



General Policies

Accounting & Financial Policies and Procedures

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GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

The Board of Directors that oversees Central Oklahoma Community Action Agency has a specific purpose that should not be mixed with the purpose of the staff and volunteers.

- Determine the Organization's Mission and Purpose

A statement of mission and purposes should articulate the organizations goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

- Select the Executive Director

Board members must reach consensus on the Executive Directors' job description and undertake a careful search process to find the most qualified individual for the position.

- Support the Executive and Review His or Her Performance

The board should ensure that the Executive Director has the moral and professional support he or she needs to further the goals of the organization.

The Executive Director, in partnership with the entire Board, should decide upon a periodic evaluation of the Executive Directors' performance.

- Ensure Effective Organizational Planning

As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.

- Ensure Adequate Resources

One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the Executive Director and development staff, if any, to raise funds from the community.

- Manage Resources Effectively

The board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.

- Determine and Monitor the Organization's Programs and Services

The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.

- Enhance the Organization's Public Image

An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important Community members, are important elements of a comprehensive public relations strategy.

- Serve as a Court of Appeal

Except in the direst of circumstances, the board must serve as a court of appeal in personnel matters. Solid personnel policies, grievance procedures, and a clear delegation to the Executive Director of hiring and managing employees will reduce the risk of conflict.

- Assess Its Own Performance

By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved. Discussing the results of a self-assessment at a retreat can assist in developing a long-range plan.

(From the National Center for Nonprofit-Boards "Ten Basic Responsibilities of Nonprofit Boards," 1988.)

The Board of Directors members shall be from the Communities we serve; i.e., Cleveland, Lincoln, Logan, Payne, Pottawatomie, and Seminole Counties. These members shall consist of 12 Citizens from the Community, four (4) representing the low-income sector, four (4) from private sector, and four (4) from public service.

The Board is responsible for hiring and periodically evaluating Central Oklahoma Community Action Agency's Executive Director, who shall be responsible for the day-to-day oversight and management of the Agency.

Committee Structure

The Board of Directors shall form committees in order to assist the Board in fulfilling its responsibilities. These committees represent vehicles for parceling out the Board's work to smaller groups, thereby limiting the responsibility for evaluating all of the details of particular issues from the full board's consideration. Standing board-level committees of Central Oklahoma Community Action Agency consist of the following:

1. Executive Committee
2. Finance Committee
3. Personnel Committee
4. Property Committee
5. Program Committee
6. Board Development Committee

Specific guidelines regarding the composition and election of the Board of Directors and committees are described in Central Oklahoma Community Action Agency's by-laws. However, roles of committees with direct responsibilities for the financial affairs of Central Oklahoma Community Action Agency are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Finance Committee Responsibilities

The Finance Committee is responsible for direction and oversight regarding the overall financial management of Central Oklahoma Community Action Agency. Functions of the Finance Committee include:

1. Review and recommendations of Central Oklahoma Community Action Agency annual budget (prepared by the staff) for final approval by the full board
2. Long-term financial planning
3. Establishment of investment policy and monitoring investment performance
4. Evaluation and approval of facility decisions (i.e., leasing, purchasing real estate)
5. Monitoring actual vs. budgeted financial statements

The Finance Committee shall review the Financial Statements with the Finance Director on a monthly basis. The Treasurer will present the Financial Statements to the full Board of Directors for final approval. This procedure will involve the entire Board of Directors in the process, but places the burden of full evaluation on the Finance Committee members. Any and all questions regarding the Financial Statements are welcomed inquiries during any Board of Directors meeting for further clarification to those members not involved in the Finance Committee.

The Roles of the Executive Director and Staff

The Board of Directors hires the Executive Director, who reports to the Board of Directors. The Executive Director is responsible for hiring and evaluating the Finance Director, Human Resource Director, Director of Grants, Resource Development Director, Administrative Director, Weatherization Director, Program Director's, and Administrative Assistant to Executive Director.

The Executive Director has the responsibility of hiring Program Directors and to assist them in their day-to-day decision making and activities. Within each program, Program Directors are

responsible for hiring, with approval from the Executive Director, Finance Director (to verify funds available for the position), and Human Resource Director (to acknowledge the employee qualifications needed), employees to work in that program. All employees within a program shall report directly to that program's Director, who shall be responsible for managing and evaluating all employees within the program. The Human Resource Director maintains an organizational chart detailing job title and reporting responsibilities within the agency. The Human Resource Director also maintains up-to-date Job Descriptions for all employees within the organization.

ACCOUNTING DEPARTMENT OVERVIEW

Organization

The Accounting Department consists of staff that manages and processes financial information for Central Oklahoma Community Action Agency. The positions comprising the accounting department are as follows:

- Finance Director
- Accounting Clerk

Responsibilities

The primary responsibilities of the Finance/ Accounting department consist of:

- Financial Statement Preparation
- Cash Receipts posted on a timely manner
- Timely entry and payment of Accounts Payable
- Processing payroll and maintenance of all Employee Benefits
- Financial reporting of Grants/Contracts. This to include monthly expenditure reports, quarterly financial reporting, requests for funds (Draws against the grant), and all other financial conditions dictated by each particular grant.
- Bank Reconciliations completed monthly and in a timely manner
- Compliance with Governmental Financial Reporting Requirements
- Assist with Annual Audit
- Budgeting for each grant and the Agency
- Effective Cash Management as dictated by the Board of Directors through the Executive Director
- Financial Structure and Guidelines shall be maintained and up to GASB guidelines
- 7Coordination of the Annual Audit
- Copy of all Leases shall be maintained in the Accounting/ Finance Department
- General Insurance policies and questions shall be coordinated through the Finance Department

Other officers and employees of Central Oklahoma Community Action Agency who have financial responsibilities are as follows:

- Executive Director
- Program Directors
- Treasurer - Board-Level
- Finance Committee
- Executive Committee
- Full Board of Directors

BUSINESS CONDUCT

Practice of Ethical Behavior

Ethical codes that govern businesses often address certain main areas:

- Honesty
- Objectivity
- Integrity
- Carefulness
- Openness
- Respect for intellectual property
- Confidentiality
- Responsible publication
- Responsible mentoring
- Respect for colleagues
- Social responsibility
- Non-discrimination
- Competence
- Legality
- Human subjects' protection

These principles apply more in some fields of business than others. For example, accounting ethics depends upon complete honesty and transparency. When accountants do not behave ethically, or violate these principles of ethics, the 501(c) 3 organization, i.e., Central Oklahoma Community Action Agency, tax-exempt status becomes at-risk.

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Central Oklahoma Community Action Agency depend to a very large extent on the following considerations.

Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense to business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical? This is both your individual perception of what is ethical, as well as the Community perception of what is ethical.
3. Does my action comply with Central Oklahoma Community Action Agency policy?

4. Am I sure my action does not appear inappropriate? NOTE: This is a very important distinction! Appearance has a big role in how the community perceives the Agency has performed their mission.
5. Am I sure that I would not be embarrassed or compromised if my action became known within Central Oklahoma Community Action Agency or publicly?
6. Am I sure that my action meets my own personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each Executive Director, Program Director, and Supervisors are responsible for the ethical business behavior of his/her supervisee/associate. Executive Directors, Program Directors, and Supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

Conflict of Interest

No persons who have exercised any functions or responsibilities with respect to activities assisted with Central Oklahoma Community Action Agency, Inc. funds may obtain a financial interest in or benefit from Central Oklahoma Community Action Agency, Inc. activity or have an interest in any contract, subcontract or agreement, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

1. Persons covered - The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer or elected official of the agency receiving Central Oklahoma Community Action Agency funds.
2. Exceptions - Upon the written request of the Executive Director, Oklahoma Department of Commerce may grant an exception on a case-by-case basis when it determines the exception will serve to further the purposes of Central Oklahoma Community Action Agency programs and the effective and efficient administration of Central Oklahoma Community Action Agency program or project. An exception may be considered only after the Executive Director has provided an assurance that:
 - a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
 - b. An opinion of Central Oklahoma Community Action Agency's attorney that the interest for which the exception is sought would not violate State or local law.
3. Factors to be considered for exceptions - In determining whether to grant a requested exception after the agency has satisfactorily met the requirements of paragraph 2 of this requirement, Oklahoma Department of Commerce will consider the cumulative effect of the following factors, where applicable:
 - a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

- b. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity. If that person is a member of such a class or group, the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- c. Whether the affected person has withdrawn from his or her functions or responsibilities or the decision-making process with respect to the specific assisted activity in question;
- d. Whether the interest or benefit was present before the affected person was in a position as described in Paragraph 1 of this requirement;
- e. Whether undue hardship will result either to Central Oklahoma Community Action Agency, Inc. or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- f. Any other relevant considerations.

FRAUD POLICY

Scope

This policy applies to any fraud or suspected fraud involving employees, officers, or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with Central Oklahoma Community Action Agency. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/ title, or relationship with Central Oklahoma Community Action Agency.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the cognizant Program Director and Executive Director, who coordinates all investigations.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Central Oklahoma Community Action Agency
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriations of funds, securities, supplies, equipment, or other assets of Central Oklahoma Community Action Agency
5. Bribery or kickbacks
6. Forgery, alteration, or falsification of information on a timecard
7. Impropriety in the handling or reporting of money or financial transactions
8. Disclosing confidential and proprietary information to outside parties
9. Acceptance of gifts, services or other compensation by employees from vendors, contractors, or persons receiving benefits or services from the Agency
10. Destructions, removal or inappropriate use of records, furniture, fixtures, and equipment
11. Making false written or oral statements or representation with respect to Central Oklahoma Community Action Agency activities, such as submitting reports to the

- government and other sponsors that knowingly contain false or misleading statements;
and/ or
12. Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the program's director and the Human Resource Director.

If there is a question as to whether an action constitutes fraud, contact the Program Director or Executive Director.

Confidentiality

Program Directors will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Program Director or Executive Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below).

Employees shall not disclose or discuss the pending investigation or investigation results with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Central Oklahoma Community Action Agency from potential civil liability (see Reporting Procedures section below).

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Program Director or Executive Director immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Director or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Central Oklahoma Community Action Agency legal counsel or Executive Director. NOTE: This is to include all other Program Directors and Executive Committee Directors. This matter is to remain strictly with the Executive Director and Program Director.

Resolution

An investigation finding of fraud is reported to the Executive Committee of the Board of Directors in the Executive Session portion of the meeting. Final decisions on disposition of fraud cases will be made by Central Oklahoma Community Action Agency's General Counsel, Board Treasurer, and Executive Director. Such decisions may include referral to the appropriate law enforcement and/or regulatory agencies for independent investigation and/or prosecution. An employee found to have engaged in fraudulent activities will be subject to disciplinary actions, up to and including termination of employment. An employee found to have obstructed the investigation of a concern or complaint of fraudulent activities will also be subject to disciplinary actions. If after investigating a complaint of fraud Central Oklahoma Community Action Agency determines that an employee's complaint is frivolous, or that the employee has intentionally provided false information regarding the complaint, the employee will be subject to disciplinary actions.

Employee Protection (Whistleblower) Policy

If any employee reasonably believes that some policy, practice or activity of Central Oklahoma Community Action Agency is in violation of law, a written complaint must be filed by that employee with the Executive Director or the President of the Board of Directors.

It is the intent of Central Oklahoma Community Action Agency to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the organization's goal of legal compliance. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged lawful activity, policy, or practice to the attention of Central Oklahoma Community Action Agency and provides the agency with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

Central Oklahoma Community Action Agency will not retaliate against an employee who in "good faith", has made a protest or raised a complaint against some practice of Central Oklahoma Community Action Agency or of another individual or entity with whom Central Oklahoma Community Action Agency has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

Central Oklahoma Community Action Agency will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of Central Oklahoma Community Action Agency that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

All employee files will have a copy of this policy signed by the respective employee. This will be maintained in the Human Resource Department.

SECURITY

Accounting/Finance Department

The Accounting/ Finance Department being located at the entry of Central Oklahoma Community Action Agency poses a potential security risk for the Agency. It is important that Security be maintained over all Financial and Payroll related transactions. Both offices will

be locked when the Accounting/ Finance Department is vacant. It is also important that the Payroll office be secured/locked, when both the Payroll Support Specialist and the Finance Director are not in the office. The Finance Director and the Payroll Support Specialist shall lock their doors when no one is present to safeguard the information located in their respective offices. The Finance Director will maintain a key to the Payroll Support Specialist office to provide backup for that fiscal function. Keys to the Finance Director office shall be limited to the Senior Accounts Payable Support Specialist, the Executive Director, and the Finance Director. Keys to these offices are to be returned to Central Oklahoma Community Action upon termination of employment.

Pre-printed blank checks are ordered in large quantities of 500+, and it is important that these documents be secured in a safe and locked location. To maintain a strong internal control policy, they will remain in the possession of the Finance Director, and only the Finance Director. Internal Controls require a checks and balance of all Accounting functions within the Organization, and due to such the Finance Director will monitor the use of all Blank Check stock. The printing of Accounts Payable checks will be done from the Finance Directors office and under the supervision of the Finance Director. There will be rare circumstances in which this procedure may be circumvented to allow timely payment to vendors.

Payroll checks are prepared in-house and direct deposits made into each employees account. Payroll support specialists will assess that all time sheets have been properly endorsed by the employee, and approved by their direct supervisor. It is important to note once again that submission of an incorrect timesheet can be interpreted as a fraudulent activity and the employee should once again review the policies and procedures of what can occur when fraud happens within the Agency.

To gain greater control of the Accounts Payable function, the Finance Director and the Executive Director shall review all expenses prior to printing checks for payment. The checks shall be signed by one member of the Central Oklahoma Community Action Agency staff (Board of Directors will designate the appropriate personnel), and one Board of Director member. Any expense that appears to need investigation shall be questioned with adequate documentation requested as needed. It is important for the Agency to have full documentation to support all paid expenses, this documentation will be addressed in the Accounts Payable section of the Policy and Procedures manual.

Petty Cash is maintained at Central Oklahoma Community Action Agency corporate offices in the Finance Department, as well as the Pottawatomie County RSVP,; Stillwater Family Support Services, Cleveland County Family Support Services, Cleveland County RSVP,. See Petty Cash Procedures Attachment D.

Access to Electronically Stored Accounting Data

It is the policy of Central Oklahoma Community Action Agency to utilize passwords to restrict access to accounting software and data. All personnel are required to keep their passwords secret. Administration of passwords in the MIP Accounting software will be performed by the Finance Director. Administration of passwords for the Payroll software will be performed by the Payroll Support Specialist.

Grant data is maintained on Excel spreadsheets, and as such can be stored either on the Server or the hard drive of the Finance Director electronically. A copy of the data sent to the Grantor will be filed with the Executive Director, and the Finance Director. For the continuity of the Agency in the event of lost hardware or power outages it is important that we develop a procedure that backs-up these documents periodically to another server.

Each password enables a user to gain access to only that software and data files necessary for each employee's required duties. All access to Financial software shall be terminated upon dismissal from the Agency.

Storage of Back-Up Files

Central Oklahoma Community Action Agency utilizes an on-line accounting software that guarantees backup nightly and allows remote access in the event data at the Corporate Office is unavailable.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist or other designated employee. After hours, a security access code and key are required to access the offices of Central Oklahoma Community Action Agency. Keys are issued only to employees of Central Oklahoma Community Action Agency and, if circumstances warrant it, can be changed to provide additional security for the Agency. Several of the agency facilities have restricted access systems that are monitored and tied to local law enforcement systems. The monitoring is available for periodic checks of who has accessed the building after the alarm has been set. It is important that the last person to leave the building check all entrances and exits of the building to ensure the locks are secure and safeguard the assets of the agency.

TECHNOLOGY ANDELECTRONIC COMMUNICATIONS

Purpose and Scope

The purpose of this policy is to identify guidelines for the use of Central Oklahoma Community Action Agency technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of Central Oklahoma Community Action Agency's technologies and communications systems.

The term "user" as used in these policies refers to employees (whether full-time, part-time or limited-term), independent contractors, consultants, and any other user having authorized access to, and using any of, Central Oklahoma Community Action Agency's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand-alone computers, laptops, printers, fax machines, phones, on-line services, e-mail systems, bulletin board systems, and all software that is owned, licensed or operated by Central Oklahoma Community Action Agency.

Acceptable Use of Organization Property

Use of Central Oklahoma Community Action Agency's computers and electronic communications is for programmatic and business activities of Central Oklahoma Community Action Agency. Employees may not download/install software on their computer without the approval of the outsourced Information Technology Administrator. All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. Although incidental and occasional personal use of Central Oklahoma Community Action Agency's communication systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts and knowledge described, documented or contained in the Central Oklahoma Community Action Agency's electronic systems are the intellectual property of Central Oklahoma Community Action Agency. The copying or use of Central Oklahoma Community Action Agency's intellectual property for personal use or benefit during or after employment (or period of contract) with Central Oklahoma Community Action Agency is prohibited unless approved in advance by the Executive Director.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc.) issued by Central Oklahoma Community Action Agency is the property of Central Oklahoma Community Action Agency and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report problems with hardware to their immediate supervisor.

Password Security

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line.

Confidentiality

All information about individuals, families or organizations served by Central Oklahoma Community Action Agency is confidential. No information may be shared with any person or organization outside Central Oklahoma Community Action Agency without the prior written approval of the individual, family or organization and the Executive Director.

Copyrighted Information

Use of Central Oklahoma Community Action Agency electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

Installation of Software

Installation of new software on the server or hard drive of any computer owned by Central Oklahoma Community Action Agency without the prior approval of the Executive Director is strictly prohibited.

Other Restrictions

Other restrictions of Central Oklahoma Communication systems include, but are not limited to:

1. Although employees may have personal access codes to voicemail, e-mail and computer network systems, the Agency has the right to access and inspect such systems at all times, whether announced or not, for business purposes. Employees have the duty to report all access codes and changes to such codes immediately and on a constant basis. Employees may not use pass codes that are unknown to the Agency.
2. Employees are prohibited from using the Agency's information systems in any way that may be disruptive or offensive to others' including, but not limited to, the transmission of sexually explicit messages, ethnic or racial slurs, or anything that may be construed as harassment, discriminatory, or disparagement of others.

See the Employee Manual for a full description of the Communication Policy.

General Ledger and Chart of Accounts

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of Central Oklahoma Community Action Agency, and is supported by subsidiary ledgers that provide details for certain accounts in the General Ledger. The General Ledger is the foundation for the accumulation of data and reports.

Chart of Accounts Overview

The Chart of Accounts is the framework for the General Ledger System, and therefore the basis for Central Oklahoma Community Action Agency's accounting system. The Chart of Accounts consists of Account Titles and Account Numbers assigned to the titles. These accounts are further broken down by a Classification Code that identifies the Fund for this particular Account Code with Revenue and Expense accounts. General Ledger Accounts are used to accumulate transactions and the impact of these transactions on each Asset, Liability, Net Asset, Revenue, Expense and Gain/Loss on Sale of Asset Account.

Central Oklahoma Community Action Agency's Chart of Accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Other Revenues and Expenses

Distribution of Chart of Accounts

All Central Oklahoma Community Action Agency employees involved with Account Coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current Chart of Accounts. As the Chart of Accounts is revised, an updated copy of the Chart of Accounts shall be distributed to these individuals promptly.

Control of Chart of Accounts

Central Oklahoma Community Action Agency's Chart of Accounts is monitored by the Finance Director. Responsibilities include the handling of all Account Maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Finance Director who ensures that the Chart of Accounts is consistent with the Organizational Structure of Central Oklahoma Community Action Agency and meets the needs of each division/grant and department.

Account Definitions

Category	Definition
Assets	<u>Assets</u> are probable future economic benefits obtained or controlled by Central Oklahoma Community Action Agency as a result of past transactions or events. Assets of Central Oklahoma Community Action Agency are classified as current assets, fixed assets, contra-assets, and other assets.

Current Assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and grant receivables that will be collected within one year of the Statement of Financial Position date.

Fixed Assets are tangible assets with a useful life of more than one year that are acquired for use in the operations of Central Oklahoma Community Action Agency and are not held for resale. This is the purchase of Real Property, Automobiles, improvements to any Leasehold, furniture/equipment that exceed \$5,000.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable.

Other Assets include long-term assets that are assets acquired without the intention of disposing of them in the near future. Some examples are Security Deposits (COCAA offices rented) and Property and Long-term Investments.

Liabilities Liabilities are probable future sacrifices of economic benefits arising from present obligations of Central Oklahoma Community Action Agency to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of Central Oklahoma Community Action Agency are classified as current or long-term.

Current Liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include Accounts Payable, accrued liabilities, short-term Notes Payable (scheduled principal payments within the next 12 months or less), and deferred revenue (funds received but not recognized in the current accounting period).

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a Mortgage Note or Notes Payable.

Net Assets Net Assets is the difference between total assets and total liabilities. See the next section for Central Oklahoma Community Action Agency's policies on classifying net assets.

Revenues Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization's ongoing major or central operations. Revenues of Central Oklahoma Community Action Agency include Federal, State, Local, Private Foundations, and Corporate Grants, as well as categories for various program receipts (i.e., Meal Income for Meals on Wheels, and Transportation Contracts for COTS).

Revenues of Central Oklahoma Community Action Agency also include contributions received from donors.

Expenses Expenses are outflows or other use of assets or incurrence of liabilities from rendering services, or carrying out other activities that constitute Central Oklahoma Community Action Agency's ongoing major or central operations.

Other Revenue and Expense

Gain on Sale of Fixed Assets arises from the disposition of a Fixed Asset, such as Real Estate. Also be from retirement of an asset that is not fully depreciated.

In-kind Revenues and Expenses reflect the fair market value of property or services the agency receives while engaged under a federal award that meet all the criteria of OMB circulars A-110 and A-122 or the applicable Code of Federal Regulations revisions.

Classification of Net Assets

Net assets of Central Oklahoma Community Action Agency shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor imposed stipulations that may, or will be, satisfied through the actions of Central Oklahoma Community Action Agency and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that Central Oklahoma Community Action Agency permanently maintain certain contributed assets. Generally, donors of such assets permit Central Oklahoma Community Action Agency to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by Central Oklahoma Community Action Agency that are not subject to donor imposed restrictions, but which the Board of Directors of Central Oklahoma Community Action Agency has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

Changes to the Chart of Accounts

Additions to, deletions from or any other changes to Central Oklahoma Community Action Agency's standard Chart of Accounts shall only be done with the approval of the Finance Director.

Fiscal Year Organization

Central Oklahoma Community Action Agency shall operate on a fiscal year that begins on April 1 and ends on March 31. Any changes to the fiscal year of Central Oklahoma Community Action Agency must be ratified by majority vote of Central Oklahoma Community Action Agency's Board of Directors.

Journal Entries

All General Ledger entries that do not originate from a Subsidiary Ledger shall be supported by documentation that shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Recording of Non-Cash transactions
2. Corrections of posting errors
3. Non-recurring accruals of Income and Expenses

Certain Journal Entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries sufficient documentation to reasonably explain the entry.

It is the policy of Central Oklahoma Community Action Agency that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the Finance Director.

