



East Multnomah Soil & Water Conservation District

Fiscal Policies and Procedures Manual



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East Multnomah Soil & Water Conservation District

Adopted by the EMSWCD Board of Directors on May 1, 2017

For more information about this manual or to receive a hardcopy,
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1.0 INTRODUCTION

The East Multnomah Soil and Water Conservation District (District) board, employees, and volunteers are skilled and dedicated to providing the best information and assistance available to help conserve the natural resources of the area. As a unit of government, we are stewards of taxpayer money and are mandated to comply with standards and principles that are dictated by the government and the people we serve. The intent of the following policies and procedures is to assist us in fully utilizing our skills and knowledge for the benefit of the public.

The purpose of this manual is to describe all fiscal and financial policies and procedures in use at the District. The objectives are to ensure that the financial statements prepared conform to the generally accepted accounting principles (promulgated by GASB - Governmental Accounting Standards Board); assets are safeguarded; guidelines of grantors and donors are complied with; internal controls are in place; and finances are managed with accuracy, efficiency, and transparency.

Sections in the manual may contain contextual information, policies and/or procedures. Each Policy will clearly be prefaced by the word "Policy" and each Procedure will clearly be prefaced by the word "Procedure." These policies and procedures will be reviewed annually and revised as needed by staff and approved by the Board of Directors and the Executive Director.

POLICY: All Board Members, employees, and volunteers are expected to demonstrate ethical behavior, which includes following District policies and procedures as identified in this manual. Because the East Multnomah Soil & Water Conservation District is a unit of government, the Oregon Revised Statutes and Administrative Rules on ethics also apply. These expectations apply to everyone.

All employees have an obligation to use the resources of the organization (personnel, supplies, equipment, and facilities) in an effective and efficient manner, by monitoring budgets, shopping for the best buys, soliciting bids, negotiating contracts, and requiring review and authorization for major purchases.

The District also has an obligation to reduce waste/unnecessary resource usage, and to favor local and more sustainable products, services and methods where cost and additional time necessary are not prohibitive.

The District will create and maintain accounting policies, procedures and records which are consistent with Generally Accepted Accounting Principles and which meet the requirements of state and federal statutes and regulations. District accounting, audit and financial management policies are designed to protect and secure the assets of the District, ensure the maintenance of accurate records of the District's financial activities, and ensure compliance with governmental reporting requirements. To be useful, policies and procedures will be available to the individuals who implement them. Reference copies of this manual will be available at each work site. Updated pages will be provided when changes are made.



1.1 System of Internal Controls

Internal controls are procedures designed to promote and protect sound management practices. Effective internal controls increase the likelihood that financial information is reliable, that the assets of the District are protected from theft, misuse or accidental destruction, the District’s policies are followed, and that governmental regulations are met. The Fiscal Policies & Procedures Manual serves to identify the District’s system of internal controls. An annual review of internal controls is an important tool the Board has for fulfilling its fiduciary responsibilities to the District.

POLICY: Internal controls pertaining to accounting records are identified by the Executive Director, the CFO and Board Treasurer in consultation with the Bookkeeper. The Board of Directors ultimately approves the internal controls as identified in this *Fiscal Policies & Procedures Manual*.

Whenever there is a change in administrative personnel or a change in the operating structure of the District, the Board Treasurer, Executive Director and CFO will meet to determine that the internal control system continues to meet the needs of the District. If appropriate, necessary changes will be reflected in this manual.

1.2 Division of Responsibilities

Segregation of duties reduces the opportunities for losses, and protects employees and volunteers from unwarranted suspicion. To achieve the objectives of internal control and separation of duties, the District maintains accounting procedures in which, to the extent possible and practicable, no financial transaction is handled by one person from beginning to end.

POLICY: To safeguard the cash assets of the organization, individuals who process cash transactions and/or have access to blank check stock will not have signature authority for the bank account(s). Because the number of employees is too small to achieve an ideal segregation of duties, the check signers are limited to the Executive Director and Board Members.

The following is a list of personnel who have direct fiscal and accounting responsibilities:

1.2.1 Board of Directors Duties

Action to take	Timing	Source of Information	Responsible Board Member
1 Reviews and approves the annual budget.	Annually	Finance CFO	Budget Committee / Board
2 Reviews monthly, annual and periodic financial statements and information.	As needed	Finance CFO	Treasurer
3 Reviews and approves all contracts and/or purchases over \$50,000.00.	As needed	ED / CFO / Program supervisors	Board Chair and/or Treasurer
4 Reviews and approves all non-budgeted expenditures over \$50,000.00.	As needed	ED / CFO / Program supervisors	Board Chair and/or Treasurer
5 Reviews and advises staff on internal controls and accounting policies and procedures.	Annually	Contracted Auditor CFO	Treasurer
6 Authorized signers on the bank accounts.	As needed	ED / CFO /	Board Chair and Treasurer



1.2.2 Executive Director Duties

Action to take	Timing	Source of Information	Responsible Person
1 Reviews and approves all financial statements.	Monthly and Annually	Finance CFO	Executive Director
2 Ensures that an appropriate budget is developed annually.	Annually (Jan – June)	CFO / Program supervisors	Executive Director
3 Reviews and approves all program contracts and/or purchases under \$50,000.00.	As needed	All staff	Executive Director
4 Reviews and approves all grant concessions and expenditures.	As needed	Grant Program supervisors	Executive Director
5 Serve as the primary check signer.	As needed	Finance Bookkeeper and/or CFO	Executive Director
6 Oversees the adherence to all internal controls.	As needed	CFO / Program supervisors	Executive Director

1.2.3 Chief of Finance and Operations (CFO) Duties

Action to take	Timing	Source of Information	Responsible Person
1 Develops, reviews and manages annual program budgets.	Annually / Monthly / As needed	ED / Program supervisors / Other staff	CFO
2 Monitors program budgets.	As needed	Bookkeeper / Program supervisors / Other staff	CFO
3 Opens all bank statements, reviews for any irregularities, and reviews and approves completed monthly bank reconciliations.	Monthly	Albina bank LGIP / Oregon State Treasury / Bookkeeper	CFO
4 Reviews all payrolls and is responsible for all personnel files.	As needed	Bookkeeper / Program supervisors / Other staff	CFO
5 Reviews all reimbursements and fund requests.	As needed	ED / Program supervisors / Other staff	CFO
6 Reviews and approves all inter-account bank transfers.	As needed	Bookkeeper	CFO
7 Reviews all incoming and outgoing invoices.	As needed	Office Manager	CFO
8 Processes all inter-account bank transfers.	As needed	Bookkeeper	CFO
10 Monitors and manages all expenses to ensure most effective use of assets.	As needed	ED / Program supervisors / Other staff	CFO
11 Monitors grant reporting and appropriate	As needed	Grant Program	CFO



release of temporarily restricted funds.		supervisors	
12 Oversees expense and cost allocations.	As needed	ED / Program supervisors / Other staff	CFO
13 Reviews, revises, and maintains internal accounting controls and procedures.	Annually	ED / Program supervisors / Finance / Other staff	CFO
14 Complies with local, state, and federal government reporting requirements, local budget law and regulations pertaining to public funds.	As needed	ED / Program supervisors / Other staff	CFO
15 Provides financial information to support the management as requested.	As needed	ED / Program supervisors / Other staff	CFO
16 Prepares monthly and year-end comprehensive financial statements.	Monthly Annually	Bookkeeper	CFO

1.2.4 Bookkeeper Duties

Action to take	Timing	Source of Information	Responsible Person
1 Responsible for data entry into accounting system and integrity of accounting system data.	Weekly / As needed	ED / Program supervisors / Other staff	Bookkeeper
2 Processes invoices and prepares checks for signature.	Weekly	ED / Program supervisors / Other staff	Bookkeeper
3 Records cash receipts and makes bank deposits.	Weekly	ED / Program supervisors / Other staff	Bookkeeper
4 Processes payroll.	Monthly	ED / Program supervisors	Bookkeeper
5 Maintains general ledger.	As needed	N/A	Bookkeeper
6 Manages Accounts Receivable.	As needed	ED / Program supervisors / Other staff	Bookkeeper
7 Tags and monitors fixed assets.	As needed	ED / Program supervisors / Other staff	Bookkeeper
8 Monitors debt levels and compliance with debt covenants.	As needed	CFO	Bookkeeper
9 Conducts monthly reconciliation of every bank account.	Monthly	Banking Institutions CFO	Bookkeeper
10 Conducts periodic reconciliations of all accounts to ensure their accuracy.	Monthly / As needed	General Ledger	Bookkeeper
11 Maintains orderly accounting files.	As needed	ED / CFO / Program supervisors / Other staff	Bookkeeper
12 Maintains the chart of accounts.	Annually	CFO	Bookkeeper

1.3 Chart of Accounts and General Ledger



POLICY: The District has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so financial statements can be shown by natural classification as well as by functional classification. The Chief of Finance and Operations and the bookkeeper are responsible for maintaining the Chart of Accounts and revising as necessary.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	The general ledger is maintained using the accounting software QuickBooks.	Periodic basis	Bookkeeper
2	Review the general ledger for any unusual transactions.	Monthly	CFO
3	Approve general ledger.	Annually	CFO

Chart of Accounts and Account Structure:

- **The Chart of Accounts** lists all account names and numbers used in the District’s general ledger.
- **The Class List** is a list of codes for programs (classes). The Class number refers to the program, activity, or functional area, to which a transaction relates.
- **The Item List** is a list of activity codes for tracking staff time. Activities are broken down into major activities, followed by detailed information as applicable.
- **The Payroll Item List** indicates how staff time is to be paid out (e.g., salary, hourly wage, holiday, vacation) and lists taxes and benefits.
- **The Customer/Job List** is a list of funding sources for use in paying staff payroll, payroll liabilities, and other District expenses. The customer/job list is also used for tracking the funds used and funds remaining for each source and for providing reports on how the funds of a given source are used.

2.0 RECEIPTS AND DEPOSITS

POLICY: All funds received need to be documented, kept secure, and deposited in the bank account as soon as practical. Funds will be delivered or mailed to the Bank by the Bookkeeper, Office Manager or other representative of the District, generally within ten (10) working days of receiving them. If this is not possible, the check/cash will be secured in the locked Financial Records Cabinet until it can be deposited.

2.1 Funds Received by Mail or in Person at Office

PROCEDURES					
Step	Action to take	Source of funds	Source of information	Timing	Responsible person
1	Receive and separate checks and cash intended for the District from other mail and documents.	Business with or debt owed to district	Mail or in-person drop off	Daily	Office Manager
2	Date stamp first page of each item. Stamp checks with restrictive	Business with or debt	Mail or in-person drop	Daily	Office Manager



	endorsement.	owed to district	off		
3	Enter the date, source, and total in the file: Cash Receipts Log T:\Administrative\Office Management\Invoices & Cash Receipts	Business with or debt owed to district	Mail or in-person drop off	Monthly / As needed	Office Manager
4	Clip the check/cash to the respective invoice, any memo, correspondence, or other information that was provided with the checks and deliver to Bookkeeper for preparation of deposit.	Business with or debt owed to district	Mail or in-person drop off	As needed	Office Manager
5	Prepare the bank deposit slip, in duplicate, from the packet of cash and checks.	Business with or debt owed to district	CFO	As needed	Bookkeeper
6	Review deposit and initial deposit slip.	Business with or debt owed to district	Bookkeeper	As needed	CFO or designee
7	The original deposit slip is taken to the bank with the cash and checks. An employee other than the reviewer should take the deposit to the bank.	Business with or debt owed to district	Bookkeeper	As needed	Office Manager, Bookkeeper or an employee other than the CFO/ reviewer
8	Leave a copy of the deposit slip in the bound book of deposit slips.	Business with or debt owed to district	Office Manager, Bookkeeper or an employee other than the CFO/ reviewer.	As needed	Bookkeeper
9	Enter deposit into the accounting system listing each check separately and identifying revenue source and type. For occasional events that produce a high volume of small checks from the public (e.g. Native Plant Sale) the checks may be aggregated in recording the deposit.	Business with or debt owed to district	Bookkeeper	As needed	Bookkeeper
10	Return deposit receipt from the bank.	Business with or debt owed to district	Bank	As needed	Off Manager, Bookkeeper or employee other than the CFO/



					reviewer
11	Attach deposit receipt to the adding machine tape and the check copies	Business with or debt owed to district	Bookkeeper	As needed	Bookkeeper
12	File the deposit receipt, adding machine tape, and check copies in the monthly transactions file.	Business with or debt owed to district	Bookkeeper	As needed	Bookkeeper

2.2 Interest and Dividend Income

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Interest and dividend income shall be entered into the accounting system from the bank, money market, and investment statements.	Monthly (as soon as the information is available)	Bookkeeper

2.3 Overall Controls for Revenue

The total in the cash receipts log for the day, week, or month should equal the bank deposits recorded in the accounting system during the same time period (note that deposits made after a certain time each day will be recorded the following day).			
PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Compare the cash receipts log to the general ledger.	Monthly	CFO

2.4 Special Contributions

Certain types of contributions require special treatment by accountants preparing audited financial statements.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	The Bookkeeper, in conjunction with the CFO, enters/records special contributions in the organization's books as requisite for the situation	As needed	Bookkeeper

2.4.1 Gift Acceptance Policy

POLICY: The Board's gift acceptance policy for certain contributions is as follows: Stocks, bonds, and other securities should be liquidated as quickly as possible and the proceeds treated as a cash contribution and invested in the Local Government Investment Pool. Technically, gifts of stock should be recorded at fair market value on the date received, and if the sale price is different, a gain or loss should be recorded. The goal of this policy is to liquidate stocks quickly enough that there is little or no gain or loss.

There are gifts that the organization may not wish to receive. These might include items with no fair market value, gifts with dubious restrictions, or gifts that will require more time and effort to prepare for sale than they are worth.



Gifts of real property will be assessed and received in compliance with relevant state and federal statutes.

2.4.2 Restricted Contributions

Restricted Contributions are those where restrictions are placed on the use of the contribution by the donor. Restrictions can be for special purposes, such as to pay for plantings in a specific location, or funds may be restricted to a specific period of time, such as FY06-07, or both time and purpose restrictions may be placed on a contribution. Grants and contracts with governments are generally not considered contributions.

POLICY: The District may not accept contributions that will benefit a specific individual or other organization without risking a penalty from the IRS. Examples would be a contribution of \$5,000 to hire the donor's nephew for the summer or a contribution for a marketing study to be performed by a specified market research firm.

Restricted contributions must be reported separately on the financial statements, and therefore must be identified in the accounting system, so that the organization can accurately report that the restrictions were met.

Whenever possible the restrictions should be received in writing and should always be restated in the "thank you" letter acknowledging the gift.

2.4.3 Other Contributions

POLICY: Contributions of supplies, furnishings, or equipment are recorded at their fair market value on the date they are received. It is often necessary to estimate fair market value.

Items that would be capitalized if purchased should be capitalized if received by gift.

Non-cash contributions over \$250 must be acknowledged by the recipient to be tax deductible. However, not all gifts to charitable organizations are deductible by the donors, and it is not the responsibility of the receiving organization to provide tax advice to donors. The District will provide the donor with a form acknowledging the donation as potentially a tax deductible contribution.

2.4.4 Contributions of Service

POLICY: Contributions of services, if provided by professionals, should be recorded at fair market value at the time the services are provided. For example, lawyers providing legal services or electricians doing wiring without charging should be recorded as contributed services. An architect volunteering to lead nature walks would not meet the formal accounting definition of "contributed services."



3.0 CASH DISBURSEMENTS

POLICY: Cash disbursements will be made by check as per the procedures below.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Accurately code each transaction using the established Chart of Accounts.	Weekly	District employees, officers, or volunteers processing accounting transactions
2	Approve all invoices for payment.	Weekly	Executive Director (or designee)

3.1 Check Requests

POLICY: The Executive Director shall approve normal and customary purchases up to \$50,000, which are in the budget line item for the relevant program. Unusual purchases, items over \$50,000, or charges which are over budget will be forwarded to the Board of Directors for approval.

The Executive Director may sign checks that exceed the \$50,000 limit only if prior approval for the expense by the Board of Directors has been obtained. Example #1: The District enters into a StreamCare contract with XYZ Company for \$90,000 with Board of Directors' approval. When the contract work is complete, XYZ Company invoices the District for \$90,000. Since the Board of Directors has already approved this expenditure, the Executive Director may sign the check for \$90,000. Example #2: The Board of Directors awards a grant of \$100,000 to ABC Organization. When ABC Organization completes their project and invoices the District for \$100,000, the Executive Director may sign the check for \$100,000 since the Board of Directors has already approved this expenditure.

As an additional control, the Executive Director will not sign checks to him/herself for reimbursement of expenses. All reimbursement checks for the Executive Director will be approved by CFO and submitted to a board member for review and signature at a regularly scheduled meeting.

Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before applying for reimbursement as established in Section 8.1 of this document. The deadline for employee reimbursement requests is the fifth working day after the end of the month in which the expense was incurred.

Check requests must follow the procedure outlined below. The District requires both a check requisition and supporting documentation from the payee (e.g. invoice, bill statement, travel document).

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Invoice is received at the District office.	Weekly	Office Manager



2	Invoice is stamped with the fund accounting label and routed to employee responsible for authorizing payment.	Weekly	Office Manager
3	Invoice is reviewed, coded and initialed using the spaces provided by the stamp.	Weekly	Staff responsible for expense
4	Invoice is given to direct supervisor for approval.	Weekly	Staff responsible for expense
5	Invoice is authorized.	Weekly	Supervisor
6	After the expenditure has been approved, the form shall be put into the "Bills to Be Paid - Approved" file.	Weekly	Supervisor
7	Invoice is processed.	Weekly	Bookkeeper
8	Expenses are posted to the system.	Weekly	Bookkeeper
9	Checks are prepared. No checks will be issued payable to "Cash," "Bearer" or any other unidentifiable person or entity. All checks are pre-printed and serially numbered. Blank check stock is kept in a locked file cabinet. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks are entered into the general ledger and kept on file in order to keep the check serial number.	Weekly (except for unusual circumstances or emergency situations)	Bookkeeper
10	Prepared checks are submitted to the CFO for review.	Weekly	Bookkeeper
11	Review checks and budget impacts for each expense/payment.	Weekly	CFO
12	Checks are signed.	Weekly	Executive Director
13	Return checks to Office Manager.	Weekly	CFO
14	Mail/distribute checks.	Weekly	Office Manager (The employee responsible for mailing checks will not be responsible for recording cash disbursements in the general ledger)

3.2 Credit Cards and Charge Accounts

POLICY: Applications for credit cards or charge accounts must be approved by the CFO.

The processes and dollar limits described under Section 3.2 should be used for all credit purchases; only the form of payment is different.

Each of the organization's vendors with charge accounts will be provided with a list of authorized signers for purchases. These lists should be updated periodically as personnel and their duties change.

The District's credit card limit will not exceed \$35,000 in the aggregate for all cards. The Executive Director and CFO will be responsible for determining individual credit cardholders and cardholder



limits. Each credit card issued should be assigned to an individual as custodian, who will be responsible for the safekeeping of the card.

The CFO is not an authorized cardholder.

District-issued credit cards may only be used for official District business. All credit card purchase requests must be approved by one of the above cardholders and his/her direct supervisor. A thorough, written, signed and dated explanation of all unsupported charges (no formal receipt) and/or unapproved charges by direct supervisor (initials) will be required. The Executive Director, CFO and direct supervisor will determine if the cardholder will be held personally responsible for the charge. If this is the case, unsupported and/or unapproved charges will be deducted from the cardholder's next payroll check.

All staff members who are authorized to carry a District credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized and meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations.

A record of all charges will be given to the Bookkeeper by the CFO with applicable allocation information for posting.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	The receipts, invoices and charge slips for all credit card charges and the Check Request-Credit Card form (duly completed and approved by direct supervisor) will be given to the CFO within one (1) week of credit card statement arrival along with other proper support documentation.	Monthly	Card holders
2	All credit card charges will be verified with the monthly statements and attached support documentation.	Monthly	CFO

3.3 Bank Reconciliations

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Bank statements are obtained online from financial institution, by the CFO, who reviews the statements and cancelled checks and gives statements and cancelled checks to the Bookkeeper to be reconciled.	Monthly	CFO
2	Monthly bank reconciliations are prepared by the Bookkeeper and submitted to the CFO for approval prior to month end closing.	Monthly	Bookkeeper
3	The CFO reviews all disbursements and deposits monthly and appropriate action is taken on outstanding items in excess of 90 days. After a six-	Monthly	CFO



	month period has elapsed, outstanding checks will be voided.		
4	The Board Treasurer reviews and approves bank reconciliations monthly.	Monthly	Treasurer
5	Bank charges and similar transactions are entered into the accounting system from bank, money market, and investment statements at the end of each month by the Bookkeeper as soon as the information is available.	Monthly	Bookkeeper

3.4 Cash Transfers between Bank Accounts

POLICY: The Bookkeeper notifies the CFO and prepares a transfer of funds form if funds need to be transferred in order to cover the total amount of payroll, taxes and expenses. The Bookkeeper then submits this form to the CFO who will make the transfer and initial the form and return to the Bookkeeper for recording in the accounting system.

3.5 Purchasing Authority

POLICY: The table below details the limits for purchasing authority of EMSWCD staff without prior approval by their supervisor. EMSWCD staff are required to abide by the Fiscal Policies and Procedures in their entirety, and ensure that all purchases are for legitimate EMSWCD business purposes. Any purchases deemed to be personal or unauthorized will be dealt with according to the policy set forth in section 3.3 Credit Cards and Charge Accounts.

Position Level	Purchasing Authority Limit	Rationale
Trainee (AT, CT)	\$0	Trainee level - staff in this position level must have their supervisor or the Executive Director approve all purchases
Technician (A1, C1)	\$200	Entry level - staff in this position level may make necessary business related purchases up to \$200 without prior approval
Specialist (A2, C2)	\$200	Mid-level, professional position - staff in this position level may make necessary business related purchases up to \$200 without prior approval
Senior Administrator (A3)	\$500	Senior-level, professional position - staff in this position level may make necessary business related purchases up to \$500 without prior approval
Senior Conservationist (C3)	\$500	Senior-level, professional position - staff in this position level may make necessary business related purchases up to \$500 without prior approval
Program Manager (C4)	\$2,500	Senior-level, professional position responsible for managing a program - staff in this position level may make necessary business related purchases up



		to \$2,500 without prior approval
Program Supervisor (C5)	\$5,000	Senior-level, professional position responsible for managing a programmatic unit - staff in this position level may make necessary business related purchases up to \$5,000 without prior approval
CFO (A4)	\$5,000	Senior-level, professional position responsible for managing a programmatic unit - staff in this position level may make necessary business related purchases up to \$5,000 without prior approval
Executive Director	\$50,000	Signature authority per Public Contracting Resolution No. 2015-09-01
Board of Directors	Over \$50,000	Signature authority per Public Contracting Resolution No. 2015-09-01

3.6 Professional Services Contracts

POLICY: Individuals or firms providing contract services to the District must complete and sign the Professional Services Contract form and attachments, which are kept by the CFO. Policies and procedures governing contracting are found in the District’s “Public Contracting Rules and Procedures” document and are not repeated here.

3.7 Allocation of Expenses

POLICY: Some expenses incurred by the District benefit all, or most, of the functional activities, and the costs may therefore be divided between the programs that are benefiting. Expenses commonly benefiting all programs include:

- a) Time of the Executive Director and Office Manager charged to “Finance & Operations” (not directly to other activities);
- b) Telephone;
- c) Rent;
- d) Bookkeeping, accounting, and audit fees; and
- e) Office supplies (general, available to everyone).

If an allocation of shared expenses is requested by the Board, it may be done for the whole year as a part of the audit. The allocation method needs to be supported by adequate documentation, be applied equitably to all activities, and be applied consistently over time.

Expenses that benefit the entire organization may be allocated among the programs or activities according to the number of employee hours (not dollars) spent in each program or activity. Such an allocation methodology presumes that, for example, the proportion of telephone use by a program will be almost the same as the proportion of employee hours worked on that program.

The “hierarchy’ of expenses should be:

- a) Any expense that directly benefits an activity should be charged to that activity. The



- individual requesting the payment is responsible for accurately coding the request.
- b) Any expense that benefits more than one activity, but not all, should be equitably divided between those activities. The individual requesting the payment is responsible for accurately coding these requests.
 - c) Expenses that benefit all activities should be divided (allocated) between all activities.

4.0 PERSONNEL & PAYROLL

POLICY: Every employee will have a personnel file containing information specific to payroll, payroll taxes, and deductions; and job specific information such as resumes, job descriptions, and performance evaluations. Payroll records will be used to record salaries and wages, earned time off and employer/employee contributions and withholdings.

4.1 Personnel Information

POLICY: Each new employee will complete the following forms:

- a. New Employee Information (partly filled out by supervisor)
- b. IRS form W-4
- c. Deduction Authorization Form
- d. Direct Deposit Authorization Form
- e. Health Insurance Enrollment Form
- f. Life Insurance Form
- g. Retirement Form

The Executive Director and employee together complete the Immigration and Naturalization Service form I-9, which is filed in a separate notebook in alphabetical order by employees' last names. The separate notebook for I-9s prevents INS representatives from seeing other items in the personnel files. The identification presented by the employee should be photocopied and attached to the form I-9.

Whenever an employee changes positions or pay rate a "Change of Status" form is completed by the Executive Director. Changes in rate of pay, other than for annual merit-based increases and annual adjustments to the salary schedule to account for inflation, must be approved by the Board of Directors and reflected in the minutes.

The employee must complete a new Deduction Authorization form whenever they wish to change payroll deductions. The form is kept in the Personnel file.

Whenever an employee wishes to change direct deposit of their pay, a new Direct Deposit Authorization form is completed and kept in the Personnel File.

Whenever tax allowance information is changed, the employee must complete a new W-4, which is kept in the employee's personnel file.

4.2 Timesheets & Payroll Processing

POLICY: The Bookkeeper emails non-negotiable check stubs to all employees as documentation of their Direct Deposit payroll information.



Throughout the payroll process, the Bookkeeper checks off each task in the process on the Monthly Payroll Checklist. At the end of the process, the CFO reviews the Monthly Payroll Checklist with the Bookkeeper and notes approval by initialing each step. The purpose of the Monthly Payroll Checklist review process is to catch errors, if possible, before payroll is processed and to ensure all steps in the payroll process are completed in a timely manner and all deadlines are met, particularly with regard to the payment of payroll taxes.

Upon completion of payroll, the Bookkeeper prints out and distributes monthly timesheet reports to each employee. Employees then review their timesheets and note any changes to projected time on the last few days of the month (those hours which were projected at the time of payroll in step 2 below), or any other changes. After reviewing and noting changes, the employee initials the report and passes it on to their supervisor. The supervisor then reviews the report and notes their approval by initialing and passing the report back to the Bookkeeper. The Bookkeeper then notes any changes to be made during the next payroll and files all timesheets with the payroll records. The purpose of the timesheet review process is to ensure employee hours are recorded accurately and a paper audit trail exists.

Payroll will be prepared in accordance with the personnel policies.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	New employee information and updated employee information is entered into the accounting system.	As-needed	Bookkeeper
2	Timesheets are completed using the QuickBooks Pro Timer or similar timekeeping program. Hours for days not yet worked will be estimated. Employees need to keep track of the time they work on each program, project, or activity on the timesheet.	Timesheets for the entire monthly pay period are due by 5pm two business days prior to the payroll processing date of the pay period.	Each employee
3	Employees' timesheets are reviewed and necessary changes are discussed with the employee.	Monthly	Staff supervisor
4	Data from the employees' timesheet is exported into the employee's timesheet file on the computer network shared drive.	Monthly	Bookkeeper
5	All timesheets are checked to ensure they have been completed; supervisors are notified of any missing timesheets.	Monthly	Bookkeeper
6	Payroll information is entered, paychecks and tax deposits are created, and Direct Deposit information is transmitted via the accounting system.	Two business days prior to the end of the monthly pay period	Bookkeeper
7	Payroll tax reports, W-2 forms and 1099 forms are	As needed	Bookkeeper



	prepared and transmitted as needed, meeting deadline requirements.		
8	Payroll tax preparation verified.	On a quarterly basis	CFO
9	W-2/1099 preparation verified.	On an annual basis	CFO

5.0 BUDGETING

POLICY: The budgetary process shall comply with applicable state and federal laws and with guidelines established by the Board of Directors. An annual budget is prepared based on historical costs, environmental scanning and future directions as established by the Board of Directors. Budgets will be prepared and monitored at the program or functional activity level.

5.1 Budget Monitoring

POLICY: The bookkeeping service will be provided with the FY budget and all subsequent budget adjustments as soon as they are approved by the Board. The Bookkeeper will input detailed budget data into QuickBooks so that “budget to actual” reports can be produced. This will allow management to monitor revenues and expenditures by program, to keep abreast of any issues that arise, and to communicate progress or adjustments to the Board for review.

6.0 FINANCIAL REPORTING

POLICY: The District will utilize a double entry system for accounting for all funds. Adequate documentation will be maintained to support all general entries. The CFO will be responsible for compiling quarterly and year-to-date reports on all programs.

6.1 Financial Reports

POLICY: The Executive Director, Program Supervisors, and the Board will decide what reports will be most useful, as well as the timing and format. Monthly reports which analyze the District’s financial position and programs will be presented to the Board of Directors and included in Board packets. The following reports will be produced:

- a. Statement of Financial Position (Balance Sheet), accrual basis;
- b. Statement of Activities (Income Statement), year-to-date, year-to-date comparison (last fiscal year), difference in dollars, and/or percentage difference, accrual basis; and
- c. Statement of Activities (Income Statement), accrual basis, by Class (for each functional area).

Any adjustments to financial reports should be submitted to the CFO, who will make adjustments in the accounting system and reissue reports if requested. The Bookkeeper will make a back-up of the accounting system on a weekly basis and create an external back-up copy on a monthly basis.

6.2 Monthly Report Processing

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	The following should be gathered on a monthly	As soon as	Bookkeeper



	<p>basis:</p> <ul style="list-style-type: none"> a) Statements and Adjustment notices from the bank(s); b) Accounts receivable/payable information as well as copies of any invoices to or bills from other entities that have not been input into the accounting system; c) Any new information about programs, funding sources, regulations, or reporting requirements that might require new classes or categories, or that might require a change in the format or appearance of the financial statements; and d) Any other adjustments or changes needed for the monthly financial statements. <p>Copies of all materials provided to the Bookkeeper should be kept in the financial file, one file for each month. Because entries can be changed and backdated in the accounting system, it is very important to keep printed copies of the end of month reports on file.</p>	practical after the end of each month	
2	Upon completion of the monthly bank reconciliations, the monthly journal entries will be formulated. The monthly general journal entries may include expensing of prepaid insurance recording interest revenue and other entries as appropriate	Monthly	Bookkeeper
3	The monthly journal entries are reviewed, corrected and/or adjusted if needed, and approved.	Monthly	CFO
4	Once the final general journal entries are posted, a draft of the monthly financial statement is printed along with a copy of the general ledger for that month as well as the posted general journal entries.	Monthly	CFO / Bookkeeper
5	The monthly financial statements are prepared.	Monthly	Bookkeeper
6	The monthly financial statements are provided to CFO for approval (this allows the CFO one week to review and make the appropriate changes in order to comply with the policies and timelines established in this document).	No later than two weeks after the month's end	Bookkeeper
7	The financial statements are reviewed and approved before being sent to the Board of Directors.	Monthly	CFO
8	A budget to actual expense report is prepared for the Executive Director and the Board of Directors to be included with the monthly financial statements.	Monthly	CFO
9	The adjusted financial statements are delivered to the Board of Directors/Budget or Finance Committee) as established in the Data Cutoff section in this document.	Monthly	CFO and Office Manager
10	The monthly financial statements are approved.	Monthly	Board of Directors



			(Budget or Finance Committee)
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6.3 End of Year Accounting Procedures

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Upon completion of the June financial statements (the cutoff for June financial statements is extended to six weeks after year end), the preliminary year-end report is run and given to the CFO for review.	On or before the 2 nd week of August of each year.	Bookkeeper
2	The CFO prepares for the annual financial audit and for working with the outside accountants to complete the audit (see Section 8.3).	Annually	CFO
3	The CFO works in conjunction with the contracted, independent auditor to prepare the year-end financial statements, in accordance with generally accepted accounting principles, as stipulated by the Governmental Accounting Standards Board (GASB).	Annually	CFO
4	The financial statements should be sent to the Executive Director one week prior to the mailing of the Board packet in order to facilitate the review.	Annually	Executive Director
5	The Executive Director approves the financial statements before they are sent to the Board of Directors.	Annually	Executive Director
6	The Board of Directors approves the year-end financial statements.	Annually	Board of Directors

7.0 ACCOUNTING PRINCIPLES & PROCEDURES

POLICY: The District’s accounting principles will be consistent with all applicable laws, including the Generally Accepted Accounting Principles, stipulated by the GASB. Certain procedures resulting from these accounting pronouncements and releases are discussed below.

7.1 Accruals

POLICY: In order to ensure a timely close of the General Ledger, the EMSWCD may book accrual entries. Some accruals may be made as recurring entries. Accruals to consider shall include:

- a) Monthly interest earned on money market accounts, certificates of deposits, etc.
- b) Recurring expenses, including employee vacation accrual, prepaid corporate insurance, depreciation, etc.

7.2 Fixed Assets and Depreciation

POLICY: Fixed Assets are items that cost \$5,000 or more and that will be used for more than a year. All employees share responsibility for maintaining an accurate and up-to-date inventory of fixed assets.

Depreciation for fixed assets is recorded annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Fixed assets (and associated



depreciation periods) include items such as:

- | | |
|---|-----------------------|
| a) Office furniture and equipment - field equipment | 60 months – 5 Years |
| b) Computer hardware | 36 months – 3 years |
| c) Computer software | 36 months – 3 years |
| d) Leasehold improvements | Length of lease |
| e) Building and building improvements | 360 months - 30 years |
| f) Parking lot and landscaping | 120 months – 10 years |
| g) Vehicles | 120 months – 10 years |

Any impaired assets discovered during the property and equipment inventory will be written down to their actual value.

Whenever capital purchases are made, an additional copy of the invoice and check are made to place in the fixed assets file.

Whenever fixed assets are disposed of, the employee initiating the disposal must notify the CFO and Executive Director in writing.

7.3 Capitalization

POLICY: Assets will be capitalized when a purchase takes place that costs \$5,000 or more individually. All capitalized assets will depreciate in accordance with the District's depreciation policy. Assets purchased or received by donation that cost less than \$5,000 individually will be expensed in the period purchased.

7.4 Property and Equipment Inventory

POLICY: A Fixed Asset Log will be maintained by the CFO, including date of purchase or donation, asset description, purchase/donation information, cost/fair market value, purchase/donor source, identification number, life of asset. The Log will be reviewed by the Executive Director.

The District’s property and equipment inventory document will contain sufficient information for insurance requirements. All equipment will have a tag affixed with a unique identifying number.

The District shall adhere to the procedures outlined below.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	A physical inspection and inventory of all property and equipment will be completed and recorded in an electronic document.	Annually	Office Manager
2	The inventory of all fixed assets will be reconciled with the general ledger balances; inventory and accounting records will be adjusted accordingly.	Annually	CFO

7.5 Financial Data Cutoff

POLICY: The monthly financial statements are due to the Board no later than six weeks after the month-end. For these reports, a cutoff of two weeks will be used. Any payables or other



information not available by two weeks after a month's end will be classified in the next period. The Bookkeeper may need to use estimates if final information is not available on a significant additional transaction.

The draft, unaudited year-end financial statements are due to the Board seven weeks after the year's end. For these reports a cutoff of six weeks will be used. Since the year-end is the most important cutoff period, the general ledger will continue to be held open for additional material transactions through the conclusion of the financial audit fieldwork.

8.0 FINANCIAL PRINCIPLES, POLICIES & PROCEDURES

8.1 Travel and other Business Expenses

POLICY:

Travel Authorization: All employees who expect to incur business-related travel expenses must get Travel Authorization from his/her direct supervisor. An email from the supervisor authorizing the travel is acceptable provided that travel details of the trip (start and finish dates, expected expenses) are stated in the e-mail.

Travel Advances: Stipends may be advanced when appropriate. The amount is determined on the basis of location, duration of stay and other arrangements. Staff should complete a request form and have it authorized by his/her supervisor. When submitting expense reports, staff should deduct the advance from total expenses and submit the District's official excel sheet expense report for any amount remaining.

Expense Reports and Approval Requirements: The requirements for expense reports and approvals are as follows:

- a) Expense reports are due within 15 days after return from the trip during which the expense was incurred. If staff is unable to meet this deadline, staff is responsible for contacting the Finance and Operations Unit and informing them of the timing and approximate amount of the expense report.
- b) Faxes or copies of expense reports will not be accepted.
- c) Expense reports will be processed like any other invoice.
- d) Expenses incurred in a foreign country charged on the corporate charge card should be reimbursed based upon the converted rate per the statement.
- e) All expenses included on the expense report must be accompanied by a valid and original receipt.
- f) All expense reports must be approved and signed by the supervisor.
- g) The District reserves the right to withhold reimbursement while it investigates expense report items.
- h) These requirements may be modified at any time at the discretion of the Executive Director (accompanied by any necessary Board approval).

Substantiation Requirements: All expenses must be accompanied by the District official excel sheet template (duly completed) and all receipts or supporting documentation. Failure to provide such will result in denial of reimbursement. The District does not offer a *per diem* rate. The amount disclosed in the spreadsheet must be in US dollars.

Falsification of Expenses: The submitting of fraudulent receipts or falsified expense reports by an employee may result in loss of that employee's reimbursement privileges and his/her job.



Reimbursable Expenses: The following are reimbursable:

- a) Office Equipment
- b) Office Expense (Service)
- c) IT Equipment
- d) IT Expense (Service)
- e) Airfare
- f) Lodging
- g) Taxi
- h) Mileage/Other Transportation
- i) Meals & Entertainment – (In-town or out-of-town)
- j) Postage
- k) Dues and Subscriptions
- l) Telephone – Cell phone and Internet
- m) Gifts and Promotions

Note: “Tips” are not a separate category. Incorporate them into the cost of the product or service you received, it is preferable for the tip to be indicated on the receipt.

Mileage: When using a private vehicle for EMSWCD business, the traveler is entitled to claim roundtrip mileage at the IRS-determined federal rate per mile. Mileage from home to the shop or office is not reimbursable. The destination and reason for all mileage claimed must be included on the official District Excel template.

Meals: When expensing meals, please note the following:

- a) Detachable tabs from dinner checks are not considered valid receipts and will not be accepted. A register receipt or a copy of the dinner check must be submitted;
- b) Tips may not exceed 20% of the cost of the meal;
- c) If there are multiple receipts for one meal, please list separately (do not add);
- d) Receipts should describe who attended and the business purpose. This information can be written on the back of the receipt itself or on the expense report;
- e) For international travels, meals of less than \$10.00 value (in case no receipt was provided) will not require a receipt, but must be included on the official District excel sheet.

Non-Reimbursable Expenses: The following are not reimbursable:

- a) alcohol or tobacco
- b) personal car repair
- c) personal credit card interest charges
- d) day-care for children or pets
- e) fees for upgrades of air, hotel, or auto
- f) spouse’s or family’s expenses (if accompanying District employee on trip)
- g) toiletries
- h) theater, cinema or opera tickets
- i) traffic citations (parking tickets or fines)
- j) non business related activities and events
- k) Other expenses that are not directly related to specific activities of the District
- l) Other personal losses while on District business.

8.2 Financial Audit



The annual financial audit is one of the most important tools the Board has for fulfilling its fiduciary responsibilities to the District.

POLICY: The Board of Directors will select and approve the public accounting firm which will perform the year-end financial audit.

The CFO and Bookkeeper will be responsible for scheduling the audit, preparing the information needed by the auditors and answering questions during the audit.

The Board will review and approve the financial audit.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Prepare and submit auditor recommendation to the Board.	No later than August of each year	CFO and Executive Director
2	Select and approve public accounting firm for annual audit.	No later than August of each year	Board
3	Sign the audit engagement letter.	No later than August of each year	Executive Director and the Board Treasurer
4	Contact the independent accountants to schedule the work needed to complete the audit.	No later than August of each year	CFO
5	Ensure adequate space is provided for the independent accountants to work in District offices.	September of each year	CFO
6	Work with the independent accountants to determine what confirmations will be required and ensure all required confirmations are prepared and mailed out in a timely manner.	Fall of each year	CFO
7	Collect information and prepare required schedules per a list that the selected public auditing firm will provide. This may include but not be limited to: the complete general ledger for the year, a chart of accounts, bank statements, paid invoices, cash receipts log, payroll records, contract files, fixed asset log, lease agreements, insurance policies and board minutes.	Fall of each year	CFO
8	Be available at all times throughout the audit to facilitate the work of the independent accountants.	Fall of each year	CFO and the Bookkeeper
9	Schedule time to meet with the independent accountants during the audit.	As needed throughout the fall of each year.	CFO
10	Be available for any work which the CFO may delegate to him/her.	Fall of each year	Office Manager
11	Plan audit exit meeting with the independent accountants at the end of the audit	Fall of each year	CFO



12	Attend the audit exit meeting at the conclusion of the audit; discuss any issues raised, review the audit journal entries, evaluate the audit process and plan improvements for the following year.	Fall of each year	CFO, Bookkeeper and Board Treasurer or designee
13	Present the audit to the Board.	Fall of each year	public accounting firm
14	Approve the audit findings.	Fall of each year	Board

8.3 Debt

POLICY: Board approval is required for incurring any debt by the District other than operating trade payables and budgeted payroll payables. The Executive Director and the CFO will be authorized to negotiate such debt as needed by the Board of Directors.

Any loan covenants and restrictions will be reported to the Board when the debt is authorized. The CFO will periodically review these covenants and report to the Executive Director if there are any violations or potential violations of the covenants.

The Executive Director, CFO and Board Chair or Treasurer will sign any debt agreements after receiving full Board approval.

The Bookkeeper will reconcile the general ledger debt balances to statements or amortization schedules each month. In addition, accrued interest will be recorded in the general ledger as needed.

8.4 Reserves and Designated Funds

POLICY: The Board of Directors may designate portions of the net assets of the District for specific purposes.

Designation of net assets will be made by resolution of the Board. A purpose and timeline must be specified for each designated fund. The designation may also specify whether a separate cash fund is to be used.

8.5 Computer Authorization, Backup and Recovery for Financial Systems

8.5.1 Authorizations/Passwords

POLICY: The Bookkeeper will maintain a record of all authorized users and the level of password access each user has related to the financial systems of the District. Passwords will be changed once each year in June.

8.5.2 Backup

POLICY: The backup procedures for the District financial systems are designed to maintain records of various periods until that period is closed. Backups of financial information will follow the procedures outlined below.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	A backup file will be maintained of the yearly accounting data prior to the close. This tape will be	Annually	Bookkeeper



	maintained until the subsequent year accounting data is backed up and closed.		
2	A backup file will be maintained of the accounting data for each month until that month is again backed up the subsequent year.	Monthly	Bookkeeper
3	A backup file will be maintained of the accounting data for each week, as of Tuesday evening, until that week is backed up the subsequent month.	Weekly	Bookkeeper
4	A backup file of accounting data for each day that work is performed will be maintained until that day is backed up the following week.	Daily	Bookkeeper
6	Ensure all appropriate backups are made.	End of each week	Bookkeeper

8.5.3 Disaster Recovery

POLICY: The Bookkeeper is responsible for maintaining the disaster recovery plan for the accounting software and for periodically testing the plan. In the event of a serious damage to the offices of the District, arrangements have been made to process certain accounting records at the offices of The Bookkeeping Collaborative, LLC located at 1002 SE 50th Avenue Portland, OR 97215.

8.6 Access to Records and Records Retention

Public access to District records and records retention is governed by various laws/rules, statutes of limitations and common sense. Certain documents must be retained indefinitely, while others may have little use after a year.

POLICY: The records of the District are generally open to public inspection due to IRS rules, open records laws and the spirit of public service. However, certain information is not open to public examination and may only be released with the permission of the Executive Director. Questions in this area are to be resolved by the Executive Director. If the answer to a request is unclear the Executive Director may contact the District’s attorney for consultation.

8.6.1 Fiscal Personnel Records

POLICY: All requests for personnel records, job references and credit inquiries will be referred to the Executive Director and the CFO.

8.6.2 Records Retention

POLICY: District records related to the categories of information below will be retained for the periods as indicated in the schedule below. In compliance with the schedule below, records should be maintained only as long as they serve a business purpose or until all legal requirements are met. While there are no specific standards that will cover all situations, the following are some of the factors that should be considered: 1) Federal, state, and local statutes and regulations; 2) Industry requirements or standards; 3) Potential claims or litigation; and 4) Contract requirements. Prior to discarding records, the permission of the Executive Director is required to ensure that there is no reason that an exception should be made to the records retention policy. All discarded



documents are to be shredded or sent to a recycling company, which has a confidentiality agreement with the District.

Records Retention Schedule

Accident reports & claims.....7*	Freight bills, bills of lading4
Appraisals.....P	Insurance policies & records.....4
Articles of incorporation, by laws.....P	Internal reports, memos, work orders, etc.....2
Assets records.....7*	Inventory records.....4
Bank statements, reconciliations.....4	<u>Invoices:</u>
Bills of sale-assets.....7*	Fixed assets..... 7
Budgets & projections.....2	Sales & general expenses..... 4
Cancelled checks – general.....4**	Leases.....7*
Capital stock & bond records.....P	<u>Ledgers & journals:</u>
Charts of accounts.....P	Cash receipts & disbursements..... P
Check vouchers, stubs.....4	General ledger, journal entries..... P
Contracts & agreements.....7*	Payroll journal..... 4
<u>Correspondence:</u>	Purchases & sales..... 7
Credit and collection.....7	Subsidiary ledgers (receivables, payables, etc.).....7
Routine with customers or vendors.....1	Licenses.....4*
Other.....4***	Minute books.....P
Credit memos.....4	Mortgages.....7*
Damage and theft reports.....7	Notes.....7*
Deeds.....P	Pension & profit-sharing records.....P
Deposit slips.....4	Petty cash records..... 4
Depreciation schedules.....7*	Purchase orders, invoices..... 4
<u>Employee records:</u>	Receiving reports..... 4
Contracts..... 7*	Repair & maintenance records..... 4
Disability, unemployment claims..... 7	Sales records & cash register tapes..... 4
Employment applications 4	Shipping reports..... 4
Expense reports..... 4	<u>Tax returns and related records:</u>
Personnel files..... 7*	Income..... P
Time reports, earnings records..... 4	Payroll..... 4
Withholding & exemption:	Sales and use..... 4
Certificates (W-2, W-4, etc.)..... 4*	Union contracts.....P
<u>Financial reports:</u>	
Annual, audited.....P	
Interim.....4	

A “number” (i.e., 2-7) indicates the number of years records should be kept.

“P” means records should be kept permanently.

*Retention period begins with settlement of claims, disposal of asset, termination of contract, etc.

**Some should be kept longer (e.g. checks for tax payments should be kept with the tax returns, checks for asset acquisitions should be kept with bill of sale, etc.).

***Legal and important correspondence should be kept as long as the documents to which they relate.

8.7 Grants and related Contracts

POLICY: Complete grant and related contract files will be maintained by the Grants Program Manager (for SCI, SPACE, PIC and PIC Plus grants), Land Legacy Program Manager (for Land Legacy Grants), Rural Lands Program Manager (for CLIP grants), and Urban Lands Program Manager (for Rain Garden Incentive grants).



Grant and related contract files will contain at least the following documents: signed copy of grant/contract and all appendices, application and budget, correspondence, periodic billings and documentation supporting the billings.

Grant and contract expenses billings will be done according to funding source requirements based on reimbursements of expenses, units of service or equal installments as required. For billings based on a reimbursement of expenses, a copy of the program expenses and any reconciliations to the billing will be maintained. For billings based on units of service, a copy of the detailed units of service will be maintained.

The relevant program manager and CFO will each approve billings prior to issuance and payment.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	Grant and related contract expenses billings will be prepared, submitted and filed.	Upon receipt	Relevant program manager or his/her assignee
2	All necessary supporting documentation will be maintained.	On-going	Relevant program manager or his/her assignee
3	Billings will be approved prior to issuance and payment.	On-going	CFO

8.8 Maintenance of the *Fiscal Policies and Procedures Manual*

The *Fiscal Policies and Procedures Manual* is critical to the accounting, finance, human resources and internal control functions of the District.

POLICY: The CFO is responsible for maintaining the *Fiscal Policies and Procedures Manual*.

All proposed changes to the *Fiscal Policies and Procedures Manual* must be approved by the Executive Director and Board.

The *Fiscal Policies and Procedures Manual* will be dated with the date of each approved revision.

PROCEDURES			
Step	Action to take	Timing	Responsible person
1	The Fiscal Policies & Procedures Manual is reviewed and proposed changes are formulated.	Annually	Bookkeeper and CFO
2	If there are no proposed changes, a memo to that effect must be developed.	Annually	Bookkeeper
3	The <i>Memo to File</i> must be formally approved and filed.	Annually	CFO
4	Any proposed changes to the Fiscal Policies & Procedures Manual must be approved in writing.	Annually	Executive Director and Board
5	When changes to routine accounting practices are made or identified as being needed throughout the year, a review of the Fiscal Policies and Procedures	On-going throughout the year	Bookkeeper



	Manual will be made to determine if a revision is required. Any needed revisions to the manual will be kept on file to incorporate into the formal annual update.		
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