



Financial Policies & Procedures Manual

Approved by OOI Head Start Policy Council
October 25 & November 29, 2017
Ana Castro-Beard, Chair, Policy Council

Approved by OOI Board of Directors
November 30, 2017
Paulette Hill, Chair, Board of Directors

NOTE: This manual is not to be construed to be a contract of employment. The employment relationship may be altered at any time by the employee or the agency.

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SECTION 1- INTRODUCTION

I. GENERAL INFORMATION

A. Introduction

Ozark Opportunities, Inc. (“OOI”) is a Private, Non-Profit Agency incorporated in the state of Arkansas and is exempt from federal income taxes under IRS Code Section 501(c)(3).

This manual sets forth the accounting policies and procedures for OOI. It is to be followed by all OOI staff in processing and maintaining financial information and reports.

These policies and procedures are intended to meet the December 26, 2014 “Super-Circular” which supersedes and streamlines requirements contained in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133; Title 45 Part 74 of the Code of Federal Regulations; ACF Region VI Guidebook for Financial Managers and other applicable regulations. These procedures are implemented to ensure all transactions have been reviewed to determine allowability, allocability, and reasonableness of costs.

The Financial Procedures Manual will be reviewed and updated as deemed necessary. Policy changes must be approved by the Board of Directors and Head Start Policy Council. Procedure changes must be approved by the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) prior to formal action by the Board of Directors and Head Start Policy Council (when required).

B. Board of Directors

Ozark Opportunities, Inc. is governed by an 18-member Board of Directors. Composition and election of the Board of Directors is described in OOI's Articles of Incorporation and By-laws.

The Board of Directors formulates financial policies, delegates administration of the financial policies to the administrative staff, and reviews operations and activities.

- The Board of Directors is responsible for hiring and evaluating the CEO.
- The CEO approves the hiring of all other employees.
- The CEO is responsible for all operations and activities of the Agency, including financial management.
- The CFO is responsible to the CEO for financial operations.
- The lines of authority on the agency's organization chart will be followed by all employees.
- Current job descriptions will be maintained for all employees, indicating duties and responsibilities.

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C. FISCAL YEAR

Ozark Opportunities, Inc. operates on a fiscal year that begins March 1st and ends on February 28th (or 29th).

D. AUDIT

- The agency is covered under the Single-Agency Audit Act and must comply with the requirements of OMB "Super-Circular" Sections 200.500 through 200.521. OOI will contract with a Certified Public Accountant (CPA) to conduct an annual audit of the Agency's financial statements.
- Auditor selection is performed utilizing the standard purchasing procedures, and approved by the Board of Directors.
- Once completed, the Audit Report shall be presented to the Board of Directors at the first regular monthly meeting following their receipt. Any audit findings shall be addressed in a timely manner. Recommendations shall be reviewed and implemented as required.
- The Board of Directors is asked to take formal action to accept the completed Audit after completion of presentation of the Audit to insure the members have had proper opportunity to see, review, and ask questions about the document and process to the auditing firm.

E. Form 990

- The Independent Auditor will prepare "Form 990, Return of Organization Exempt Form Income Tax."
- The CFO will review and approve Form 990. The CEO will sign the Form 990.
- The Form 990 will be presented & approved by the Board of Directors prior to submission.

F. MONITORING

Program Monitoring Reports are to be presented to the Board of Directors at the first regular monthly meeting following their receipt. Any findings shall be addressed in a timely manner by the program director. Recommendations shall be reviewed and implemented as required.

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II. ACCOUNTING DEPARTMENT

The Accounting Department consists of four staff positions:

- Chief Financial Officer (“CFO”)
- Finance Supervisor (Cash Receipts/Payroll and Supervision of staff)
- Finance Coordinator (Purchase Orders/Procurement)
- Finance Specialist (Accounts Payable)

Other staff that has financial responsibilities includes:

- Chief Executive Officer (“CEO”)
- Chief Operating Officer (“COO”)
- Program Directors
- Program Managers
- Programs Supervisor
- Administrative Specialist
- Coordinator responsible for Head Start “In-Kind”

OOI must insure proper internal control is exercised to:

- Safeguard its assets
- Produce accurate accounting data and reports
- Contribute to efficient operation of the Agency
- Encourage staff to adhere to management policies and grant requirements.

Financial duties and responsibilities will be separated so that no one employee has sole control over cash receipts; disbursements; payrolls and reconciliation of bank accounts. Bookkeeping duties will be rotated among finance department employees, wherever possible. All financial staff will be required to take annual vacations for **at least 40 consecutive hours** in duration.

III. CASH RECEIPTS PROCEDURE

The Head Start Administrative Specialist will open and log all checks received in the incoming letter log AND Cash Receipts log.

- All other cash and checks not received through the mail will immediately be forwarded to the Head Start Administrative Specialist, who will record them in the incoming letter log and Cash Receipts (CR) log.
- All checks will immediately be stamped "For Deposit Only", "Ozark Opportunities, Inc." and delivered to the Finance Department.

The Finance Supervisor will complete a deposit slip indicating the source and amount of each receipt.

- Deposits will be made daily for all substantial receipts.
- All receipts are to be kept under lock and key until deposits are made.

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The Finance Supervisor will prepare General Journal Vouchers for all cash receipts and immediately record these receipts in the appropriate "Cash in Bank" computer system.

- The CFO will approve the General Journal Vouchers for posting to the General Ledger.
- All receipts will be deposited intact.
- The validated deposit receipt will be attached with all documentation (copy of check, attachments, cash receipt, etc.) to the General Journal Voucher and filed by month.

The Finance Specialist will reconcile receipts from cash log to deposit books, and then to the General Ledger.

IV. CASH DISBURSEMENTS/ PURCHASE AND RECEIVING ORDERS

A cash disbursement is an obligation of funds to support an agency commitment. Proper protocol must be followed in order to issue payment for agency operations.

Before payment, the staff member responsible for approving the purchase request must determine the following:

- If the expenditure is budgeted
- if the expenditure is allowable
- if the expenditure is necessary to the program
- if the cost is reasonable.

All checks will require two original signatures. Check signers are authorized by resolution approved by the Board of Directors. Restrictions for authorized check signers:

- 1) CFO (or other Finance Staff) cannot be authorized to sign checks.
- 2) Person approving a Purchase Order cannot sign a check issued for that Purchase Order.
- 3) The person reconciling bank statement cannot sign checks.

Voided checks will be stamped "VOID" across the face of the check and initialed by the person voiding the check and the signature portion removed. The original and duplicate check will then be filed numerically with other check vouchers.

In NO circumstances will:

- Checks be prepared unless procedures are followed.
- Checks be prepared from monthly statements or duplicate invoices.
- Checks be signed in advance.
- Checks be made out to "cash", "bearer", or "petty cash".

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Cash Disbursement Policies:

- All blank checks will be stored under lock.
- Program Managers may authorize designated employees to charge items up to a maximum established for a particular program.
- Payments will be processed from original documents; an email printed attachment is acceptable.
- Any reimbursement to employees should be on a separate ticket or invoice - not part-OOI and part-employee.
- All OOI forms submitted for any type of payment or reimbursement, i.e. timesheets, travel vouchers, purchase orders, etc. should include employee name or vendor name and MUST be submitted in a timely manner.

V. HIRING PROCEDURE

The Board of Directors will hire the CEO. The CEO must approve the hiring of all other employees.

The Chief Operating Officer (“COO”) will be responsible for insuring new employees complete the following:

1. Form W-4, Employee Withholding Certificate with copy of Social Security card attached.
2. Selected benefits enrollment forms when eligible
3. Form I-9
4. Central Registry checks and background checks (as appropriate)
5. Copy of Direct Deposit information from voided check or verification of account and bank routing numbers

A “Letter of Hire” will be completed by the COO and signed by the CEO.

The COO will set up a Personnel File for new employees, it will include:

- A copy of the “Letter of Hire” along with an employment application, reference checks, pertinent education and emergency contact information will be included.
- A signed receipt for all applicable policies and procedures will be filed in the Personnel File upon completion of New Employee Orientation of all employees.
- A separate file will be maintained for I-9 and supporting documentation.

VI. LEAVE

- Leave is covered under the OOI Personnel Policies and Procedures.
- It is the responsibility of the immediate supervisor to review and approve all leave.

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VII. Payroll

A. Timesheets:

- a. OOI requires all staff to keep proper record of all hours worked on behalf of the agency.
- b. Each employee will be responsible for completing a timesheet on a daily basis. Agency staff must utilize the official time record provided by the agency.
 - All spaces must be completed; name, position, period ending date (which is the 15th and the last day of the month; regardless of what the last working day is) employee number; the hours worked or appropriate leave or holiday, signature, and the supervisor's approval.
 - The employee's signature on the time sheet is affirmation that the time recorded is a true and accurate accounting of their time and attendance.
- c. The Supervisor's signature of approval on the time sheet is affirmation that the time recorded is a true and accurate accounting of the employee's time and attendance.
 - Supervisors have the responsibility to train their staff to complete timesheets daily, in a manner that reflects a true and accurate accounting of the day's work.
- d. The form must be printed, signed, scanned and emailed (or provided) to the Supervisor (or designee) the last working day of the pay period.
- e. The Supervisor is responsible for determining the deadline for completed timesheets to insure they are delivered to the Finance Department no later than 9 a.m. on the day after the pay period.
 - Incomplete timesheets will be returned to the supervisor, and late timesheets will be held until the following pay period.

B. Payroll:

OOI will issue all payroll compensation by direct deposit into employee's accounts on a semi-monthly basis. All staff will provide information for the account they wish funds to be deposited into, including a copy of a voided check or verification of account and bank routing information. Any changes in bank account information will require a two-week lead time to ensure changes are in place prior to deposit of funds. Staff will be allowed two changes in a calendar year without charge; any additional changes may be assessed a \$20.00 charge to cover bank charges for the changes.

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Payroll Process:

A schedule of planned dates for funds to be in bank accounts will be provided at the beginning of the calendar year.

1. Staff will be provided year-to-date totals for earnings and deductions on a quarterly basis and more frequently by request. W-2 forms will be issued as required by Federal Law.
2. The Finance Supervisor will prepare the Payroll Worksheet. The Finance Specialist will proof the worksheets and the CFO will approve.
3. The Finance Supervisor will provide information to the Head Start Administrative Specialist for preparation of the purchase order for transferring funds to the impress payroll account. The same date payroll is made, the Finance Supervisor will deposit payroll taxes withheld and accrued using the EFTPS system; the Finance Supervisor will prepare and make deposits to the payroll account the date direct deposit is initiated.
4. The Finance Coordinator will verify all payroll tax deposits the day following EFTPS remittance of the taxes and email confirmation to the CFO.
5. The payroll processing program will generate the information for posting payroll in the Cash Disbursements Journal.
6. The Finance Supervisor will prepare payroll tax reports; the CFO will approve and sign the report.

Compensatory Time

- Compensatory time is not allowed by OOI.

Overtime

- Employees subject to the provisions of the Fair Labor Standards Act as amended in 2004 (non-exempt employees) will be paid overtime for all hours worked in excess of forty (40) hours in a work week at a rate not less than 1.5 times the employee's regular rate of pay. The agency work week begins on Sunday and ends on Saturday.
 - ❖ Supervisors will not permit overtime to be worked by non-exempt employees without proper advance authorization from the CEO.
- **Staff are required to let their supervisor know that they may have overtime** so that proper permission may be granted and allowances can be made to stay under the 40-hour workweek.
- Any time over 40 hours worked by non-exempt staff must be recorded by employees. When overtime has been worked, Supervisors must insure staff have denoted it as such, and then taken to the CEO for approval and/or disciplinary action.

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VIII. TRAVEL

All travel will adhere to Standard Government Travel Regulations:

- All per-diem rates and travel will be subject to change immediately upon receipt of change in Federal Regulations if funding permits.

Local Travel:

The *Local Travel Form* must be used for travel within the *Ozark Opportunities, Inc.* six-county area.

- A *Local Travel Form* must be completed (except totals) at the end of each trip and/or day of travel.
- These will be totaled at the end of each month in which travel is incurred.
- All sections must be filled out completely. Name of traveler, vehicle license no., program account, date, starting point and destination (beginning odometer and ending reading), area traveled and points and persons contacted, total miles and at end of the month the total dollar amount claimed, signature of traveler, and signature of immediate supervisor.
- If travel extends past one page, the totals should be indicated only on the final page.
- **NOTE:** Online resources (such as “Map-Quest”) may be used if odometer readings are unavailable; and for verification of allowable mileage. This travel reimbursement form should be submitted on the last day of each month; incomplete travel vouchers will be returned, unpaid, to the driver. Travel vouchers with a beginning date 45 days old may not be accepted for reimbursement.

Travel Advances- Policy:

Any staff requesting a Travel Advance must complete the “Request for Out of Area Travel” form and remit to their Supervisor at least 7 days prior to the trip. After approval, Supervisor will forward the completed form to the Finance Specialist for processing.

Travel Advances- Procedure:

If a travel advance is requested, the Finance Supervisor will calculate the amount to be given; regular cash disbursements procedures will be followed.

- Within 10 days from completion of the trip, an appropriate travel voucher and supporting documents must be submitted.
- If the advance exceeds the amount of the travel expense voucher, the difference will be immediately paid by the employee and deposited to the appropriate bank account.
- The Finance Specialist will record the advance on a Travel Advance Log.
- The Finance Coordinator will prepare the General Journal Voucher reclassifying the travel advance.
 - ❖ **NOTE: Employees who fail to follow the Travel Advance Policy and Procedures may be denied future advances.**

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Out-of-Area Travel

Out-of-Area Travel Form will be used for travel out of the six-county area.

- Support documents must be attached to voucher.
- The completed form should be completed within 10 days after completion of trip and provided to Finance Supervisor for calculation of reimbursement.
- The form must have complete information listed: date and time of departure, commercial transportation, Agency vehicle or employee's car, misc. expenses (gas, parking, etc.) and indication of meals provided.
 - ❖ Signed (originals when available) lodging and misc. receipts must be attached to receive reimbursement.

Computation of Per-Diem Rates:

Per-Diem rates will be computed partly on the basis of the average amount the traveler pays for lodging (not to exceed the maximum allowed by Standard Government Travel Regulations), plus a suitable allowance subsistence for meals and miscellaneous expenses not to exceed Standard Government Travel Regulations maximum total (lodging, plus subsistence), for any 24-hour period.

- The resulting amount should be rounded to the next whole dollar, if the result is not in excess of the maximum per diem.

If the amount (average lodging plus subsistence) is more than the current maximum amount allowed, the maximum will be the amount allowed and paid from program funds. Any amounts above the maximum must be approved IN ADVANCE by the CEO and paid from Corporate funds.

- Travelers will be required to furnish hotel and motel receipts for lodging when they request reimbursement for travel. These must be commercial hotel or motel receipts; a private receipt will not be accepted.

Period of Entitlement

The traveler is entitled to per diem from the time he leaves his home or office for official travel to the time of return to his home or office at the end of the trip; however, when the beginning time is within 30 minutes prior to the end of a quarter day, or the time of return is within 30 minutes after the beginning of a quarter day, per diem for such quarter day will not be allowed without a statement with the travel voucher explaining the official necessity for such departure or arrival.

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Per Diem for Less Than 24 Hours Periods (When Lodging Is Not Involved)

- In order to be eligible to claim reimbursement for periods of less than 24 hours, the employee must be in travel status at least 10 hours, or leave before 6:00 a.m. or return after 8:00 p.m. and be in travel status at least 6 hours.
- Trips lasting 24 hours or less are computed on a "lapsed time" basis. The first quarter of per diem starts at the exact time the traveler leaves and ends at the exact time the traveler returns. If the ending time enters a new quarter, the entire quarter is payable.
- *Ozark Opportunities, Inc.* will pay a maximum of 3 quarters for this type per diem reimbursement. Since overnight lodging isn't involved, reimbursement will always be at the current subsistence rate per quarter.
- For staff that are required to attend meetings that are held at an eating establishment OR require staff to eat on-site the agency will reimburse for the meal up to and not to exceed \$12 per meal (agenda and receipt will be required for payment, **tips will not be reimbursed.**)

CSBG Reimbursable Travel

- For CSBG travel expenses incurred, costs will be reimbursed at a rate not to exceed the current rate by the State of Arkansas to its employees.
- The travel day shall commence at 6:00 a.m., include breakfast, lunch, dinner, and one night's lodging and shall end the following morning at 6:00 a.m.
- All other OOI travel requirements will be met.

IX. BENEFICIARY & GOVERNING BODY EXPENSES

The individual incurring travel expenses while carrying out duties for the agency will complete and sign the appropriate travel voucher. Normal procedures for approval for payment will be performed. Checks will be prepared in accordance with regular cash disbursement procedures.

- This includes OOI Board of Directors Members and Head Start Policy Council members.
- Per Head Start Regulations; Policy Council members will be reimbursed for travel costs and childcare costs incurred due to their service on the Council (outlined further in the OOI Head Start Policy Council Bylaws.)

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X. CONSULTANTS & CONTRACTORS:

- Consideration will be made of in-house capabilities to accomplish services before contracting for them.
- Written contracts clearly defining work to be performed will be secured for all consultant and contract services by the person requesting the services, and the original, signed contract will be maintained in the Finance Department.
- The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants. Consultant services will be paid as work is performed and identified in the contract.
- The CEO will approve proposed contracts. Any contracts entered into by and between OOI and members of an employee's immediate family must be approved in advance by OOI Board of Directors.
- If required by funding sources, all contracts must adhere to the "Hatch Act" and the "Davis-Bacon Act". OOI CFO will provide a checklist of requirements when needed for any contract entered into that falls under the "Davis-Bacon Act" and will incorporate US DOL Form #12145-0149.
- Individuals or businesses secured by *Ozark Opportunities, Inc.* for any construction-related services (building, concrete, HVAC, plumbing, electrical, roofing, etc.) that requires an RFP must have on file prior to authorization or approval to provide services the following items: current proof of general liability insurance, current proof of worker's compensation insurance (or waiver, if applicable), and completed W-9.
 - ❖ NOTE: The securing of these documents is the responsibility of the employee completing the Purchase Order. Copies of insurance coverage and/or waiver are attached to the Purchase Order (if needed), with a copy provided to Corporate Services for inclusion in the agency insurance files. The original W-9 will be promptly submitted to the Finance Dept.
- All other individuals or businesses secured by *Ozark Opportunities, Inc.* for services other than construction-related will be asked to provide appropriate documentation based on the services and the associated risk(s).

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XI. PROPERTY

General Policies:

Equipment shall be defined as all items (purchased, governments excess or donated) with a unit cost of \$5,000.00 or more and a useful life of more than one year.

- If the total cost of leasing equipment over a three-year period or less exceeds the purchase price, the equipment should generally be purchased. Only items of equipment necessary to the completion of a program will be purchased.
- The purchase of equipment will comply with the procurement standards set in OMB “Super-Circular” Section 200.310/316 and 200.318/326 as applicable.
- Head Start SF 428 Tangible Personal Property and SF-429 Real Property Status Reports will be filed as required by ACF-PI-HS-17-03.

General Procedures:

- The Finance Coordinator will prepare a permanent file including all documents related to the equipment and record the date items were added to the fixed asset inventory.
- The CEO will designate a “Property Officer” independent of the Finance Department to maintain a Property Listing for all fixed asset equipment.
- The COO will promptly mark all new equipment with the agency name and an identifying number.

Physical Inventory

- The Property Officer will conduct a physical inventory of all fixed asset equipment every two years and indicate on the listing the condition and location of the equipment, and insure that all equipment is properly marked.
 - The Finance Coordinator will assist with the inventory.
- The Finance Supervisor will reconcile the physical inventory with the inventory listing and the prior year's inventory. All discrepancies must be properly explained.
 - The CFO will review and approve the reconciliation.
- Center/Office Inventory of non-Fixed Assets: To be conducted annually by Finance Department.

Loss, Damage, or Destruction

The CFO will be immediately notified of all cases of loss, damage, or destruction of equipment; and will make a report to the CEO and request “Relief of Liability” from the funding agency.

General Ledger

All equipment will be recorded in the General Ledger. An entry must be made whenever equipment is disposed of or acquired. Funding source regulations will be adhered to for all disposition of fixed-asset items.

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Custody Receipts

The Property Officer will insure that a custody receipt is prepared and on file for all equipment prior to removal from the premises of the agency.

Agency Vehicle Logs

- Vehicle Logs will be maintained for all motor vehicles owned by the agency.
- OOI staff using vehicles are responsible for completing all information on Vehicle Log:
 - If fuel or other vehicle expenses are charged to an Agency account, the information should be logged and ticket provided to designated staff.
 - It is the responsibility of the staff member fueling the vehicle to insure the receipt includes the date, vehicle I.D., & the total amount of the sale.
 - Once the sale is complete, the staff member should sign the ticket and put in envelope (usually behind mileage sheet on a clipboard.)
 - If staff pays for the expense, the ticket should be submitted for reimbursement following usual procedures. If the expense occurs during use of the vehicle for out of area trips, the ticket should be listed and attached to the Out of Area Travel Form .
- Designated staff will reconcile logs monthly and submit to Finance Dept. by the 8th of the month.

XII. PROCUREMENT POLICY

All purchases for *Ozark Opportunities, Inc.* including (but not limited to) the following: supplies; equipment; provision of services; vehicle maintenance and food must be approved in advance. Excluded will be normal, on-going operation expenses such as rent, utilities, lawn maintenance, telephone and client entitlement payments.

A Purchase Order Form will be used for all purchases unless the purchase meets alternate provisions listed in the policies and procedures listed below. Program Managers/Directors will have the authority to designate staff to initiate purchases of less than \$500. This authorization will be provided for Finance Department files.

A. Standard Purchases:

- a. Agency purchases are authorized by a chain of command structure. In the absence of the "Authorized Authority"; the CFO is authorized to provisionally sign; however, the authorized signer is still required to review and sign.
- b. Purchases **under \$500** per item will not **require** price quotes; however, informal comparisons, easily obtainable online or by telephone, constitute desirable evidence of fiscal accountability and allow maximum utilization of program funds.
 - ❖ **Authorization Authority: As determined by Program Managers (includes CFO, COO, and CEO).**

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- c. Purchases **between \$500 and \$5,000** per item will require the original and two additional price quotes for comparison- information should be provided on the *Price Quote Form*- quotes may be obtained via: telephone, writing, advertised, catalog, newspaper ads or prices printed from an internet site. Should price quotes not be available, a signed explanation or justification should be attached to the Purchase Order Form.

❖ **Authorization Authority:**

- **Purchases between \$500 and \$2,000 may be approved by Program Managers.**
- **All purchases exceeding \$2,000 will require CEO's approval.**

- d. Purchases between \$5,000 per item and \$25,000 per item will require three written bids- attached to the *Price Quote Form*. Should three bids not be available, a signed explanation or justification should be attached to the Purchase Order Form.

❖ **Authorization Authority: CEO Only.**

- e. Purchases of \$25,000 or more will be made only after receiving sealed bids in response to an advertised request for bids.
- Approval from funding source or CEO will be obtained for sealed single source bids; written justification will be on file if other than the lowest bid is accepted.
 - OOI reserves the right to reject any and all bids when it is in the best interest of OOI.
 - These policies will apply for bulk purchases for any program operated by OOI. If annual bids are solicited for procuring items in bulk, once a vendor has been selected, that vendor will be used for the ensuing twelve-month period barring written request to CEO to cancel for cause.
 - In certain cases, the agency may choose to opt for a longer-term contract if the terms result in a better rate for the agency. In these cases, the contract must include an "Opt Out" Policy that allows the agency to cancel the services if the agency loses funding.

❖ **Authorization Authority: CEO Only.**

NOTE: OOI will adhere to specific funding source requirements if they are more restrictive than OOI Policies.

B. Alternate Purchasing Provisions:

- a. School Vendors/Staff – Where located on a school campus, OOI will utilize school staff and contractors whenever possible to maintain that relationship. All Policies & Procedures of OOI will be followed to the fullest extent, unless explained and signed off on by the CEO.
- b. Emergency Situations– when an emergency need is identified (either health or a situation requiring immediate remedial action) purchases less than \$500 can be approved verbally; whereas expenditures in excess of \$500 must have written approval. Authorized staff include Program Managers, COO, CFO or CEO. Once the emergency is corrected, a purchase order should be prepared by the person requesting the approval in a timely manner.

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- c. Minor purchases of less than \$100- For non-recurring purchases of less than \$100 a purchase order will not be required. **This exemption should only be used on a limited basis and is not designed to circumvent the previously defined provisions of the procurement policies and procedures.**

C. Credit Card Procedure:

Ozark Opportunities, Inc.'s corporate credit card(s) will be maintained under lock, by the Finance Supervisor.

- a. If OOI has an established charge account with a vendor, the card will not be used unless an emergency need is documented.
- b. Only staff of *Ozark Opportunities, Inc.* are allowed to receive and utilize OOI Credit Cards. No other party has the authority to act of the behalf of the agency in regard to charges made with agency credit accounts.
- c. The card will be checked out with an estimated time needed; normal procurement procedures will be followed, including price quotes.
- d. Unallowable Credit Card expenditures include: meals, tips, & alcoholic beverages.
- e. If used to purchase on the internet, a printed & signed confirmation of the charge must be returned with the card, and shipping/packing receipts must be provided as soon as received.
- f. If purchased at local vendor, the original, signed invoice/ticket must be returned with the card.
- g. If requested for out-of-area travel, staff must provide a copy of approved request for travel. Signed receipts (including lodging) for all purchases must be returned with the card.
- h. All plastic hotel keys must be kept and brought back with credit card to be properly destroyed for security purposes.
- i. Agency maintains credit cards for a charge account at Wal-Mart & Home Depot.
 - ❖ Designated staff are provided a card for limited use.
 - ❖ Signed tickets must be submitted to Head Start Administrative Specialist as soon as possible after purchase
 - ❖ Documents must be presented in a timely manner for payment to insure no interest or service charges will accrue.
- j. All documents must be presented to Finance Supervisor in order for account to be reconciled and presented for payment in a timely manner to insure no interest or service charges will accrue.

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XIII. PROCUREMENT PROCEDURES

A. Purchasing Process:

1. Need is identified.
2. Research Inventory; if don't have in stock...
3. Price quotes (if needed) gathered by requester or approver
 - o Internet
 - o Phone
 - o Price Quote Sheet (when necessary)
4. Initiate Purchase Order Form (attach price quotes)
5. Purchase Order approved by Program Managers/Director (or CEO) (depending upon \$ amount)
 - o For purchases less than \$500; designated staff has authority to authorize
 - o For purchases over \$500, and less than \$2,000 Program Managers/Director
 - o For purchases over \$2,000, CEO must sign Purchase Order
 - o Note: Requestor may not approve their own Purchase Order
6. Purchase Order submitted to Finance Coordinator who numbers PO & codes items
7. Finance Coordinator enters Purchase Order into Finance tracking software
8. Original Purchase Order Form goes to staff member purchasing items (Copy filed in finance)
9. Purchase(s) made.
10. Purchaser signs invoice(s).
11. Copies are generated for receiving & filed accordingly (inventory control).
12. Invoice(s) are reconciled by Administrative Specialist or Community Services Supervisor
13. P.O. & supporting documents filed to wait for statement.
14. Statement received & delivered- copies made if needed.
15. Administrative Specialist or Community Services Supervisor issues "Payment Form"
16. Payment Form approved and certified by designated staff
17. All documents go to Finance for final review of 1.) documentation and 2.) coding
18. Reconciled & updated in Finance tracking software.

B. Check is Issued:

19. Check (with *Check Voucher*) is issued; accounting system marked as "Paid."
 20. Finance Specialist attaches documents to checks.
 21. Checks are submitted for 2 original signatures.
 22. Administrative Specialist mails or returns the check(s) to Finance Dept. to hold (with proper authorization).
 - o Logged in Mail Log.
 - o Postage affixed and allocated by program.
 23. Finance Specialist stamps invoices as "Paid".
 24. Check voucher with all documentation is filed numerically.
- ❖ Clarification: Ongoing expenses (as defined in XII Procurement Policy, paragraph #1) will be paid within the finance system as an ongoing expense, and will not require a Purchase Order each month.

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XIV. LEASES

- Program funding source requirements for lease agreements will be followed.
 - All leases will be approved and signed by the CEO.
 - Copies of leases will be immediately forwarded to the CFO
 - Whenever possible, leases will correspond to the program or fiscal year.
 - All leases will include an “opt-out clause” that will void the contract if the agency loses funding.

- The Finance Coordinator will maintain a “Lease Register”.

XV. INSURANCE

It is the policy of OOI to maintain reasonable and adequate insurance coverage for the following categories:

- Fidelity Bonding
- Worker's Compensation
- Building and Contents/General Liability
- Vehicle Liability (Collision & Comprehensive based on age of vehicle and situation.)
- Board and Employee Practice
- Child, Staff and Volunteer Accident

Insurance policies are maintained by the Corporate Services Director and updated annually.

- The Finance Specialist will maintain an “Insurance Register”.

XVI. NON-FEDERAL SHARE (NFS) “IN-KIND” CONTRIBUTIONS

Each Program Manager/Director is responsible for the “In-Kind” required of the program.

- Designated staff will ensure all In-Kind contributions are properly documented, including establishment of value, signed and approved as appropriate, entered in computer system and provide monthly summary to Finance Department.
- Summaries and attachments will be reviewed by Finance Coordinator.
- The Finance Coordinator will prepare General Journal (GJ) entry to record the in-kind contributions on a monthly basis.
- CFO will approve the General Journal (GJ) entry.

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XVII. BOOK OF ORIGINAL ENTRY

OOI will utilize a double-entry system for accounting for all funds.

OOI will utilize a computer program for accounts payable and payroll that will generate:

- Checks
- Daily summary of cash disbursements
- Monthly purchases journal
- Payroll Register
- Year-to-date earnings records
- Employee summary
- Quarterly payroll tax reports
- Year-end W-2 and 1099 forms.
- Cash Receipts Journal
- Cash Disbursements Journal
- General Journal entries in the General Ledger /Adjustments Journal
- Balance Sheet
- Trial Balance
- Financial Statements

NOTE: HEAP Program will have an additional client information summary generated.

The Finance Supervisor and/or Finance Coordinator will prepare General Journal Vouchers; the CFO will review and approve and present vouchers (with all documentation attached) for the CEO's approval. Adequate documentation will be maintained to support all General Journal Voucher entries.

XVIII. GRANTS & CONTRACTS

OOI Board of Directors authorizes CEO to sign all grant applications (except HS).

- Head Start Applications for funding must be signed by Board of Directors Chairperson.
- CEO must authorize all new grant applications or solicitation of donations PRIOR to submission of requests or applications.

All original grants and contracts will be received by the CEO for review and immediately forwarded to the CFO. The CFO will maintain the Grants and Contracts file by funding source.

- The CFO will carefully review each award to insure that all financial provisions will be complied with. The CFO will discuss with Program Managers/Directors all programmatic provisions to ensure compliance.
- The CFO will list each award on the Grant and Contract Register.

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XIX. BUDGETS

Draft financial budgets will be prepared by the appropriate program staff; Finance Supervisor/or Finance Coordinator will finalize budgets and submit to the CFO & CEO for review and revision prior to submission to the funding source.

- The CFO will insure that budgets are on file for all grants and contracts.
- Proposed changes to budgets will be submitted to the CFO as soon as they are known.
- Final Program Budgets will be presented to the Board of Directors for proper action and acceptance- per funding source requirements.

XX. REPORTS

Monthly- Cost Category

- Monthly Financial Reports by cost category will be prepared by the Finance Supervisor/or Finance Coordinator and presented to the CFO for review.
- Monthly Financial Reports by cost category will be reviewed by the CFO, Program Manager/Director, and CEO.

Monthly- Summary

- The CFO will prepare a monthly summary Financial Report. This report will be reviewed by the CFO and CEO.

Reports to Funding Sources & Governing Bodies

- It will be the responsibility of the CFO to insure that all reports required by funding sources, IRS, State of Arkansas, or others, are submitted on a timely basis. The CFO will maintain, on a current basis, a listing of reports and due dates.
- The CFO will insure that the following reports are submitted to the Governing Body(ies) on a regular basis:
 - Agency Wide Budget/Expenditure Comparisons
 - Credit Card Expenditure Recap and documentation
 - Retirement Plan Status Report
 - Evidence of remittance of Payroll Taxes
 - Balance Sheet
- The Finance Supervisor and/or Finance Coordinator will, under the direction of the CFO, prepare reports as assigned. The CFO will review and approve the reports, sign if appropriate and forward to the CEO. The CEO will sign all reports to funding sources as required.

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XXI. MINUTES OF MEETINGS

- Accurate minutes of all meetings of the Board of Directors, Committees, and other Governance groups (i.e. Head Start Policy Council) will be prepared by the designated staff.
- The CEO, CFO and COO will receive and review a copy of the minutes of the Executive Committee, Finance Committee, Personnel Committee, Head Start Policy Council and the Board of Directors.
- The CFO will note all items in the minutes relating to Finance and take appropriate actions.

XXII. COST ALLOCATION PLAN

Each program will pay for direct costs relating to that program.

- The objective of a Cost Allocation Plan is to distribute costs that cannot be readily identified to each program, to the various programs in a manner that will be considered fair and equitable. The principles of cost allocation require that the information assimilated be accurate, consistent and defensible. The methodology must be equitable and reasonable.
- OOI uses a multi-tiered/leveled method. Personnel designated by the CEO will maintain salary allocation sheets indicating daily the time spent on each program. The totals indicated on time sheets will be entered into computerized payroll system for proper allocation to appropriate programs.
- This percentage of time related to each program, along with square footage of direct use by programs and number of telephones are factored into a cost percentage that will be utilized on a fiscal year basis. Actual costs are reviewed at the end of the fiscal year and changes made as indicated for the subsequent year.
- Costs related to shared office space, utilities, telephone system, consumable supplies, and other shared costs are accumulated in a prorated section of the General Ledger, programs are then charged their appropriate cost. Copy and postage expenses are accumulated until the end of the month and then allocated according to actual logs.

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XXIII. MISC. TOPICS

A. Program Income

- Program related income will be used to reduce the total cost of the program generating the income or with approval of the funding source be added to grant for expenditure within current grant period.
- Interest income on Federal funds will be returned to the Treasurer of the United States as required.
- Donations of cash and non-program related income will be separately accounted for.

B. Accounts Receivable

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

C. Bank Statements

- Bank Statements will be received directly by a delegated staff member who will immediately prepare the bank reconciliation.
- Paid checks (as available) will be examined for date, name, cancellation, and endorsements.
- The reconciled bank balance will be compared to the Cash in Bank Account in the General Ledger and approved by the Finance Supervisor or CFO.
- The CFO will be notified of all checks outstanding over 60 days and will take appropriate action.

XXIV. SECURITY

- Office doors for Finance Department staff shall be locked at the close of business and anytime the Department is vacant.
- Blank checks must be kept in a secure area in the Finance Department. Access to this area shall be by keys in the possession of Finance Staff only.
- Off-site back-up of Finance electronic data files is insured by the CFO.