

**Homeless & Hunger  
Coalition of NWFL d/b/a  
Doorways of NWFL  
Fiscal Policies & Procedures**

Approved by the Board of Directors, 7/2023

# Doorways of NWFL Fiscal Policies & Procedures

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## Doorways of NWFL FISCAL POLICIES AND PROCEDURES

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### Accounting Procedures

This section covers basic accounting procedures for The Homeless and Hunger Coalition of NWFL dba Doorways, herein referred to as Doorways. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

#### Basis of Accounting

**Policy:** The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

#### Procedures:

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 10<sup>th</sup> DAY after the close of the month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year, are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it was earned or pledged.

#### Bank Reconciliations

**Policy:** All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

#### Procedures:

- All bank statements and cancelled checks will be opened, reviewed, and initialed upon receipt.
- Once reviewed, bank statements are submitted to accounting for reconciliation.
- The Executive Director will review and approve reconciliation reports by signing the report in the upper right-hand corner.

#### Recordkeeping

**Policy:** All financial documents, unless otherwise stated, are to be retained for a period of 7 years.

#### Procedures:

- Documents are filed and maintained on an annual, fiscal year basis.
- The documents are retained on site in a secured file cabinet.

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- After the required retention period, documents are destroyed via a professional onsite shredding company.

## Internal Controls

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

## Lines of Authority

**Policy:** The Board of Directors has the authority, with a unanimous vote, to enter legal and binding contracts. I.e., Borrow money, hold mortgages, lease agreements, etc.

### Procedures:

- After Board approval, the contract will be executed by the Executive Director or a member of the Board of Directors as applicable.
- All checking /draft accounts require two signatures to be negotiable.
  - Authorized signatories as of May 2021 are as follows:
    - Robert Thompson, President
    - Bryan Taylor, Past President
    - Laurie Combs, Secretary
    - Jennifer Burkett, Treasurer
    - Yvonne Petrasovits, Executive Director

## Conflict of Interest

**Policy:** All employees and members of the Board of Directors are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

### Procedures:

- Upon or before hire, election, or appointment each employee and Board member must provide a full written disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually and as needed.
- Employees and Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the employee or Board member will not be permitted to participate in the transaction or decision.
- Should there be any dispute as to whether a conflict of interest exists:
  - The Executive Director shall determine whether a conflict of interest exists for an employee and shall determine the appropriate response.
  - The Board of Directors shall determine whether a conflict of interest exists for the Executive Director or a member of the Board and shall determine the appropriate response.

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### Segregation of Duties

**Policy:** The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

**Procedures:**

- Cash receipts and disbursement functions are separated among various departments.
- Case **Managers** request disbursements, the Operations Director approves disbursements and expenses, accounting process the cash and checks and the Executive Director along with at least 1 additional authorized signers is required to sign all negotiable instruments.

### Physical Security

**Policy:** The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

**Procedures:**

- All negotiable instruments are kept under lock and key.
- Cash and checks received via U.S. mail are recorded the same day with checks endorsed "for deposit only" immediately upon receipt.
- Premise is secured under lock & key. Only authorized employees and members of the Board of Directors are key holders. Employees who do not work on a specific campus will not have an access key but will be able to access the campus during normal business hours.

## Financial Planning & Reporting

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Organizations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted and permanently restricted.

### Budgeting Process

**SAMPLE Policy:** The organization's annual budget is prepared and approved annually for all departments. The budget is prepared by the Executive Director in conjunction with the Director of Operations and the Board Treasurer. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

**SAMPLE Procedures:**

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- The Executive Director will work together with the Director of Operations, and all program managers to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- The Director of Operations will ensure that the budget is developed using the organization's standard revenue recognition (p. X) and cost allocation (p. X) procedures.
- The Executive Director, Director of Operations, and the Board Treasurer will present a draft budget for approval to Board of Directors at least 30 days prior to the end of the fiscal year.
- The Board of Directors shall review and approve the recommended fiscal year budget. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.
- The Board of Directors will review and approve the budget at its last meeting prior to the start of the fiscal year.

### Internal Financial Reports

**Policy:** The organization prepares regular financial reports monthly. All reports are finalized no later than 15 days after the close of the prior month.

#### Procedures:

- Accounting is responsible for producing the following year-to-date reports within 10 days of the end of each month: Statement of Financial Position, Statement of Activity by Class, and Budget v. Actual.
- The Executive Director, Operations Director, and Board of Directors review financial reports monthly.

### Audit

**Policy:** Doorways submits to an annual audit by our external CPA. In addition, we are subject to State and Federal Audits at any time.

#### Procedures:

- Stop
- Drop
- Roll

### Tax Compliance

#### Exempt Organization Returns

**Policy:** Allow our CPA to remote access our QuickBooks online software to prepare a complete and comprehensive Federal Form 990 which they will file after the Board of Directors have reviewed and approved.

#### Procedures:

- The CPA Group corresponds with the Director and accounting department to gather all information and details required to complete Federal Form 990.
- The Board of Directors reviews and approves the Federal Form 990

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- The Form 990 is filed within the federal required limit every year by The CPA Group.
- The Form 990 is made available to the public via visiting the business office at 954 Magnolia Ave. Panama City, FL 32401

### Quarterly/Annual Payroll Reports

**Policy:** Payroll is outsourced to ADP.

**Procedures:**

- The subscription provides the filing and reporting of all payroll reports.
- All End of Year requirements are included with in the ADP subscription
- Accounting is responsible for onboarding, updating, and terminating employees within the program.
- This subscription is overseen by the accounting department.
- Employee timesheets are approved by the Executive Director and submitted to the accounting department for entry into the ADP software.
- Payroll is previewed and approved by the Executive Director prior to submission.

## Revenue & Accounts Receivable

### Invoice Preparation

**Policy:** All grants and projects are invoiced each month to capture all billable time and expenses and ensure a regular healthy cash flow for the organization. All final invoices for the prior month are completed by the 15<sup>th</sup> of the following month (ex: June 15<sup>th</sup> for May).

**Procedures:**

- The Case Managers gather relevant expense documentation, prepares all check requests and requests for payment, and submits to the Operations Director for approval by the 10<sup>th</sup> of each month.
- Following approval, the Operations Director makes two copies of the invoice. One copy is mailed to the client/customer no later than the 15<sup>th</sup> of the month and one copy is filed in the client folder.

### Revenue Recognition

**Policy:** All contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

**Procedures:**

- The Director of Operations reviews all revenue in excess of \$100.00 and indicates on the letter or copy of the check how the revenue shall be recognized (as earned/contributed, conditional/unconditional and restricted/unrestricted). If there is a question or uncertainty



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about how to recognize a particular contribution, the Director of Operations will ensure that the donor is contacted to clarify the intent of the contribution.

- The Accountant is responsible for posting revenue to the general ledger in accordance with the determination made by the Operations Director.
- The Executive Director reviews the revenue reports on a weekly basis.

### Cash Receipts

**Policy:** All cash is verified by two employees prior to being recorded.

**Procedures:**

- Restricted contributions are clearly identified and classed accordingly

### Deposits

**Policy:** Cash and checks received either in person or via US mail will be deposited intact and within 1 day of receipt.

**Procedures:**

- Checks received are endorsed “for deposit only” immediately upon receipt.
- Duplicate deposit slip is used, and bank receipt is attached to the copy.
- Copies of checks deposited are retained in the “Deposits” file.
- Cash and checks are deposited at least weekly, but not more than one day after receipt.

## Expense & Accounts Payable

### Payroll

**Policy:** Payroll is run every two weeks. Pay period starts Wednesday and runs two weeks through Tuesday. Payroll is outsourced to ADP.

### Time Sheet Preparation & Approval

**Policy:** All employees, exempt and non-exempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes

**Procedures:**

- Employees complete time sheets and submit the Director of Operations for review and correction if needed.
- The Operations Director submits the final time sheets to the Executive Director for approval and signature.
- Approved timesheets are provided to accounting, which is responsible for entering time sheet information into the payroll and accounting systems as needed. All paid time off balances are maintained within the payroll system, based on the information provided on approved timesheets.

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### Invoice Approval & Processing

**Policy:** All invoices must be approved by the Operations Director. Approved invoices will be paid within 30 days of receipt.

**Procedures:**

- Invoices and bills will be reviewed by the Operations Director.
- Approved invoices and bills are then routed to accounting for payment.
- Copies of all invoices paid will be filed and kept for the required retention period.

### Employee Expense Reimbursements

**Policy: When would a reimbursement be applicable?**

**Procedures:**

- A reimbursement will only be incurred with prior approval by the Operations Director or the Executive Director.
- All employees and contractors are eligible for reimbursement after receiving approval from the Operations or Executive Director.
- Reimbursements will not exceed \$1,200.00

### Travel Expenses

**Policy: What travel expenses are eligible for reimbursement?**

**Procedures:**

- All employees and contractors are eligible for travel reimbursement to include mileage for Street Outreach activities, travel to conferences, meetings and travel outside of Bay County with pre-approval from the Operations Director?
- The Standard Rate shall be determined by The Florida Department of Children and Families. The current rate is \$0.445 per mile.
- Mileage will be allowable when submitted on form DFSXXXXXX with complete beginning and ending addresses.
- Pre-approval from the Operations Director for travel outside of Bay County for any reason is required.

### Credit Cards

**Policy:** Credit cards are currently issued to the Executive Director, the Operations Director and two Case Managers for the purpose of client services. The Executive and Operations Directors cards are also used for the purpose of the organization's daily operations.

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### Procedures:

- All charges are to be approved by the Operations Director.
- Upon approval, receipts are to be forwarded to accounting for input and processing
- Credit Cards statement are balanced by the 30<sup>th</sup> of the month.

## Asset Management

### Cash Management and Investments

#### Policy:

#### Procedures:

- Procedure A
- Procedure B

### Capital Equipment

#### Policy:

#### Procedures:

- Procedure A