advances may be up to 25% of annual state and federal grant amounts.
- Other program advances may range from 12% to 100%, depending on program guidelines.
- All advance amounts must comply with CDA program requirements.

5.3 Distribution to Funded Partners

- Advances may be distributed to funded partners based on program needs and agreements.
- HICAP advances received from CDA must be fully passed through to funded partners.

- Payments are processed through Accounts Payable procedures.

5.4 Monitoring & Tracking

- Maintain an advance tracking schedule by program, including:
  - Beginning advance balance
  - Advances received
  - Amounts distributed
  - Remaining balance
- Monitor partner expenditures against advances to ensure proper usage.

5.5 Reconciliation & Closeout

- All advances must be reconciled at program closeout.
- Compare total advances received to:
  - Amounts distributed
  - Actual expenditures reported
- Investigate and resolve any discrepancies.
- Ensure no unreconciled balances remain.

---

6. Systems Used

- General Ledger (e.g., AccuFund)
- Funded Partner Tracking Spreadsheets
- Shared Network Drive

Billing – CDA Advance Internal Controls

1. Advance Authorization Controls

- **Approval control:** Advances must align with CDA-approved funding levels.
- **Program limit control:** Advance percentages reviewed against program guidelines.

---

2. Distribution Controls

- **Pass-through control:** HICAP advances must be fully distributed to funded partners.
- **AP processing control:** All payments processed through Accounts Payable procedures.

---

3. Tracking & Monitoring Controls

- **Advance tracking control:** Advances tracked by program and partner.
- **Usage monitoring control:** Advances compared to reported expenditures.

---

4. Reconciliation Controls

- **Closeout reconciliation control:** Advances reconciled at program closeout.
- **Variance investigation control:** Differences identified and resolved.

---

5. Segregation of Duties Controls

- **Preparation vs. approval:** Distribution and reconciliation reviewed by Controller.
- **Access control:** Only authorized personnel manage advance records.

---

6. Compliance Controls

- **Regulatory compliance:** Advance usage complies with CDA requirements.
- **Audit readiness:** Documentation retained to support all advance activity.

CDA Advances – Control List

CA 01 – Advance Authorization

- **Description:** Advances are verified against CDA award limits
- **Owner:** Accountant
- **Frequency:** As received
- **Evidence:** Award documentation
- **System:** General Ledger
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CA 02 – Program Limit Review

- **Description:** Advance percentages are reviewed to ensure compliance with program requirements
- **Owner:** Controller
- **Frequency:** As received
- **Evidence:** Calculation support
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CA 03 – Advance Distribution

- **Description:** Advances are distributed to funded partners in accordance with agreements
- **Owner:** Accounting Technician
- **Frequency:** As needed
- **Evidence:** Payment records
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CA 04 – HICAP Pass-Through Control

- **Description:** HICAP advances are fully distributed to funded partners as required
- **Owner:** Accountant
- **Frequency:** Ongoing
- **Evidence:** Tracking sheet
- **System:** Excel
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CA 05 – Advance Tracking Schedule

- **Description:** Advances are tracked by program and balances are maintained
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Tracking spreadsheet
- **System:** Excel
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CA 06 – Expenditure Monitoring

- **Description:** Advances are compared against actual expenditures
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** MFR comparison
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

CA 07 – Advance Reconciliation

- **Description:** Advances are reconciled at program closeout
- **Owner:** Accountant
- **Frequency:** Annually / Closeout
- **Evidence:** Reconciliation report
- **System:** General Ledger / Excel
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

CA 08 – Variance Resolution

- **Description:** Differences are identified, investigated, and resolved
- **Owner:** Accountant
- **Frequency:** As needed
- **Evidence:** Supporting analysis
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

CA 09 – Controller Review

- **Description:** Advance balances and reconciliations are reviewed and approved
- **Owner:** Controller
- **Frequency:** Monthly / Closeout
- **Evidence:** Approval sign-off
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CA 10 – Record Retention

- **Description:** All advance-related records are retained for audit purposes
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Files
- **System:** Shared Drive
- **Type:** Detective (D)
- **Nature:** Manual (M)

Budget – Funded Partner Budget Approval & CDA Budget

1. Purpose

The purpose of this policy is to establish standardized procedures for reviewing, approving, and managing funded partner budgets and preparing the annual CDA (California Department of Aging) budget. This ensures that all budgets are accurate, balanced, compliant, and aligned with available funding.

---

2. Policy Statement

All budgets must be reviewed, approved, and monitored in a controlled and consistent manner that:

- Ensures expenditures do not exceed available funding
- Supports accurate financial planning and program delivery
- Maintains compliance with CDA and contractual requirements
- Provides transparency and accountability in resource allocation

All budgeting activities must follow the procedures outlined in this policy.

---

3. Scope

This policy applies to:

- Funded Partner contract budgets
- Internal (in-house) program budgets
- CDA annual and amended budgets
- Contract tracking and allocation worksheets

---

4. Roles & Responsibilities

Contracts Manager

- Initiates budget review process
- Completes resource-related checklist items
- Coordinates budget review workflow

Accountant

- Reviews budget expense detail for accuracy and reasonableness
- Updates tracking spreadsheets with budget totals
- Supports CDA and internal budget development

Program Manager

- Reviews programmatic adequacy of budget (staffing, services, in-kind)
- Ensures budget supports service delivery requirements

Assistant Director / Direct Services Administrator

- Assists with labor allocations and program planning
- Supports in-house budget development

Controller / Executive Director

- Provides oversight and final approval of budgets

---

5. Procedures

5.1 Funded Partner Budget Approval

Contract Budget Review Process

1. The Contracts Manager attaches the A4AA Internal Budget Review Checklist to each budget.
2. The Contracts Manager completes the resource section (Questions A–F).
3. The budget is forwarded to the Accountant:
    - Reviews expense section (Questions A–F)
    - Updates internal spreadsheets with cost category totals

4. The Contracts Manager forwards the budget to the Program Manager:
    - Evaluates staffing, in-kind resources, and service needs
5. Both the Accountant and Program Manager sign the checklist.
6. The Executive Director executes the contract upon completion of review.

Ongoing Budget Monitoring

- Year-to-date expenditures are updated as Monthly Financial Reports (MFRs) are received.
- Budget-to-actual comparisons are available at any time via tracking spreadsheets.

5.2 Fiscal Budget Revisions (Funded Partners)

- Funded Partners must obtain prior approval for significant budget changes.
- A significant change is defined as:
    - ≥ 50% variance in a cost category AND
    - ≥ $20,000 difference
- Final budget revisions must be submitted by March 31 each year.

5.3 CDA Budget Development
Planning Estimate

- A CDA planning estimate is received mid-April for the upcoming fiscal year.
- This estimate serves as the baseline for budget development.

Contract Worksheet Preparation

1. Prepare a variance analysis comparing prior year to current estimate.
2. Update or create the Contract Tracking Worksheet:
    - Copy prior year template
    - Adjust for new fiscal year allocations
3. Allocate funding across programs based on:
    - Available funding by title
    - Governing Board approved allocations (if applicable)
4. Validate totals reconcile with CDA planning estimate.

In-House Budget Development

1. Develop labor allocations with program leadership based on the Area Plan.
2. Allocate:
    - Program staff costs
    - Administrative costs
    - Benefits and operating expenses
3. Use prior year data and known changes to estimate costs.
4. Allocate federal revenue across programs as needed.
5. Verify sufficient funding exists in Contract Tracking Worksheet.
6. Adjust allocations if necessary to balance budget.

CDA Budget Preparation & Submission

1. Use prior year CDA budget if updated template is unavailable.
2. Prepare CDA budget using:
    - In-house budget
    - Contract Tracking Worksheet
    - Funded Partner budgets
3. Calculate required match and in-kind contributions.

4. Submit budget for review:
    - Assistant Director
    - Director
5. Present budget to Governing Board at Spring meeting.
6. Submit final budget to CDA.

CDA Budget Amendments

- Upon receipt of CDA Area Plan Amendment (typically after October):
    - Update Contract Tracking Worksheet
    - Adjust In-House Budget
    - Prepare and submit CDA Budget Amendment

---

6. Systems Used

- Contract Tracking Worksheets (Excel)
- Internal Budget Review Checklist
- General Ledger (e.g., AccuFund)
- Shared Network Drive

Budget Internal Controls

1. Review & Approval Controls

- **Multi-level review control:** Budgets reviewed by Contracts Manager, Accountant, and Program Manager.
- **Checklist control:** Internal checklist ensures completeness and consistency.
- **Executive approval control:** Final contract approval required.

---

2. Accuracy & Validation Controls

- **Budget detail review:** Expenses reviewed for reasonableness.
- **Reconciliation control:** Budget totals tie to tracking worksheets and CDA estimates.
- **Variance analysis:** Changes from prior year analyzed.

---

3. Monitoring Controls

- **Budget-to-actual control:** Ongoing comparison using MFR data.
- **Tracking worksheet control:** Centralized tracking of all program allocations.

---

4. Change Management Controls

- **Threshold control:** Significant budget changes require approval.
- **Revision deadline control:** Final revisions due by March 31.

---

5. Allocation Controls

- **Funding allocation control:** Funds distributed based on available funding and approved plans.
- **Labor allocation control:** Staffing costs aligned with program plans.

---

6. Compliance Controls

- **CDA compliance control:** Budgets prepared per CDA requirements.
- **Board approval control:** Budget reviewed by Governing Board.
- **Audit readiness:** Documentation retained for review.

Budget – Control List

BU 01 – Budget Checklist Completion

- **Description: Internal budget review checklist is completed for each contract**
- **Owner: Contracts Manager**
- **Frequency: Per contract**
- **Evidence: Completed checklist**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BU 02 – Expense Review

- **Description: Budget expense details are reviewed for accuracy and reasonableness**
- **Owner: Accountant**
- **Frequency: Per contract**
- **Evidence: Reviewed budget**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BU 03 – Program Review

- **Description: Program Manager validates staffing, service levels, and overall adequacy**
- **Owner: Program Manager**
- **Frequency: Per contract**
- **Evidence: Signed checklist**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BU 04 – Executive Approval

- **Description: Contracts and budgets are formally approved by the Executive Director**
- **Owner: Executive Director**
- **Frequency: Per contract**
- **Evidence: Signed contract**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BU 05 – Budget Tracking

- **Description: Budget totals are recorded and maintained in tracking worksheets**
- **Owner: Accountant**
- **Frequency: Ongoing**
- **Evidence: Worksheets**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BU 06 – Budget vs Actual Monitoring

- **Description: Actual expenditures are compared to budget using MFR data**
- **Owner: Accountant**

- **Frequency: Monthly**
- **Evidence: Budget vs. actual reports**
- **System: Excel**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

BU 07 – Revision Approval

- **Description: Significant budget changes are approved prior to implementation**
- **Owner: Controller**
- **Frequency: As needed**
- **Evidence: Approval documentation**
- **System: N/A**
- **Type: Preventive (P)**
-

Closeouts

1. Purpose

The purpose of this policy is to establish standardized procedures for completing fiscal year-end closeouts in accordance with California Department of Aging (CDA) requirements. This ensures that all revenues and expenditures are accurate, reconciled, and properly reported.

---

2. Policy Statement

All funding sources must be reconciled and formally closed out at the end of each fiscal year. Closeouts must:

- Ensure revenues equal expenditures where required
- Align general ledger activity with funded partner reporting (MFRs)
- Comply with CDA program guidance and reporting requirements
- Be reviewed and approved prior to submission

All closeout activities must follow the procedures outlined in this policy.

---

3. Scope

This policy applies to all CDA-funded programs and funding streams requiring annual closeout and reporting.

---

4. Roles & Responsibilities

Accountant

- Prepare year-end financial reports
- Reconcile general ledger, MFRs, and tracking sheets
- Complete closeout documentation per CDA instructions

Accounting Technician

- Maintain MFR records and AP data used in closeouts
- Provide supporting documentation as needed

Assistant Director

- Review closeout reports for accuracy and completeness

Executive Director

- Approve and sign final closeout submissions

---

5. Procedures

5.1 Financial Report Preparation

1. In AccuFund, run Revenue & Expense reports:
   - R/E Actual vs Budget (Year-to-Date)
2. Focus on the Year-to-Date actual columns for all analysis.

5.2 In-House & Administrative Balancing

1. Verify that all in-house and administrative accounts are balanced.
2. Ensure that on Direct Service financial statements:
   - Total revenue equals total expenditures (YTD)
3. Make necessary adjusting entries:
   - Reallocate expenditures
   - Transfer revenues between programs or funds as needed
   - Transfer between IIIB Direct Services if applicable
4. Once balanced, isolate reports relevant to the specific program closeout.

5.3 MFR Reconciliation

1. Retrieve MFRs from Accounts Payable records.

2. Verify that:
    - MFR reported expenditures match general ledger activity
    - Year-to-date totals agree with payments made
3. Resolve any discrepancies prior to completing closeout.

5.4 Closeout Preparation

1. Using the following sources:
    - AccuFund reports
    - MFRs
    - Contract Tracking Worksheet
2. Complete the closeout in accordance with CDA instructions.

5.5 Review & Approval

1. Print the closeout cover sheet.
2. Obtain review and signatures from:
    - Assistant Director
    - Executive Director
3. Ensure documentation is complete prior to submission.

5.6 Final Validation

- Confirm that budgets in AccuFund match the Contract Tracking Worksheet.
- Ensure all reconciliations are complete and supported.

---

6. Systems Used

- AccuFund General Ledger
- Revenue & Expense Reports
- MFR Files (Accounts Payable)
- Contract Tracking Worksheets
- Shared Network Drive

Closeouts Internal Controls

1. Reconciliation Controls

- **GL to MFR reconciliation:** All expenditures must match MFR totals.
- **Revenue vs expenditure balancing:** Required programs must balance at closeout.

---

2. Accuracy & Adjustment Controls

- **Adjustment control:** Entries must be made to correct imbalances.
- **Program-level balancing:** Transfers allowed only within approved funding rules.

---

3. Reporting Controls

- **Standard report usage:** AccuFund reports used for all closeouts.
- **YTD focus control:** Analysis based on full-year activity.

---

4. Review & Approval Controls

- **Management review:** Assistant Director reviews closeouts.
- **Executive approval:** Executive Director signs final submission.

---

5. Documentation Controls

- **Support requirement:** All closeout figures supported by reports and MFRs.
- **Retention:** All documentation retained for audit purposes.

---

6. Compliance Controls

- **CDA compliance:** Closeouts prepared per CDA instructions.
- **Audit readiness:** All reconciliations completed and documented.

Closeouts – Control List

CL 01 – R&E Report Generation

- **Description: Year-to-date Revenue and Expense reports are generated from AccuFund**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Reports**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CL 02 – Program Balancing

- **Description: Revenue equals expenditures for each program at closeout**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Financial statements**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CL 03 – Adjustment Entries

- **Description: Journal entries are made to correct imbalances and align programs**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Journal entries**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CL 04 – MFR Reconciliation

- **Description: General ledger balances are reconciled to MFR expenditures**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Reconciliation support**
- **System: General Ledger / MFR**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

CL 05 – Closeout Preparation

- **Description: Closeout is completed using all supporting data and documentation**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Closeout report**
- **System: Excel**
- **Type: Preventive (P)**

- **Nature: IT Dependent (ITD)**

CL 06 – Management Review

- **Description: Assistant Director reviews closeout for accuracy and completeness**
- **Owner: Assistant Director**
- **Frequency: Annually**
- **Evidence: Signed cover sheet**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CL 07 – Executive Approval

- **Description: Executive Director reviews and signs final closeout submission**
- **Owner: Executive Director**
- **Frequency: Annually**
- **Evidence: Signed submission**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CL 08 – Budget Reconciliation

- **Description: General ledger budget amounts are reconciled to contract tracking sheets**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Reconciliation**
- **System: Excel**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

CL 09 – Record Retention

- **Description: Closeout documentation is retained for audit purposes**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Desk Monitoring

1. Purpose

The purpose of this policy is to establish standardized procedures for ongoing desk monitoring of funded partner activity. This ensures expenditures are reasonable, within budget, and aligned with program performance throughout the grant period.

---

2. Policy Statement

Desk monitoring must be performed consistently to:

- Identify budget variances and potential risks
- Ensure funded partners are operating within approved budgets
- Support timely payments while maintaining oversight
- Promote communication between fiscal and program staff

All monitoring activities must follow the procedures outlined in this policy.

---

3. Scope

This policy applies to all Monthly Financial Reports (MFRs) and Requests for Funds (RFFs) submitted by funded partners.

---

4. Roles & Responsibilities

Accountant / Assistant Controller (Backup)

- Enter MFR and RFF data into tracking spreadsheets
- Analyze budget-to-actual performance
- Identify and communicate variances
- Coordinate with Program Managers regarding concerns
- Route documents for payment and approval

Accounting Technician

- Process payments in accordance with Accounts Payable procedures

Program Manager (or Assigned Backup)

- Review financial and program performance
- Approve MFRs for payment
- Investigate and resolve identified issues with providers

---

5. Procedures

5.1 Data Entry & Analysis

1. Enter MFR and RFF data into the monitoring spreadsheet.
2. Calculate budget-to-actual variances.
3. Analyze spending trends based on:
    - Prior months' activity
    - Remaining grant period
4. Highlight any material variances or areas of concern.

5.2 Variance Review & Communication

1. If significant over- or under-spending is identified:
    - Communicate with the Program Manager
    - Confirm the funded partner has a plan to operate within the remaining grant period
2. Document any concerns and planned corrective actions.

5.3 Payment Routing

- If variances are within acceptable limits:

1. Forward documentation to the Accounting Technician for payment processing (to avoid delays).
2. Send documentation simultaneously to the Program Manager (or assigned backup) for review and approval.

5.4 Program Manager Review

1. Review budget percentages and highlighted variances.
2. Conduct discussions with provider staff as needed.
3. Participate in review meetings (including joint discussions with fiscal staff when appropriate).
4. Document agreed-upon resolutions via email or written communication.
5. If issues are not resolved satisfactorily:
    - Place payment on hold until resolution is achieved.

5.5 Approval & Documentation

1. Program Manager approves the MFR.
2. Approved documentation is returned to the Accountant.
3. Final approved MFR is attached to original documentation and retained.

---

6. Systems Used

- Funded Partner Monitoring Spreadsheets (Excel)
- Email system (for communication and documentation)
- Accounts Payable System (e.g., AccuFund)

Desk Monitoring Internal Controls

1. Monitoring Controls

- **Variance analysis control:** Budget-to-actual reviewed monthly.
- **Trend analysis control:** Spending patterns evaluated over time.

---

2. Communication Controls

- **Escalation control:** Significant variances communicated to Program Manager.
- **Documentation control:** Issues and resolutions documented.

---

3. Payment Controls

- **Concurrent review control:** MFR sent to AP and Program Manager simultaneously.
- **Hold control:** Payments may be delayed if issues are unresolved.

---

4. Review & Approval Controls

- **Program Manager approval control:** Required before final processing.
- **Segregation of duties:** Analysis, approval, and payment handled by different roles.

---

5. Documentation Controls

- **Retention control:** Approved MFRs maintained with supporting documentation.
- **Audit trail:** Documentation supports all monitoring decisions.

---

6. Compliance Controls

- **Policy adherence:** All monitoring steps followed consistently.
- **Audit readiness:** Documentation available for review.

Desk Monitoring – Control List

DM 01 – MFR Data Entry

- **Description: MFR and Request for Funds (RFF) data are entered into the monitoring spreadsheet**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Spreadsheet**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DM 02 – Variance Analysis

- **Description: Budget-to-actual variances are calculated and reviewed**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Analysis sheet**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DM 03 – Variance Escalation

- **Description: Significant variances are communicated to appropriate staff**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Email documentation**
- **System: Email**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

DM 04 – Payment Routing

- **Description: MFRs are sent simultaneously for payment processing and program review**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Email trail**
- **System: Email**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

DM 05 – Program Manager Review

- **Description: Program Manager performs financial and programmatic review of MFRs**
- **Owner: Program Manager**
- **Frequency: Monthly**
- **Evidence: Reviewed MFR**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

DM 06 – Issue Resolution

- **Description: Identified concerns are addressed with service providers and documented**
- **Owner: Program Manager**
- **Frequency: As needed**
- **Evidence: Emails or notes**
- **System: Email**
- **Type: Detective (D)**
- **Nature: Manual (M)**

DM 07 – Payment Hold Control

- **Description: Payments are held if issues are unresolved**
- **Owner: Program Manager**
- **Frequency: As needed**
- **Evidence: Hold notification**
- **System: Accounts Payable System**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DM 08 – Final Approval

- **Description: MFRs are approved before final processing**
- **Owner: Program Manager**
- **Frequency: Monthly**
- **Evidence: Signed approval**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

DM 09 – Document Retention

- **Description: Approved MFRs and supporting documentation are filed and retained**
- **Owner: Accounting Technician**
- **Frequency: Monthly**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Fiscal Monitoring of Service Providers

1. Purpose

The purpose of this policy is to establish standardized procedures for fiscal monitoring of service providers. This ensures that all federal and state awards are used for allowable purposes, comply with applicable regulations, and are properly documented and reported.

---

2. Policy Statement

Fiscal monitoring will be performed on an ongoing basis and supplemented by periodic formal reviews (desk and/or on-site) to:

- Ensure compliance with federal, state, and contractual requirements
- Verify expenditures are allowable and properly supported
- Evaluate adequacy of internal controls and financial systems
- Identify risks and implement corrective actions

Monitoring frequency is determined using a risk-based approach. Desk monitoring may be used in lieu of on-site visits when risk is low and no concerns are identified.

---

3. Scope

This policy applies to all service providers receiving funding and subject to fiscal oversight.

---

4. Roles & Responsibilities

Accountant

- Performs fiscal monitoring activities
- Conducts risk assessments and prioritizes providers
- Completes monitoring reviews and documentation
- Issues findings and recommendations

Program Manager

- Provides program-specific input and identifies concerns
- Participates in monitoring and follow-up activities

Controller / Director of Financial Management

- Reviews monitoring reports and findings
- Provides oversight and approval

---

5. Procedures

5.1 Risk-Based Monitoring Approach

Service providers are categorized as:

- **High Risk:** Annual monitoring
- **Moderate Risk:** Every 2 years
- **Low Risk:** Every 3 years

Priority is assigned as follows:

1. High Risk
2. Moderate Risk
3. Low Risk

Monitoring may be accelerated regardless of rating if:

- Significant personnel turnover occurs
- Financial systems change significantly
- Financial concerns or adverse indicators arise

5.2 On-Site Monitoring Procedures

Pre-Visit

1. Identify high and moderate risk providers for review.

2. Schedule visits early in the fiscal year.
3. Send confirmation letter and questionnaire.
4. Consult Program Manager for known issues.
5. Review:
    - Most recent audit (Single Audit if applicable)
    - Prior monitoring reports
    - Corrective action plans

On-Site Review Activities

- Review MFRs and compare to General Ledger and supporting documents
- Verify payroll, invoices, and in-kind documentation
- Review bank statements and reconciliations
- Review inventory (equipment, food, supplies as applicable)
- Test physical existence and asset tagging
- Review policies, procedures, and internal controls
- Review board minutes (last 3–6 months)
- Ensure questionnaire completeness

Exit Conference

- Discuss findings with service provider
- Identify corrective actions and expectations

Reporting

- Reports issued within three weeks of visit
- Include:
    - Overall assessment (satisfactory/unsatisfactory)
    - Findings and deficiencies
    - Recommendations
    - Implementation timeline

Follow-Up

- Follow-up within 90 days
- Obtain written status of corrective actions

5.3 Desk Monitoring Procedures
Monthly / Ongoing Reviews

- Review MFRs for:
    - Timeliness (due by 15th)
    - Mathematical accuracy
    - Budget vs. actual comparison
    - Match and in-kind compliance
    - Supporting documentation availability
- Analyze expenditures against grant amounts
- Request additional documentation as needed

Budget Monitoring

- Verify:
    - Calculations and totals
    - Match and in-kind requirements
    - Alignment with grant objectives

Issue Tracking
- Document technical assistance and concerns
- Maintain telephone or communication logs

5.4 Quarterly Monitoring Activities
Billing Monitoring
- Quarterly review of provider billing sheets
- Identify issues such as:
  - Variances greater than 20%
  - Missing MFRs
  - Spending pacing concerns
- Program Manager contacts provider and documents response

Inventory Monitoring
- Annual inventory listing required
- Verify against funding awards
- Confirm completeness and accuracy

Budget Monitoring
- Review all budgets and revisions
- Update tracking sheets and retain documentation

5.5 Risk Assessment Procedures
Risk ratings determined annually using:
- Audit results and findings
- Financial stability indicators (liquidity, revenue vs. expense)
- MFR accuracy and timeliness
- Internal control environment
- Organizational stability

5.6 Escalation & Enforcement
If deficiencies are not corrected:
- Withhold MFR payments
- Disqualify funding eligibility
- Report contract violations
- Deny renewal or terminate contract

5.7 Invoicing for Findings
- When findings result in amounts owed:
  - Accountant prepares invoice to service provider
  - Journal entry recorded in AccuFund
  - Amount may be withheld from future payments if needed

6. Systems Used
- AccuFund General Ledger
- MFR Files
- Contract Tracking Worksheets
- Monitoring Questionnaires
- Shared Network Drive

Fiscal Monitoring Internal Controls

1. Risk-Based Controls

- Monitoring frequency based on risk level
- Annual risk assessment performed

2. Review Controls

- MFRs reviewed regularly for compliance
- On-site monitoring includes detailed testing

3. Documentation Controls

- All monitoring activities documented
- Findings and corrective actions retained

4. Follow-Up Controls

- Corrective actions tracked and verified
- Follow-up performed within 90 days

5. Enforcement Controls

- Payments withheld when necessary
- Contract enforcement actions applied

6. Compliance Controls

- Monitoring aligned with federal and state regulations
- Audit-ready documentation maintained

Fiscal Monitoring – Control List

FM 01 – Risk Assessment

- **Description: Service providers are assigned risk ratings annually**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Risk assessment form**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FM 02 – On-Site Monitoring

- **Description: On-site fiscal reviews are conducted for high- and moderate-risk providers**
- **Owner: Accountant**
- **Frequency: Annually / As needed**
- **Evidence: Monitoring report**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FM 03 – MFR Review

- **Description: Monthly Financial Reports are reviewed for compliance and accuracy**
- **Owner: Accountant**
- **Frequency: Monthly**

- **Evidence: MFR files**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

FM 04 – Budget Monitoring

- **Description: Budget-to-actual performance is reviewed for service providers**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Tracking sheets**
- **System: Excel**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

FM 05 – Inventory Verification

- **Description: Service provider inventory listings are reviewed and verified**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Inventory reports**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FM 06 – Findings Report

- **Description: Monitoring results and findings are documented and communicated**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Monitoring reports**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

FM 07 – Follow-Up Review

- **Description: Corrective actions are monitored and verified after findings**
- **Owner: Accountant**
- **Frequency: Quarterly**
- **Evidence: Follow-up documentation**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

FM 08 – Enforcement Actions

- **Description: Payments may be withheld or sanctions applied for noncompliance**
- **Owner: Controller**
- **Frequency: As needed**
- **Evidence: Notifications or enforcement records**
- **System: Accounts Payable System**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

FM 09 – Invoicing Findings

- **Description: Amounts due from findings are invoiced and recorded**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Invoice and journal entry**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

FM 10 – Record Retention

- **Description: Monitoring documentation is retained for audit purposes**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Bank Interest Earned

1. Purpose

The purpose of this policy is to ensure accurate accounting and reporting of interest earned on bank balances and to ensure compliance with federal and California Department of Aging (CDA) requirements for handling interest on advance funds.

---

2. Policy Statement

Interest earned on funds must be tracked, recorded, and handled in compliance with applicable federal and CDA requirements. The organization must:

- Accurately record all interest earned in the general ledger
- Distinguish between federal and non-federal interest
- Ensure excess interest on federal advances is remitted to CDA as required
- Maintain documentation supporting all interest calculations and remittances

Area 4 may retain interest earned on federal advances up to $250 annually for administrative expenses. Interest earned above $250 must be remitted to CDA. Interest earned on advances (federal and non-federal) must be identified as non-match cash unless otherwise allowable. Interest on non-federal funds may be retained if properly supported.

---

3. Scope

This policy applies to all bank accounts holding federal or non-federal funds where interest is earned and subject to reporting or remittance requirements.

---

4. Roles & Responsibilities

Accountant

- Record monthly interest earned
- Track cumulative interest on federal advances
- Prepare journal entries and remittances to CDA
- Maintain supporting schedules and documentation

Accounting Technician

- Assist with documentation and filing
- Process payments to CDA (if applicable)

Controller

- Review interest calculations and remittances
- Ensure compliance with federal and CDA requirements

---

5. Procedures

5.1 Monthly Interest Recording

1. Obtain bank statements for all interest-bearing accounts.
2. Identify interest earned for the period.
3. Prepare a journal entry to record interest income in the general ledger.
4. Classify interest based on funding source (federal vs. non-federal).

5.2 Tracking Federal Interest Limit

1. Maintain a tracking schedule of cumulative interest earned on federal advances.
2. Monitor against the $250 allowable retention threshold.
3. Identify any excess interest subject to remittance.

5.3 Remittance to CDA

- When cumulative federal interest exceeds $250:
    1. Calculate amount due to CDA.

2. Prepare payment for excess interest.
3. Process payment through Accounts Payable.
4. Record payment and related journal entry in AccuFund.

5.4 Non-Federal Interest

- Interest earned on non-federal funds may be retained if:
  - Properly identified and supported
  - Documentation demonstrates it was earned from non-federal sources

---

5.5 Documentation & Recordkeeping

- Maintain:
  - Bank statements
  - Interest calculation schedules
  - Journal entries
  - Remittance documentation (if applicable)
- Store all records in the shared drive for audit purposes.

---

6. Systems Used

- AccuFund General Ledger
- Bank Statements
- Excel Tracking Schedules
- Shared Network Drive

Bank Interest Internal Controls

1. Recording Controls

- **Monthly recording control:** Interest recorded each month based on bank statements.
- **Classification control:** Interest properly categorized as federal or non-federal.

---

2. Threshold Monitoring Controls

- **Federal limit control:** Interest tracked against $250 threshold.
- **Excess identification control:** Amounts above threshold identified timely.

---

3. Remittance Controls

- **Remittance accuracy control:** Excess interest calculated and remitted correctly.
- **AP processing control:** Payments processed through Accounts Payable system.

---

4. Documentation Controls

- **Support control:** All interest amounts supported by bank statements.
- **Retention control:** Documentation retained for audit review.

---

5. Review & Approval Controls

- **Controller review:** Interest calculations and remittances reviewed.
- **Segregation of duties:** Recording, review, and payment handled by different roles.

---

6. Compliance Controls

- **Regulatory compliance:** Policy aligns with federal and CDA requirements.
- **Audit readiness:** All records maintained and accessible.

Bank Interest – Control List

BI 01 – Interest Recording

- **Description: Interest earned is recorded monthly based on bank statements**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Bank statements**
- **System: Bank / General Ledger**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BI 02 – Interest Classification

- **Description: Interest is classified as federal or non-federal**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: General ledger detail**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BI 03 – Federal Threshold Tracking

- **Description: Federal interest is tracked against the $250 allowable retention threshold**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Tracking sheet**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BI 04 – Excess Interest Calculation

- **Description: Excess interest above allowable threshold is calculated for remittance**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Calculation worksheet**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BI 05 – Remittance Processing

- **Description: Excess interest is remitted to CDA and recorded in the system**
- **Owner: Accounting Technician**
- **Frequency: As needed**
- **Evidence: Payment record**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

BI 06 – Controller Review

- **Description: Interest activity is reviewed and approved by the Controller**
- **Owner: Controller**
- **Frequency: Monthly**
- **Evidence: Review sign-off**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

BI 07 – Document Retention

- **Description: All supporting interest records are retained for audit purposes**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Check Signing

1. Purpose

The purpose of this policy is to establish standardized procedures and authority for the review and authorization of check payments. This ensures proper approval, segregation of duties, and safeguarding of organizational funds.

---

2. Policy Statement

All expenditures must be reviewed and approved prior to payment by authorized personnel. Check signing authority is restricted to designated individuals to ensure proper oversight and compliance with internal control requirements.

The following individuals are authorized to sign agency checks:

- Governing Board Chair
- Governing Board Treasurer-Auditor
- Executive Director
- Deputy Treasurer-Auditor

The following signature limits apply:

- **Checks up to $500:** May have an electronic signature; no original signature required
- **Checks up to $2,500:** May be signed by one authorized signer
- **Checks over $2,500:** Require two authorized signatures
- **Dual signature exception:** If two original signatures are unavailable, one electronic and one original signature may be used

Authorized signers may not sign checks payable to themselves.

---

3. Scope

This policy applies to all check payments issued by the organization, regardless of funding source.

---

4. Roles & Responsibilities

Accounting Technician

- Prepares checks and supporting documentation
- Ensures all required approvals and documentation are attached

Accountant

- Reviews payment documentation for accuracy and completeness prior to check preparation

Authorized Signers (as listed above)

- Review supporting documentation prior to signing
- Ensure payment is appropriate and authorized

Controller

- Oversees adherence to check signing policy
- Monitors compliance with signature limits and controls

---

5. Procedures

5.1 Check Preparation

1. Checks are prepared through the Accounts Payable process.
2. All supporting documentation (invoice, PO, approvals) must be attached.
3. Documentation must demonstrate that the expenditure is valid, approved, and properly recorded.

5.2 Review Prior to Signature

1. Authorized signer reviews:

  - Invoice and supporting documentation
  - Approval evidence
  - Payment amount and payee
2. Signer confirms that the payment complies with organizational policies.

5.3 Signature Requirements

- Apply signature thresholds as defined in policy:
  - Up to $500: Electronic signature permitted
  - Up to $2,500: One authorized signer required
  - Over $2,500: Two authorized signers required

5.4 Restrictions

- Signers may not sign checks payable to themselves.
- Any exceptions must be escalated to an alternate authorized signer.

5.5 Record Retention

- Signed checks and supporting documentation are retained in Accounts Payable files.
- Documentation must support audit review and traceability.

---

6. Systems Used

- AccuFund Accounts Payable Module
- Check printing system
- Shared Network Drive

Check Signing Internal Controls

1. Authorization Controls

- **Authorized signer control:** Only designated individuals may sign checks.
- **Signature threshold control:** Signature requirements based on dollar limits.

---

2. Segregation of Duties Controls

- **Separation of duties:** Check preparation, review, and signing performed by different individuals.
- **Conflict of interest control:** Signers prohibited from signing checks payable to themselves.

---

3. Review Controls

- **Pre-signature review:** Supporting documentation reviewed before signing.
- **Payment validation control:** All payments must be properly approved prior to issuance.

---

4. System & Security Controls

- **Electronic signature control:** Use restricted and approved for defined thresholds.
- **Check stock control:** Physical checks safeguarded and access limited.

---

5. Documentation Controls

- **Support requirement:** All checks must have complete supporting documentation.
- **Retention control:** Records maintained for audit purposes.

---

6. Compliance Controls

- **Policy adherence:** All payments must follow established procedures.
- **Audit readiness:** Documentation available to support all disbursements.

Check Signing – Control List

CS 01 – Authorized Signers

- **Description:** Only designated individuals are authorized to sign checks
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Signature authorization list
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CS 02 – Signature Threshold Compliance

- **Description:** Checks are reviewed to ensure required signature thresholds are met
- **Owner:** Accounting Technician
- **Frequency:** Per check
- **Evidence:** Check copies
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CS 03 – Pre-Signature Review

- **Description:** Supporting documentation is reviewed prior to check signature
- **Owner:** Authorized Signer
- **Frequency:** Per check
- **Evidence:** Approved payment packet
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CS 04 – Self-Signing Restriction

- **Description:** Signers are prohibited from approving checks payable to themselves
- **Owner:** Authorized Signer
- **Frequency:** Per check
- **Evidence:** Payee verification
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CS 05 – Dual Signature Control

- **Description:** Checks exceeding $2,500 require two authorized signatures
- **Owner:** Authorized Signer
- **Frequency:** Per check
- **Evidence:** Signed checks
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CS 06 – Electronic Signature Control

- **Description:** Electronic signatures are used only within established limits
- **Owner:** Controller

- **Frequency:** Ongoing
- **Evidence:** System logs
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

CS 07 – Check Stock Security

- **Description:** Physical check stock is safeguarded and access is restricted
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Access log
- **System:** Physical
- **Type:** Preventive (P)
- **Nature:** Manual (M)

CS 08 – Document Retention

- **Description:** Check documentation is retained to support audit requirements
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Accounts payable files
- **System:** Shared Drive
- **Type:** Detective (D)
- **Nature:** Manual (M)

Deposits

1. Purpose

The purpose of this policy is to establish standardized procedures for recording and depositing funds to ensure accuracy, completeness, and proper documentation of all receipts.

---

2. Policy Statement

All funds received must be deposited timely and accurately and recorded in the accounting system. Deposits must:

- Be recorded in the general ledger using appropriate account codes
- Be supported by complete documentation
- Be entered and deposited in AccuFund in accordance with established procedures
- Ensure safeguarding of cash and checks

---

3. Scope

This policy applies to all receipts, including cash and checks, received by the organization.

---

4. Roles & Responsibilities

Accounting Technician

- Prepare deposit packets
- Enter receipts and deposits into AccuFund
- Ensure documentation is complete and accurate

Accountant

- Review deposit entries and account coding
- Ensure proper recording in the general ledger

Controller

- Oversee compliance with deposit procedures
- Review for accuracy and completeness

---

5. Procedures

5.1 Deposit Preparation

1. All funds are deposited into the designated bank account (US Bank savings/money market account).
2. Prepare deposit packet including all checks and supporting documentation.
3. Prepare journal entry (Journal #45 – Deposits):
    - Credit appropriate general ledger accounts
    - Ensure totals match deposit amount

5.2 Receipt Entry in AccuFund

1. Navigate to the Cash Receipts module.
2. Select the "insert" option to create a new receipt.
3. Select the appropriate deposit account (US Bank Money Market).
4. Enter customer/vendor name (e.g., Miscellaneous Deposit or specific payer).
5. Enter each check separately:
    - Description (e.g., type/source of revenue)
    - Amount received
    - Deposit date
6. Use the detail entry screen to:
    - Assign correct general ledger account(s)
    - Enter amounts for each account
7. Save the receipt entry.

5.3 Deposit Entry in AccuFund

1. Navigate to the Accounts Payable module and open the Register.
2. Select the Deposit function.
3. Select (mark) all applicable receipts to be included in the deposit.
4. Enter:
    - Activity date (deposit date)
    - Description (e.g., “Misc. Deposit”)
5. Complete the deposit process in the system.

5.4 Documentation & Filing

- Maintain deposit packets including:
    - Copies of checks
    - Supporting documentation
    - Journal entry backup
- File documentation in accordance with retention policies.

6. Systems Used

- AccuFund Cash Receipts Module
- AccuFund Accounts Payable Module
- Bank (US Bank)
- Shared Network Drive

Deposits Internal Controls

1. Recording Controls

- **Receipt entry control:** Each check recorded individually.
- **GL coding control:** Proper account coding required for all deposits.

2. Reconciliation Controls

- **Deposit tie-out control:** Total receipts must equal bank deposit amount.
- **Journal entry control:** Deposits recorded via standard journal process.

3. Segregation of Duties Controls

- **Separation of duties:** Deposit preparation, entry, and review performed by different personnel.

4. Documentation Controls

- **Support control:** All deposits supported by source documentation.
- **Retention control:** Deposit packets retained for audit purposes.

5. System Controls

- **Module control:** Receipts entered in Cash Receipts module and deposited via AP Register.
- **Data accuracy control:** System validation of entries prior to posting.

6. Compliance Controls

- **Policy adherence:** Deposits processed according to procedures.
- **Audit readiness:** Documentation supports all recorded deposits.

Deposits – Control List

DP 01 – Deposit Preparation

- **Description: Deposit packet is prepared with complete supporting documentation**
- **Owner: Accounting Technician**
- **Frequency: Daily / As received**
- **Evidence: Deposit packet**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

DP 02 – Receipt Entry

- **Description: Each check is entered separately into the accounting system**
- **Owner: Accounting Technician**
- **Frequency: Daily / As received**
- **Evidence: System entry**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DP 03 – GL Coding

- **Description: Deposits are coded to the correct general ledger accounts**
- **Owner: Accountant**
- **Frequency: Daily / As received**
- **Evidence: General ledger detail**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DP 04 – Deposit Entry

- **Description: Receipts are batched and recorded as deposits in the system**
- **Owner: Accounting Technician**
- **Frequency: Daily / As received**
- **Evidence: Deposit record**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

DP 05 – Deposit Reconciliation

- **Description: Recorded deposits are reconciled to bank deposits**
- **Owner: Accountant**
- **Frequency: Daily / Monthly**
- **Evidence: Reconciliation**
- **System: Bank / General Ledger**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

DP 06 – Document Retention

- **Description: Deposit packets and supporting documentation are retained**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

DP 07 – Controller Review

- **Description: Deposits are reviewed for accuracy and completeness**
- **Owner: Controller**
- **Frequency: Monthly**
- **Evidence: Review sign-off**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

EFT Transmission

1. Purpose

The purpose of this policy is to establish standardized procedures for preparing, approving, and transmitting Electronic Fund Transfers (EFTs) to ensure accuracy, security, and a complete audit trail of all electronic disbursements.

---

2. Policy Statement

All EFT payments must be processed in a controlled and consistent manner that:

- Ensures proper authorization prior to release of funds
- Maintains a complete audit trail of all EFT activity
- Protects banking access and credentials through secure controls
- Aligns with Accounts Payable procedures and approved payment batches

The Accounting Technician prepares the EFT Register on a **weekly basis (Wednesdays)** and submits it to the Controller for review and approval. No EFTs may be transmitted without Controller approval.

---

3. Scope

This policy applies to all electronic payments made through the banking platform (SinglePoint/ACH system).

---

4. Roles & Responsibilities

Accounting Technician

- Prepares EFT Check Register
- Ensures amounts agree to approved AP batch
- Sends register to Controller for review
- Maintains supporting documentation

Controller

- Reviews and approves EFT Register
- Logs into bank system and transmits EFT file
- Maintains control of banking token and credentials

---

5. Procedures

5.1 Preparation of EFT Register

1. Accounting Technician prepares the EFT Check Register from the approved AP batch.
2. Verify:
   - Vendor amounts
   - Total batch amount
   - Supporting documentation is complete
3. Send EFT Register to Controller for approval each Wednesday.

5.2 Controller Review & Approval

1. Controller reviews EFT Register for:
   - Accuracy of amounts
   - Validity of payments
   - Supporting documentation
2. Approves EFT batch for transmission.

5.3 EFT Transmission (SinglePoint / ACH)

1. Log in to **singlepoint.com**.
2. Navigate to ACH module.

3. Enter required credentials:
    - System password
    - Token-generated security code (Controller only)
4. Select appropriate payment template (e.g., Funded Partners, Volunteers).
5. Input payment amounts:
    - Uncheck vendors being paid
    - Enter payment amounts per EFT Register
6. Save the template.
7. Print confirmation of payment details.
8. Select "Transmit" to process EFT batch.
9. Confirm transmission date (system defaults to processing date, typically 3 days ahead).
10. Finalize transmission.

EFT Transmission – Control List

EFT 01 – EFT Register Preparation

- **Description:** EFT Check Register is prepared from the approved AP batch
- **Owner:** Accounting Technician
- **Frequency:** Weekly (Wednesdays)
- **Evidence:** EFT register
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

EFT 02 – Batch Verification

- **Description:** Vendor amounts, totals, and supporting documentation are verified prior to submission
- **Owner:** Accounting Technician
- **Frequency:** Weekly
- **Evidence:** Verified EFT register and supporting documents
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** Manual (M)

EFT 03 – Controller Review & Approval

- **Description:** EFT register is reviewed and approved prior to transmission
- **Owner:** Controller
- **Frequency:** Weekly
- **Evidence:** Approved EFT register
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

EFT 04 – Segregation of Duties Control

- **Description:** EFT preparation and transmission are performed by different roles
- **Owner:** Accounting Technician / Controller
- **Frequency:** Ongoing

- **Evidence:** Role assignment and process documentation
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

EFT 05 – Secure System Access

- **Description:** Access to banking system requires password and token authentication
- **Owner:** Controller
- **Frequency:** Per batch
- **Evidence:** Bank login authentication logs
- **System:** SinglePoint / ACH
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

EFT 06 – Template Control

- **Description:** Standard ACH templates are used to ensure vendor accuracy and consistency
- **Owner:** Controller
- **Frequency:** Per batch
- **Evidence:** ACH template records
- **System:** SinglePoint / ACH
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

EFT 07 – Amount Verification

- **Description:** EFT payment amounts entered into ACH match the approved EFT register
- **Owner:** Controller
- **Frequency:** Per batch
- **Evidence:** EFT register vs ACH entry
- **System:** AccuFund / Bank
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

EFT 08 – Transmission Control

- **Description:** Only Controller transmits EFT file in bank system
- **Owner:** Controller
- **Frequency:** Weekly
- **Evidence:** ACH confirmation receipt
- **System:** SinglePoint / ACH
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

EFT 09 – Transmission Confirmation

- **Description:** ACH confirmation is generated and retained after submission
- **Owner:** Controller
- **Frequency:** Weekly

- **Evidence:** Bank confirmation report
- **System:** ACH / Bank
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

EFT 10 – Documentation Retention

- **Description:** EFT register, confirmations, and supporting documents are retained for audit
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** EFT files
- **System:** Shared Drive
- **Type:** Detective (D)
- **Nature:** Manual (M)

Petty Cash

1. Purpose

The purpose of this policy is to establish standardized procedures for maintaining and controlling a petty cash fund to ensure accurate tracking, proper authorization, and safeguarding of small cash expenditures.

---

2. Policy Statement

A petty cash fund of $200 is maintained for minor, incidental expenditures where use of standard purchasing or accounts payable processes is not practical. All petty cash transactions must:

- Be properly documented and approved
- Be supported by original receipts
- Be recorded to appropriate expense accounts
- Maintain the integrity of the fixed fund balance

---

3. Scope

This policy applies to all petty cash transactions and individuals requesting reimbursement from the petty cash fund.

---

4. Roles & Responsibilities

Accounting Technician

- Custodian of the petty cash fund
- Disburses petty cash reimbursements
- Maintains petty cash records and supporting documentation
- Replenishes the fund and records expenses

Supervisor

- Reviews and approves petty cash slips prior to reimbursement

Employee / Requestor

- Provides valid receipts for reimbursement
- Signs for receipt of petty cash funds

---

5. Procedures

5.1 Petty Cash Disbursement

1. Employee submits a petty cash request with an original receipt.
2. A petty cash slip is completed and attached to the receipt.
3. A supervisor reviews and approves the petty cash slip.
4. The employee signs the slip acknowledging receipt of funds.
5. Accounting Technician reimburses the employee from the petty cash fund.

5.2 Documentation Requirements

- Each disbursement must include:
    - Original receipt
    - Completed petty cash slip
    - Supervisor approval
    - Employee signature

5.3 Fund Replenishment

1. When the petty cash balance is low, all petty cash slips and receipts are submitted to the Accounting Technician.
2. Total receipts are summarized.

3. A check is prepared to replenish the fund for the total amount of expenditures.
4. Expenses are recorded to the appropriate general ledger accounts.

5.4 Restrictions

- Petty cash is limited to minor expenditures.
- Purchase orders are generally not required due to the small-dollar nature.
- Petty cash must not be used for personal expenses or large purchases.

---

6. Systems Used

- Petty Cash Log (manual or Excel)
- AccuFund General Ledger
- Shared Network Drive (for scanned documentation if applicable)

Petty Cash Internal Controls

1. Authorization Controls

- **Supervisor approval control:** All petty cash requests require prior approval.
- **Signature control:** Recipient must sign for cash received.

---

2. Documentation Controls

- **Receipt requirement:** All disbursements supported by original receipts.
- **Petty cash slip control:** Each transaction documented with a completed slip.

---

3. Fund Control Controls

- **Fixed fund control:** Petty cash fund maintained at $200.
- **Replenishment control:** Fund replenished only for documented expenditures.

---

4. Segregation of Duties Controls

- **Custody vs. approval:** Custodian of petty cash is separate from approver.

---

5. Accuracy Controls

- **Expense coding control:** All expenditures charged to appropriate GL accounts.
- **Reconciliation control:** Cash + receipts must equal fund total.

---

6. Compliance Controls

- **Policy adherence:** All petty cash transactions must follow procedures.
- **Audit readiness:** Documentation retained for review.

Petty Cash – Control List

PC 01 – Supervisor Approval

- **Description:** Petty cash disbursements are approved by a supervisor prior to payment
- **Owner:** Supervisor
- **Frequency:** Per transaction
- **Evidence:** Signed petty cash slip
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

PC 02 – Receipt Requirement

- **Description:** All petty cash reimbursements are supported by original receipts

- **Owner:** Employee / Accounting Technician
- **Frequency:** Per transaction
- **Evidence:** Receipts
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

PC 03 – Recipient Signature

- **Description:** Employee signs to acknowledge receipt of petty cash funds
- **Owner:** Employee
- **Frequency:** Per transaction
- **Evidence:** Signed petty cash slip
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

PC 04 – Fund Custody

- **Description:** Petty cash fund is maintained by an assigned custodian
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Cash on hand
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

PC 05 – Fund Replenishment

- **Description:** Petty cash is replenished based on approved receipts and documentation
- **Owner:** Accounting Technician
- **Frequency:** As needed
- **Evidence:** Check and journal entry
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

PC 06 – GL Coding

- **Description:** Petty cash expenses are recorded to appropriate general ledger accounts
- **Owner:** Accountant
- **Frequency:** As needed
- **Evidence:** General ledger entries
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

PC 07 – Reconciliation

- **Description:** Cash on hand plus receipts equals the fixed petty cash fund balance
- **Owner:** Accounting Technician

- **Frequency:** Periodic
- **Evidence:** Reconciliation
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

PC 08 – Record Retention

- **Description:** Petty cash documentation is retained for audit purposes
- **Owner:** Accounting Technician
- **Frequency:** Ongoing
- **Evidence:** Files
- **System:** Shared Drive
- **Type:** Detective (D)
- **Nature:** Manual (M)

Contract Termination

1. Purpose

The purpose of this policy is to establish standardized procedures for terminating funded partner contracts. This ensures that all financial, programmatic, and property-related matters are properly resolved and that the organization maintains compliance with grant requirements.

---

2. Policy Statement

All contract terminations must be managed in a controlled and consistent manner to:

- Ensure all funds are properly accounted for and recovered if necessary
- Safeguard and recover all organizational property and equipment
- Maintain compliance with contractual, federal, and state requirements
- Ensure proper closure of financial and program records

No termination is considered complete until all financial, reporting, and property requirements have been satisfied.

---

3. Scope

This policy applies to all funded partners whose contracts are terminated prior to or at the end of the agreement period.

---

4. Roles & Responsibilities

Accountant

- Ensure financial closeout is completed
- Reconcile all payments and withhold funds if required
- Review audit submissions

Accounting Technician

- Stop payments and assist with documentation
- Maintain records of final transactions and closeout files

Program Manager

- Coordinate termination process with funded partner
- Ensure program requirements and client data are addressed

Controller

- Oversee financial and compliance aspects of termination

---

5. Procedures

5.1 Termination Notification

1. Provide the funded partner with written notice at least 30 days prior to termination.
2. Include:
    - Effective termination date
    - Reason for termination
    - Any special instructions or requirements

5.2 Payment Control

- Immediately stop all future reimbursements upon termination notice.
- Withhold final payment as necessary until all requirements are met.

5.3 Client Data Recovery

- Retrieve all A4AA client data from the funded partner, including:
    - Names
    - Addresses

    - Contact information
- Ensure confidentiality and proper handling of sensitive data.

5.4 Inventory & Property Recovery
Required Actions

- Request final inventory report from funded partner.
- Verify all A4AA-funded property and equipment.

Property Disposition Options

- Retrieve property (delivered to designated location, e.g., Natomas, at funded partner expense)
- Allow funded partner to dispose of property (with disposal form)
- Transfer property to another service provider or A4AA (no CDA involvement)
- Transfer property to a State Agency (requires CDA approval)
- Allow funded partner to retain property with approved disposal documentation
- In special cases, allow purchase of property by funded partner (requires CDA approval)

5.5 Audit & Financial Closeout

- Request and review current year audit from funded partner.
- Withhold final reimbursement until audit is received and approved.
- Reconcile all payments and ensure no outstanding balances remain.

5.6 Record Retention Requirements

- Notify funded partner of required record retention periods for:
    - Program records
    - Fiscal records
- Confirm understanding and compliance.

---

6. Systems Used

- AccuFund General Ledger
- Contract Tracking Worksheets
- Inventory Tracking Records
- Shared Network Drive

Contract Termination Internal Controls
1. Authorization Controls

- **Termination approval control:** Contract termination must be formally approved and documented.

---

2. Financial Controls

- **Payment stop control:** All payments halted upon termination.
- **Final payment hold control:** Final reimbursement withheld pending completion of requirements.

---

3. Asset Controls

- **Inventory verification control:** All assets accounted for prior to closeout.
- **Disposition control:** Property transfers and disposals documented and approved.

---

4. Documentation Controls

- **Audit requirement control:** Final audit must be received and reviewed.
- **Record retention notification control:** Partner informed of retention requirements.

5. Compliance Controls

- **CDA compliance:** All actions aligned with CDA requirements for property and funding.
- **Audit readiness:** Complete documentation maintained for all terminations.

Contract Termination – Control List

CT 01 – Termination Notice

- **Description: A 30-day written termination notice is provided to the funded partner**
- **Owner: Program Manager**
- **Frequency: As needed**
- **Evidence: Notice letter**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CT 02 – Payment Stop

- **Description: All reimbursements are halted upon contract termination**
- **Owner: Accounting Technician**
- **Frequency: As needed**
- **Evidence: Accounts Payable records**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CT 03 – Final Payment Hold

- **Description: Final payment is withheld until all closeout requirements are completed**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Payment log**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

CT 04 – Client Data Recovery

- **Description: All A4AA client data is retrieved from the funded partner**
- **Owner: Program Manager**
- **Frequency: As needed**
- **Evidence: Data transfer records**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

CT 05 – Inventory Verification

- **Description: Final inventory is reviewed and verified**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Inventory report**
- **System: N/A**
- **Type: Preventive (P)**

- **Nature: Manual (M)**

CT 06 – Property Disposition

- **Description: Asset transfer or disposal is properly documented and approved**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Disposal forms**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CT 07 – Audit Submission

- **Description: Final audit is received, reviewed, and evaluated**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Audit report**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

CT 08 – Record Retention Notice

- **Description: Funded partner is notified of record retention requirements**
- **Owner: Program Manager**
- **Frequency: As needed**
- **Evidence: Written notice**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

CT 09 – Final Reconciliation

- **Description: All financial balances are reconciled and closed out**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Reconciliation**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: IT Dependent (ITD)**

Funded Partner Inventory

1. Purpose

The purpose of this policy is to establish standardized procedures for tracking, reporting, and disposing of funded partner inventory. This ensures accurate records, proper safeguarding of assets, and compliance with state and federal requirements.

---

2. Policy Statement

All inventory purchased with Area 4 funds must be tracked, reported, and safeguarded by funded partners. The organization must:

- Maintain accurate and complete inventory records
- Ensure annual reporting of all capital assets
- Control and document all asset disposals
- Comply with California Department of Aging (CDA) requirements for property management

Funded partners are required to submit an annual inventory listing as part of the closeout process.

---

3. Scope

This policy applies to all equipment and property purchased with Area 4 funding and held by funded partners.

---

4. Roles & Responsibilities

Accounting Technician

- Maintain inventory records and documentation
- Track receipt of annual inventory listings
- File and retain asset documentation

Accountant

- Review inventory submissions for completeness and accuracy
- Ensure compliance with reporting requirements

Program Manager

- Coordinate with funded partners regarding inventory reporting
- Assist with monitoring compliance

Funded Partner

- Maintain detailed inventory records
- Submit annual inventory listing
- Request approval prior to disposing of any asset

---

5. Procedures

5.1 Inventory Reporting

1. Funded partners must submit an updated inventory listing annually as part of the closeout process.
2. Inventory listing must include:
    - Description of asset
    - Acquisition date
    - Cost
    - Location and status

5.2 Asset Tagging

- Asset tags are provided to funded partners when:
    - An asset costing $5,000 or more is acquired, OR

    - An asset of any value contains memory or sensitive data
- Funded partners must:
    - Affix asset tags
    - Maintain tracking records of tagged assets

5.3 Asset Disposal Procedures

1. Prior to disposal of any state or federally funded asset, the funded partner must:
    - Complete Form CDA 248 – Request to Dispose of Property
    - Submit the form to Area 4
2. Area 4 reviews and forwards the request to CDA.
3. CDA determines the appropriate action:
    - Return asset to CDA
    - Approve disposal of the asset
4. Disposal must not occur until CDA approval is received.

5.4 Disposal Restrictions

- State-funded equipment must never be sold.
- All disposal actions must comply with CDA directives.

---

6. Systems Used

- Inventory Tracking Records (Excel or forms)
- CDA Form 248 – Request to Dispose of Property
- Shared Network Drive

Funded Partner Inventory Internal Controls

1. Inventory Controls

- **Annual reporting control:** Inventory listings required at closeout.
- **Asset tracking control:** All applicable assets tracked and recorded.

---

2. Tagging Controls

- **Tagging requirement control:** Assets tagged based on value or sensitivity.
- **Tracking control:** Tagged assets maintained in inventory records.

---

3. Disposal Controls

- **CDA approval control:** All disposals require prior authorization.
- **Documentation control:** Disposal forms completed and retained.

---

4. Compliance Controls

- **Regulatory compliance:** Asset management follows CDA requirements.
- **Restriction control:** State equipment cannot be sold.

---

5. Documentation Controls

- **Retention control:** Inventory and disposal documentation retained.
- **Audit trail:** Records support asset lifecycle tracking.

Funded Partner Inventory – Control List

FI 01 – Annual Inventory Submission

- **Description: Funded partners submit updated inventory listings annually**
- **Owner: Funded Partner**
- **Frequency: Annually**

- **Evidence: Inventory report**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FI 02 – Inventory Review

- **Description: Inventory reports are reviewed for completeness and accuracy**
- **Owner: Accountant**
- **Frequency: Annually**
- **Evidence: Reviewed inventory report**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FI 03 – Asset Tagging

- **Description: Assets are tagged based on established criteria (value or data sensitivity)**
- **Owner: Accounting Technician**
- **Frequency: As needed**
- **Evidence: Asset tag log**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FI 04 – Disposal Request

- **Description: CDA Form 248 is completed and submitted prior to asset disposal**
- **Owner: Funded Partner**
- **Frequency: As needed**
- **Evidence: CDA disposal form**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FI 05 – CDA Approval

- **Description: Disposal is approved by CDA before any action is taken**
- **Owner: Accountant**
- **Frequency: As needed**
- **Evidence: Approval documentation**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

FI 06 – Disposal Restriction

- **Description: State-funded equipment is not sold and is disposed of per CDA requirements**
- **Owner: Accountant**
- **Frequency: Ongoing**
- **Evidence: Compliance verification**
- **System: N/A**
- **Type: Detective (D)**

- **Nature: Manual (M)**

FI 07 – Record Retention

- **Description: Inventory records and disposal documentation are retained for audit purposes**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**
- **Nature: Manual (M)**

Funding Process Overview

1. Purpose

The purpose of this policy is to establish a standardized approach for identifying, recording, monitoring, and closing out all funding received by the organization. This ensures accurate accounting, compliance with funding requirements, and proper reporting to oversight agencies.

---

2. Policy Statement

The organization receives funding from multiple federal, state, and other program sources. All funding must be:

- Properly identified and recorded in the general ledger
- Monitored against program requirements and budgets
- Reported in accordance with California Department of Aging (CDA) and other funding agency guidelines
- Closed out accurately at the end of each fiscal year

Match requirements are governed by applicable program regulations (see Match Cash Policy).

---

3. Scope

This policy applies to all funding sources received by the organization, including federal, state, and special program funding.

---

4. Funding Sources

The organization receives funding from the following primary sources:

Title III Programs (IIIB, IIIC, IIID, VII)

- Funded by a combination of Federal and State monies
- Funds are passed through the California Department of Aging (CDA)

Title IIIE Program

- Funded solely with Federal monies
- Funds are passed through CDA

Other Program Funding

- Examples include MIPPA, HICAP, Ombudsman Initiative, and other grant programs
- Funding availability and structure may vary from year to year

---

5. Procedures

5.1 Funding Receipt & Recording

1. Record all funding received in the general ledger by program and funding source.
2. Ensure proper classification of federal, state, and other revenues.
3. Track funding against approved budgets and contract allocations.

5.2 Ongoing Monitoring

- Monitor funding and expenditures through:
  - Contract Tracking Worksheets
  - Monthly Financial Reports (MFRs)
  - General Ledger reporting
- Ensure compliance with match requirements and funding restrictions.

5.3 Year-End Closeout

1. At the end of each fiscal year:
    - Total all grant payments received
    - Reconcile administrative and program expenditures
2. Prepare closeout documentation in accordance with CDA requirements.
3. Submit final closeout reports to CDA.

---

6. Systems Used

- AccuFund General Ledger
- Contract Tracking Worksheets
- MFR Reports
- Shared Network Drive

Funding Process Internal Controls

1. Recording Controls

- **Revenue recording control:** All funding recorded accurately and timely in the GL.
- **Classification control:** Funding sources properly categorized.

---

2. Monitoring Controls

- **Budget tracking control:** Funding compared to budgeted allocations.
- **MFR integration control:** Monthly reporting aligns with funding activity.

---

3. Closeout Controls

- **Annual reconciliation control:** All funding and expenditures reconciled at year-end.
- **CDA submission control:** Closeout reports submitted according to requirements.

---

4. Compliance Controls

- **Match compliance control:** Match requirements monitored and met.
- **Regulatory compliance:** Funding managed per CDA and federal guidelines.

Funding Process – Control List

FP 01 – Revenue Recording

- **Description:** Funding is recorded in the general ledger by funding source
- **Owner:** Accountant
- **Frequency:** Ongoing
- **Evidence:** General ledger entries
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

FP 02 – Funding Classification

- **Description:** Revenue is properly categorized as federal, state, or other funding sources
- **Owner:** Accountant
- **Frequency:** Ongoing
- **Evidence:** General ledger detail
- **System:** AccuFund
- **Type:** Preventive (P)

- **Nature:** IT Dependent (ITD)

FP 03 – Budget Monitoring

- **Description:** Funding activity is tracked against approved budget allocations
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Tracking worksheets
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

FP 04 – MFR Integration

- **Description:** Funding and expenditures are aligned with MFR reporting
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** MFR to general ledger comparison
- **System:** Excel
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

FP 05 – Year-End Reconciliation

- **Description:** Funding and related expenditures are reconciled at fiscal year-end
- **Owner:** Accountant
- **Frequency:** Annually
- **Evidence:** Reconciliation reports
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

FP 06 – Closeout Submission

- **Description:** Grant closeouts are completed and submitted to CDA in accordance with requirements
- **Owner:** Accountant
- **Frequency:** Annually
- **Evidence:** Closeout package
- **System:** CDA reporting system
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

FP 07 – Compliance Review

- **Description:** Funding is reviewed to ensure compliance with match and grant requirements
- **Owner:** Controller
- **Frequency:** Ongoing
- **Evidence:** Review documentation
- **System:** N/A

- **Type:** Detective (D)
- **Nature:** Manual (M)

General Ledger

1. Purpose

The purpose of this policy is to establish standardized procedures for maintaining the General Ledger, including preparation and posting of journal entries, and generation, review, and retention of financial reports. This ensures accurate financial records, timely reporting, and compliance with audit requirements.

---

2. Policy Statement

The General Ledger (GL) is the official record of all financial activity and must be maintained in a consistent and controlled manner. The organization must:

- Record all journal entries accurately and timely
- Prepare recurring and adjusting journal entries each month
- Generate and review financial reports regularly
- Maintain proper documentation and audit trail for all GL activity
- Ensure reports are retained in accordance with audit and regulatory requirements

---

3. Scope

This policy applies to all financial transactions recorded in the General Ledger and all personnel involved in financial reporting and journal entry processing.

---

4. Roles & Responsibilities

Accountant

- Prepare and post recurring and adjusting journal entries
- Generate financial reports (Revenue/Expense, Balance Sheet)
- Perform account reconciliations
- Maintain supporting documentation

Accounting Technician

- Assist with report preparation and filing
- Maintain journal entry folders and binders

Controller

- Review financial reports and reconciliations
- Provide oversight of GL accuracy and completeness

Audit-Finance Committee

- Review financial reports on a periodic basis

---

5. Procedures

5.1 Monthly Journal Entries

1. Prepare recurring and adjusting journal entries on a monthly basis.
2. Post all journal entries into AccuFund General Ledger module.
3. Ensure all entries are supported by appropriate documentation.

5.2 Monthly Financial Reporting

1. Generate monthly Revenue and Expense reports for in-house programs.
2. Print and retain reports in appropriate journal entry folders.
3. Prepare consolidated Revenue/Expense reports for administrative departments.
4. Provide consolidated reports and cash reports to the Audit-Finance Committee for review.

5.3 Quarterly Financial Reporting

1. Generate balance sheet reports on a quarterly basis.

2. Print and file reports in designated binders.
3. Include appropriate supporting documentation to substantiate balances.

5.4 Annual Reporting & Closeout

1. Prepare year-end financial reports for the full fiscal year.
2. Retain a complete set of reports for audit purposes.
3. Provide copies to external auditors as required.
4. Perform AccuFund year-end procedures:
    - Close accounting periods
    - Roll forward balances to the new fiscal year

---

6. Systems Used

- AccuFund General Ledger Module
- Financial Reporting Modules
- Shared Network Drive

General Ledger Internal Controls

1. Journal Entry Controls

- **Monthly entry control:** Recurring and adjusting entries prepared monthly.
- **Support control:** All entries supported by documentation.

---

2. Reporting Controls

- **Monthly reporting control:** Revenue/Expense reports generated and reviewed.
- **Quarterly reporting control:** Balance sheets prepared and validated.
- **Committee review control:** Reports reviewed by Audit-Finance Committee.

---

3. Reconciliation Controls

- **Account reconciliation control:** GL balances reconciled regularly.
- **Supporting documentation control:** Balances substantiated with evidence.

---

4. Documentation Controls

- **Filing control:** Reports retained in organized folders and binders.
- **Audit trail control:** Complete records maintained for audit review.

---

5. Compliance Controls

- **Year-end control:** Proper closing and roll-forward procedures completed.
- **Audit readiness:** Reports provided to auditors with full support.

General Ledger – Control List

GL 01 – Monthly Journal Entry

- **Description:** Journal entries are prepared, reviewed, and posted to the general ledger
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Journal entries
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

GL 02 – Entry Support

- **Description:** All journal entries are supported with appropriate documentation
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Journal entry backup
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

GL 03 – Monthly Reporting

- **Description:** Revenue and Expense reports are generated and filed
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Financial reports
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

GL 04 – Quarterly Balance Sheets

- **Description:** Balance sheet reports are prepared, reviewed, and retained
- **Owner:** Accountant
- **Frequency:** Quarterly
- **Evidence:** Filed financial reports
- **System:** AccuFund
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

GL 05 – Committee Review

- **Description:** Financial reports are provided to the Audit-Finance Committee for oversight
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Meeting materials
- **System:** N/A
- **Type:** Preventive (P)
- **Nature:** Manual (M)

GL 06 – Account Reconciliation

- **Description:** General ledger balances are reconciled and supported by documentation
- **Owner:** Accountant
- **Frequency:** Monthly
- **Evidence:** Reconciliation reports
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** IT Dependent (ITD)

GL 07 – Year-End Close

- **Description:** Accounting periods are closed and balances rolled forward at year-end

- **Owner:** Accountant
- **Frequency:** Annually
- **Evidence:** System close documentation
- **System:** AccuFund
- **Type:** Preventive (P)
- **Nature:** IT Dependent (ITD)

GL 08 – Audit Support

- **Description:** Financial reports and supporting documentation are provided to external auditors
- **Owner:** Controller
- **Frequency:** Annually
- **Evidence:** Audit package
- **System:** N/A
- **Type:** Detective (D)
- **Nature:** Manual (M)

Time Study (Time Reporting) Policy

1. Purpose

The purpose of this policy is to establish standardized procedures for documenting employee time and effort across programs and funding sources. This ensures compliance with federal and state grant requirements, supports accurate cost allocation, and provides a verifiable audit trail for payroll and grant reporting.

---

2. Policy Statement

All employees whose time is charged in whole or in part to grant-funded programs must participate in a time study process. Time studies must:

- Accurately reflect actual time worked by program or activity
- Support allocation of salaries and wages to funding sources
- Be completed in a timely and consistent manner
- Be reviewed and approved by supervisory personnel
- Be retained to support audits and financial reporting

Time reporting must comply with applicable federal requirements (e.g., Uniform Guidance) and agency standards.

---

3. Scope

This policy applies to all employees whose compensation is:

- Charged to more than one funding source, OR
- Allocated between administrative and program activities, OR
- Required for grant reporting purposes

---

4. Roles & Responsibilities

Employee

- Accurately record time worked by program/activity
- Complete time study forms timely
- Certify accuracy of reported time

Supervisor / Program Manager

- Review and approve time studies
- Ensure reported time is reasonable and consistent with duties

Accountant

- Use time study data to allocate payroll costs
- Maintain time study records for audit support
- Review for completeness and accuracy

Controller

- Oversee compliance with time study requirements
- Ensure proper allocation of payroll costs

---

5. Procedures

5.1 Time Study Preparation

1. Employees complete time study forms for each reporting period (e.g., monthly or pay period).
2. Time is recorded by:
    - Program or funding source
    - Activity type (program, administration, leave, etc.)
3. Time must reflect actual hours worked, not budgeted or estimated values.

5.2 Time Study Completion

1. Total hours reported must equal total paid hours for the period.
2. Time must be distributed proportionally across all programs worked.
3. Any paid leave (vacation, sick, holiday) must be recorded separately.

5.3 Certification & Approval

1. Employee signs or certifies the time study to confirm accuracy.
2. Supervisor reviews for:
   - Accuracy and reasonableness
   - Consistency with expected duties
3. Supervisor signs to approve the time study.

5.4 Payroll Allocation

1. Accountant uses approved time studies to:
   - Allocate payroll expenses to appropriate funding sources
   - Record allocations in AccuFund
2. Adjustments are made as necessary based on actual time worked.

5.5 Documentation & Retention

- Maintain all time study records including:
  - Completed time study forms
  - Certifications and approvals
  - Supporting payroll records
- Store records in the shared drive or designated files for audit purposes.

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6. Systems Used

- Time Study Forms (Excel or manual system)
- Payroll System
- AccuFund General Ledger
- Shared Network Drive

Time Study Internal Controls

1. Accuracy Controls

- **Actual time reporting control:** Time must reflect actual hours worked.
- **Total hours control:** Reported hours must equal paid hours.

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2. Authorization Controls

- **Employee certification control:** Employees certify accuracy.
- **Supervisor approval control:** Supervisors review and approve all time studies.

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3. Allocation Controls

- **Payroll allocation control:** Time studies used to allocate labor costs.
- **Consistency control:** Allocations align with work performed.

---

4. Documentation Controls

- **Retention control:** Time study records maintained for audit.
- **Audit trail control:** Records support payroll distribution.

---

5. Compliance Controls

- **Regulatory compliance:** Time studies meet federal and grant requirements.
- **Audit readiness:** Documentation available for review.

Time Study – Control List

TS 01 – Time Study Completion

- **Description: Employee time is recorded by program and activity**
- **Owner: Employee**
- **Frequency: Monthly / Per reporting period**
- **Evidence: Time study form**
- **System: Excel**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

TS 02 – Total Hours Validation

- **Description: Total reported hours equal total paid hours for the period**
- **Owner: Employee**
- **Frequency: Monthly**
- **Evidence: Completed time study**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

TS 03 – Employee Certification

- **Description: Employee certifies accuracy of reported time**
- **Owner: Employee**
- **Frequency: Monthly**
- **Evidence: Signed time study form**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

TS 04 – Supervisor Approval

- **Description: Supervisor reviews and approves time study for accuracy and completeness**
- **Owner: Supervisor**

- **Frequency: Monthly**
- **Evidence: Approved time study form**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

TS 05 – Payroll Allocation

- **Description: Time study data is used to allocate payroll costs to appropriate funding sources**
- **Owner: Accountant**
- **Frequency: Monthly**
- **Evidence: Allocation entries**
- **System: AccuFund**
- **Type: Preventive (P)**
- **Nature: IT Dependent (ITD)**

TS 06 – Reasonableness Review

- **Description: Time reported is compared to assigned duties and work schedules**
- **Owner: Supervisor**
- **Frequency: Monthly**
- **Evidence: Review notes**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

TS 07 – Record Retention

- **Description: Time study records are retained to support audit and payroll allocation**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: Files**
- **System: Shared Drive**
- **Type: Detective (D)**

- **Nature: Manual (M)**

Record Retention

NOTE ON THE SCOPE OF THIS MATERIAL

This material is designed to provide general guidance about an aspect of nonprofit corporate governance in the specific and limited context of the governance questions contained in the new IRS Form 990 (published by the IRS in 2008 and applicable to 990 filers based on a 2009-2011 filing year phase-in period depending on the size of the nonprofit). It is intended to provide some general guidance on the establishment of processes and/or policies to address a specific governance question in the Form. The subject matter of that question implicates a broad array of legal and practical issues ranging far beyond the immediate subject matter of the question itself. This material may address some of those issues but does NOT attempt to review them comprehensively and is NOT intended to be relied on for guidance on how they should be addressed in any specific situation.

Whether or not a nonprofit organization adopts a specific governance process or policy (or modifies an existing one), either in response to the disclosure requirements of the new IRS Form 990 or to change its governance practices for other reasons is a matter to be carefully considered by that organization, with input from its board and advisors and evaluation of its specific circumstances. The IRS has explicitly stated that adoption of the policies and practices about which the new Form 990 asks is not mandatory, although the IRS has also indicated that it attaches significance to the manner in which all tax-exempt nonprofit organizations govern themselves. These sample policies are not intended to suggest that the policy is appropriate for every nonprofit organization nor that, if a policy on that topic is determined to be appropriate, the formulations in the samples necessarily fit the needs of an individual nonprofit organization. A customized approach, with outside professional advice, is recommended. Accordingly, this material is intended as general information for legal practitioners advising nonprofit organizations as to their governance and does not constitute legal advice for any particular nonprofit organization. For more information, see the related Form 990 Policy Series Memorandum at: http://www.publiccounsel.org/tools/assets/files/DocMemo.pdf.

Although the subject matter of this material may have relevance to nonprofit organizations that are not required to file informational tax returns with the IRS or are permitted to file on an IRS form other than Form 990, the focus of this material is 990 filers. While this material is meant to apply to Form 990 filers who are exempt under Section 501(c) of the Internal Revenue Code, certain portions of this material may be applicable only to Section 501(c)(3) organizations. In addition, although this material may be of assistance with respect to nonprofit organizations that are not subject to oversight under California law, there may be portions of this material that are relevant only to nonprofits organized under, or (by reason of their California-related activities) otherwise subject to, California law.

Record Retention

1. Purpose

The purpose of this policy is to establish standardized procedures for the retention, storage, and destruction of organizational records. This ensures compliance with federal and state regulations, supports audit requirements, and protects the integrity and confidentiality of organizational information.

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2. Policy Statement

The organization shall maintain records for appropriate periods of time to:

- Comply with legal, regulatory, and contractual requirements
- Support financial reporting and audit activities
- Preserve essential organizational information
- Ensure proper documentation of operations and program activities

All records must be retained according to established retention schedules and securely destroyed when no longer required.

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3. Scope

This policy applies to all organizational records, including:

- Financial and accounting records
- Personnel and payroll records
- Program and client records
- Contractual and legal documents
- Electronic records and emails

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4. Roles & Responsibilities

Accounting Technician / Administrative Staff

- Maintain organized filing systems (electronic and physical)
- Ensure records are stored securely

Accountant

- Maintain financial and accounting records in accordance with retention schedules
- Ensure documentation supports all financial transactions

Program Manager

- Maintain program and client records
- Ensure compliance with retention requirements

Controller

- Oversee compliance with record retention requirements
- Approve destruction of records when retention period expires

---

5. Procedures

5.1 Record Retention

1. Records must be maintained for the minimum retention periods established by:
   - Federal regulations (e.g., grant requirements)
   - State requirements (e.g., CDA guidelines)
   - Organizational policy
2. Financial and grant-related records should generally be retained for at least **7 years** unless otherwise required.
3. Records related to active grants or audits must be retained until all requirements are satisfied.

5.2 Record Storage

- Records may be stored in:
    - Physical files
    - Electronic systems (shared drives, accounting systems)
- All records must be:
    - Organized and accessible
    - Protected from damage or unauthorized access

5.3 Record Destruction

1. Records may be destroyed only after the applicable retention period has expired.
2. Destruction must be:
    - Approved by the Controller
    - Documented (date and type of records destroyed)
3. Methods of destruction must ensure confidentiality, including:
    - Shredding for paper records
    - Secure deletion for electronic files

5.4 Legal Holds

- If the organization is subject to litigation, audit, or investigation:
    - All relevant records must be preserved
    - Scheduled destruction must be suspended until release is authorized

---

6. Systems Used

- AccuFund General Ledger
- Shared Network Drives
- Physical Record Storage

Record Retention Internal Controls

1. Retention Controls

- **Retention schedule control:** Records maintained per established timelines.
- **Grant retention control:** Grant-related records retained per funding requirements.

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2. Storage Controls

- **Access control:** Records secured from unauthorized access.
- **Organization control:** Records filed systematically for retrieval.

---

3. Destruction Controls

- **Approval control:** Record destruction requires Controller approval.
- **Confidentiality control:** Records destroyed securely.
- **Destruction log control:** Destruction activities documented.

---

4. Legal Compliance Controls

- **Legal hold control:** Records preserved during audits, litigation, or investigations.
- **Regulatory compliance:** Policy aligns with federal, state, and grant requirements.

---

5. Audit Controls

- **Audit support control:** Records maintained to support audits.
- **Documentation completeness:** Records support all financial and program activities.

Record Retention – Control List

RR 01 – Retention Schedule

- **Description: Records are retained in accordance with established retention periods**
- **Owner: Controller**
- **Frequency: Ongoing**
- **Evidence: Policy and retained files**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

RR 02 – Financial Record Retention

- **Description: Financial records are maintained for required retention period (minimum 7 years unless otherwise required)**
- **Owner: Accountant**
- **Frequency: Ongoing**
- **Evidence: General ledger files**
- **System: AccuFund**
- **Type: Detective (D)**
- **Nature: Manual (M)**

RR 03 – Secure Storage

- **Description: Records are stored securely and protected from unauthorized access**
- **Owner: Accounting Technician**
- **Frequency: Ongoing**
- **Evidence: File storage system**
- **System: Shared Drive**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

RR 04 – Destruction Approval

- **Description: Records are destroyed only after retention requirements are met and approval is obtained**
- **Owner: Controller**
- **Frequency: As needed**
- **Evidence: Destruction log**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

RR 05 – Destruction Log

- **Description: A record is maintained of all documents destroyed**
- **Owner: Accounting Technician**
- **Frequency: As needed**
- **Evidence: Destruction log**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

RR 06 – Legal Hold

- **Description: Records are preserved and destruction is suspended during audits, investigations, or legal actions**
- **Owner: Controller**
- **Frequency: As needed**
- **Evidence: Legal hold notice**
- **System: N/A**
- **Type: Preventive (P)**
- **Nature: Manual (M)**

RR 07 – Audit Support

- **Description: Records are maintained and made available for audit and review**
- **Owner: Accountant**
- **Frequency: Ongoing**
- **Evidence: Audit files**
- **System: N/A**
- **Type: Detective (D)**
- **Nature: Manual (M)**

DOCUMENT RETENTION AND DESTRUCTION POLICY

1. Policy and Purposes

This Policy represents the policy of **Area 4 Agency on Aging (A4AA)** (the "organization") with respect to the retention and destruction of documents and other records, both in hard copy and electronic media (which may merely be referred to as "documents" in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the organization reserves the right to revise or revoke this Policy at any time.

2. Administration

2.1 Responsibilities of the Administrator. The organization's _________ [CEO, President, Executive Vice President, Vice President for___, etc.] shall be the administrator ("Administrator") in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy organization documents and retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The Administrator is also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the Board of Directors as to compliance. The Administrator may also appoint one or more assistants to assist in carrying out the Administrator's responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

2.2 Responsibilities of Constituencies. This Policy also relates to the responsibilities of board members, staff, volunteers and outsiders with respect to maintaining and documenting the storage and destruction of the organization's documents. The Administrator shall report to the Board of Directors (the board members acting as a body), which maintains the ultimate direction of management. The organization's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. The responsibility of volunteers with respect to this Policy shall be to produce specifically identified documents upon request of management, if the volunteer still retains such documents. In that regard, after each project in which a volunteer has been involved, or each term which the volunteer has served, it shall be the responsibility of the Administrator to confirm whatever types of documents the volunteer retained and to request any such documents which the Administrator feels will be necessary for retention by the organization (not by the volunteer). Outsiders may include vendors or other service providers. Depending upon the sensitivity of the documents

DOCUMENT RETENTION AND DESTRUCTION POLICY - cont.

involved with the particular outsider relationship, the organization, through the Administrator, shall share this Policy with the outsider, requesting compliance. In particular instances, the

Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy.

3. Suspension of Document Destruction; Compliance. The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever "knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States … or in relation to or contemplation of any such matter or case." Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. If any board member or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination.

4. Electronic Documents; Document Integrity. Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the organization.

5. Privacy. It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the organization's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

DOCUMENT RETENTION AND DESTRUCTION POLICY - cont.

6. Emergency Planning. Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

7. Document Creation and Generation. The Administrator shall discuss with staff the ways in which documents are created or generated. With respect to each employee or organizational function, the Administrator shall attempt to determine whether documents are created which can be easily segregated from others, so that, when it comes time to destroy (or retain) those documents, they can be easily culled from the others for disposition. For example, on an employee-by-employee basis, are e-mails and other documents of a significantly non-sensitive nature so that they might be deleted, even in the face of a litigation hold with respect to other, more sensitive, documents? This dialogue may help in achieving a major purpose of the Policy -- to conserve resources -- by identifying document streams in a way that will allow the Policy to routinely provide for destruction of documents. Ideally, the organization will create and archive documents in a way that can readily identify and destroy documents with similar expirations.

DOCUMENT RETENTION AND DESTRUCTION POLICY - cont.

8. Document Retention Schedule. [Periods are suggested but are not necessarily a substitute for counsel's own research and determination as to appropriate periods.]

Document Type	Retention Period
Accounting and Fiscal	
Accounts Payable	7 years
Accounts Receivable	7 years
Annual Financial Statements and Audit Reports	Permanent
Bank Statements, Reconciliations & Deposit Slips	7 years
Canceled Checks – routine	7 years
Canceled Checks – special, such as loan payments	Permanent
Credit Card Receipts	3 years
Employee/Business Expense Reports / Documents	7 years
General Ledger	Permanent
Interim Financial Statements	7 years
Contributions/Gifts/Grants	
Contribution Records	Permanent
Documents Evidencing Terms of Donations / Gifts	Permanent
Grant Records	7 years after end of grant
California Department of Aging	
Contribution Records	Permanent
Documents Evidencing Terms of Donations / Gifts	Permanent
Grant Records	7 years after end of grant
Contracts	TBD
Program Memoranda	TBD
Correspondence & Internal Memoranda	
Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate	
Hard Copy correspondence and internal memoranda relating to routine matters with no lasting significance	Two Years
Correspondence and internal memoranda important to the organization or having lasting significance	Permanent, subject to review
Electronic Mail (Email) to or from the organization	
Electronic Mail (emails) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.	
Emails considered important to the organization of lasting significance should be printed and stored in a central repository	Permanent, subject to review
Emails not included in either of the above categories	12 months

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Electronically Stored Documents

Electronically stored documents, i.e. in PDF, text or other electronic format, comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form. Unless the electronic aspect is of significance.

Electronically stored documents considered important to the organization or of lasting significance should be printed and stored in a central repository, unless the electronic aspect is of importance.	Permanent, subject to review
Electronically stored documents not included in either of the above categories	2 years
Employment, Personnel and Pension	
Personnel Records	10 years after employment ends
Employee Contracts	10 years after term of contract
Retirement Plans – Simplified Employee Pension (SEP) and Employee contribution plan (403b)	Permanent
Insurance	
Property, D&O, Workers Compensation and General Liability Insurance Policies	Permanent
Insurance Claims Records	Permanent
Legal and Contracts	
Contracts, subcontracts and related correspondence and other supporting documentation	10 years after termination
Legal Correspondence	Permanent
Management & Miscellaneous	
Request for Proposals	7 years after expiration
Strategic Plans	7 years after expiration
Disaster Recovery Plan	7 years after replacement
Policies and Procedure Manual	Current Version with revision history
Organization and Exemption	
Joint Exercise Powers Agreement (JPA) and Amendments	Permanent
Bylaws and Amendments	Permanent
Board & Advisory Counting Meeting Minutes	Permanent
Annual Reports	Permanent
Audit Reports Filings to Federal Clearing House, State Controller	Permanent
State Sales Tax and Other Filings	Permanent
IRS Exemption Application (Form 1023 or 1024)	Permanent
IRS Exemption Determination Letter	Permanent
State Exemption Application (if applicable)	Permanent
Licenses and Permits	Permanent
Employer Identification Designation (EIN)	Permanent
Property – Real, Personal and Intellectual	

Property deeds and purchase / sale agreements	Permanent
Property Tax	Permanent
Real Property Leases	Permanent
Personal Property Leases	10 years after termination
Trademarks, Copyrights and Patents	Permanent

Service Providers

Contracts	See Legal & Contracts
Fiscal Monitoring Reports	5 years
Monthly Financial Reports	See Accounting
Program Evaluations	5 years
Scope of Service Reports (NAPIS, etc.)	5 years

Tax

Tax Exemption documents & correspondence	Permanent
IRS Rulings	Permanent
Annual information returns – federal & state	Permanent
990 Federal Tax Returns	Permanent
State sales tax and other	Permanent

Agency on Aging Area 4
Corporate Credit Card & Purchase Card Policy
Accounting Policies & Procedures Manual — Card Use, Procurement, Travel, Documentation, and Internal Controls

Effective Date: ____________________
Supersedes: Prior Corporate Credit Card Acceptable Use Policy
Policy Owner: Finance Department (Controller)
Applies To: All employees issued an Agency credit card and any employee who initiates, approves, reconciles, or reviews card activity.

1. Purpose & Compliance Framework

Agency on Aging Area 4 ("Agency") issues corporate credit cards and purchase cards ("Cards") to facilitate necessary, reasonable, and properly documented business expenses and to strengthen internal controls over purchasing and travel.

When costs are charged to a federal award or pass-through award (including California Department of Aging (CDA)-administered funds), Card use must also comply with applicable grant terms, uniform guidance, and program-specific rules. A Card is a method of payment and does not exempt a purchase from procurement requirements.

2. Definitions

- Cardholder: The employee whose name appears on the Card and who is responsible for safeguarding and proper use.
- Approver: Supervisor/Program Manager authorized to approve Card transactions and expense reports.
- Finance Reconciler: Finance/AP staff who reconcile statements to receipts and approvals and post to the general ledger and grants.
- Award Funds: Federal or pass-through funds (including CDA-administered funds) subject to grant terms and uniform guidance.
- Micro-purchase / Small Purchase / Competitive Procurement: Procurement methods defined in the Agency Procurement Policy and/or federal thresholds, as applicable.

3. Card Ownership, Issuance, and Security

- Agency Property: All Cards remain the property of the Agency and must be surrendered upon request, role change, or separation.
- Non-Transferable: Only the named Cardholder may use the Card.
- Safeguarding: Cardholders must protect the Card and account number from loss, theft, or unauthorized use.
- Lost/Stolen/Fraud: Immediately notify (a) the card issuer using the number on the back of the Card and (b) the Finance Department and your supervisor.

4. Internal Controls and Segregation of Duties

To maintain adequate internal controls, the Agency will separate key duties to the extent practicable:

- Cardholder initiates purchases, retains itemized receipts, and submits the expense report.
- Approver verifies business purpose, allowability, funding source coding, and compliance with travel/procurement requirements.
- Finance reconciles statements to receipts/approvals and posts to the general ledger/grants.

- Controller/Designee performs periodic monitoring, spot checks, and enforces corrective action.

5. Spending Limits and Pre-Approval

Finance sets Card limits by role and risk level. Limits may include per-transaction limits, monthly limits, and merchant category restrictions. Limits will be communicated to Cardholders and may be adjusted at any time.

Pre-approval is required for:

- Travel not included in an approved budget/scope or otherwise approved internally.
- Any exception to Agency travel caps or rate limits.
- Purchases that require quotes or competitive processes under the Agency Procurement Policy or grant terms.
- Subscriptions, recurring charges, equipment, or other purchases requiring special approvals under Agency policy.

6. Key Principle: Card Use Does Not Bypass Procurement Requirements

A Card is a method of payment. All purchases must comply with the Agency Procurement Policy. When Award Funds are used, the Agency must follow applicable federal procurement standards, including requirements for documented procurement procedures, price reasonableness, and appropriate competition based on thresholds.

7. Allowable (Authorized) Uses

Card purchases must be reasonable, necessary, and directly related to Agency business, properly approved, and supported by required documentation.

Common allowable categories (when properly approved and documented) include:

- Travel: Transportation, lodging, meals, and incidental expenses while in travel status on official business.
- Local transportation: Taxi/ride-share, parking, and transit when necessary for business travel.
- Registration fees: Pre-approved conferences, trainings, and seminars.
- Office supplies / minor equipment / software: When approved and compliant with procurement rules.

If a grant or contract is more restrictive than this policy, the more restrictive rule controls.

8. Travel and Subsistence Standards (Including CDA Terms When Applicable)

8.1 General

Travel costs charged to Award Funds must be necessary, reasonable, consistent with the Agency's written policies, and supported by documentation showing the business purpose and the need for participation. Travel may be charged on an actual cost, per diem, mileage basis, or a combination, provided the method is applied consistently for the entire trip.

8.2 CDA-Funded or CDA-Administered Awards

When CDA terms apply, travel reimbursements are for actual costs up to the maximum allowable rates. The maximum travel rates allowable are the lesser of (a) rates in effect at the time of travel as established by CalHR or (b) the Agency's established travel policy.

All travel costs must be substantiated by itemized receipts. Credit card statements are not acceptable as receipts for travel costs under CDA terms.

8.3 Substantiation

Expense documentation must include date, location, and business purpose. For business meals, document attendees and the business purpose. Itemized receipts are required.

9. Prohibited Uses (Non-Exhaustive)

- Personal expenses of any kind.
- Cash advances/ATM withdrawals or cash back.
- Alcohol, tobacco, controlled substances.
- Entertainment expenses (amusement, diversion, social activities) when charged to Award Funds unless explicitly allowable and pre-approved.
- Gifts, donations, giveaways when charged to Award Funds unless explicitly allowable and pre-approved.
- Luxury upgrades (first-class travel, premium suites, extravagant meals) unless pre-approved with written justification.
- Split purchases to circumvent procurement thresholds or approvals.
- Purchases that create a conflict of interest or violate Agency ethics/conflict policies.
- Unauthorized use of an Agency credit card shall fully result in disciplinary measures of the law.

10. Documentation and Expense Reporting

Cardholders must upload documentation to RAMP with each expense report.

- Itemized receipt required for every transaction, regardless of amount. Receipt must show vendor name, date, itemized list of purchase, and total.
- Business purpose must be clearly documented for each transaction.
- Expense reports must be submitted in RAMP within 10 business days of the transaction date or within 10 business days of completing a trip/event.
- Missing receipt: If an itemized receipt is unavailable, a Missing Receipt Affidavit must be completed and attached with any supporting documentation. Repeated missing receipts may result in suspension of Card privileges.

11. Reconciliation, Review, and Posting

- Cardholder reviews transactions for accuracy and submits documentation in RAMP.
- Approver reviews and approves each transaction for allowability, reasonableness, business purpose, and funding source compliance.
- Finance reconciles card statements to approved documentation and posts transactions to the general ledger and grants.
- Controller/Designee performs periodic monitoring and spot checks activity and documents corrective actions as needed.

12. Disputes, Credits, and Returns

- Disputed charges must be reported immediately to Finance and the card issuer.
- Credits must be processed back to the Card (no cash refunds).
- Returns must be documented and attached to the transaction record in RAMP.

13. Inadvertent Personal Charges and Repayment

If an inadvertent personal charge occurs, the Cardholder must notify Finance within 1 business day of discovery and reimburse the Agency within 10 calendar days by check or ACH (preferred).

Payroll deductions will only be made where permitted by law and only pursuant to a separate written Payroll Deduction Authorization signed by the employee.

14. Violations and Corrective Action

- Minor violations may result in retraining, written warning, or temporary suspension of Card privileges.
- Major violations or fraud may result in revocation of Card privileges, disciplinary action up to and including termination, restitution, and/or referral for investigation.

15. Record Retention and Audit Readiness

All Card documentation (itemized receipts, approvals, procurement support, and travel substantiation) must be retained in accordance with applicable grant/contract record retention requirements and be available for monitoring or audit.

16. Cardholder Acknowledgement

I acknowledge that I have received, read, and understand this Corporate Credit Card and Purchase Policy and agree to comply with its requirements. I understand that misuse may result in disciplinary action, up to and including termination, and personal liability for unauthorized charges.

Employee Name (Print): ______________________________

Employee Signature: ________________________________ Date: ___/___/_____

Approver/Finance Signature: __________________________ Date: ___/___/_____

Agency on Aging Area 4
Missing Receipt Affidavit
Corporate Credit Card / Purchase Card Transactions

Cardholder Name: ____
Date: ___/___/_____
Transaction Date: ___/___/_____ Vendor: ________________________________ Amount: $__________
Reason receipt is unavailable (check one): ☐ Lost ☐ Not provided by vendor ☐ Other: ____________________________

Business Purpose
Describe the business purpose and benefit to the Agency (include program/project if applicable):
____
____

Supporting Documentation Attached (Check all that apply)

- ☐ Email confirmation/receipt copy
- ☐ Screenshot of online receipt/order confirmation
- ☐ Conference agenda/registration confirmation
- ☐ Other: ____

Certification
I certify that this expense was incurred for Agency business, was necessary and reasonable, and is accurately stated above. I understand that repeated missing receipts may result in suspension of Card privileges and that some funding sources may not allow costs without original receipts.

Cardholder Signature: ___________________________________ Date: ___/___/_____

Approver Signature: _____________________________________ Date: ___/___/_____

Agency on Aging Area 4
Payroll Deduction Authorization
Unauthorized Personal Charges — Corporate Credit Card / Purchase Card

Employee Name: ____

Employee ID: _____________________ Department: _____________________

Date: ___/___/_____

Authorization

I authorize Agency on Aging Area 4 ("Agency") to deduct from my wages the amount(s) identified below to reimburse the Agency for unauthorized personal charges made on an Agency-issued corporate credit card/purchase card. This authorization is provided in writing.

Amount Authorized

Total Amount Authorized: $___________________

Details of unauthorized charge(s) (attach transaction detail and any supporting documentation):

- Transaction Date(s): ____
- Vendor(s): ____
- Description/Business explanation (if any): _________________________
- Funding source impacted (if known): ______________________________

Deduction Schedule (Check One)

- ☐ One-time deduction on next regular payroll (pay date: ___/___/_____)
- ☐ Installments of $________ per pay period starting ___/___/_____ until paid in full
- ☐ Other: ____

Employee Acknowledgements
I understand the deduction is for reimbursement of unauthorized personal charges that I owe to the Agency. I understand the Agency will only process deductions where permitted by applicable law.I may revoke this authorization in writing; revocation does not eliminate my obligation to repay amounts owed.If I dispute any item, I will notify Finance in writing within 5 business days. The Agency may pause deductions while the dispute is reviewed.

Employee Signature: _________________________________ Date: ___/___/_____

Finance/HR Witness (Print): __________________________

Signature: __________________________ Date: ___/___/_____

Glossary of Key Terms

A

AccuFund
The organization's official accounting system and system of record used to process, track, and report all financial activity.

Accounts Payable (AP)
The function responsible for processing invoices, issuing payments, and maintaining vendor payment records.

ACH (Automated Clearing House)
An electronic payment system used to transmit EFT payments through the banking platform.

Audit Trail
A complete and traceable record of all financial transactions and supporting documentation used for verification and audit purposes.

B

Bank Reconciliation
The process of comparing bank statements to general ledger balances to ensure accuracy and identify discrepancies.

Billing (LFRS)
The process of reporting program expenditures to the California Department of Aging for reimbursement using the Local Fiscal Reporting System.

Budget vs. Actual
A comparison of planned (budgeted) expenditures to actual expenditures to monitor financial performance.

C

Cash Sheet
An internal tracking document used to monitor cash activity and adjustments (e.g., voided checks).

Closeout
The process of finalizing financial activity at the end of a fiscal period or grant, ensuring all balances are reconciled and reported.

Controller
The individual responsible for oversight of financial operations, approvals, reconciliations, and compliance.

D

Desk Monitoring
Ongoing review of funded partner financial activity through MFRs and variance analysis to ensure compliance and performance.

Due To / Due From Accounts
Interfund accounts used to record transactions between different funds within the organization.

E

Electronic Funds Transfer (EFT)
A method of payment where funds are electronically transferred through a banking system instead of issuing a paper check.

Excel Tracking Worksheets
Spreadsheets used to track budgets, expenditures, match, and reconciliation activity.

F

Funded Partner
An external organization that receives program funding and submits financial reports (MFRs) to the agency.

Fund Accounting
An accounting method that separates resources into categories (funds) based on restrictions or program requirements.

G

General Ledger (GL)
The primary accounting record containing all financial transactions and balances.

Grant Compliance
Adherence to federal, state, and program-specific rules governing the use of grant funds.

I

In-Kind Contributions
Non-cash resources (e.g., volunteer time, donated space) used to meet match requirements.

Internal Controls
Policies and procedures designed to safeguard assets, ensure accuracy, and support compliance.

J

Journal Entry (JE)
A record of a financial transaction entered into the general ledger.

L

LFRS (Local Fiscal Reporting System)
The state reporting system used to submit billing and financial reports to CDA.

M

Match (Matching Funds)
Non-federal contributions required to support grant-funded programs.

Monthly Financial Report (MFR)
A report submitted by funded partners detailing monthly expenditures and activity.

P

Purchase Order (PO)
A formal document authorizing the purchase of goods or services.

Prepaid Expense
A payment made before goods or services are received.

Procurement Justification
Documentation explaining vendor selection, required for purchases above thresholds (e.g., >$5,000).

R

Reconciliation
The process of comparing two sets of records to ensure they agree.

Record Retention
The policy governing how long records are maintained and when they can be destroyed.

S

Segregation of Duties
Division of responsibilities among individuals to reduce risk of error or fraud.

System of Record
The official system where all financial transactions are stored (AccuFund).

T

Time Study
A process documenting employee time allocation across programs to support payroll distribution and compliance.

V

Void Check
The process of canceling a previously issued check and restoring funds in the accounting system.

Key Abbreviations

Abbreviation	Meaning
AP	Accounts Payable
GL	General Ledger
JE	Journal Entry
MFR	Monthly Financial Report
PO	Purchase Order
EFT	Electronic Funds Transfer

ACH	Automated Clearing House
LFRS	Local Fiscal Reporting System