

Financial Management Manual

Our House, Inc.

Voices Against Interpersonal Violence

*Speak out*Teach*Educate*Protect*Serve*



Revised, published and disseminated in October 2021



Financial Management Manual

Our House, Inc.

"New Birth To Violence Free Living"

A place of Healing, Ministry, & Peace

New Beginnings are born here, Old mistakes are forgiven

Lives move on and forward

We are here to help, the change comes from YOU

We offer choices, You make the decision

We believe in Miracles!

"A New Birth To A New Beginning of Life"



Vision

A world free of interpersonal violence

Mission

To lead, empower and inspire change by eliminating domestic violence and sexual violence through intervention, prevention, prosecution, victim protection and sustainable restoration in rural communities; and, to enhance the lives of survivors of interpersonal violence by providing services that meet the psychological, spiritual and cultural needs of those we serve.

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MS Voices for Women and Children in the Rural South



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AMENDED UPDATED POLICY APPROVED ON JULY 10, 2020

I. GENERAL

1. The **Board of Directors** formulates financial policies, delegates administration of the financial policies to the Executive Director and reviews operations and activities.
2. The **Executive Director** has management responsibility including financial management.
3. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
4. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
5. All employees involved with financial procedures shall take vacations or leaves of at least 5 consecutive work days each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
6. A blanket employee dishonesty coverage in the amount of **\$50,000** shall be maintained.
7. Professional financial service providers will be established annually:
 - a. **QuickBooks** (accounting software),
 - b. **TSheets** (online timesheets for staff),
 - c. **ADP** (payroll services),
 - d. **Right Signature** (online signature verification program)
 - e. **Travelers/Workman Compensation**,
 - f. **Property Insurance** (
 - g. **Blue Cross/Blue Shield Health Insurance**
 - h. **Guardian Life Insurance**
 - i. **Dental/Vision** (insurance),



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- j. **Banks: Planters & Southern Bankcorp,**
 - k. **Hartford** (restricted investments and retirement services),
 - l. **Candace Mosley**(internal auditor)
 - m. **Banks, Finley and White** (independent auditors).
8. The **Financial Officer** will maintain a current and accurate log of the chart of accounts, job accounts and accounting classes.
9. These policies and procedures will be reviewed bi-annually by the **Executive Director** with recommendation for changes yearly to the **Board of Director** when necessary.

II. CASH RECEIPTS (includes checks)

- 1. The **Healthy Relationship Coordinator or the Administrative Assistant** opens any mail addressed to **Our House, Inc.** or without specific addressee.
- 2. A receipt report will be printed that includes the source and amount of the receipt as well as the total daily deposit amount by the **Healthy Relationship Coordinator or the Administrative Assistant**
- 3. The receipt of checks or cash will be recorded in the accounting system. All other checks or cash will be immediately forwarded to the **Executive Director** for initial and review.
- 4. The checks and cash will then be forwarded to the **Financial Officer**, who will complete deposit slips in duplicate. Receipts and deposit slip will be placed in an envelope for Bank.
- 5. The **Financial Officer** will endorse all checks by rubber stamp to read as follows:

PAY TO THE ORDER OF

Planters Bank, Southern Bancorp Bank or Regions Bank

Account # (Current account number



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FOR DEPOSIT ONLY

Our House, Inc.

Account Number# Current account number

The endorsement stamp will specify into which corporate account (master account, rental account, restricted account, cash management account, mortgage account) the deposit will be made.

6. If cash is present, the Financial Officer will verify deposited funds with other staff person prior to sealing the envelope and making the deposit in person.
7. Documentation for all receipts (a copy of check, letter, etc.) will be attached to the duplicate slip and filed chronologically.
8. All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.
9. **Healthy Relationship Director or Administrative Assistant** will record each cash payment received in a number receipt book with a duplicate for the payer. Cash shall be locked in a secure location until taken to the bank.
10. The **Executive Director** will receive a copy of all deposit reports for review.
11. Checks or Cash received at the shelter location will be brought to the main office by a staff or board member.

III. CASH DISBURSEMENTS

A. CHECK AUTHORIZATION

1. All invoices will be immediately forwarded to the **Financial Officer** who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with bid requirements.



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2. Prior to payment, all invoices will be approved (indicated by initialing) by the **Financial Officer or her assistant**, who will code the invoice with an appropriate expense or other chart of accounts line item number, class and job number (where applicable).
 - By approving an invoice, the **Financial Officer or her assistant** indicates that it has been reviewed by the **Executive Director** and authorizes a check.
3. The **Financial Officer or her assistant** will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. **The Financial Officer** is responsible for timely follow-up on discrepancies and payment.
4. Approved invoices will be entered into the accounting system using the “Purchase Order” screen.
5. The **Financial Officer** will prepare checks on a weekly basis.
6. Authorized signers on Our House, Inc.’s accounts include the **Executive Director**, **Financial Officer** and the **Administrative Assistant**. Each check must have at least two signatures.

B. CHECKS

1. The **Financial Officer** will be responsible for all blank checks.
2. All checks, including payroll checks (with the exception of direct deposit payroll items) will be signed by the Executive Director and one other designated members of the staff.
3. The **Financial Officer** will generate checks for approved invoices through the accounting system using “Payment” and/or “Write Checks” screens where appropriate.
4. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.



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5. In no event will:
 - i. invoices be paid unless approved by an authorized signer
 - ii. blank checks (checks without a date or payee designated) be signed in advance
 - iii. checks be made out to "cash", "bearer", "petty cash", etc.
 - iv. checks be prepared on verbal authorization, unless approved by the **Executive Director**.
6. In the event that it is necessary to issue a duplicate check for checks in an amount over \$15, a stop payment will be ordered at the bank on the original check.

C. BANK RECONCILIATIONS

1. Bank statements will be received directly and opened by the **Healthy Relationship Coordinator or Administrative** and given to the **Executive Director** to review.
2. The **Financial Officer** will reconcile the bank statement monthly.
3. The **Board of Director** will receive quarterly statements of checks paid on all accounts.
4. The **Executive Director** shall verify the reconciliation of the bank accounts on at least a quarterly basis.
5. On all checks outstanding over 90 days, the **Financial Officer** should take appropriate action.

IV. PURCHASING

A. PURCHASES UNDER \$5,000

1. All purchases over \$500 must be approved in advance by the **Executive Director**.
2. The **Executive Director and/or Financial Officer** is responsible to know if the item ordered is within the budget and guidelines.



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3. If purchase is less than \$150, persons authorized by the **Executive Director** for immediate purchase and delivery can make the purchase. When this is done, invoice copies are to be turned into the **Financial Officer**.

B. PURCHASES OVER \$5,000

1. All purchases including services over \$500 must be approved in advance by the Executive Director.
2. Purchases over \$5000 will be required to undergo a competitive bid procedure.
3. All bid requests will contain clear specifications and will not contain features which unduly restrict competition.
4. The **Executive Director** will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
5. The **Executive Director** will obtain at least 3 bids wherever possible unless prior approval by Executive Committee or the funding source has been obtained.
6. Purchases of over \$5000 will not be fragmented or reduced to components of less than \$5,000 to avoid the bid process.

V. PAYROLL

A. TIME SHEETS

1. Each hourly employee will be responsible for completing a time sheet on a biweekly basis.



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2. Completed time sheets will be dated and signed by the employee and submitted to the employee's supervisor for signature and approval at the end of the last working day of each pay period.
3. No payroll checks will be issued without a completed time sheet.
4. Incomplete time sheets and cards will be returned to the employee for correction.
5. The employee and their immediate supervisor will verify the accuracy of the time sheets and addition.
6. Employees will be paid every two weeks, deductions are itemized on each paycheck.

B. PAYROLL

1. The **ADP** Payroll System will enter payroll, print payroll checks, transfers print payroll reports and send reports to the **Financial Officer**.
2. The **Financial Officer** will review the payroll checks before they are distributed and entered into the account system.
3. The **Financial Officer (in her absence, the Executive Director)** will distribute the payroll checks to the employees.
4. Checks will not be issued to any person other than the employee without written authorization from the employee.
5. The **Financial Officer** is responsible for entering payroll reports into the accounting system.



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6. Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid on day of separation.

C. PAYROLL TAXES

1. **ADP** will prepare and transmit the payroll tax reports for employers W-2 forms, and 1099 forms.
2. The **Financial Officer** will review payroll tax 941 report on a quarterly basis.

D. BENEFITS

1. Payroll will be prepared in accordance with the personnel policies and benefit plan.

VI. TRAVEL & EXPENSES

1. Each employee will complete an expense voucher if any traveling is done. Voucher should include all expenses including credit card charges. Voucher will reflect reimbursement sources other than **Our House**.
2. Mileage to and from residence will not be paid by **Our House, Inc.**
3. Mileage reimbursement for travel within our main site (Washington county) will not be reimbursed for by **Our House, Inc.** All reimbursement travel for work must be completed outside of our Washington county.
4. Mileage will not be paid for staff who utilize private vehicle without prior approval from their **supervisor** or the **Executive Director**. Staff must utilize company vehicle prior to opting to utilize their personal vehicle if they expect reimbursement.



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5. The travel expense voucher will be submitted within 60 days for payment, with a total, signed by the employee, authorized for payment by the **Executive Director and/or Financial Officer**.
6. Reimbursement will be based upon current travel policies. Receipts must be attached to the expense voucher for lodging, common carrier transportation, and meals.
7. Incomplete expense vouchers will be returned.
8. Employees and board members will be reimbursed for travel and other related expenses at the Federal Government rate unless a funding source specify a different rate.
9. The **Executive Director** must approve employee travel and workshop expenditures prior to their occurrence. The organization will reimburse no more than the standard mileage rate for the business use of a car as established by the current IRS.
10. **Our House, Inc.** will reimburse meal expenses incurred in direct connection with **Our House's** employment, or a per diem rate. The mileage rate and per diem rate will be based on the current federal government rate. Any overage of per diem amount will be paid by the employee.
- 11. Parking Fees will be reimbursed based on regular parking rates to the government.**

Valet parking will be allowed for safety purposes. Only the regular parking rate will be charged to the government grant. The difference between the approved federal regular parking and valet parking rate will be charge to Our House, Inc.'s general account. As a victim service agencies safety of clients and staff are a priority.



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VII. CONSULTANTS

1. Consideration will be made of internal capabilities to accomplish services before contracting for them.
2. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
3. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. The **Board of Directors** will approve audit and other significant contracts.
6. The **Financial Officer and/or ADP** will prepare 1099 forms for consultants at year end.
7. A background check will be conducted for all consultants to determine if they have been suspended or debarred.

VIII. PROPERTY

A. EQUIPMENT

1. Equipment shall be defined as all items (purchased or donated) with a unit cost of \$500 or more and a useful life of more than one year.
2. The **Administrative Assistant** will maintain an inventory log; which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.



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3. A depreciation schedule shall be prepared at least annually for the audited financial statements.
4. The **Administrative Assistant** will record all equipment in the accounting system. An entry must be made whenever property is disposed of or acquired.

B. DISPOSAL OF EQUIPMENT/VEHICLE

1. Requests to **dispose of a vehicle** must be sent to the Board of Directors in writing. ... Any funds received through the sale of a **vehicle** will be used for program services that the vehicle was initially purchased to assist in providing transportation. Funds received for the **disposal of a vehicle** will be returned to the grant program that funded the project or deposited into a restricted travel funds for clients.

IX. LEASES

A. REAL ESTATE

1. The **Executive Director** will review leases prior to submission to the Board of Directors for approval.
2. All leases, clearly delineating terms and conditions, will be approved by the **Board of Directors** and signed by the **Board Chair**.
3. The **Executive Director** will keep a copy of each lease on file.
4. The **Financial Officer** will be notified of each lease and lease specifications, and will make proper general journal entries for same.



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5. Rental of building space to outside **vendors** must be approved by **Executive Director**. A rental contract must be signed by the **vendor** and Our House, Inc.'s **Administrative Assistant** to verify approval.

B. EQUIPMENT

1. The **Executive Director** will review all leases.
2. All leases, clearly delineating terms and conditions, will be approved and signed by the **Executive Director**.
3. The **Executive Director** will keep a copy of each lease on file.
4. The **Financial Officer** will be notified of each lease and lease specifications, and will make proper general journal entries for same.

X. INSURANCE

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary.
2. The **Executive Director** will carefully review insurance policies before renewal.
3. The **Executive Director** will maintain insurance policies in insurance files.
4. Insurance policies will correspond to the calendar year whenever possible.
5. The **Administrative Assistant** will prepare and maintain an insurance register.



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XI. TELEPHONE

1. Personal long distance or cellular phone calls made on **Our House's** telephones by employees must be logged with the **Financial Officer**, indicating that it is a personal call. Employees will be billed on these calls.
2. **Our House, Inc.'s** business calls from phones outside the office should be billed to the **Our House's** telephone account.
3. Staff utilizing **Our House, Inc.'s** mobile phone must pay a monthly \$20 co-pay fee, unless they can verify that they have a personal mobile phone and will not be utilizing the office phone for personal calls.

XII. BOOKS OF ORIGINAL ENTRY

1. **Our House** will utilize a double entry system for accounting for all funds.
2. Adequate documentation will be maintained to support all general entries.
3. At the end of each month, the **Financial Officer** will prepare a Balance Sheet, Statement of Activities, and Statement of Activities by Project that will be reviewed by the **Executive Director**.
4. The Statement of Activities report will include a comparison to the budget with the general ledger and the job ledger.
5. **Our House** will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.



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XIII. GRANTS AND CONTRACTS

1. The **Executive Director** will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The **Financial Officer** will maintain originals of all grants and contracts in a file. The Consulting Accountant will prepare initial entries as appropriate to record each award in preparation for the Single A-133 Federal Audit.
2. The **Financial Officer** will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded to **Our House**. This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all require financial and program report and due dates; and the chart of accounts line item number for the revenue deposited.
3. Payments for projects for which **Our House, Inc.** serves as fiscal agent shall be paid out within ten business working business days.
4. The **Financial Officer** will prepare financial reports to funding sources as required.
5. The **Executive Director** will review and approve all reports to funding sources.
6. It will be the responsibility of the **Executive Director** to insure that all financial reports are submitted on a timely basis.

XIV. BUDGETS

1. The **Executive Director** and the **Financial Officer** will prepare the financial budget.
2. The **Financial Officer** will ensure that budgets are on file.



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3. The Executive Director must approve proposed changes in the budget, should they exceed **\$10,000** or **10%** of the line item, whichever is greater prior to submitting the request to the funding source for change approval.

XV. LOANS

1. The **Board of Directors** will approve all loans.
2. A promissory note will be prepared and signed by the **Board Chair** with the approval of the executive committee before funds are borrowed.

XVI. OTHER

A. MINUTES OF MEETINGS

1. The **Secretary of the Board** will prepare accurate minutes of all meetings of the Board of Directors and committees.
2. The **Executive Director** will note all items in the minutes relating to finance and take appropriate action.

B. NON-PROGRAM INCOME

1. Donations of cash and non-program related income will be separately accounted for.

C. ACCOUNTS RECEIVABLE

1. Documentation will be maintained for accounts receivable.
2. Accounts receivable will be recorded in the books and collected on a timely basis.

D. FINANCIAL PROCEDURES

1. Financial procedures will be reviewed yearly by the Board of Directors. All changes must be approved by the board prior to implementation.

E. FORM 990



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1. The Board of Directors in conjunction with the audit will authorize preparation of Form 990. Form 990 will be signed by the **Executive Director** or in her absence an officer of the Board.
2. Copies of Form 990 will be filed in the **Financial Officer's** files, and a copy of the Our House's Form 990 and Form 1023 shall be located on their web site or a link to the report will be placed on the web for public inspection and/or copying.

F. AUDITS

1. The **Board of Directors** shall annually contract with an independent auditing firm to conduct a full audit of the books annually. Extensions will be made with the approval of the IRS and federal funding sources.

G. PERSONNEL FILES

1. The **Executive Director** will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.

H. FISCAL AGENT STATUS

1. The **Our House** executive committee must authorize all fiscal sponsorship arrangements, which are then approved by the board.
2. All fiscal sponsorship arrangements will begin with a written agreement, stating the terms of the relationship and the purpose for the use of funds.



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3. Fiscal sponsorships will be limited to projects for which the **Our House's Board of Directors** determines that the project is charitable and consistent with the Our House's mission of strengthening the nonprofit sector, and that no real or perceived conflicts of interest exist with board or executive committee members.
4. The **Executive Director** will negotiate with the sponsored project a rate for indirect or direct costs to cover the Our House's expenses of administering the temporarily restricted fund.
5. Sponsored projects will be required to submit full and complete quarterly and year end reports to the **Our House's Board of Directors** by the end of the September of the funding year: and must include:
 - a. detailed expenses using budget categories for original grant;
 - b. program accomplishments and activities;
 - c. lobbying expenditures; and
 - d. amount of remaining funds.
6. Any changes in the purpose for which grant funds are spent must be approved in writing by Our House before implementation. Our House retains the right, if sponsored project's breaches the fiscal sponsorship agreement, or if a sponsored project jeopardizes Our House legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
7. Our House's executive director will submit quarterly reports to the Executive Committee, to be circulated to the entire board, on the status of active fiscal sponsorships.
8. Our House will file appropriate tax forms for sponsored projects, including IRS form 1099.



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XVII: FINAL NOTES

1. All business conducted by Our House must adhere to the A-122 Non Profit Organizations Federal Cost Principles OMB Circulars.
2. All Corrective Actions should be done within 30 days after a risk or error has been made within the financial internal controls by the **Executive Director** by conducting a risk analysis:
 - a. Assessing the likelihood (or frequency) of risk/error occurring
 - b. Estimate the potential impact if the risk/error were to occur
 - c. Determine how the risk/error should be managed
3. All procurement transactions should be conducted in a manner to provide open and free competition.
4. **Our House** will attempt to conduct a cost or price analysis in connection with every procurement action, including contract modification. Awards will be made to the bidder or offeror whose bid is responsive and most advantageous to Our House, price, quality and other factors considered.
5. **Our House** will check <http://www.epls.gov/> for all procurement vendors/contract requests for payment is over \$25,000 as required by 34 CFR 85.425 and 85.430

