



Accounting Policies and Procedures Manual

Revised 4/25/2019

The Lord's Place, Inc.

Accounting Policies and Procedures Manual

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Introduction

This manual has been prepared to document the internal accounting procedures for The Lord's Place. Its purpose is to ensure that assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship.

All personnel with a role in the management of The Lord's Place operations are expected to uphold the policies in this manual. It is the intention of The Lord's Place that this accounting manual serve as our commitment to proper, accurate financial management and reporting.

Revised 4/25/2019

Division of Duties

The following is a list of personnel who have key finance and accounting responsibilities within the organization:

Chief Executive Officer:

1. With the Chief Financial Officer, Chief Operating Officer, Controller, and input from the Chief Program Officer, Chief Advancement Officer, Chief Human Resources Officer, and Vice President of Research, Evaluation and Quality Improvement develops the annual budget.
2. Reviews and approves financial reports and/or grant billings, as may be specifically required by Funder.
3. Reviews all vouchers and invoices for those checks which require his or her signature.
4. Authorizes all inter-fund transfers.
5. Reviews and approves all bank and investment reconciliations.

Chief Financial Officer:

1. Submits requests for inter-fund transfers.
2. Maintains and reconciles the general ledger monthly.
3. With the Chief Executive Officer, Controller, and with input from the Department Directors, develops the annual budget.
4. Prepares and/or reviews and approves all financial reports.
5. Verifies all reimbursement requests against receipts provided.
6. Maintains compliance.
7. Reviews all vouchers and invoices for those checks which require his or her signature (only when approved by Controller).
8. Carries out Controller duties in the absence of the Controller, or as an approval level to Controller entries.

Controller:

1. Maintains and reconciles the general ledger monthly.
2. Leads the annual budgeting process with the appropriate staff involvement.
3. Prepares monthly financial statements.
4. Verifies all reimbursement and payables requests with receipts provided.
5. Reviews the payroll summary for the correct payee, hours worked and check amount.
6. Reconciles all bank statements.
7. Process monthly close and maintains monthly close binders with monthly journal entries.
8. Enters and maintains Fund EZ budgets (grant budgets and agency budgets).
9. Prepares budgets for grant proposals as needed.
10. Receives and reviews bank statements for reconciliation and forwards to Chief Financial Officer.
11. Review and approves all grant billing and revenue recognition entries.

12. Reviews and approves all receipt entries.

Grant Billing Specialist:

1. Prepares grant invoices and supporting documentation for reimbursement.
2. Interfaces with grant organizations to process invoices.
3. Prepares monthly journal entries.
4. Prepares and distributes monthly P&L and/or grant reports to the Program Directors or appropriate staff.
5. Uploads and/or e-mails grant invoices as necessary.
6. Backs up processing payroll, payables and receipts.
7. Assist the Controller as necessary.

Accounts Payable Assistant:

1. Review and process invoices.
2. Reconcile monthly credit accounts.
3. Prepares A/P cash needs reports.
4. Prepares monthly rent and utility bills.
5. Print checks.
6. Distribute/mail checks.
7. Scan and file checks and invoices.
8. Coordinate collection of client apprentice time sheets and Rep Payee client payment reports.
9. Processes weekly stipends and payments for apprentice program and rep payee clients through ADP.
10. Backup for Finance Assistant.
11. Assist Controller and other finance positions as necessary.

Finance Assistant:

1. Processes all receipts.
2. Makes bank deposits.
3. Manages petty cash fund.
4. Gather and review employee time sheets for payroll processing.
5. Processes bi-weekly payroll.
6. Prepares interfund transfers.
7. Enters Payroll journal entries.
8. Prepares monthly accounts receivable invoicing and follow up.
9. Uploads grants for reimbursements.
10. Backup for Accounts Payable Assistant.

Chief Human Resources Officer:

1. Reviews all vouchers and invoices for those checks which require his or her signature.

Mail Designee

1. Receives and opens all incoming mail in the presence of another staff person and date stamps.
2. Stamps all incoming checks with for deposit only stamp and prepares receipts log.
3. Scans checks and other receipts and supporting back up.
4. Distributes receipts log.

All Department Heads/Directors:

1. Approve all invoices for their departments.
2. Accountability for approved departmental budgets in purchasing decisions and in preparing check request vouchers with the proper account code.

Designated Board Members (Currently the Chair, Vice Chair, Secretary, Treasurer, and Past Chair)

1. Check signing authority on all Lord's Place operating accounts.
2. Authorizes expenditures in excess of \$10,000, except preapproved capital expenditures (such as rent, lease payments, insurance) which might exceed \$10,000.

Cash Receipts Procedures

Administrative Office

The Mail Designee receives all incoming mail (unopened). All mail received by the Mail Designee is opened in the presence of another staff person and checks received are endorsed (stamped on the back). Mail Designee then prepares the receipts log. The Mail Designee then scans all of the checks and saves them on the I: drive and hands the checks with the completed cash receipts log to the Finance Assistant for processing. Any backup received with the checks is also scanned to the I: drive.

Next, the Finance Assistant processes the deposit using the check scanner provided by the bank. All checks are bundled for that day with a report from the banks website and kept in the Finance Assistant's locked cabinet for minimum of 2 months, according to the banks' operating procedures.

All cash received is locked in the Finance Assistant's file cabinet. The Finance Assistant takes cash received/deposits to the bank at least bi-weekly. No cash receipts/deposits are kept in the office (locked in the file cabinet) for more than two weeks.

Men's Campus

The Men's Campus Administrator (in the presence of another staff person) receives money from the Clients for rent and/or the Client's saving account. Receipts of money are recorded in a tri-color receipt book, which is issued by the finance department.

The amount received and whether it is for rent or Client's Savings account is recorded on the receipt. The white copy of the receipt goes to the client, the yellow copy is attached to the money received and the pink copy remains in the book. Rent is also recorded in the Yardi Property Management Software.

All money received along with the yellow copy of receipt is locked in the safe. The Campus Director and Administrator are the only staff with access to the safe.

The Campus Director makes the deposits every Friday into a bank account that is specifically for the Men's Campus.

Campus Administrator will generate a receipt log reflecting the deposits and forward to the Finance Assistant along with the yellow receipts, a copy of the bank deposit slip, and/or Yardi receipts for rent.

The Finance Assistant keeps an accounting of the money received and records an entry to Accounts Payable for Client Savings. Rent is already recorded in Yardi.

A reconciliation for each client savings account is prepared monthly by the Finance Assistant and distributed to the Men's Campus Administrator and Men's Campus Supervisor.

Family Campus

The Family Campus Administrator (in the presence of another staff person) receives money from the Clients for rent and/or the Client's saving account. Receipts of money are recorded in a tri-color receipt book, which is issued by the finance department. The amount received and whether it is for rent or Client's Savings account is recorded on the receipt. A white copy of the receipt goes to the client, the yellow copy is attached to the cash log and the pink copy remains in the book. Rent is also recorded in the Yardi Property Management Software.

The Cash Log is maintained by the Family Campus Administrator who records the Date of receipt, receipt number, deposit (name and amount) and totals for the day. The Campus Director confirms the receipt book totals with the Cash log.

Money received from clients is kept in a safe until a deposit is made. The Campus Director and Administrator are the only staff with access to the safe. Deposits are made three to four times a month by the Campus Director or the Campus Driver.

A copy of the Cash Log, yellow receipt and deposit receipt is sent to the Finance Assistant after every deposit.

The Finance Assistant keeps an accounting of the money received and records an entry to Accounts Payable for Client Savings. Rent is already recorded in Yardi.

A reconciliation for each client savings account is prepared monthly by the Finance Assistant and distributed to the Family Campus Administrator and Director of Housing.

Thrift Stores

The Thrift Stores have \$125.00 in each register every morning. Cash and Credit Cards are accepted from customers for purchases made in the Thrift Stores. The register is run on OS Software. A receipt is issued to each customer for purchases from the Thrift Store. At the end of the day a cash count of the register is made by the Thrift Store Manager and the Thrift Store Assistant and is reconciled to the total on the Sales Report from the OS Software program.

All money received for the day is put into an envelope and the envelope is put into a drop safe located in the Thrift Store. The Thrift Store Manager, Director of Social Enterprises and the Chief Operating Officer are the only people that know the combination to the safe.

Deposits are made to the bank twice per week, generally on Tuesdays and Fridays.

The bank deposit and credit card receipts are attached to the daily closing reports produced by the register software OS and forwarded to the Finance Assistant who reconciles the credit card statements and makes an entry to the Thrift Store Revenue Account.

Cash Disbursements Procedures

Administrative Office

1. Incoming invoices are date stamped by the Mail Designee and delivered to the Program Coordinators for his/her approval.
2. The Accounts Payable Assistant is responsible for the preparation of disbursements. All disbursements are to be made by check unless requested by other means (ACH, wire transfer, credit card, or petty cash).
3. A check request voucher should then be completed by the department head/director. The voucher should include the account codes to which the expense will be applied. Cost allocations are made per square foot, by staff headcount, and/or by program as a percentage of budget as deemed appropriate per grant and the nature of the expense.
4. The resulting checks will be signed by the following: Chief Executive Officer up to \$10,000, Chief Financial Officer and Chief Human Resources Officer up to \$5,000. Any check in the amount of \$5,000 or more will require a second signature. The second signature may be the Chief Executive Officer, up to \$10,000, or The Chair, Vice Chair, Treasurer, Secretary, and Past Chair of the Board of Directors.
7. Checks are reviewed by the Accounts Payable Assistant and then passed onto the Controller for final approval prior to the Chief Executive Officer, Chief Human Resources Officer or Chief Financial Officer signing the checks.
8. After the checks have been signed, they will be given back to the Accounts Payable Assistant along with any corresponding invoices to be scanned into the Scanned Checks Folder and mailed out. Signed checks that have not been mailed or distributed will be put under lock and key at the end of each day. Copies may be made of checks in order to mail out so that scanning may take place at a later date.
9. The Accounts Payable Assistant will utilize the paid invoice files to respond to any discrepancies which arise with vendors or other payees.
10. Prior to making any online payments a Check Request form or invoice must be filled out by the Accounts Payable Assistant and then approved by the Controller and a check signer.

Men's Campus

1. When a Client makes a request for money from his savings account to a Case Manager, the Case Manager will confirm with the Campus Administrator that it is appropriate to write a check for the Client.
2. The Campus Administrator will contact the Finance Assistant to verify that the Client has the available funds in his account to cover the request.
3. When the Finance Assistant verifies that funds are available, the Campus Administrator will write a check to the Client. The maximum amount of any check

written at the Men's Campus is \$500.00. A request for all checks in excess of \$500.00 is made to the Accounts Payable Assistant.

4. The Campus Director and the Campus Administrator will sign the check.
5. A Copy of the check is sent to the Accounts Payable Assistant that will make an entry to decrease the savings amount.
6. A copy of the check is made for the Case Manager.

Family Campus

1. When a Client makes a request for money from his savings account to a Case Manager, the Case Manager will confirm with the Campus Administrator that it is appropriate to write a check for the Client.
2. The Campus Administrator will contact the Finance Assistant to verify that the Client has the available funds in his account to cover the request.
3. When the Finance Assistant verifies that funds are available, the Campus Administrator will write a check to the Client. The maximum amount of any check written at the Family Campus is \$500.00. A request for all checks in excess of \$500.00 is made to the Accounts Payable Assistant.
4. The check is signed by the Campus Director and one of three other people (the Campus Administrator or one of two Case Managers).
5. The Client and the Case Manager sign a copy of the check and is kept in the Client's case files. Another copy is kept in the Family Campus office and a copy is sent to the Finance Assistant to make an entry to decrease the savings amount.
6. The Campus Director confirms the Client's account balances with the Finance Assistant with an Excel spreadsheet that is used to reconcile the Client's remaining balance.

Reconciliations

Bank Reconciliations:

1. Bank statements are received by the Chief Executive Officer from the Mail Designee. The receiving party should review the contents for inconsistent check numbers, signatures, cash balances and payees and endorsements at a minimum. After this cursory review is conducted, the official should initial and date the bottom, right hand corner of the first page of each bank statement reviewed. The reviewed bank statements are then forwarded to the Controller (an individual without check signing rights) to reconcile the bank accounts.
2. The Controller reconciles each account promptly upon receipt of the bank statements.
3. When reconciling the bank accounts, the following items are included in the procedures:
 - a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
 - b. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
 - c. An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - d. A comparison of wire transfers dates received with dates sent.
 - e. A comparison of canceled checks with the disbursement journal as to check number, payee and amount.
 - f. An accounting for the sequence of checks both from month to month and within a month.
 - g. An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
 - h. A review and proper mutilation of void check.
 - i. Investigate and write off checks which have been outstanding for more than six months.
4. Completed bank reconciliations are initialed and dated by the Controller and provided to the Chief Financial Officer and Chief Executive Officer who reviews, initials and dates the reconciliations.
5. The Controller prepares any general ledger adjustments.

Reconciliations of Other General Ledger Accounts:

1. Each month the Chief Financial Officer and Controller review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable,

accounts payable and deferred revenue. The Chief Financial Officer and Controller review the bank reconciliations, schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet.

2. Assets - These accounts include cash, petty cash, prepaid, property, equipment and fixtures, security deposits, and intangible assets.
 - a. Cash - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
 - b. Petty Cash - The current amount equals \$1,325.00 (for all petty cash accounts throughout the agency). The breakdown for each petty cash fund is as follows: Administration (\$400.00), Men's Campus (\$250.00), Family Campus (\$250.00), Halle place (\$150.00), and Thrift Store (\$275.00). Additional petty cash will also include \$125 per Thrift Store register as well as cash advanced to employees via the ADP Aline cards, to be issued upon approval by the Chief Executive Officer and maintained by the Chief Financial Officer.
 - c. Prepaid - The amounts in these accounts should equal advance payments paid to vendors at the end of the accounting period.
 - d. Property, Equipment & Fixtures - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.
 - e. Security Deposits - The balance in this account should equal amounts paid in escrow to landlords and lessors and should not change frequently, but should be updated as applicable.
3. Liabilities - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgages payable, and amounts due to others.
 - a. Accounts Payable - The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.
 - b. Payroll Tax Liabilities - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period that has not been remitted to the government authorities.
 - c. Due to Others - If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.
4. Income/Expenses - These accounts are described as income from membership, contributions, grants, contracts, publications, and other expense line items such as salaries, consulting fees, etc.
 - a. Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.
 - b. Gross Salary Accounts - The balances in the gross salary accounts should be

added together and reconciled with the amounts reported on quarterly payroll returns.

- c. Consulting - The amounts charged should be reconciled to the contracts.

Petty Cash Fund

1. The current amount equals \$1,325.00 (for all petty cash accounts throughout the agency). The breakdown for each petty cash fund is as follows: Administration (\$400.00), Men's Campus (\$250.00), Family Campus (\$250.00), Halle place (\$150.00), and Thrift Store (\$275.00). Additional petty cash will also include \$125 per Thrift Store register as well as cash advanced to employees via the ADP Aline cards, to be issued upon approval by the Chief Executive Officer and maintained by the Chief Financial.
2. The Finance Assistant is the custodian of the petty cash fund for the Administrative Office
3. A single disbursement from petty cash shall never exceed \$100.00 without approval of the Chief Financial Officer or Chief Executive Officer.
4. The petty cash fund shall be operated on an impress basis. This means that when it is time to replenish the petty cash fund, the Finance Assistant will total out the expenses made and identify those expenses by general ledger account number. When the check request is submitted for payment it should indicate the total amount needed to bring the fund back up to its stated balance. In addition, the check request should break down the various expense accounts being charged and the amount charged to each.
5. When a request for petty cash reimbursement is made to the Accounts Payable Assistant, the item is listed on the Petty Cash Fund Reconciliation Sheet. A description of the item charged is recorded together with the amount. A vendor receipt must be received by the Accounts Payable Assistant for the amount of the request in order for the request to be approved.
6. The recipient of the petty cash funds must sign the sheet to indicate receipt of the funds. The paid receipt should be attached to the sheet. All paid information should remain in the locked petty cash box until it is time to replenish the fund. At that time, the Petty Cash Fund Reconciliation Sheet and associated receipts are attached to the check request voucher.
7. The petty cash box is to be locked at all times when the Finance Assistant is not disbursing or replenishing the fund. The locked petty cash box is to be kept in the locked file cabinets within the finance office.
8. At least once annually, the Chief Financial Officer, Controller, or designee should conduct a review of the fund. When this is done, he/she should count the total monies on hand and the total amount of receipts in the petty cash box while the Custodian of the individual Petty Cash fund is in attendance, the two amounts should equal exactly the stated balance of the petty cash fund. Any discrepancies should be discussed and resolved immediately.
9. It is a policy of The Lord's Place not to cash checks of any kind through the petty cash fund.

10. The Campus Administrator is the Custodian for the Men's Campus Petty Cash fund and keeps the Petty Cash fund locked in a safe. All money that is utilized for Client incidentals out of the Petty Cash fund is documented. The Campus Administrator reconciles the fund and a request for reimbursement is made to the Accounts Payable Assistant. The Assistant reviews the reconciliation and issues a check for reimbursement to the Petty Cash fund.
11. The Campus Administrator is the Custodian for the Family Campus Petty Cash fund and keeps the Petty Cash fund locked in a safe. All money that is utilized for Client incidentals out of the Petty Cash fund is documented. The Campus Administrator reconciles the fund and a request for reimbursement is made to the Accounts Payable Assistant. The Assistant reviews the reconciliation and issues a check for reimbursement to the Petty Cash fund.
12. The Director of Women's Services is the Custodian for the Halle Place Petty Cash fund and keeps the Petty Cash fund locked in a safe. All money that is utilized for Client incidentals out of the Petty Cash fund is documented. The Director of Women's Services reconciles the fund and a request for reimbursement is made to the Accounts Payable Assistant. The Assistant reviews the reconciliation and issues a check for reimbursement to the Petty Cash fund.
13. The Thrift Store Manager is the Custodian for the Thrift Store Petty Cash fund and keeps the Petty Cash fund locked in a box in her locked office. The money is to make change for the Thrift Store register. There is a \$100 limit for in-store expenses. The Campus Administrator reconciles the fund and a request for reimbursement is made to the Accounts Payable Assistant. The Assistant reviews the reconciliation and issues a check for reimbursement to the Petty Cash fund.
14. Petty cash for the residential campuses and the thrift store shall be used to purchase safety award lunches for employees, postage for either letters or boxes for returned items purchased, emergency supplies for residents, and other incidental needs of the facility and or program.
15. Any petty cash disbursement must have a receipt. If no receipt is provided, a missing receipt form must be completed and submitted as backup.

Purchases

To Prompt a Purchase:

1. When the normal cash disbursement procedure of invoice, etc., is not appropriate, (i.e., postage, petty cash, etc.) a payment request should be completed and forwarded with any order form or other documentation to the appropriate supervisor for approval. If the payment request is for payment to the Chief Executive Officer that individual cannot approve the request, it must be approved by a member of the Executive Office for the Board of Directors.
2. Approved check requests should be sent to the Accounts Payable Assistant for payment.
3. In the absence of backup materials, receipts for the purchase must be provided to the Accounts Payable Assistant for attachment to the check request within two weeks from the check date.

Proper Documentation for all Purchases

Every instance of credit card or other purchase use must be documented with travel authorizations, receipts, individuals paid for; nature of business, etc. before the expense will be considered authorized and will be approved for reimbursement. See details below.

- A. Lodging - Provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom lodging was provided.
- B. Meals/Entertainment - Provide a receipt showing separately the cost for food/beverage and gratuities, and including the names of every person for whom food or beverage was provided and the specific business purpose which was furthered by the expenditure.
- C. Other Expenditures - A receipt from the vendor detailing every individual good or service purchased (including class of service for commercial transportation) accompanied by an explanation of the specific business purpose which was furthered by each expenditure

The Accounts Payable Assistant double checks all reimbursement requests against receipts provided.

In the case of the Chief Executive Officer needing a reimbursement for expenses incurred for business related activity, a check cannot be issued without a member of the Executive Committee of the Board of Directors approving the expense reimbursement form.

Purchasing Approval Levels:

The Chief Executive Officer has the authority to approve all purchases. Any member of the Leadership Team has the authority to approve any purchases contained within the The Lord's Place, Inc. Accounting Policies and Procedures

budget and/or covered by funded sources, as well as unfunded purchases up to \$500.00. The Chief Financial Officer or Chief Human Resources Officer may approve unfunded purchases up to \$5,000.00.

Capital Expenditures and Major Expenditures:

For all major expenditures (exceeding \$3,000) such as computers, furniture, audit services, printing services, etc., three competitive prices must be obtained before a purchasing decision is made. If the annual amount will exceed \$3,000, a review of a minimum of three quotes will be conducted. All pricing, including phone quotes, must be recorded and kept on file. Capital Expenditures are approved by the Chief Executive Officer and the Chief Financial Officer.

Consultants:

Contracts with consultants will include rate and schedule of pay, deliverables, time frame, and other information such as work plan, etc. Justification for payment should be submitted to file. Consultant Contracts are approved by the Chief Executive Officer and Chief Financial Officer.

Fixed Asset Management

1. A permanent property log or database is to be maintained by the Controller for all fixed assets purchased by The Lord's Place.
2. The log should contain the following information:
 - a. date of purchase
 - b. description of item purchased
 - c. received by donation or purchased
 - d. cost or fair market value on the date receipt
 - e. donor or funding source, if applicable
 - f. funding source restrictions on use or disposition
 - g. depreciation period
 - h. warranty period
 - i. inventory tag number (all fixed assets should be tagged with a unique identifying number)
3. The Chief Financial Officer should be informed, in writing, via an interoffice memorandum of any material changes in the status of property and equipment. This should include changes in location, sale of, scrapping of and/or obsolescence of items and any purchase or sale of real estate
4. All capital items which have a cost greater than \$3,000.00 will be capitalized and depreciated.

Payroll

Personnel:

1. The Human Resources Generalist is charged with the responsibility of maintaining personnel files on staff persons.
2. Each personnel file should contain the following information, at a minimum.
 - a. Employment application or resume
 - b. A record of background investigation
 - c. Date of employment
 - d. Position, pay rates and changes therein
 - e. Authorization of payroll deductions
 - f. Earnings records for non-active employees
 - g. W-4 Form, withholding authorization
 - h. I-9 Immigration Form
 - I. Termination data, when applicable
3. All personnel records are to be kept locked in a locking file cabinet in the Chief Human Resources Officer office. Access to these files other than by the Human Resources Generalist, Chief Human Resources Officer, Human Resources Assistant, Chief Executive Officer or auditors/grant monitors should be requested in writing to the Chief Executive Officer.

Payroll Preparation and Timekeeping:

1. Timesheets are to be prepared by all staff persons, approved by the Department Heads and submitted Human Resources or Finance bi-weekly. Time should be input into ADP no longer than bi-weekly and can be approved in ADP. If in writing, the time sheet should be completed in ink. Correction fluid should never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.
2. Changes are made to an employee's benefits and/or 401(k) account must be submitted to the Human Resources Generalist in writing. Human Resources Generalist will enter the changes in ADP and submit the supporting paperwork to the Finance Assistant for payroll verification.
3. Staff who require specific reporting for grant purposes must provide a Personnel Activity Report (PAR) to be submitted bi-weekly with their timesheets, to include the program/funding sources.

4. Timesheets and applicable PAR's are to be signed by the staff person and his/her supervisor.
5. All approved timesheets should be submitted to Human Resources or Finance.
6. The Finance Assistant will receive all completed time sheets and review them for any mistakes.
7. The Finance Assistant prepares the payroll using the Payroll Company (ADP). The information reported should include:
 - a. hours worked
 - b. changes in pay rates or employment status
 - c. vacation, sick or personal hours used and earned
8. The Finance Assistant reviews the payroll summary page and register of the payroll service report for inappropriate payees or unusual hours and for accuracy. Prior to processing payroll, the timesheets and summary page are provided to the Controller for approval. Once approved, payroll can be processed. Sealed checks received from ADP are distributed to the employees.
9. Paychecks should be distributed by the Finance Assistant on the designated day (Friday). In the event that a paycheck is picked up by a designated person other than the staff person, a memo should be received in writing from the staff person and proper identification should be requested from the party picking up the pay check.
10. As an employee benefit, The Lord's Place offers direct deposit through the employees' own financial institution and also available by ADP Aline card. Through direct deposit, payroll is deposited as cash into the employee's account or Aline card on payday.
11. The 401(k) provider (Mutual Of America) receives the appropriate retirement information for employee deductions and employer match directly from ADP. The Finance Assistant verifies the amount through the Mutual of America portal for payment processing. Any variances are to be reconciled and approved by the Controller for processing.

Financial Reporting

Monthly Reports:

The Controller should prepare a set of monthly financial reports for distribution to the Chief Executive Officer, Chief Financial Officer and the Finance Committee. The reports should include: a statement of activities for each program; a consolidated statement of financial position; a budget-to-actual report; and a Statement of Cash Flows.

The monthly statements should be reviewed by the Chief Financial Officer/ prior to distribution to the Finance Committee. The monthly statements will be finalized by the conclusion of the month following the statement period.

Year-End Report/Audit:

At fiscal year-end, a year-end Audit report should be prepared summarizing the total income and expense activity for the year. A statement of financial position should be prepared as of June 30th and should be attached to the income and expense report. This report will be initially reviewed by the Chief Executive Officer and Audit Committee prior to distribution at the annual meeting.

Grant Compliance

1. When a new grant is received or renewed, the original is kept in the Director of Grants. Copies of grant requirements are distributed to the appropriate parties (department/program staff, Chief Program Officer, Controller, and Chief Financial Officer).
2. The Grant Billing Specialist sets up the grant budget/billing file to maintain the contract along with any other financial correspondence regarding the grant. The grant is added to the monthly close checklist and the grant budget/billing is kept in the individual Grant Binder/File in the finance department.
3. It is the responsibility of the Chief Financial Officer to review the grant contract and extract any fiscal items which must be complied with by The Lord's Place.

Governmental Generally Accepted Accounting Principles:

1. It is a policy of The Lord's Place to adhere to any restrictions imposed by its funders, both governmental and private. Therefore, The Lord's Place employees are expected to bring to the attention of management, any instances of non-compliance.
2. The Lord's Place will never request federal funds to pay for the following costs:
 - a. Bad debt expense
 - b. Contingencies
 - c. Contributions or donations to others
 - d. Entertainment expenses
 - e. Fines, penalties, late fees
 - f. Interest, fundraising and other financial costs

HUD Grant Processing

1. At the end of each grant month, the Grant Billing Specialist will compile a monthly report of expenditures against each HUD grant.
2. The Grant Billing Specialist compiles the supporting receipts and documentation to support each expenditure that is allocated to each HUD grant. Supporting documentation includes time sheets, calendars, payroll registers, checks, receipts and other supporting documentation as allowed or required under the grant agreement.
3. The Chief Financial Officer will request payment using the HUD e-LOCCS system. The Chief Financial Officer prints the completed Voucher from the e-LOCCS system to sign the voucher and obtain the approval by the Chief Executive Officer for the Voucher records.

Fiscal Policy Statements

1. All cash accounts owned by The Lord's Place will be held in financial institutions which are federally insured and have received a favorable CRA (Community Reinvestment Act) rating.
2. All capital expenditures which exceed \$3,000.00 will be capitalized on the books and records of The Lord's Place.
3. Employee paychecks and/or personal checks will not be cashed through the petty cash fund of The Lord's Place.
4. Salary advances and 401(k) loans will only be made under special circumstances, and must be approved by the Chief Human Resources Officer and the Chief Executive Officer. Loans to Board Members are prohibited.
5. No travel cash advances will be made except under special conditions and preapproved by the Chief Executive Officer. Reimbursements will be paid upon full expense reporting using the official The Lord's Place form within the normal disbursement schedule.
6. Any Gift in Kind item whose value exceeds \$2,500.00, received via donation, will be recorded in the books and records of The Lord's Place.
7. It is the policy of The Lord's Place to reimburse out of pocket expenses only when supporting documentation has been presented for approved costs incurred.
8. It is the policy of The Lord's Place to establish pay rates which equal or surpass the federal minimum wage.
9. All funds received by The Lord's Place for each project will be segregated into separate project accounts in the general ledger to avoid any possibility of commingling project monies with general operating funds. A full computerized ledger accounting system will be maintained.
10. The Chief Executive Officer can sign checks up to \$10,000. The Chief Human Resources Officer and Chief Financial Officer can sign checks up to \$5,000.00 (assuming they did not approve their own respective invoice). A second signatory will be required for any disbursement exceeding \$5,000 which may consist of Chief Executive Officer (up to \$10,000), The Lord's Place Board Chair, Vice Chair, Secretary, Treasurer, or Vice Chair.
11. Bank statements will be reconciled monthly in order to account for any outstanding or lost checks.
12. Expense reports will be maintained which will disclose the nature of expenses, and the dates incurred.
13. Separate files will be maintained for each bank account, filed by check number. Files will be kept separately for each fiscal year.
14. The services of a Certified Public Accountant will be engaged to prepare a formal financial audit of The Lord's Place year-end.

The Lord's Place, Inc. Accounting Policies and Procedures

Agency Issued Credit/Debit Card Policy

It is the policy of The Lord's Place to issue credit cards to certain employees depending on the position held and based on need, and must be approved by the Chief Executive Officer.

Each employee who is issued a credit card by The Lord's Place will sign an Acknowledgement of Receipt and will abide by the following responsibilities:

- Use the agency credit card for business-related expenses only. Personal expenses are not to be charged to the card.
- Follow-up with the credit card company to resolve any disputed charges.
- Report a stolen or lost card to the credit card company and to Human Resources immediately upon discovery.
- Timely submit a monthly expense report for reconciliation of the agency credit card, with accompanying receipts and supervisor approval, to the Finance Department.
- Return the agency credit card to the Chief Human Resources Officer as part of his/her exit interview when leaving the agency or when specifically asked to do so.

In the event that a credit card is accidentally used for personal use, circumstances surrounding this type of use will be considered. In certain circumstances, disciplinary action may be taken. In every situation, the employee must pay the agency for personal charges, either all at one time or via payroll deduction.

The Lord's Place prohibits the use of agency-issued debit cards.

Disclosure Policy

It is the policy of The Lord's Place to acknowledge and disclose any pending or threatened lawsuits, claims, or assessments which may have an impact on the organization's finances and/or operative effectiveness to the Board of Directors and to the Independent Auditor.

Document Retention and Destruction Policy

The Lord's Place complies with the Sarbanes-Oxley Act by addressing the destruction of business records and documents such that intentional document destruction must be monitored.

The following table provides the minimum requirements.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Client Files	7 years
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Annual Meeting Checklist

During each annual meeting, the following procedures will be performed.

1. The Board of Directors shall approve new signers to each bank account.
2. The Board of Directors shall approve any new and necessary bank accounts.
3. As required, new signers shall complete the appropriate signature card and corporate resolutions.
4. Name, address and telephone directory of new Board of Director's officers will be obtained for the Chief Financial Officer.
5. A review of the current operating procedures should be made with the chairperson and treasurer and reaffirmed or revised.
6. All financial institutions should be notified of any changes to the authorized signers of the accounts within five (5) business days following the annual meeting.

Computer System Backup Procedures

1. A daily backup is executed every morning at approximately 1am using a contracted Information Systems vendor, KB Technologies.
2. Backups are maintained by the Information Systems vendor for 30 days.