



EXPENDITURES AND DISBURSEMENTS

Accounting & Financial Policies and Procedures

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POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING POLICIES AND PROCEDURES

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY CENTRAL OKLAHOMA COMMUNITY ACTION AGENCY.

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL, STATE AND LOCAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL, STATE AND LOCAL AWARDS."

It is the policy of Central Oklahoma Community Action Agency to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

Responsibility for Purchasing

All Program Directors shall have the authority to initiate purchases on behalf of their program, within the guidelines described in this policies manual. In addition, Program Directors may delegate purchasing authority to responsible individuals within their program. Program Directors shall inform the accounting department of all individuals that may initiate purchases. The accounting department shall maintain a current list of all authorized purchasers of Central Oklahoma Community Action Agency. It is very important that the Program Directors take an active role in creating the Budget and make purchases for their various programs balancing the budget, and only in rare circumstances would the need to exceed that budget arise, and only with the approval of the Executive Director and Finance Director.

The fiscal department shall be responsible for processing purchase orders. The Purchase Orders will be maintained by the Administrative Assistant. The Finance Director, Executive Director, and Program Director shall make the final determination on any proposed purchases where budgetary or other conditions may result in purchases exceeding grant amounts.

Procurement Process

Central Oklahoma Community Action Agency will utilize the most current state procurement procedures for all programs. See attachment B.

Credit Card Purchases

To efficiently and economically purchase some types of product or services, it is in the best interest of Central Oklahoma Community Action Agency to have the use of a credit card. The agency has determined that the best way to guarantee usage and monitor activity is to have the agency apply for a credit card in the name of the agency and have this card in possession of the Finance Director..-If the card issuer requires an individual name on the card, the Executive Director's name shall be used.

Credit card purchasing shall conform to the same purchasing requirements as all other Central Oklahoma Community Action Agency purchases and will also be subject to procedures contained in Attachment F, Central Oklahoma Community Action Agency Credit Card Policy. Credit Card purchases will be processed on a timely manner with the Accounting Department. All purchases made with the Credit Card shall have a Receipt processed for payment before the balance can be paid. It is important to note that the Credit Card is not intended to allow purchasing on a line of credit, it is intended as a convenience only with the balance paid in full monthly.

Store credit cards are treated the same as Vendor credit, there are various cards located at each location and the Program Director shall be responsible for custody of the card and shall report authorized purchasers on the card to the Finance Staff. These cards include Staples and Wal Mart, and again it is used for convenience, and not a method to extend a line-of-credit, with the balances paid monthly.

Non-Discrimination Policy

All vendors/ contractors who are the recipients of Organization funds, or who propose to perform any work or furnish any goods under agreements with Central Oklahoma Community Action Agency shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin,

except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/ contractors.

2. Vendors/Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.
3. Any Vendor/Contractor who knowingly violates these procedures will not be utilized by the agency.

Use of Purchase Orders

What is a Purchase Order: A written Sales Contract between buyer and seller detailing the exact merchandise or services to be rendered from a single vendor. It will specify exact payment terms, item identification, quantities, and other conditions for the purchase. Central Oklahoma Community Action Agency uses Purchase Orders as a method to control purchasing made by employees of the agency. Only those individuals authorized for purchasing can obtain a Purchase Order, and must follow procedure in obtaining one.

It is the policy of Central Oklahoma Community Action Agency to utilize a purchase order system. A properly completed purchase order shall be required for each purchase decision, with the exception of utilities, lease payments, contract payments, and travel advances and expense requirements,. A properly completed Purchase Order shall contain the following information, at a minimum.

1. Specifications or statement of services required.
2. Vendor name, address, point of contact and phone number.
3. Source of funding (coding) and line item to be charged.
4. Delivery or performance schedules (if applicable).
5. Delivery, packing and transportation requirements.

6. Special conditions or terms (if applicable).
7. Catalog number, page number, etc. (if applicable).
8. Net price per unit, less discount, if any.
9. Total amount of order.
10. Authorized signatures.
11. Date P.O. prepared.

Purchase order numbers are issued from the Administrative Assistant's office. Purchases made without following the proper purchasing procedures subject the purchaser to disciplinary actions and could result in the purchaser becoming responsible for the amount of the purchase.

Central Oklahoma Community Action Agency's Purchase Order system is maintained at the Administrative Assistant's desk on an Excel Spreadsheet. This spreadsheet starts with the Purchase Order number which is in numerical order, it will include the Vendor, estimated amount of purchase, who is making the Purchase Order request, and the contract/fund number associated with the purchase. Due to the many service locations at Central Oklahoma Community Action Agency it is not feasible for Purchase Orders to be pre-printed and pre-numbered. The Excel Spreadsheet is maintained for this purpose; the Purchase Orders will be marked as received when payment is made to provide assurances that each Purchase Order number has only been used one time. This provides a safeguard against unauthorized purchases for the Agency. It is important to note: all purchase orders must be dated the same date or prior to the date of the invoice to ensure that proper approval was obtained before a purchase was made.

Program Directors must submit the Purchase Order to the Fiscal/Finance Department along with the Invoice for payment. With multiple income streams and various cut-off dates it becomes very important that invoices are received weekly for payment. Any delays could possibly cause an expense to become "unallowable" for grant purposes. The.

Finance Department shall examine the invoice for the date in which the expense was incurred, or created. An example would be invoice in which office supplies were received in June 30th, but the invoice date is July 1st; this purchase would be a June Expense for Accounting purposes. It is the Program Directors responsibility to contact the Finance Director on any delays for payment that could affect the "allowability" of an expense. In order to provide timely Financial Statements to the Board of Directors it becomes imperative that all Purchase Orders and Invoices have been received by the Finance Department no later than the second business day of the following month. Mileage requests must be input for the month in which the mileage

was incurred, again this prevents the Agency from paying for an expense that could be "unallowed" if paid in the wrong grant period.

Authorizations and Purchasing Limits

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All completed purchase orders must be signed by the preparer and approved by the Program Director or employee authorized for such purchases in writing by the Program Director and/or Executive Director. In an instance where the Executive Director is requesting the purchase order, a board member must approve the purchase order. All purchases in excess of \$2,500 must also be approved by the Executive Director prior to purchase for valid authority for such purchase. All signatures on the Purchase Order must be original signatures and signed in blue/black ink. It may become necessary for the Purchase Order to be faxed to the Executive Director for approval because of the many locations of the Agency and the urgency of the purchase, in those circumstances there will be two Purchase Orders attached to the invoice, the original signature of the Program Director and the original signature of the Executive Director.

All contracts between Central Oklahoma Community Action Agency and outside parties must be reviewed and approved by the Executive Director. All long-term contract (term of one year or more) entered into on behalf of Central Oklahoma Community Action Agency must be approved by the Board of Directors. Any and all Short-term (1 year or less) contracts for \$25,000 or more should be presented to the Board for approval prior to acceptance. All employees must follow the procedures outlined by the Oklahoma Department of Commerce in obtaining sealed bids for all purchases over \$25,000. See Attachment B.

Required Solicitation of Quotations from Vendors

Vendors listed on the State of Oklahoma pre-approved vendor list (state contract) or items listed as government surplus are exempt from the following procedures.

The agency utilizes the following methods of procurement:

1. Small purchase procurement - for purchases less than Twenty-Five Thousand Dollars (\$25,000).
2. Advertised procurement - for purchases of Twenty-Five Thousand Dollars (\$25,000) or more.
3. Sole Source procurement - for goods, materials and services available from only one source.
4. Emergency procurement - when the urgency for the goods or services will not permit a delay.

In each instance of procurement, the most current state procurement procedures will be followed. See Attachment B.

Evaluation of Alternative Vendors

Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor.
2. Skill and experience of key personnel.
3. Demonstrated company experience.
4. Other technical specification (designated by department requesting proposals).
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.).
6. Vendor's financial stability.
7. Vendor's demonstrated commitment to the non-profit sector.
8. Results of communications with references supplied by vendor.
9. Ability/commitment to meeting time deadlines.
10. Cost.
11. Minority- or women-owned business status of vendor.
12. Other criteria (to be specified by department requesting proposal).

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria that have been determined. It is important to note that although the purchase may require 3 bids, it is not necessarily the lowest bidder that will be awarded the contract or service. Each bid shall be given equal consideration,

but the bidder awarded the contract will be the one that can more responsibly perform the task required of them. All references and time of performance must be considered, with the reason for not accepting the lowest bid documented and attached to the Purchase Order and Invoice. In order to maintain permanent records for seven years all bid solicitations must be attached to the invoice to prevent loss of such evidence when documents are stored.

Federally-Funded Programs:

Purchases that will be charged to programs funded with Federal, State and Local Awards will be subject to additional policies. These policies are described in the separate section, "Policies Associated with Federal, State and Local Awards."

Vendor Files and Required Documentation

The fiscal department will maintain a vendor folder for each new vendor from whom Central Oklahoma Community Action Agency purchases goods or services.

At calendar year-end the fiscal department will examine all vendors paid for Services, eliminating corporations, employee reimbursements, and vendors totaling less than \$600, to prepare federal 1099 forms. NOTE: Materials are not included on the 1099, only Services paid for Non-Corporate entities, i.e., Contract Labor, Attorney Fees, Doctor Visits, etc.

Ethical Conduct in Purchasing

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. Gifts to Central Oklahoma Community Action Agency, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations. The appearance by accepting such a gift is the importance here. In no way should the Agency be placed in a position in which someone is accused of accepting payments for granting contracts to a Vendor.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of Central Oklahoma Community Action Agency shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would *be* involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the Vendor selected. In the event a Vendor is selected in the appropriate bid process, the Board of Directors will be notified before final approval of the contract will be granted. It is also important that if a conflict of interest does exist (such as use of family members' services) that proper documentation is in place that substantiates the use of that particular Vendor and other Vendors were considered and given adequate consideration for the job.

Receipt and Acceptance of Goods

Any site that receives goods will compare the packing list quantities to those actually received. They will note any exceptions or damaged goods. Sign the list and send it to the fiscal department matched to the invoice. It is the policy of Central Oklahoma Community Action Agency to perform this inspection procedure in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

ACCOUNTS PAYABLE MANAGEMENT

Overview

Central Oklahoma Community Action Agency strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of Central Oklahoma Community Action Agency that the recording of assets or expenses and the related liability is performed by the fiscal department independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be supported by an approved purchase order, or purchase requisitions where necessary. Invoices and related general ledger account distribution codes are noted prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized.
2. Invoices are processed in a timely manner.
3. Vendor credit terms and operating cash are managed for maximum benefits.

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner. The recording of Accounts Payable into the Accounting System will be processed weekly, with all invoices received on Tuesday processed for payment on Thursday's check run.

Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached. All invoice numbers will be properly recorded into the system to avoid duplication of payment. It is important that all invoices processed without numbers follow the same procedure to avoid duplication of payments.

It is the policy of Central Oklahoma Community Action Agency that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment. A vendor statement

is a statement documenting all invoices incurred in a given period and all payments received during that period. This statement will be reconciled each month to identify any invoices that have not been received by the Accounting/ Finance staff.

Accounts Payable Cut-Off

For purposes of the preparation of COCAA's monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the date determined by the fiscal department shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end. NOTE: Special care shall be exercised for those Funding Sources that will expire in that given month. The Program Managers will make every effort to deliver Invoices for payment in the month the Services were performed, or the merchandise/ goods were delivered. The Program Manager will notify Accounts Payable of outstanding invoices and request additional time, if needed, to process. Failure to properly report such expenses in the proper Contract period has resulted in repayment to Funding Sources in the past.

Once again it is important to note the date of the invoice is not always the date the service was performed. One example would be May mileage for Volunteer Services signed and dated for payment in June, when in fact the date the Volunteer drove for the agency is the date of the services. Therefore, all mileage for May must be processed on a separate Mileage Log than miles driven in June.

Check Requests and Reimbursements to Employees

Although the agency frowns upon using employee credit cards and/or payment from employee funds, it is not always avoidable. In the event a Vendor Credit Card is unavailable for purchases for Agency and an employee makes the purchase, a Check Request will be prepared following the same Purchase Order Procedures described above. It is important that if this does occur routinely the Board of Directors become notified and a resolution sought to avoid the situation in the future. It is the Agency's policy that no employee be compelled to provide such financial assistance without exploring all available resources.

Any check request payable to an employee must be signed by their director supervisor. This is not only a protection for *the* Agency, but also protects the employee from the appearance of impropriety.

Establishment of Control Devices

Control of invoices is established by *the* fiscal department as soon as invoices are received.

Due to the volume of invoices processed by the various Program Directors it has become necessary that the Program Directors match their Purchase Orders with the Invoice associated with it. Both Invoice and Purchase Order shall be mailed to the Finance Department once a week. It is important that the approvals signed on the Purchase Order are dated the same day or prior to the purchase of the goods or services. Any signature made after the purchase has already occurred creates an Internal Control issue in which the purchaser has no authority to order a product or service without Executive Director or Program Directors knowledge and approval. It is important to distinguish that all Vendor Statements shall be sent to the Finance Department for reconciliation to the open invoices. This is a key to the Internal Control policy to evaluate whether an unauthorized purchase may have occurred.

Upon receipt of invoices, each invoice shall be "date received" stamped, and matched to the appropriate, authorized purchase order. If a purchase order has not been submitted to the fiscal department that matches the invoice, the fiscal department will contact the appropriate Agency staff person to obtain the approved purchase order or contact the Fiscal Director if it is unclear from the invoice who made the purchase. Approving personnel will notify the fiscal department in writing if any invoice is to be held.

Preparation of a Voucher Package

Prior to any account payable being submitted for payment, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents:

1. Vendor Invoice (or employee expense report).
2. Packing slip (where appropriate).
3. Purchase order or requisition where necessary.
4. Any other supporting documentation deemed appropriate.

Processing of Voucher Packages

The following procedures shall be applied to each voucher package by the fiscal department:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip and receiving report.
3. Document the general ledger distribution, using Central Oklahoma Community Action Agency's current chart of accounts and cost allocation plan (see Attachment C).
4. Obtain the review and approval of the Program Director (or their designee) associated with the goods or services purchased.

Approvals by Program Directors indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual. The fiscal staff may override the account coding without notifying the Program Directors. To adequately manage the Grant or Award it may become necessary to code an item differently than the Program Directors original request.

Payment Discounts

To the extent practical, it is the policy of Central Oklahoma Community Action Agency to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts. It is very important to note that delays in receipt of Draw Request funds (grants) can cause the Fiscal Staff to delay these payments causing the loss of discounts or payment of late fees. In the event a Late Fee is assessed by a vendor, these charges will not be charged against any Federal, State, or Local Grant, but instead shall be paid from the General Fund. These late fees will be charged using the same procedure as payment of Interest which is an unallowable expense for Grant reimbursement.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form with required receipts (see further policies under "Travel and Business Expenses"). The agency

provides per diems for meals and prepays all travel expenses whenever possible. Mileage and any miscellaneous trip expenses are reimbursed from a travel expense voucher when receipts are provided. Expense vouchers will be processed for payment in the next vendor payment cycle if received timely. Note: Be aware of grant/award contract dates! If there is mileage, or other travel expenses, to be reimbursed make sure the date the expense was incurred falls into the correct contract period for the Funding Source. Example: Mileage for December 18, 2008, must be claimed for the contract ending December 31, 2008. This expense cannot go into the new contract for December 31, 2009, but must be included with your final accounting for that particular fund.

There has become a special problem in reconciling travel expenses invoices to the vouchers. It is important that upon returning from the convention/trip that each traveler provide invoices to the Accounts Payable Specialist staff to ensure all receipts have been received. In no event shall an employee take longer than one week to process these invoices, if this happens they are at risk of repayment to the Agency for the invoices missing from the Travel Expense voucher.

Mileage Logs

All mileage logs turned in for reimbursement must be completed properly before payment will be remitted. Mileage logs include Volunteer Travel reimbursements. It is the policy of Central Oklahoma Community Action Agency that all mileage logs will include beginning Odometer readings and ending Odometer readings, this is not to be confused with the "Trip" log. Travelers are not to complete the mileage logs with the simple entry of Trip meter, and the number of miles.

Travel reimbursements (including mileage) for Training, shall be classified as Training regardless of the number of miles the employee is driving. All Board Member mileage reimbursement will always be classified as an Administrative Expense for reporting purposes.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the fiscal department.

Also on a monthly basis, the fiscal department will check all statements received for unprocessed invoices. Central Oklahoma Community Action Agency staff will check the Purchase Order file for open P.O.'s that are more than 60 days old and follow-up to ensure that

invoices have been received for all purchases. The receptionist will match the P.O. and mark it received, on the P.O. spreadsheet, when the Voucher Package is matched to the copy of the check. If there is a P.O. older than 60 days, the Finance Office will contact the appropriate Program Director to verify that the purchase was completed. The Finance Office will contact the vendor for an invoice, if one has not been received.

The reconciliation of the Statements from Vendors is an important step to the control process. By reconciling what our Vendors state as outstanding to what our records indicate are unpaid we're verifying that no invoice exists that didn't have proper approval from the various staff members. With the Accounting/ Finance staff performing this task we've provided a "check and balance" on all purchases for the Agency. Any unrecorded purchases shall be investigated by the Accounting Staff, if unauthorized purchases are discovered, they will be reported to the Executive Director and appropriate disciplinary actions initiated.

TRAVEL AND BUSINESS EXPENSES

In each instance where Travel and Per Diem requirements must be applied, the most current state travel and per diem procedures will be follows. See Attachment A.

Travel Advances

When money has been advanced to an employee, the final reports liquidating the travel advance must be filed within five (5) business days after the travel is completed (Travel Advance Reconciliation form). All advances must be returned with documentation/invoices providing the amount spent. Any undocumented portion of the advance must be remitted to the Agency from the employee. Failure to file a travel report in a timely manner may result in the advance being deducted from the employee's next request for reimbursement of local travel or paycheck.

Per diem will be calculated using the GSA web site based upon allowable per diem in the location of the trip. The Accounts Payable Specialist shall verify the per diem rates for each trip for accuracy. Meal Costs included in the cost of any Convention shall be taken into account when determining the per diem rates.

Employee and Director Business Travel

Policies governing travel and transportation expenses shall be in accordance with travel regulation of the appropriate state or federal funding sources, and guidelines established by the agency. If Agency policies conflict with the policies of the funding source, the funding source policies shall prevail. However, if the policies of the agency are more stringent than those of the funding source, the agency policies shall prevail.

1. Authorization - Travel must conform to the agency's work program and is to be approved by the Executive Director or his/her designated representative. All such travel must be authorized in advance and documented in writing. The Executive Director travel is approved by the Board of Directors.
2. Requesting Travel - Employees will submit, through proper supervisory levels, an advance approval request for out of area travel, accompanied by sufficient documentation to indicate the purpose for which the travel is requested. The documentation may include a meeting brochure, a letter requesting attendance at the particular meeting, or similar items.

3. The advance request should be complete in detail, reflecting the following:
 - a. Name of person requesting authorization,
 - b. Date of request,
 - c. Purpose of travel,
 - d. Dates of proposed travel,
 - e. Estimated total cost of trip and amount of advance requested,
 - f. Special or unusual items for which approval is requested.
 - g. Other pertinent information,
 - h. Signatures of person requesting and approving travel,
 - i. Copy of per diem rates from U.S. General Service Administration website.
4. Local travel requests must be completed and forwarded through supervisory channels to the fiscal department. All expenditures must be itemized by date. Beginning and ending odometer readings must be furnished for each segment of travel along with points visited each day. Incomplete claim forms will not be processed. The Executive Director may impose travel restrictions for budgetary reasons. Mileage will be reimbursed at the current rate established by OMES/House Bill 2619. Mileage will be processed at a minimum of once per month, at no time will a mileage log include trips from different months.

Reasonableness of Travel Costs

Central Oklahoma Community Action Agency shall reimburse travelers only for business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed; travelers should stay in standard rooms.

2. When utilizing rental cars, travelers should rent mid-size or smaller vehicles; share rental cars whenever possible.
3. Business-related long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum. Expense reports should explain long-distance charges.

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class; First Class air travel shall not be reimbursed unless there is a documented medical reason.
2. Memberships in airline flight clubs are not reimbursable.
3. Cost of flight insurance is not reimbursable.
4. When returning on a Sunday or departing on a Saturday in order to obtain a cost savings in airfare due to the Saturday-night stay over, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay over).
5. Cost of upgrade certificates is not reimbursable.

Spouse/Partner Travel

It is the policy of Central Oklahoma Community Action Agency not to reimburse or pay any employee or board member for separate travel costs (air fare, etc.) associated with his/her spouse or partner.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

An Accounts Payable aging and check requisition report will be reviewed by the Executive Director or Finance Director and compared to the available funds to determine which invoices will be paid. This list will be given to the Finance Director as the source document for preparing checks. Checks shall be prepared by the fiscal department.

All Vendor and expense reimbursement checks shall be produced in accordance with the following procedures/ guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business expense policies described in this manual,
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by Vendors,
3. Generally, all Vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services,
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. Blank Check Stock will be locked in the Finance Director office,
6. Checks shall be utilized in numerical order,
7. Checks shall never be made payable to "bearer" or "cash",
8. Checks shall never be signed prior to be prepared,
9. Upon the preparation of a check, a copy of the check shall be attached to the vendor invoices and other supporting documentation.
10. The Finance Department shall match the Voucher Package with the check copy and attach the unsigned check to the front for signature,

11. The Receptionist shall mark all invoices attached to the check as "paid", and dated, to prevent duplication of payments in the event the invoices become separated from the check copy in the file,
12. Invoices will be periodically checked by the Accounting Staff to verify that all attachments have been stamped "PAID".

Check Signing

All checks require two signatures. No check shall be signed prior to the check being completed in its entirety, i.e., no signing of blank checks. Authorized check signers shall include the Board Chair, two Board Members, Executive Director, and one Program Director. Electronic signatures on checks have been approved by the Board of Directors. Although this policy has been approved it has not been implemented and will not be without presentation to the Board in the future. One member of the Board of Directors currently uses a signature stamp, this signature stamp has been approved for use by the Board of Directors, but in no circumstances shall it be used by anyone other than the Board Member it is issued to, and shall remain in his possession.

Mailing of Checks

The Fiscal Department shall mail all checks immediately if funds become available. Employee reimbursements are considered mailed when delivered to the employee at their work address. Due to the processing of checks weekly it has become necessary to cut checks anticipating deposit receipts from various grantors. This policy prevents multiple check processing runs and allows our Board Members to limit the amount of time they spend traveling to the Agency to once weekly. These checks shall be maintained by the Accounts Payable Specialist with authorization for release of the check made by the Finance Director and/or Executive Director.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank or by internet access by the Finance Director with his/her authority. A journal entry is made to record the stop payment and any related bank fees. Policy dictates that a minimum of ten business days must pass before a stop payment will be issued.

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Checks are voided after 6 months' non-payment. The Finance Department is to contact the Vendor in which payment was made but not cleared to validate the existence of any outstanding invoice. The Vendor will then fax a copy of the original invoice to the Accounting Department for processing, the check will be voided and a new check issued. The original documentation will be examined to validate proper approval was obtained for the payment.

PAYROLL AND RELATED POLICIES

The Finance Department may utilize the services of a contracted payroll service center for the processing of payroll, as determined by the Executive Director. Currently, the Accounting Department is required to outsource Payroll processing to ensure proper payroll reports are filed on a timely basis. The Finance Director will review the quarterly payroll records to insure that the reports have been prepared accurately. Oklahoma Department of Commerce has requested that any changes in Contracted Payroll Service Centers be reviewed by their Monitor to insure the reports meet their needs. The Board of Directors has requested the Payroll to be contracted to an outside service and any change in this decision must be presented to the Board of Directors for approval.

Central Oklahoma Community Action Agency Finance Department is responsible for receiving and calculating timesheets; as well as entering the information into the payroll software. The Finance Department processes the payroll, prepares direct deposits for employees, transmits all payroll tax deposits and required reports; as well as prepares checks for most payroll deductions from employee checks. A Central Oklahoma Community Action Agency staff member reviews all information and distributes the ACH pay stubs to employees. The fiscal department utilizes the information to make postings to the general ledger.

Processing of the payroll must be made by the second business day in a given week to ensure payment on the following Friday. The Agency processes one payroll currently,

All employees shall be paid bi-weekly. Payrolls will be direct deposited into employees' checking accounts on Friday of each pay period week. For those employees electing to be paid by Debit Card transactions, payment will be made to the Debit Card provider on Friday, use of the funds are dictated by the Debit Card provider and can be delayed. This election is solely made by the employee and is beyond the control of Central Oklahoma Community Action Agency payroll personnel.

Classification of Workers as Independent Contractors or Employees

Central Oklahoma Community Action Agency will consider all relevant facts and circumstances in determinations about the classification of workers as Independent Contractors or Employees. Central Oklahoma Community Action Agency will make its determination of independent contractors based on the current federal guidelines. All contracts will be negotiated or reviewed by the Accounting Department before a contract is signed. Only the Executive Director or Board Chair may sign contracts. A contractor packet, which contains all of the pertinent documents for a contractor, will be completed and submitted to the Accounting Department before the contractor begins working. All contractor information will be maintained in the Accounting Department. It is important to note that if the employer dictates how work is to be performed and the hours in which the work is to be performed, the IRS will lean toward treatment of this worker as an employee with all appropriate benefits applying.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Central Oklahoma Community Action Agency personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

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The Finance Department shall be provided evidence of Workman's Compensation insurance prior to signing a contract. Only in special instances shall a contractor be employed without evidence of Workman's Compensation Insurance. In all instances in which no Workman's Compensation Insurance evidence has been obtained, the information of payment is submitted to the Finance Department

It is very important that the Agency is not held liable for any accidents occurring on the premises without having proper insurance coverage for these instances.

Payroll Administration

Central Oklahoma Community Action Agency operates on a bi-weekly payroll and For all Central Oklahoma Community Action Agency employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in Central Oklahoma Community Action Agency's Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files of all employees:

1. Central Oklahoma Community Action Agency Employment Application (and resume, if applicable).
2. Applicant references (work and personal)
3. Interview questions and notes
4. Form W-4 Employee Federal Withholding Certificate
5. State Withholding Certificate (if required)
6. Form I-9 Employment Eligibility Verification, with copies of appropriate required forms of ID as indicated by the IRS
7. Stating date and scheduled hours
8. Job title and starting salary
9. Authorization for direct deposit of paycheck, along with a voided check or deposit slip

IO. Documentation of any pay increases or job classification changes

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

Changes in Payroll Data

It is the policy of Central Oklahoma Community Action Agency that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in Salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status (new W-4 submitted)
6. Completed Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the appropriate program manager and approved by the Director of Human Resources, Finance Director, and the Executive Director. See procedure for New Hires in the Employee Manual.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee. NOTE: Any changes in income tax withholding must include a new form W-4.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

Payroll Taxes

The Finance Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Finance Director shall record these payments with each payroll check run, and to validate that the

documentation for payroll matches the documentation for payment of Payroll Taxes. Any discrepancies shall be investigated.

It is the policy of Central Oklahoma Community Action Agency to obtain an updated Form W-4 from each employee in January of each year. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Preparation of Timesheets

Each Central Oklahoma Community Action Agency employee must submit to the Finance Department a signed and approved timesheet on the day designated for each pay period. This will be provided to the Finance Department on Monday prior to the payment. Program Directors will be notified in advance of the cutoff date. The deadline is based on bank restrictions. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect hours worked during the pay period and by fund, and shall document the number of hours worked daily. It is important that timesheets reflect actual hours worked for each employee and that each supervisor is aware that their staffs' time is accurate. Excessive overtime should be investigated with possible staff changes made to ensure work is done on a timely manner and consistent with the guidelines established by the Agency. Documentation of each fund is also very important, for those individuals that are paid from several funding sources the time sheet is very important to document proper allocation of time paid for each grant.
2. Timesheets shall be prepared in ink (blue or black)
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e. Employees shall not use "white out" nor correction tape)
4. Employees shall identify and record hours worked based on the nature of the work performed or ration in an approved format
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such;
6. Timesheets shall be signed by the employee prior to submission.

7. Timesheets shall be reviewed and signed by the employee supervisor prior to submission. It is important to note that by signing the timesheet the supervisor and employee is certifying the hours are true and correct. If an employee is over-reporting hours worked it is taking resources away from the Agency that could be used elsewhere, and the Employee as well as the Supervisor shall be held accountable.

After preparation, timesheets shall be approved by Program Directors or their designees, prior to submission to the Finance Department. Corrections identified by an employee's supervisor shall be authorized by the employee by placing the employee's initials next to the change.

An employee who is on leave, on travel, or is ill on the day that timesheets are due may telephone or e-mail timesheet information to his or her supervisor (or designated alternate). Time so submitted must reflect the actual time worked and the appropriate classifications. The employee must initial a timesheet submitted in this manner immediately upon his/her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or e-mail by (employee) to (supervisor or designated alternate)." The timesheet shall be signed by the supervisor or the designated alternate.

Processing of Timesheets

Processing of timesheets is performed by the Finance Department. The Finance Department checks all timesheets for mathematical accuracy, and then inputs all timesheets into the payroll system.

The Finance Department may not change or correct timesheets unless authorized by the supervisor and/or employee whose timesheet is being changed. It is best practice to have the employee initial the timesheet after the change has been made to protect the Payroll Support Specialist and to make sure that all changes are agreed upon. If the employee refuses to initial the change, and disagrees with the change, the Executive Director or Human Resource Director shall investigate the issue and document the resolution for the file.

Tampering with, altering, or falsifying time records, recording time on another employee's time record or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll

Upon production of all payroll reports and checks, and Finance Director reviews payroll prior to its distribution to employees. The Finance Director shall prepare a spreadsheet documenting the funds expended and entering into the Accounting System prior to payment to employees. Any discrepancies identified in the payroll shall be documented and the **Control Service** contacted to stop payment on gross discrepancies, and utilizing Accounts

Payable for underpayments to any staff member. In the event a check is cut from Accounts Payable to pay an employee it is very important that the Finance Department document this payment in the payroll system for proper filings of tax reports and W-2's. It is also important that such documentation: include that payment has already been made to the employee to avoid double payment to employee.

Distribution of Payroll

Payroll payments (or check stubs for electronic deposits) shall be mailed to all employees. "Mail" of payroll checks includes inter-office distributions to save the Agency funds and to allow timely receipt of the stub by the employee. Payroll checks are delivered in individual sealed envelopes from the service provider, and any opened envelope shall be reported to the Finance Director by the employee. This is to safeguard that all payroll information: remain confidential.

Benefits

Benefits are provided to all full-time employees as mentioned in the Personnel Policy Manual. These benefit records shall be maintained by the Finance Department with all deductions coming from each employee's payroll check. These benefits shall include (but may not be limited to) Health Insurance, Vision Insurance, Dental Insurance, 401k, and Life Insurance.

Central Oklahoma Community Action Agency employees 100 or fewer employees allowing us to sign up with Insure Oklahoma and provide many employees affordable insurance that otherwise would not have good health insurance. Our insurance carrier is Blue Cross/Blue Shield which has two policies available for selection by each employee, also offered is Family Coverage, or Coverage for spouse only. It is important that each employee explore their options for insurance along with eligibility for Insurance Oklahoma reducing costs for both the employee and for the Agency. Insure Oklahoma currently pays up to 60% for spouse coverage allowing our employees the option of providing coverage for their spouse at a reduced rate and limiting the liability for their family in the event of an accident or medical problems. Children

are not covered by Insure Oklahoma currently, but Sooner Care is available and follows the same income guidelines as Insure Oklahoma for coverage of children.

The Finance Department is responsible for allocation of Employee Benefits and Expenses to various funds based upon direct hours worked for each fund. This allocation currently is being done by spreadsheet after verifying hours worked in a given month for each employee through the outsourced payroll service provider. These Benefits and Expenses include: Health Insurance, Vision Insurance, Life Insurance, Dental Insurance, Workman's Compensation Insurance, 401k, and Short-Term Disability Insurance. Any new payroll system identified must have the ability to prepare reports reducing this particular spread sheet allowing the system to fully document all expenses allocated to a given fund/ grant.

Paid Time Off Accruals (PTO)

The Finance Department shall accrue paid-time off with each payroll check run at the rate documented in the Employee Handbook.

Allocation of Time to Funding Source/Programs

Due to the nature of our funding sources it is very important that timesheets properly identify the funding source for which an employee is being paid. During a given time frame an employee is asked to maintain their timesheet based upon the program in which they are working, these are represented by various fund numbers. These funds will change periodically as the grant period renews, this may be annually, three-year period, etc., as dictated by the grant or funding source. There are some programs in which it would be difficult to clearly identify which grant is benefiting from the employee's time, in those instances we rely on the expertise of the Program Director to instruct their employees on how to complete their timesheet. Some grants have been written with specific employee job descriptions and activities in mind, these estimates being based upon the Program Directors expertise in their program and the estimated time required to perform various job duties to the satisfaction of the granter/funding source.

Although the time worked is allocated directly to various funding sources/programs is important to note that paid time off (PTO) and holidays are not documented on the timesheet in the same manner. PTO and holidays will be allocated to the various funding source based upon time worked in the given period. In the event there was no "time worked" it will be allocated based upon the Employee status in their file documenting allocation of time to various programs.

Due to the limitations of software it has become necessary record PTO accruals annually on the General Ledger. In the event software changes the Finance Directors intent is to accrue PTO as incurred to conform to Generally Accepted Accounting Principles, when this occurs PTO taken will be charged against the Liability account as the PTO is taken and paid. With the current system in place it is labor intensive with the cost exceeding the benefit of the process.

Forms

Purchase Requisition/Check Request

Mileage Reimbursement

Travel Form -with Checklist

Δ to current
copy

Central Oklahoma Community Action Agency, Inc.

TRAVEL EXPENSE VOUCHER

Location: _____

Name: _____

Page ____ of ____

Address: _____

Period Ending: _____

Name:
Destination:--

TO# _____

Travel Dates:

please fill in all areas for which you are requiring an advance for travel purposes

	Registration	Amt: _____	Confirmation # _____	adv	cc	ck	\$0.00
Airfre		Amt: _____	Confirmation # _____				\$0.00
Hotel		Amt: _____	Confirmation # _____				\$0.00
Car Rental		Amt: _____	Confirmation# _____				\$0.00
Per Diem	Start Date: _____	Total Days: <u>1</u>					Per Diem M v. \$0.00
	End Date: _____	Amt per day: _____					per diem website
Mileage	Starting Mile: _____	Per Website: <u>0</u>					Mileage Reimb \$0.00
	Ending Miles: _____	Total Miles: <u>0</u>					rate of x .50
Other Expense	parking	tolls	cab fare	baggage	misc		Total Other: \$0.00
	Amt: _____	_____	_____	_____	_____		Total Mvance to Traveler: \$0.00

or accounting office use

	Total Expenses	Reconciliation	Balance
Registration:	\$0.00	\$0.00	\$0.00
Airfare:	\$0.00	\$0.00	\$0.00
Hotel:	\$0.00	\$0.00	\$0.00
Car Rental:	\$0.00	\$0.00	\$0.00
Per Diem:	\$0.00	\$0.00	\$0.00
Mileage:	\$0.00	\$0.00	\$0.00
Other Exp:	\$0.00	\$0.00	\$0.00
Total Cost of Trip:	\$0.00		Bal Owed/Due: \$0.00

if negative bal you owe, if positive bal we owe you

Travelers Signature: _____ Date _____

Supervisor Signature: _____ Date _____

Exec Dir Signature: _____ Date _____

fund account
approve / disapprove

approve / disapprove

Name: Destination:

Airline Ticket

