

Ozark Action, Inc. Financial Procedures



Reviewed and Revised: **5/25/2021 OAI Board; PC 5/26/2021**
Effective: **July 1, 2021**

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Ozark Action, Inc.

Financial Procedures

These procedures have been created using the program guidelines that provide the strictest and best quality internal controls from each of the different funding sources within OAI.

I. KEY TO PERSONNEL REFERRED TO IN FINANCIAL PROCEDURES

Executive Director	Housing Division Director
Fiscal Director	Head Start Director
Corporate Services Director	Fiscal Technician (2)
Equal Opportunity Officer	Receptionist (3)
Community Services Director	Support Services Assistant
Fiscal & Safety Assistant	
Services and Safety Assistant	

II. Financial Management

Ozark Action, Inc. is a not-for-profit organization and its accounting system follows generally accepted accounting principles (GAAP) as set forth by the Financial Accounting Standards Board unless superseded by program regulations. Its subcontractors are required to follow the same practices.

Ozark Action, Inc. books of accounts are maintained on a modified accrual basis. All assets, liabilities, fund balances, and expenditures are posted and maintained in the computerized accounting system. Separate detailed accounts are maintained for each contract. Monthly trial balances are prepared, dated, and reviewed by fiscal staff for each account before contract reports are sent to the appropriate funding source.

It will be a requirement of any sub-contracts let that sub-recipients have financial administrative controls equally as stringent as those outlined here. These controls will be verified by reviews by program monitors and audits.

The financial report will be presented to the board each board meeting on the budgets, expenditures, and new grants or changes to the budget that has occurred since the previous meeting. Each year, a new budget will be presented to the board for approval. The new budget will be based on grants or dollars known at that time and will change as new grants or contract modifications are made during the year. This submission and approval of the budget(s) will be noted in the board meeting minutes.

A. Allowable/Disallowable Costs

OAI will conform to the standards established in the allowable and unallowable costs as defined in the OMB Circulars/Super Circular. Cost allocation will be based on the benefit derived to each program in accordance with OMB Circulars/Super Circular.

Allowable Program costs must meet the following general criteria:

1. Be necessary and reasonable for the proper and efficient administration of the program, be allocable to the program and, except as provided herein, not be a general expense required to carry out the overall responsibilities of the Governor or a governmental sub-recipient. Costs charged to the program shall be accorded consistent treatment through application of generally accepted accounting principles appropriate to the program.
2. Be authorized and/or not prohibited under State or local laws and regulations.
3. Conform to any limitations or exclusions set forth in these principles, federal laws or other governing limitations as to types or amounts of cost items.
4. Be consistent with policies, regulations and procedures that apply uniformly to both federally assisted and other activities of the agency.

5. Not included as a cost of any other federally financed program in either the current or a prior period.
6. Applicable credits such as rebates, discounts, refunds and overpayment adjustment, as well as interest earned on any of these, shall be credited as a reduction of costs if received during the same funding period that the cost was initially charged. Credits received after the funding period shall be treated as program income.

B. Internal Controls

Staff given access to the accounting software is required to use a password. The system requires that password to be changed every 90 days.

Fiscal Department personnel consist of:

1. Fiscal Director
2. Fiscal Technician (2)

Corporate Services Department personnel consist of:

1. Corporate Services Director
2. Services & Safety Assistant (2)
3. Receptionist (3)

Fiscal & Corporate staff will be cross train to cover for other staff members, if necessary.

Payroll process is explained in detail in cash disbursement section of procedures. Ozark Action, Inc. never makes cash payrolls. All blank payroll and accounts payable checks are kept in locking file cabinets.

The OAI Fiscal Department uses blank check stock that is consecutively numbered by the computer. Checks are not signed in advance. Checks that are printed by the computer have the amounts written in by the computer and a non-negotiable copy is kept on file. All checks require two hand-written signatures. Persons authorized to sign checks receive supporting documentation together with checks to be signed. Checks are printed with a "VOID after 60 days" limit.

C. Voided or Stop Pay Checks

If a check is lost or stolen the payee will sign a standard consent form. This form will also indicate if the original check is cashed. **Criminal proceedings may be initiated by the payee.** See copy of attached form within this section.

1. Voided Checks: Checks that are voided are marked VOID across the face of the check and the signature portion cut out. Voided checks are filed with reconciled bank statements. Pay registers, timesheets, or invoices, are pulled and the check copy marked VOID and the new check copy attached if check is replaced.
2. Stop payments: Stop payments on checks are not issued until the check is at least two (2) weeks old from date of issuance for accounts payable and payroll. Fiscal staff will check online banking to see if check has cleared the bank. If check has not cleared, payment is stopped. A new check is issued the next business day. A stop payment letter is faxed to the bank and signed by the Fiscal Director appropriate authorized staff authorizing stop payment. Information included in stop payment letter includes account number and name, check number, date check was written, payee and amount of check. Notation of stop payment is made in the cash journal, payroll register, timesheet, or invoice; and the fiscal staff person will then attach the notation to a replacement check copy. A copy of stop payment letters is retained and filed by the fiscal staff.

D. Bank Accounts

All receipts are deposited in the bank with FDIC coverage and the bank collaterally secures cash balances exceeding FDIC coverage. The Fiscal Director will contact the bank quarterly to request an up-to-date listing of pledged securities if it has not been received. Pledged securities list is kept on file by the Fiscal Director. All bank accounts will be interest bearing.

The bank reconciliations are done monthly by Fiscal Staff and approved by Executive Director. The process for bank reconciliation is discussed in the cash disbursement section.

1. Separation of Duties: The fiscal staff and corporate services staff are assigned specific steps of the deposit, check writing, cash record and reconciliation process to insure 4 different individuals are involved in each account. See chart on Page 22.
2. The Board of Directors of Ozark Action, Inc. approves staff as authorized check signers. Upon their approval, signature cards are obtained from the bank, signed and returned to the bank. Fiscal Director retains a Copy of signature cards. Authorized check signers are updated annually and listed at the end of these procedures.

E. Bonding/Crime Coverage

Ozark Action, Inc. has bonding coverage of \$1,000,000 covering the directors and officers of the agency and a crime policy covering all other agency employees. The following people are involved either in cash receipts and deposits, mail, check signers, senior staff or preparation of and issuance of checks (there could be changes to the list throughout the year to meet staffing needs or to be in compliance):

Executive Director	Services & Safety Assistant (2)
Fiscal Director	Head Start Secretary
Corporate Services Director	Parent Involvement/Vol. Coordinator
Equal Opportunity Officer	Staff Resources Coordinator
Housing Division Director	Community Services Representative II
Head Start Director	Housing Division Coordinator
Receptionist (3)	Community Services Representative (13)
Fiscal Technician (2)	

F. Personal Loans

The writing of checks or cash payments made from program, corporate or petty cash funds to an OAI employee or enrollee for personal use is strictly prohibited. Any fiscal department staff receiving a request will immediately report request to Executive Director.

G. Cash Management

Cash for each program is requested separately according to the funding source guidelines. If excess cash exists, adjustments are made to the Cash Requests or funds repaid to funding source.

1. Workforce, CSBG, LISC, MHTF and Weatherization: Funds are requested on a reimbursement basis monthly (or as needed).
2. Head Start: Funds are ordered on-line only after the total amount of checks to be printed is determined. Funds are refunded if not disbursed within 24 hours.
3. HUD (Section 8): Funds are received in advance and the amount is determined by HUD.
4. Shelter Plus: Funds are received in advance based on prior month's expenditures.
5. LIHEAP: Funds are received in advance as specified in the contract.
6. Rentals: Funds are received as rent during the month at OAI Central office. NO funds from cash management will be given to the rentals to cover bills during the month without Executive Director approval.

H. Cash Receipts Process

1. The Corporate Services Department will receive all checks for the agency and will do the following:
 - a. Locate the check log summary folder which will be kept in the Corporate Services Directors office. Determine which log receipt summary sheet the item should be reported on. The summary sheets are account specific.
 - b. Record the date check was received.
 - c. Initial of person logging check.
 - d. Source of funds.
 - e. Program that the check or cash is designed to be deposited into.
 - f. Note either cash, check or money order (write down the check or money order on log).
 - g. Amount of check.

Once the above information is completed on the cash receipts summary log sheets, the Corporate Services Department forwards the entire folder to the Fiscal Department. The Fiscal Department staff person receiving the folder will review the log summary sheets comparing the cash, checks, money orders and any supporting documentation in the folder. If items are correct, the Fiscal staff receiving the check will initial and date the summary log sheet and return the folder to the Corporate Services Department. If any inaccuracies are found both departments will review, correct and initial.

Fiscal staff will stamp each check "FOR DEPOSIT ONLY" using a rubber stamp and write the bank account number on the back of each check under FOR DEPOSIT ONLY. Staff will then prepare deposit slips and put in a bank bag. The Fiscal staff will then notify the Corporate Services Department that the deposits are ready to be taken to the bank. Upon return from the bank, the deposit bag will be returned to the appropriate fiscal staff.

After the Fiscal Staff have made data entries, a batch report number is entered on Debit/Credit Form and a date entered into the appropriate cash journal page.

The date checks are deposited will be written on a debit/credit form by fiscal staff. The debit/credit form is completed, posted and filed by the fiscal staff.

The Corporate Services Department will keep the Cash Receipts Summary Log to record future checks. The cash receipts summary log will be compared to bank statement during bank reconciliation by the person doing this monthly process.

I. Direct Grant Receipts/Deposits

Fiscal staff will compare automatic deposits with cash request submitted to funding source to determine if correct amount has been received. If there are any discrepancies, the Fiscal Director will contact the funding source.

J. Travel

1. **Single Day Travel:** All employees will log in beginning and ending odometer readings from their worksite on their travel sheets giving destination. Mileage to and from residence will not be paid by the agency. Both the employee and supervisor sign the travel sheet after being checked for accuracy. It is then delivered to the Fiscal Department for cost distribution. The mileage reimbursement form is completed and submitted for payment at the end of each month. In the absence of the odometer reading, Fiscal Staff will determine the normal mileage between points of travel from Missouri state map, computer map or past travel records.

Board and Council members will be paid mileage from their homes to where agency business is necessary. Board and Council members will complete a travel voucher form.

Travel voucher form contains the date, place, and total miles driven (round trip) to the meeting. Member signs and puts address on form. Corporate Services Director approves Ozark Action Board, and the Head Start Director will approve Policy Council payment and forwards travel vouchers to appropriate staff for cost distribution and processing.

2. **Overnight Travel:** All employees of Ozark Action, Inc. who are required to travel on overnight trips must obtain prior permission. The immediate supervisor must sign an Overnight Travel Form, with seminar verification or agenda attached. The Executive Director must then sign this form prior to travel. When all signatures are received, the employee is authorized to travel and/or receive a travel advance. Travel advances are only permitted if in excess of \$30.00. Original signatures are required from the employee traveling before payment will be made for an advance or any payment made upon return.

The Executive Director and designated Program Directors will approve all overnight travel submitted by staff requesting advances to the Fiscal Department for processing. The Executive Director, Program Director, or Fiscal Director will indicate which fund will be charged.

Upon return, employee completes Overnight Travel form and attaches motel receipt. Fiscal Staff will then figure the amount due, if any. When employees owe money to the agency due to an overnight travel or cancellation of training when an advance was provided to the employee, the employee has two weeks from the date of return/cancellation to refund dollars owed back to the agency. If the employee has not refunded the agency within this timeframe, the employee, department director, and executive director will be notified by email and the amount due will be deducted from the employee's next payroll check.

Any amount due to an employee will be paid in the next cycle of bills by the fiscal staff for the program that is being charged. If the advance exceeds the amount due, the difference will be paid by the employee (within two weeks of travel) and deposited into the fund originally paid from. Prior to any advance or refund, the Fiscal Director will verify the calculation of figures for accuracy. The Overnight Travel Form is filed under the employee's name in the vendor file by fiscal staff.

3. **Reimbursement -** All employees will be reimbursed for official authorized travel as follows:
 - a. The actual cost of lodging, including tax, if paid by the traveler, will be reimbursed and a receipt for such lodging must be provided.
 - b. A \$50.00 per diem will be paid to the traveler for meals and miscellaneous expenses (\$61.00 per diem for St. Louis, Kansas City and cities outside the State of Missouri). A day is defined as twenty-four hours, 12:00 Midnight to 12:00 Midnight and is divided into four quarters: 12:00 Midnight to 6:00 a.m.; 6:00 a.m. to 12:00 noon; 12:00 Noon to 6:00 p.m.; and 6:00 p.m. to 12:00 Midnight. Payment will be \$12.50 (\$15.25) per quarter and if the time of departure is more than 30 minutes prior to the end of a quarter day or time of return is more than 30 minutes after the beginning of a quarter day, payment will be made as for a quarter day.
 - c. **Meals -** As described above, per diem will cover expenses incurred for meals. However, if meals are to be included in the cost of seminar or training registrations, a copy of the registration form explaining what meals are provided must be attached to the appropriate travel voucher (Single Day Travel Reimbursement Form or Over-night Travel Form). Credit for meals will be given at the following rates: Breakfast \$13.00 (\$16.00); lunch \$14.00 (\$17.00); and dinner \$23.00 (\$28.00). Expenses on single-day travel, such as meals, may be approved by

the supervisor if a meal is not provided during a meeting or during an out of town work related meeting or event.

- d. Transportation Costs - Receipts are required for commercial fare, taxicab fare, auto rentals, parking, etc. Transportation costs that are not work related, i.e., shopping, travel to restaurant, etc. are not reimbursable. Other miscellaneous costs without receipts will be considered on a case-by-case basis. The Department Director and the Executive Director must approve these costs. (Tips for luggage handling where you don't have a choice; metro expenses, etc.)
- e. Mileage Reimbursement - When an employee is required to use their own automobile, in-area and out-of-area mileage will be reimbursed at \$0.45 cents per mile. Actual odometer readings from home or work site (whichever is shorter) will be required. Traveler's signature on Travel forms certifies that logs were by a licensed driver in an insured vehicle.

K. Staff Payroll

Allocation of staff payroll is as follows: staff responsible for program activities is charged as a direct cost to the appropriate programs based upon the actual hours worked in each program. Wages to supervisory staff of these employees will be based on the allocations submitted by employees during each payroll period and will be calculated at the average percent per program area during that payroll period.

1. Whenever new employees are hired, or employees transfer between programs, the Corporate Services Department completes the employee data sheet and enters the information into the computer system used for HR and Finance departments.
2. Payroll is processed bi-weekly unless required to be weekly by Davis-Bacon. Employee Web Services (EWS) time entry electronic submission deadline is Friday morning (unless Friday is a holiday). Supervisors must approve and submit employees EWS time entries for the current pay period by 5:00 p.m. on Friday. Time entries not submitted and approved by this deadline will be paid the next pay cycle.
3. Employees are required to complete their own time entry/leave entry in EWS by entering hours worked, selecting cost centers for those hours worked, annual, personal, and sick leave used into EWS. Each employee has a secured login for EWS to enter their time worked, leave requested, leave balances, review payroll vouchers, mileage reimbursements, and W2s. Each user ID is specific to the employee and employees can change their password at any time to ensure security. Note: Cost centers have been setup in the system for each contract so that cost distributions are based on how the employee actually spends their work time.
4. Employees submit time entry/leave entry into EWS to their supervisor at the end of the pay period in EWS. The employee supervisor or the manager will be required to review the information entered and approve or return the time/leave entries for correct time and leave entry; cost center hours charged and ensure all adjustments are correct before final approval. If the time entry information is returned, the employee will be required to log into EWS to review the entries, make corrections and resubmit to the supervisor or manager for review and approval.
5. Supervisor or Manager will approve time/leave entries in EWS. Once there are no errors and all approvals have been completed, the Corporate Services Department will review web time/leave entries that are submitted into the HR system from the EWS. Updates are made to the employee benefits, leave, and HR information. HR/Corporate Services Department will then upload the time entries into payroll.
6. The CSD/HR and Finance Department will review the information uploaded in the payroll system. Time/leave entries and garnishments will then be calculated by the computer system to determine net pay. At this point, calculations will be reviewed and/or modified and pay deposits will be produced and completed.

7. The fiscal staff completes the process of producing and printing payroll vouchers or checks. All employees will be paid by EFT (Electronic Funds Transfer) unless it is a one-time pay situation. All enrollees will be paid by check.
8. Fiscal staff will create a payroll check acknowledgement page(s) for check distribution.
9. Fiscal staff will then run an Account Detail (ACDT) report and trial balance to compare totals with the payroll register to charge each program for their allocated share of payroll.
10. For staff not receiving a payroll voucher, checks will be mailed to their home addresses or supervisors may pick up checks in the Fiscal Department and sign a Payroll Check Acknowledgement Form for checks received. Upon returning to the program department, the supervisor will have staff sign a copy of Payroll Check Acknowledgement Form for receipt of their check. This form copy will be retained by the program department. All staff are required to have their checks direct deposited (electronically deposited) to their personal account by completing a direct deposit form and forwarding to the Corporate Services Department. The Corporate Services Department will then complete a data for this payroll change. Any changes will need to be submitted in EWS for Corporate Services to review, approve and change. Copies of checks/direct deposits will be available for each employee in EWS.
11. The EWS, HR and Financial System provide a digital trail for audit purposes for the process outlined above. The actual submission and approval of the timesheets will be recognized as a digital signature. Hard copy timesheets with signatures from employees are no longer required beginning 7/1/2021.
12. Program Directors must submit written request for any anticipated overtime to the Executive Director for prior authorization. If overtime occurs the Executive Director must approve payment and authorize the HR and Fiscal Department to proceed with payment.

NOTE: Enrollee payroll will follow the same basic procedures. The only difference is that with cross-training, the Corporate Services Department or Fiscal Department can process and cut enrollee checks. Enrollees are not eligible for sick leave, personal leave, annual leave, tax sheltered retirement or direct deposit. Enrollee data sheets are completed by case manager and turned in to fiscal by noon Thursday of pay period. Enrollee timesheets are due in payroll by Wednesday at 10:00 a.m. following the end of that pay period.

L. Procedure for Reconciling Bank Statements

The Corporate Services Department will sort the bank statements when they are received in the mail and will forward all statements to the Fiscal Director. The Fiscal Director or Fiscal staff will log into the bank and print bank statements for bank reconciliation.

The Fiscal Staff will record the date of receipt of the bank statement on the bank reconciliation form. The information that is contained on the bank reconciliation form includes the account name and number, month, date received, name of person reconciling statement, and date reconciled.

The Fiscal Staff will open or print bank statements for each program account as assigned. The bank statement reconciliation process is computerized.

The Fiscal staff will log into the fiscal system and select checks by number that have cleared the bank according to the bank statement. After all checks have been selected, a reconciled check report is produced listing all checks that were entered. This amount is then verified with the amount calculated from the bank statement. An outstanding check report is run listing checks that have not cleared the bank. Checks are listed by the check number showing the payee; date of check and the amount of the check. A total is also printed at the end of the report. The amounts of the outstanding checks are entered on the bank reconciliation form.

Deposits are then compared to the cash disbursements/receipts journal to determine if all deposits are accounted for or if deposits are entered into the cash disbursements/receipts journal after the bank has closed its accounting period. Interest deposits are posted to the fund earning the interest. Federal interest reporting requirements are followed for each program.

To determine bank balance: Add any outstanding bank deposits to the ending statement balance and subtract total outstanding checks. Compare balance with balance in cash disbursements/ receipts journal. Both balances should agree. If not, repeat the process.

After both balances agree, the cash journal sheet(s), the signed bank reconciliation form and the bank statement are forwarded to the Fiscal Director for approval. If the Fiscal Director completes the bank reconciliation process, the Executive Director will review the reconciliation for approval before they are filed in the Fiscal Director's office in account-specific books.

Any outstanding checks nearing the sixty-day limit for honoring checks are brought to the attention of the Fiscal Director. Fiscal Staff are responsible for notifying payees by letter of any check nearing sixty days old asking them to contact Fiscal Department regarding the status of the check. After notice is sent and no response is received, payment is stopped, and the appropriate fiscal staff will send out a final letter requesting a response before a check can be reissued.

M. Accounts Payable

The Corporate Services Department opens invoices received by mail or hand delivered. Upon receipt of merchandise ordered with a purchase order, the Corporate Services Department staff attaches the invoice to the purchase order and notes on the purchase order the date merchandise was received and initials. The Corporate Services Department staff will then forward invoices to the Fiscal Staff for payment. Invoices having a purchase order attached have already been signed by the Executive Director and/or Department Directors approving purchase. The Executive Director, Department Directors or designated department staff approve invoices received without a purchase order, for payment.

After invoices have been signed and approved for payment, invoices are forwarded to the Fiscal Staff for payment and forwarded to the Fiscal Director for verification of cost distribution. Fiscal Staff prepares an invoice for payment, which contains:

1. Vendor Name
2. Description of Invoice
3. Date of Invoice
4. Gross amount of invoice
5. Then adds the following information:
 - a. Vendor Number
 - b. Special Check Runs (if applicable)
 - c. Cost Distribution Numbers
 - d. Amount to be charged to specified account number
 - e. Total of all amounts charged to specified funds

Vendor numbers are assigned by Fiscal Staff. The Fiscal Staff enters the assigned vendor number, name of the vendor, address, and Federal I.D. number into computer. The Fiscal staff uses this vendor list in the computer to look up vendor numbers in preparing invoices for payment. The check generation process is done, checks are written, and check registers are printed and verified for accuracy. The fiscal staff will then present checks and the debit/credit form to check signers for signatures.

The fiscal staff will stuff checks into envelopes and take to the Corporate Services Department to run through the postage meter and take to the post office prior to 5:00 p.m.

Fiscal Staff will then file the debit/credit form with check register attached, with a Batch Report number noted.

Fiscal staff will then post to the computerized cash journal from Debit and Credit form to track disbursements and cash flow. Fiscal Staff will attach a non-negotiable copy of each check to the invoice and file invoices in the alphabetical vendor file for that program year.

N. General Ledger

Entries to the general ledger for making deposits; accruals; contract amounts; subcontractor transfers; or corrections are made by the fiscal staff through journal entries. A journal entry form is prepared listing the following information:

1. Program Number;
2. Date form filled out and posted;
3. What type of transaction - deposit, correction, etc.
4. Account Number - Obtained from chart of accounts;
5. Amount - amount to be entered into account;
6. Description - description of transaction;
7. Prepared by - person preparing form;
8. Entered by - person entering into computer;
9. **Session** report **ID**;

After journal entries are made for a deposit or contract amount, fiscal staff should immediately post in the cash journal from the information on the Debit and Credit form.

Journal entries will be made by fiscal staff and approved by Fiscal Director. Fiscal Staff making journal entries are limited by security level in accounting software.

O. Expenditure Limitations

Ozark Action, Inc. will adhere to all funding source guidelines, budget changes, and agency policies and procedures, etc. The Fiscal Director will monitor all Program Expense Reports monthly.

Prior to calling the Board Meeting to order, the Chairman (or acting Chairman) will review the travel and mileage sheets, timesheets and other related materials concerning the Executive Director as well as financial information concerning agency transactions. Once reviewed, he will sign and approve the forms submitted. The Board Treasurer will also review the financial information concerning agency transactions. Once reviewed and questions answered, the Treasurer will be signed and approve the information presented.

Purchases for the **rentals** will not be allowed by maintenance or housing staff unless preapproved by either the Housing, Fiscal Director, or Executive Director.

P. Cost Allocation System

Administrative services to programs include, but are not limited to, management supervision, purchasing and procurement, building maintenance, computer support, and accounting, receptionist, and personnel services.

Primary indirect administrative costs also include such non-personnel cost items as office supplies, telephone, postage, building and equipment maintenance and repair, training, travel, insurance, bonding, audit and legal costs. Costs for staffing and non-personnel costs directly attributable to each program are considered as direct costs and charged as such to the program. Indirect costs are those that cannot be directly attributable to the program, but that are necessary for responsible, efficient program implementation.

Indirect expenses are charged to the Administrative Pool. Indirect costs charged to each specific contract are based on the program staff salary and fringe benefits actually expended each pay period using a rate not to exceed the approved indirect cost rate.

Fee for Service is calculated and charged monthly per contract agreements.

Specific methods for internal billing are described as follows.

Q. Rent

Expenses used to calculate price per square foot are depreciation of OAI buildings and equipment, maintenance of buildings and grounds, insurance, utilities, and phone service. These expenses are for a one-year period. Expenses are recalculated at the end of each month.

Each program's direct space is divided by total direct space to determine program's percent of space utilization.

Program space percentage is multiplied by total costs to determine cost per program. Programs are invoiced at the end of the month. If program space changes occur during the year due to programs moving to different locations within the building, rent is recalculated according to new space occupied.

The Fiscal Staff will prepare a rent invoice and submit to the director of each program for review and approval by signature. The director of each program will return the rent invoice to the fiscal staff for payment.

R. Mail Process

The Corporate Services Department will be responsible for sorting and distributing unopened mail to departments. At the end of each workday the Corporate Services Department will process mail through the postage meter and ensure mail is taken to the post office prior to 5:00 p.m. daily.

1. Postage

All mail is processed through the postage meter. Each program account is assigned a postage account code, which is entered into the postage meter by the Corporate Services Department. Postage account codes will be added or deleted due to new programs or termination of programs. This is only done after being approved by the Fiscal Director, the Corporate Services Director and the Executive Director.

Individual program account mailboxes are located in the mailroom. The Corporate Services Department will process mail daily by entering the correct program code into the postage meter prior to processing mail. At the end of the month, the Corporate Services Department will obtain from the postage meter an account list showing the program account code, pieces of mail, and amount of postage for each program account processed. These monthly totals are cleared out of the postage machine and program account totals are zeroed out.

Each month, from this account listing, the Corporate Services Department will prepare a postage invoice and attach the postage tape which is forwarded to Fiscal Technician for invoicing to program directors for approval and payment.

2. Postage Meter Usage

A usage fee for the postage meter has been calculated using depreciation and maintenance contract cost for one year. These costs are recalculated on a yearly basis at the end of each OAI fiscal year (June 30). Total expenses are divided by the number of pieces of mail processed through the meter in a year giving cost per item processed. Each program is charged a usage fee based upon the number of pieces of mail processed monthly. Postage meter usage costs are included on the postage invoice.

3. Requests for Postage Meter Funds

The Corporate Services Department will be responsible for monitoring the balance of postage in the meter periodically. One week prior to needing more postage, the Corporate Services Department will present an invoice requesting a check to purchase postage for the

meter. The invoice will go to the Executive Director for approval. Once approved, the Corporate Services Department will forward the approved invoice to Fiscal Technician for payment of postage out of the OAI Corporate Fund. Fiscal Technician will attach the check to the invoice and obtain two authorized check signatures. The fiscal staff will mail check with the postage deposit stub. The Corporate Services Department will be responsible for drawing down on postage as needed.

S. Telephone, Fax, and Internet Bills

1. Internet charges are split based on the number of seats provided to each department and the service provided. There are no longer “regular telephone services” as the telephone system has been integrated with the internet services. If departments have individual cell phones for staff to use, this will be a direct charge to the program for these services.
2. Fax Charges
Faxes are listed on a separate bill that indicates who received or made the fax call. Fax charges are directly charged to the program making the fax calls if there is a charge.
3. Long Distance Calls
Upon placing a long-distance call, the person placing the call enters a numeric code that has been assigned to them by the Corporate Services Director. Upon receipt of the monthly bills, calls are listed by code number allowing Fiscal Technician to invoice programs according to code numbers. Invoices are approved by the director of each program and returned to Fiscal staff for reimbursement to OAI Corporate Account. Cost distribution is done monthly.

T. Copy Machine and Copy Machine Maintenance

Individual program codes are programmed into the copy machine by the Corporate Services Department when programs are to be added or deleted. The Executive Director must pre-approve these additions or deletions.

Copy maintenance charges are charged in accordance with contracts between OAI and Ricoh Office Products, Inc.

Each month, the Corporate Services Department will obtain an account listing of the program codes and the number of copies made on each program code from each of the machines that require a reading. This information will then be forwarded to the Fiscal Director. The Fiscal Director or Fiscal Technician will then prepare program invoices for the copy machine and copy machine maintenance charges. The Fiscal Director will submit program invoices to the director of each program for approval by signature. Directors return approved invoices to fiscal staff for payment.

Copy machine cost is the expense of supplies plus depreciation, if any. This cost is figured annually and divided by the total copies made. The Fiscal Staff prepares copy machine cost invoice for programs and presents to director of each program for approval. Program Directors return properly signed invoices to fiscal staff for payment from program funds to the OAI Corporate Account.

U. Program Income

Ozark Action, Inc. usually derives no program income from Contracts/Grant funds. Should program income be derived, it will be utilized within the Contracts/Grant guidelines for which it was earned.

V. Stand-In Costs

Ozark Action, Inc. will take strong management precautions to avoid disallowed costs. Should disallowed costs be incurred, these will be required to be paid by the sub-contractor, which incurred them through unrestricted funds. Should OAI itself incur disallowed costs, these will be paid through unrestricted funds.

Stand-in costs will only be used to replace disallowed costs if these costs were:

1. Reported as uncharged program costs under the same title, cost category and in the same year in which the disallowed costs were incurred; and
2. Incurred in compliance with laws, regulations and contractual provisions governing Grants/Contract.

W. Financial Monitoring by Department/Program

During the yearly monitoring, the areas that are specifically reviewed in testing of internal accounting and administrative controls are:

1. **Session** report to books.
2. Reviewing trial balance and bank reconciliations.
3. Reviewing petty cash management, if funded by Program Funds.
4. Computes excess cash (if advance funding given).
5. Assures FDIC/FSLIC coverage and collateral security are adequate.
6. Reviews cash receipts procedures.
7. Reviews purchasing and procurement procedures and inventory records in compliance with OMB Circulars/Super Circular and funding source guidelines.
8. Determines adequacy of bonding.
9. Reviews internal control and separation of duties.
10. Determines if program income exists and is being accounted for and reported in accordance with applicable standards.
11. Reviews payroll and cash disbursements.
12. Reviews accounts payable and cost allocation system.
13. Verifies staffs are following the Guide for Determining Costs Applicable to Grants/contracts Procurement System Guidelines.
14. Reviews all contracts.
15. Regularly examines expenditures by testing transactions against the cost categories and cost limitations specified in the Grants/contracts applicable regulations.
16. Certifies the procurement transactions and documentation for compliance with the Procurement System Guidelines.
17. Determines if stand-in costs exist and are being accounted for and reported in accordance with applicable requirements.

Each of these areas is discussed in detail with the persons directly responsible for performance of the duties in these areas. Written results of monitoring visits are provided Ozark Action (usually within 15 days of the visit) and are reviewed, along with related corrective action plans. The Governing Board will be advised of the Monitoring Outcomes during scheduled Board meetings.

Corrective action is verified by the Monitoring Entity itself; within 30 days of corrective action plan and subsequent monitoring will follow-up on corrective action plans. Each program may send its own monitor at any time by calling ahead to schedule the time required.

X. Fiscal Auditing

Ozark Action, Inc. undergoes an independent single agency wide audit annually, conducted in accordance with the provision of OMB Super Circular. The OMB Super Circular found at 2 CFR 200 replaces prior guidance in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133. Federal Single Audit requirements are now found in Subpart F of OMB Super Circular. Upon receipt of the audit report the Executive Director will forward a copy of the audit and Data Collection Form SF-SAC to Funding Source. Should questioned costs related to Grants/contracts be identified in the report, these will be negotiated with Funding Source by the Executive Director. Should these questioned costs be concluded to be disallowed, these costs will be repaid to the Funding Source, using unrestricted funds held by the Corporation.

Y. Personal Faxes/Copies/Long Distance Charges

Employees of the agency may use the agency equipment on a reimbursement basis as follows:

- For local and toll-free faxes there will be no charge, unless there is a printed confirmation page. If this occurs, there will be a \$.10 charge for this page.
- All outgoing long-distance faxes will be a \$1.00 per page.
- All incoming personal faxes will be \$.10 per page.
- Copies \$.10 per page.
- Long Distance Charges/Collect Calls are not allowed except in an extreme emergency in which the program director must approve that the employee could use the agency long distance. The employee must write down the date, phone number and time of call. The employee must have their director initial approval of this call and this information would be given to the fiscal department. The amount of the charge for this type of call will be based on what the agency was charged for the call.

Employees must immediately log any faxes in the fax room or write down how many pages or copies on the day such event occurred. They must then give this information to the Corporate Services Department along with the amount owed for such occurrence. For long distance charges, the fiscal department staff will notify the employee when the phone bill is received for payment of any personal calls based on the information that was provided concerning the use of the agency long distance service. Once the employee is notified of the amount due it must be paid immediately to the Corporate Services Department who will follow the Cash Receipts Process that was described in Section II. 2. H.

Z. Electronic Funds Transfers (EFTs) Policy

Electronic Funds Transfer (EFT) is the electronic exchange (transfer of money from one bank account to another), either within a single financial institution or across multiple institutions, through computer-based systems. Banking information is collected from the payee on their bank regarding their account; including bank name, account name, account number, routing number, bank contact information and any other information necessary to transmit funds.

The primary goal of this policy is to ensure Electronic Funds Transfers (EFTs) are initiated, executed, and approved in a secure manner with respect to payments via EFT for payments of agency obligations to vendors. Wire transfers and ACH payments are examples of EFTs.

Automated Clearing House (ACH) generally, refers to payments made via direct deposit and should be set up in the vendor master that denotes this payment method. Examples of ACH payments are state and federal taxes payments.

Wire Transfers must be handled directly through the bank with appropriate documentation and staff present to sign for the Wire transfer of funds. The Executive Director must approve all Wire Transfers.

EFT Procedures:

To promote the safety of agency funds in the EFT environment, the following procedures will be adhered to by all agency employees involved in processing payments via EFT:

1. The procedure to initiate an EFT is subject to the same financial policies, procedures and controls that govern disbursement by any other payment mechanism.
2. EFT transactions will not be made without proper authorization (in writing) of affected parties in accordance with federal and state statute and accepted business practices.
3. Authentication of new EFT requests and changes to existing EFTs are required in writing prior to the transaction being input into the computer-based banking system and includes the following steps by Corporate Services or Fiscal Staff:

- **Validate** all new electronic payment instruction requests received even if the request is internal.
- **Contact and verify** the supplier or requester directly by phone to confirm any requests for payment method or payment instruction changes. Do not use the contact information provided on the request to

change payment method or payment instructions; do use contact information known to be genuine such as the contact information in your master supplier file or information collected from the original contract. Have the contact confirm existing payment instructions on file prior to making changes to those instructions (i.e. current bank account and routing number provided in original instructions).

• **Document** the verification process that was followed to validate payment instructions. The person responsible for entering/updating instructions and the person approving new/updated instructions must approve the record of verification. A record of the verification must be maintained in accordance with record retention policies.

4. When ACH payments are approved, they will be set-up in the vendor master database in the financial accounting system by individuals authorized to perform vendor maintenance.

5. Bank balances will be monitored daily for unusual or unexpected transactions by Fiscal Technicians or Finance Director.

6. Reconciliation of banking activity to the general ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.

ELECTRONIC AND ORIGINAL SIGNATURES

As a general rule, electronic signatures, including but not limited to facsimiles, e-mail, photocopies, and pin numbers, will be considered as original signatures.

Original live signatures must be provided whenever required by funding source regulation or Federal, State or local laws.

Separation of Duties

	LOG RECEIPTS	CHECKS	DEPOSITS	RECONCILE
Amy Foster		WX Workforce CORP HUD HDC RENTALS	Prepare deposits and JE for: Workforce PAYROLL HUD CORP HDC OTHER WX HEADSTART RENTALS	Back Up for Bank Statements
Kathy Hickson		Payroll CSBG OTHER HEADSTART		
CORPORATE SERVICE STAFF AND OR FISCAL STAFF: Ruthie Lee or Kelsey Tooley	ALL RECEIPTS Backup-Fiscal Staff: Amy Foster or Lisa Roark	Workforce		
Lisa Roark		Workforce	Backup for posting JE for Dailey deposits: Workforce CSBG PAYROLL HUD CORP HDC OTHER WX HEADSTART RENTALS	ALL BANK STATEMENTS

OZARK ACTION, INC.
710 E. Main St.
WEST PLAINS, MO 65775
PHONE: (417) 256-6147
FAX: (417) 256-0333

LOST OR STOLEN CHECKS

CHECK NUMBER: _____
CHECK AMOUNT: _____
DATE CHECK WRITTEN: _____
PAYEE: _____

THE CHECK REFERENCED ABOVE HAS NOT BEEN CASHED BY THE PAYEE BECAUSE:

_____ IT WAS NEVER RECEIVED
_____ IT WAS LOST BY THE UNDERSIGNED
_____ IT WAS ACCIDENTALLY DESTROYED BY THE UNDERSIGNED

IF I LOCATE THIS CHECK, I WILL RETURN IT TO OZARK ACTION, INC.

**PLEASE REPLACE THIS CHECK WITH THE UNDERSTANDING THAT IF I LOCATE
AND TRY TO CASH THE ORIGINAL CHECK; I WILL BE SUBJECT TO
PROSECUTION.**

PAYEE SIGNATURE

DATE

Please verify your mailing address below:

PHONE NUMBER

DEBIT/CREDIT FORM

DATE: _____

BANK ACCOUNT: _____

FUND#: _____

DEPOSIT AMOUNT: _____

SOURCE: _____

CHECK: _____

DISBURSEMENT AMOUNT: _____

CHECK: _____

POSTED TO COMPUTER

YES _____ NO _____

SESSION # _____
CM _____

WHO GETS WHAT INVOICES?

Invoices should be signed and coded (if applicable) before being given to the following accounting staff for payment:

	Program Director	
Amy Foster	HUD invoices	Housing Director
	WX invoices	Housing Director
	Housing Development invoices	Housing Director
	Rental invoices	Housing Director
	Workforce (Invoices)	Workforce Director
Kathy Hickson	Head Start	Head Start Director
	CSBG	CSBG Director
	ECIP	CSBG Director
	Misc small programs	CSBG Director
	Admin Pool	Executive Director
	Fee for Service	Executive Director/Housing Dir
Ruthie Lee/Sheryl Roberts	Payroll (Timesheets)	All Supervisors
Lisa Roark	Corp invoices	Corp Serv Dir/Executive Dir
	Payroll related invoices	Corp Serv Dir/Executive Dir
	Workforce (Timesheets)	Payroll/Corp Serv Dir/Fiscal Dir

NOTE:

Amy, Kathy, and Lisa are the staff actually paying these invoices. Lisa pays invoices when assisting staff or during their absence.

Head Start invoices are coded before they are brought down to the fiscal department.

If any additional assistance is needed in coding, the fiscal staff will assist.

The fiscal director will be coding Corp invoices and giving them to one of the staff for payment.

DEADLINES

1) PAYROLL

STAFF CHANGES (DATAS)
TO PERSONNEL

3:00 p.m. WEDNESDAY

TIMESHEETS

ALL STAFF TIMESHEETS
(Submitted & Approved In EWS)

5:00 p.m. FRIDAY

Enrollee Timesheets

10:30 A.M. WEDNESDAY

**PLEASE FAX DATA &/OR TIMEHEETS TO MEET DEADLINES - CHECKS
WILL BE RELEASED UPON RECEIPT OF ORIGINALS
TIMESHEETS NOT SUBMITTED AND APPROVED BY THE
DEADLINES ABOVE WILL BE PAID IN THE NEXT PAY CYCLE.**

INVOICE DEADLINES

2) ACCOUNTS PAYABLE

INVOICES TO ACCOUNTING
WX

9:00 A.M. TUESDAY

CORP, HDC (AMERICAN DREAMS,
MTN VIEW & HARTVILLE)

4:30P.M. TUESDAY

Rentals

4:30P.M. THURSDAY

HEAD START

4:30 P.M. TUESDAY

HUD

5:30 P.M. WEDNESDAY

WORKFORCE

10:30 A.M. WEDNESDAY

CSBG/ECIP/ADMIN POOL ETC

Tuesday Release

4:30 P.M. THURSDAY

Thursday Release

4:30 P.M. TUESDAY

WHEN ARE CHECKS RELEASED?

Each department has its own deadline for turning invoices into accounting.

After checks are processed, they will normally be released as follows:

CORP	Mailed or Released	Thursday	3:30 P.M.
Payroll	Released to Supervisor	Thursday	11:30 A.M.
	Mailed/EWS	Thursday	3:30 P.M.
WX	Released or Mailed	Tuesday	3:30 P.M.
HDC (Am Dreams,MV,Hartville)	Released or Mailed	Wednesday	3:30 P.M.
HUD	Released or Mailed	Thursday	3:30 P.M.
Workforce	Released or Mailed	Thursday	3:30 P.M.
Head Start	Released or Mailed	Wednesday	3:30 P.M.
Rentals	Released or Mailed	Monday	3:30 P.M.
CSBG/ECIP/ADMIN	Released or	Tuesday and/or	3:30 P.M.
	Mailed	Thursday	

Miscellaneous Programs will be paid based on the department for which they are in and deadlines will be assigned when programs are established.

Checks to employees working in the Central Office will be released to their department, unless other instructions are stated on the invoice. All other checks will be mailed unless other instructions are stated on the invoice.

If written notice is received before 12:00 noon on Wednesday, a payroll check normally mailed can be held for pickup. Written notice is required to allow a spouse or specified individual to sign for an employee's check.

If some problem arises causing a delay, the department involved will be notified of a new release date and time.

Bank Accounts

ACCT TYPE: CHECKING	AUTHORIZED SIGNERS
<u>PAYROLL</u> <u>GENERAL FUND</u>	LANA STUART CLAUDIA RYAN KARLENE CARSON ANGIE BERRY KAY MEAD LISA VIGDAL VICKY CALLAHAN CINDY COWENS SHEILA SMITH MOLLY THOMPSON JEFF MILLER ANGIE KINDER VIRGINIA BERRY JENNIFER WAKE HEATHER WILLIAMS
<u>WORK CONNECTION</u> <u>CSBG/ECIP</u>	VIRGINIA BERRY LANA STUART CLAUDIA RYAN KARLENE CARSON SHEILA SMITH MOLLY THOMPSON JEFF MILLER ANGIE KINDER HEATHER WILLIAMS
<u>HEAD START</u>	ANGIE BERRY KAY MEAD LISA VIGDAL VICKY CALLAHAN CINDY COWENS JEFF MILLER SHEILA SMITH MOLLY THOMPSON JENNIFER WAKE HEATHER WILLIAMS
<u>HOUSING DEVELOPMENT</u> <u>HOUSING</u> <u>WSA/WX</u> <u>LICKING APARTMENTS</u> <u>WEST PLAINS APARTMENTS</u> <u>AVA APARTMENTS</u> <u>THAYER APARTMENTS</u>	LANA STUART CLAUDIA RYAN KARLENE CARSON ANGIE BERRY KAY MEAD LISA VIGDAL VICKY CALLAHAN CINDY COWENS ANGIE KINDER VIRGINIA BERRY JENNIFER WAKE HEATHER WILLIAMS

CASH MANAGEMENT	**ONLINE TRANSFERS BY: TERRY SANDERS LISA ROARK KATHY HICKSON AMY FOSTER
RESTRICTED ANNUAL LEAVE	TERRY SANDERS LISA ROARK
COKE FUND	TERRY SANDERS RUTHIE LEE LISA ROARK SHERYL ROBERTS
OAI CAT	LANA STUART AMY FOSTER HEATHER WILLIAMS

ONLINE transfers can only be made from one OAI account to another OAI
** account.

revised 4/25/2019
revised 4/14/2020
revised 5/4/2021