

Wyoming County Business Center, Inc.

ACCOUNTING POLICIES AND PROCEDURES MANUAL

Note: this manual is prepared for the Wyoming County Business Center, Inc. (“WCBC”), with the following staff involved with accounting processes:

- President/CEO/CFO
- Operations Director/Manager
- Bookkeeper/Program Manager

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I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at the Wyoming County Business Center, Inc. (WCBC) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All WCBC's staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed and revised as needed by the staff and approved by the President/CEO, Finance Committee and the Board of Directors.

II. Division of Responsibilities

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

Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Reviews President's performance annually and establishes goals
4. One member of the board, will be appointed by the board to be an authorized signer on the bank accounts along with the President/CEO.
5. The Treasurer signs off on all checks and disbursements, ISC statements and Journal entries.
6. Reviews and approves all contracts over \$5,000
7. Reviews and advises staff on internal controls and accounting policies and procedures

President/Chief Executive Officer/Chief Financial Officer

1. Reviews and approves all financial reports including cash flow projections
2. Sees that an appropriate budget is developed annually
3. Reviews and approves all invoices and requests for payment.
4. Reviews, approves and signs all issued checks by the WCBC
5. Reviews and approves all contracts under \$5,000
6. Reviews and approves all grant submissions
7. Approves inter-account bank transfers
8. Approves investment placement
9. Is on-site signatory for all bank accounts
10. Reviews and approves all reimbursements and fund requests

11. Reviews all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
12. Monitors and manages all expenses to ensure most effective use of assets
13. Oversees expense allocations
14. Reviews all financial reports
15. Oversees the adherence to all internal controls

Operations Director/ Manager

1. Monitors program budgets
2. Reviews all payrolls and is responsible for all personnel files
3. Processes payroll
4. Reviews and manages cash flow
5. Assists President with the development of annual and program budgets
6. Reviews all incoming invoices
7. Receives and opens all incoming accounting department mail
8. Reviews bank reconciliations
9. Monitors grant reporting and appropriate release of temporarily restricted funds
10. Monitors and makes recommendations for asset retirement and replacement
11. Reviews, revises, and maintains internal accounting controls and procedures
12. Prepares monthly and year-end financial reports

Bookkeeper/Program Manager

1. Reviews and maintains all program expenditure accounts
2. Overall responsibility for data entry into accounting system and integrity of accounting system data
3. Processes invoices and prepares checks for signature
4. Prepares bank deposits which are deposited by the President
5. Maintains general ledger
6. Processes all inter-account bank transfers
7. Monitors investment placement
8. Reconciles all bank accounts
9. Mails vendor checks
10. Manages Accounts Receivable and Payable

III. Chart of Accounts and General Ledger

The WCBC has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Operations Manager is responsible for maintaining the Chart of Accounts and revising as necessary. The Chart of Accounts is attached to this manual as an addendum.

The general ledger is automated and maintained using Quickbooks accounting software. All input and balancing is the responsibility of the bookkeeper with final approval by the Operations Manager.

The Operations Manager reviews the general ledger on a periodic basis for any unusual transactions.

IV. Cash Receipts

Cash receipts generally arise from:

1. Contracts and Grants
2. Direct donor contributions
3. Fundraising activities

The principal steps in the cash receipts process are:

The Operations Manager receives incoming mail and forwards it after opening to the President for approval. The Bookkeeper stamps all checks “for deposit only,” the checks are kept in a locked cabinet until the bookkeeper processes and deposits are prepared.

Weekly (or more often if necessary), the Bookkeeper processes: the endorsed checks, the deposit is recorded in Quickbooks, and the correct account allocation for each deposit. The Bookkeeper processes the deposit and the President takes it to the bank for deposit. A copy of the deposit slip is attached to the deposit. The deposits are put in a file to attach to the bank statement.

All cash received is counted, verified, and processed by the Bookkeeper and approved by the President. The cash is immediately posted using the appropriate allocation. A receipt is given to the paying party and a copy kept for internal purposes. The cash is kept in a locked, secure location until deposited in the bank account.

V. Inter-Account Bank Transfers

The Bookkeeper monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account and recommends to the President when a transfer should be made to maximize the potential for earning interest. The Bookkeeper is directed when to make a transfer and in what amount. The transfer is recorded in Quickbooks to the proper account allocation. A copy of the transfer is given to the Operations Manager.

VI. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements

7. Marketing/promotional materials
8. Contracts

Checks are processed weekly. Invoices submitted are approved by the President and submitted to the Bookkeeper for processing. Checks are prepared by the Bookkeeper and signed by the President. Copies of the invoice and check are reviewed and approved by the Treasurer.

Requests for cash disbursements are submitted to Accounting in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All invoices must have the account code written on them and approved by the President prior to being submitted to accounting.

Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased and the specific business purpose.

The President reviews all requests for payment and:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the Bookkeeper for processing

The Bookkeeper processes all payments and:

1. Prints checks according to allocation and payment date provided by the President
2. Submits checks, with attached backup documentation, to President for approval and signature. All checks in excess of \$5,000 require a second signature from an authorized board member.
3. Mails checks and appropriate backup documentation
4. Files all backup documentation in the appropriate file

VII. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which WCBC receives funds.

The receipts for all credit card charges will be given to the Bookkeeper within two (2) weeks of the purchase along with proper documentation. The Bookkeeper will verify all credit card charges with the monthly statements. A record of all charges will be given to the Bookkeeper with applicable allocation information for posting. A copy of all charges will be attached to the monthly credit card statement when submitted to the President for approval and signing.

The President's credit card usage will be provided to the Board Chair or the Board Treasurer for review and sign off each month.

VII. Bank Account Reconciliations

1. All bank statements are opened by the Operations Director. The Operations Director reviews the statements for unusual balances and/or transactions and gives the statements to the President for review and approval.
2. The President gives the statements to the Bookkeeper for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Bookkeeper will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Bookkeeper will investigate any checks that are outstanding over six months.
5. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
6. The reconciliation report will be reviewed, approved, dated, and initialed by the Operations Director.

IX. Property and Equipment

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand dollars (\$5,000). Items purchased with a value or cost less than five thousand dollars (\$5,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	36 months
Office Equipment	60 months

Office Furniture	60 months
Computer Software	36 months
Leasehold improvements	Length of lease

1. A Fixed Asset Account is maintained by the Bookkeeper including date of purchase, asset description and identification number.
2. The Account will be reviewed by the Operations Manager.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Operations Manager shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

X. Personnel Records

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, and other forms as deemed appropriate by the Operations Manager.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Operations Manager.
3. The completed I-9 forms will be kept in a secure location separate from the personnel files.
4. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.
5. Legally required postings regarding EEO, Worker's Comp, Liability and Sexual Harassment are posted where all employees have access.
6. All Employees, Independent Contractor's and Vendor's that have access to WCBC personnel are required to complete a state approved yearly sexual harassment training. Certificates of the training completion are kept in a secured file.

XI. Payroll Processing

1. Timesheets are to be kept on a daily basis or Bi-weekly basis and completed in ink – unless prepared electronically.
2. Timesheets are to be signed and dated by the employee for submission to the Operations Manager.
3. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form and signed by the Executive Director before the change can be made.
4. The Operations Director will prepare payroll in a timely manner and submit payroll request to the payroll processing company.

5. Pay will be electronically distributed by the payroll company on a bi-weekly basis with funds deposited on a Friday. On a holiday the funds will be deposited the day before.
6. Employees may choose direct deposit to a designated bank account. Their paycheck is deposited directly into the designated account on the payroll date. The employee will receive a verification stub.
7. The Operations Manager will review payroll expenditures and allocations bi-monthly.
8. All quarterly federal and state payroll reports will be prepared and filed appropriately by the payroll company and reviewed by the Operations Director.
9. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

XII. End of Month and Fiscal Year-End Close

1. The Operations Manager, President and Treasurer will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each month and fiscal year end, the Operations Manager will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final monthly and fiscal year-end financial statements are run, reviewed, and approved by the Operations Manager and President, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the fiscal year, the Operations Manager or outside CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the CEO, the Board Finance Committee, and the Board Chair for their review and approval. The Operations Manager will then file the return with the Internal Revenue Service by the annual deadline.
6. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

XII. Financial Reports

The Operations Director will prepare the monthly and annual financial reports for distribution to the Board of Directors. The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, cash flow projection, and any other requested reports.

Periodic and annual financial reports will be submitted to the Finance Committee and Board of Directors for review and approval.

A yearly audit of the financial statements and internal controls of the WCBC which include: financial position at year end, related statements of activity, cashflows and disclosures, will be completed by an outside CPA /Auditing Firm in accordance with GAAS and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

XIV. Fiscal Policy Statements

1. All cash accounts owned by WCBC will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. All capital expenditures which exceed five thousand dollars (\$5,000) will be capitalized.
3. No salary advances will be made under any circumstances.
4. No travel cash advances will be made except under special conditions and pre-approved by the President.
5. Reimbursements will be paid upon complete expense reporting and approval using the official WCBC form. Reimbursements to the President will be authorized by the Board Chair.
6. The President and one designated Board member are the signatories on the WCBC bank accounts. Disbursements exceeding (\$5,000) require a second signature by an authorized board member.
7. Bank statements will be reconciled monthly. All bank statements will be given to the President for review.
8. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
9. Accounting and personnel records will be kept in locked file cabinets and only parties with financial and/or HR responsibility will have access to them.