St. Clair County Intergovernmental Grants Department

Financial Policies and Procedures Manual & Risk Assessments

Revised 1/23

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Forms in this manual are for reference only. Contract Accounting department to receive forms in word or excel. Do not change the forms in any way. Only the forms represented in this section are allowed.

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INTRODUCTION AND APPROVAL

St. Clair County Intergovernmental Grants Department is a department of St. Clair County. Staff is required to follow the St. Clair County Employee Personnel Code as well as this manual.

The following accounting manual is intended to provide an overview of the accounting policies and procedures for St. Clair County Intergovernmental Grants Department, which shall be referred to as "IGD" or "the Organization" throughout this manual.

This manual shall document the financial operation of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for all staff that have a role in accounting processes and to document internal controls.

If a particular grant or award has provisions that are more restrictive than those in this manual, the more restrictive provisions will be followed only for that grant or award.

This manual will be reviewed and approved annually. Any changes made to this manual prior to the annual review will be submitted to staff in writing by the Fiscal Manager with the Executive Director approval.

The contents of this manual were approved as official policy by the Executive Director and the Fiscal Manager. All IGD staff members are bound by the policies herein, and any deviation from established policy is prohibited.

This manual is approved and implemented on this date.

Jennifer Johnson
Jennifer Johnson, Fiscal Manager

01/31/2023
Date

Rick Stubblefield, Executive Director

01/31/2023
Date

This St. Clair County Intergovernmental Grants Department Financial Policies and Procedures Manual and Risk Assessment, supersedes all previously issued or revised Financial Policies and Procedures Manuals.

GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

Fiscal Year of Organization

IGD shall operate on a fiscal year that begins on January 1 and ends on December 31.

Reference

In this manual the description of duties are referenced to by the employee's title. Listed below are the employees names associated with these titles.

Executive Director	Rick Stubblefield
Executive Assistant	Jennifer Little
Fiscal Manager	Jennifer Johnson
Accounting Technician	Pamela Dougherty
Accounting Clerk	Becky Rose

The Role of the Grants Committee

The Grants Committee consists of seven members, appointed by County Board Chairman to oversee the Agency's activities.

The Role of the Executive Director

- Responsibility for all operations and activities of the Organization
- Approving grant applications and awards
- Reviewing and approving the annual audit
- Reviewing financial information
- Identifying and proactively dealing with emerging issues.
- Interpreting the Organization's mission to the public
- Hiring, and discharging all IGD staff

The Role of the Fiscal Manager

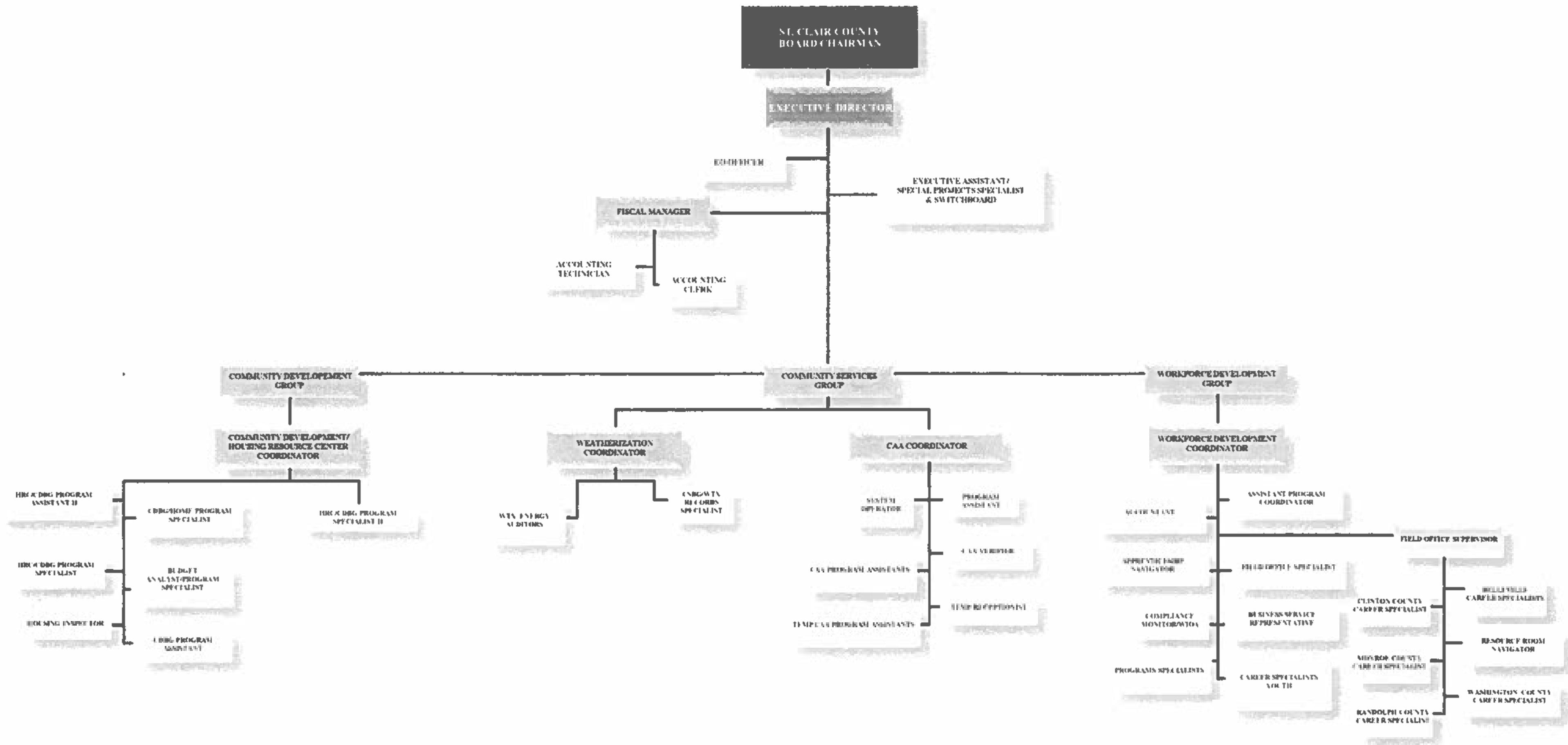
- Responsible to the Executive Director for all financial operations

The Role of the Program Coordinators

- Responsible to the Executive Director for the grants and awards assigned

Organization Chart

The lines of authority on I.G.D.'s organization chart will be followed by all employees.


ST. CLAIR COUNTY BOARD CHAIRMAN
EXECUTIVE DIRECTOR
EXECUTIVE ASSISTANT/ SPECIAL PROJECTS SPECIALIST & SWITCHBOARD
FISCAL MANAGER
ACCOUNTING TECHNICIAN
ACCOUNTING CLERK
COMMUNITY DEVELOPEMENT GROUP
COMMUNITY SERVICES GROUP
WORKFORCE DEVELOPMENT GROUP
COMMUNITY DEVELOPMENT/ HOUSING RESOURCE CENTER COORDINATOR
BUDGET ANALYST/PROGRAM SPECIALIST
HOUSING INSPECTOR
WEATHERIZATION COORDINATOR
CAA COORDINATOR
WORKFORCE DEVELOPMENT COORDINATOR
ASSISTANT PROGRAM COORDINATOR
FIELD OFFICE SUPERVISOR
COMPLIANCE MONITOR/WIOA
BUSINESS SERVICE REPRESENTATIVE
CAREER SPECIALISTS YOUTH
CLINTON COUNTY CAREER SPECIALIST
RESOURCE ROOM NAVIGATOR
WASHINGTON COUNTY CAREER SPECIALIST
RANDOLPH COUNTY CAREER SPECIALIST

as of 12/7/22

ACCOUNTING DEPARTMENT OVERVIEW

Organization Structure

The accounting department consists of 3 staff members who manage and process financial information for IGD. The following positions comprise the accounting department:

- Fiscal Manager
- Accounting Technician
- Accounting Clerk

Other employees of IGD who have financial responsibilities are as follows:

- Executive Director
- Executive Assistant
- Program Coordinators

Department Responsibilities

The primary responsibilities of the accounting department consist of:

- General ledger
- Budgeting
- Cash and investment management
- Grants and contracts administration
- Purchasing
- Accounts receivable
- Cash receipts
- Payroll
- Financial statements processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with government reporting requirements
- Annual audit
- Leases
- Insurance

Accounting duties and responsibilities are separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc. Duties will be rotated among accounting employees, whenever possible.

Standards for Financial Management Systems

In accordance with **2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**, IGD maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate section of this manual.

1. Identification, in all its accounts, of all Federal awards received and expended and the

Federal programs under which they were received.

2. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of **2 CFR Parts 200.328**, Financial Reporting, and **200.329**, Monitoring and Reporting Program Performance, and/or the award.

3. Maintains records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balance, assets, expenditures, income, and interest and are fully supported by source documentation.

4. Effective control over accountability for all funds, property, and other assets. IGD must adequately safeguard all such assets and ensure they are used solely for authorized purposes.

5. Comparison of expenditures with budget amounts for each award.

6. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by IGD. Advance payments will be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements. **2 CFR Part 200.305 Payment**

7. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of **2 CFR Part 200 Subpart E, Cost Principles**, and the terms and conditions of the award.

SECURITY

Accounting Department

All accounting personnel have offices that lock. These doors shall be closed and locked in the evenings and whenever the Accounting Department is vacant. A key is provided to the Accounting Staff, Executive Director and the Executive Assistant. These keys cannot be duplicated and are turned in whenever any of these individuals leaves the employment of IGD.

Petty cash is stored in a drawer locked with a key. The Petty Cash custodian and the Fiscal Manager will be the only employees with keys to the petty cash drawers.

Access to electronically Stored Accounting Data

IGD utilizes passwords to restrict access to accounting software and data. Only duly authorized accounting personnel will be assigned passwords that allow access to the system. Information technology staff members are restricted from assessing accounting software.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than every 90 days. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties. On an annual basis, the fiscal manager performs a review of accounting software users to ensure they have the appropriate access levels. Unnecessary access will be rescinded.

Storage of Sensitive Data

In addition to accounting and financial data stored in the Accounting Department, other sensitive data, including protected personally identifiable information (PPII) such as social security numbers of employees and/or clients may be stored in areas other than the Accounting Department. Locations of sensitive data include, but are not limited to:

1. Other Organization departments
2. Electronic or on-line storage

The Organization's policy is to minimize the storage of sensitive data outside the Accounting Department by shredding documents with such data or deleting the sensitive data from documents that are stored outside the Accounting Department as soon as possible.

All documents with personally identifiable information shall be stored in lock cabinets or on electronic information that shall be password protected.

2 CFR Part 200 defines "personally identifiable information"(PII) as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings."(2 CFR Part 200.79)

"Protected personally identifiable information" (PPII) is defined as "an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts."

Recipients are required to take as much reasonable effort as possible to limit access to PPII. (2 CFR Part 200.303(e)

Destruction of Consumer Information

The Fair and Accurate Credit Transaction Act of 2003 (FACTA) became effective June 1, 2005. It requires the proper disposal of consumer information possessed by any person, other than an individual who possesses his or her own consumer information. Thus, organizations that obtain credit reports or other consumer information on prospective employees, program participants, loan recipients, etc., must adopt a policy like the one that follows.

As stated earlier, all sensitive data must be securely stored and shredded when no longer needed. IGD will also shred all consumer information obtained by the Organization for any reason. Shred bins are placed though out IGD. These bins are locked and not opened unless accounting staff is present or when the documents in the bins are to be shredded. This will be performed on a schedule determined by the County.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices in IGD. Keys are issued only to employees authorized by the Executive Director.

Incoming Mail

All mail will be opened unless it is marked confidential or bank statements. Bank statements are given to the Executive Director unopened.

Contents of the mail will be removed from envelope and both forwarded to the correct program or person.

Checks, cash or money orders will be kept in the Accounting department and entered into the check log for deposit.

BUSINESS CONDUCT

Code of Conduct

Refer to St. Clair County Employee Personnel Code Section 15 Disciplines (g) Code of Conduct.

Conflict of Interest

Refer to St. Clair County Employee Personnel Code Section 10 Regulations and Restrictions (m) Ethics. In addition to the policy above and Section 10 of the St. Clair County Employee Personnel Code, IGD requires all organization applicants to complete the Applicant Disclosure Form (*form 05*). This form should be taken at intake and kept with applicant file.

Gift Acceptance

Refer to St. Clair County Employee Personnel Code Section 10 Regulations and Restrictions (n) Gift Ban Act.

Lobbying

No lobbying expenditures may be charged directly or indirectly to any federal award (i.e., the Organization must have a nonfederal source of funds to which such lobbying costs can be charged).

Policy on Suspected Misconduct

Introduction

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers.

Like all organizations, IGD faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts collectively referred to as misconduct throughout this policy, may include, but not be limited to:

- Financial losses and liabilities.
- Loss of current and future revenue and customers.
- Negative publicity and damage to the Organization's good public image.
- Loss of employees and difficulty in attracting new personnel.
- Deterioration of employee morale.
- Harm to relationships with clients, vendors, bankers, and subcontractors.
- Litigation and related costs of investigations, etc.

Our Organization is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee and volunteer at all levels of the Organization.

Definitions

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate the Organization's Code of Conduct (and any underlying policies) or any of the accounting and financial policies included in this manual.

2. Fraud (see below).

3. Forgery or alteration of checks, bank drafts, documents or other records (including electronic records).

4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the federal government or by the Organization in connection with this policy.

5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Organization.

6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel, or other resources.

7. Acts that violate federal, state, or local laws or regulations.
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to IGD. Exception: As stated in the St. Clair County Employee Personnel Code Section 10 Regulations and Restrictions (n) Gift Ban Act.

9. Impropriety of the handling or reporting of money in financial transactions.

10. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

- Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Organization, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom the Organization has a business relationship).
- Intentional misstatements in the Organization's records, including intentional misstatements of accounting records or financial statements.
- Authorizing or receiving payment for goods not received or services not performed.
- Authorizing or receiving payments for hours not worked.
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, receiving reports.

IGD prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers, and others responsible for carrying out the Organization's activities.

Reporting Responsibilities

All employees, officers, and volunteers are responsible for immediately reporting suspected misconduct to their Program Coordinator, Fiscal Manager or the Executive Director. When Program Coordinators have received a report of suspected misconduct, they must immediately report such acts to their Manager, Fiscal Manager or the Executive Director.

Whistleblower Protection

The Organization will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a federal offense or any other possible violation of the Organization's Code of Conduct.

Investigative Responsibilities

Due to the sensitive nature of suspected misconduct, Program Coordinators and Managers should not, under any circumstances, perform any investigative procedures.
The Fiscal Manager and/or the Executive Director have the primary responsibility for investigating suspected misconduct involving employees below the Executive Director and executive management level. The Fiscal Manager shall provide a summary of all investigative work to the

Executive Director.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with the Organization.

In fulfilling its investigative responsibilities, the Fiscal Manager and/or the Executive Director shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

The Fiscal Manager or the Executive Director shall have free and unrestricted access to all Organization records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy, and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status, or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

Protection of Records – Federal Matters

IGD prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered violations of the Organization's Code of Ethics and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives from the Human Resources Department. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- Reprimand
- Probation
- Suspension
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Organization to follow any particular policy or procedure.

Confidentiality

The Fiscal Manager and/or the Executive Director will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Fiscal Manager and/or the Executive Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section above).

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect IGD from potential civil liability.

An employee who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Director or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.

2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Executive Director or St Clair County legal counsel.

Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Organization to aid in an investigation).

However, all known frauds involving the Executive Director, senior management, or members of the Board of Directors, as well as all material frauds involving employees below the senior management level, shall be disclosed by the Fiscal Manager to the Organization's external auditors.

The Organization will disclose, in a timely manner, in writing to Federal awarding agencies all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. **(200.113 Mandatory disclosures)**

ADMINISTRATION OF FEDERAL AWARDS

Definitions

Grant: A financial assistance award given to the Organization to carry out its programmatic purpose.

Cooperative Agreement: A legal agreement where the Organization implements a program with the direct involvement of the funder.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the Fiscal Manager prior to submission to government agencies or other funding sources to ensure the proposed budget includes all appropriate costs. Final proposals shall be reviewed and approved in writing by the Executive Director.

> 2 CFR Part 200.460, Proposal Costs, defines proposal costs as the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects.
>
> "Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect costs and allocated currently to all activities." 2 CFR Part 200.460)

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Accounting Department shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A Catalog of Federal Domestic Assistance (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account grant numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. See the following section, "Document Administration", for details.

Compliance with Laws, Regulations, and Provisions of Awards

IGD recognizes that as a recipient of federal funds, IGD is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that IGD meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a federal agency:

1. For each federal award, an employee within the department responsible for administering the award will be designated as "grant manager or grant coordinator."
2. Each grant manager/coordinator shall attend training when provided by the funding source.

3. The grant manager/coordinator shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:

    a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
    b. Review **2 CFR Part 200 Appendix XI, Compliance Supplement** (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all federal awards.
    c. Review the section of the Catalog of Federal Domestic Assistance (CFDA) applicable to the award.
    d. The grant manager will communicate grant requirements to those who will be responsible for carrying them out or impacted by them.
    e. The grant manager/coordinator shall respond to all audit and/or monitoring findings/recommendations as specified by the funding source or auditing agency within the requested time period.

4. The Accounting Department shall forward copies of applicable laws and regulations to the grant manager/coordinator (such as the OMB Circular, pertinent sections of compliance supplements, and other regulations).

5. The grant manager/coordinator and/or the Accounting Department shall identify and communicate any special changes in policies and procedures necessitated by federal awards as a result of the review of each award.

6. The grant manager/coordinator shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to **2 CFR Part 200 Appendix XI, Compliance Supplement,** and communications with federal awarding agency personnel.

7. The grant manager/coordinator shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The grant manager/coordinator shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors

Document Administration

> 2 CFR Part 200.335, Methods for collection, transmission and storage of information, states that the non-Federal entity "should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper."

For each grant/award received by IGD from a federal, state, or local government agency, a master file of documents applicable to the award shall be prepared and maintained. The responsibility for assembling each master file shall be assigned to the Fiscal Manager. The Fiscal Manager shall keep pdf files for each grant/award. The Accounting Department will keep electronic files whenever possible. These files will be saved in a pdf format.

The master file assembled for each government award shall include all of the following documents (including originals (whenever possible) of all documents received from the awarding agency):

- Copy of the initial application for the award and corresponding budget
- All correspondence to and from the awarding agency post-application, leading up to the award
- The final, approved budget and program plan, after making any modifications
- The grant agreement and any other documents associated with the initial making of the award
- Subsequent grant modifications (financial and programmatic)
- Copies of program and financial reports
- Subsequent correspondence to/from the awarding agency
- Correspondence and other documents resulting from the closeout process of the award

The original grant document file shall remain in the office of the Fiscal Manager in a locked filing cabinet. The Program Manager/Coordinator shall maintain a separate file of frequently requested documents that shall consist of photocopies of the documents included in the secure grant document file.

Charging of Cost to Federal Awards

IGD charges costs that are reasonable, allowable, and allocable to a federal award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

Cost will be posted into the corresponding time period in which the services and goods were received. Personnel submitting disbursement authorizations will review expenses and indicate on the authorization if the posting should be back-dated.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.

2. Grant managers and accounting personnel shall be familiar with the allowability of costs **2 CFR Part 200.400 – 475**, Cost Principles, particularly:

   a. The list of specifically unallowable costs found in **200.421 – 475**, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc.

   b. Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 **CFR Part 200.407**, Prior Written Approval, such as participant support costs, equipment purchases, etc.

3. No costs shall be charged directly to any federal award until the cost has been determined to be allowable under the terms of the award and/or **2 CFR Part 200.400 – 475**, Cost Principles.

4. For each federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.

5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. Unless funding source request different, the reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

Criteria for Allowability

All costs must meet the following criteria, **2 CFR Part 200.402 – 406**, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award:

1. The cost must be "reasonable" for the performance of the award, considering the following factors:

   a. Whether the cost is of a type that is generally considered as being necessary for the operation of IGD or the performance of the award.
   b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, federal and state laws and regulations, and the terms and conditions of the award.
   c. Whether the individuals concerned acted with prudence in the circumstances.
   d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.

2. The cost must be "allocable" to an award by meeting one of the following criteria:

   a. The cost is incurred specifically for a federal award,
   b. The cost benefits both the federal/state award and other work and can be distributed in reasonable proportion to the benefits received, or
   c. The cost is necessary to the overall operation of IGD, except where a direct relationship to any particular program or group of programs cannot be demonstrated.

3. The cost must conform to any limitations or exclusions of **2 CFR Part 200 Subpart E Cost Principles**, or the federal award itself.

4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of IGD.

5. Costs must be consistently treated over time.

6. The cost must be determined in accordance with generally accepted accounting principles (GAAP).
7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.

8. The cost must be adequately documented.

Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal Award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy **(2 CFR Part 200.413(a))**. IGD identifies and charges these costs exclusively to each award or program.

Each Disbursement Authorization with attached invoice shall be coded with the appropriate account numbers reflecting which program received direct benefit from the expenditure. Disbursement Authorizations are approved by the appropriate program coordinator and reviewed by the Fiscal Manager or the Accounting Technician.
See the Cash Disbursement section of this manual for detailed procedures.

Time sheets are also submitted on a regular basis, reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to federal awards and nonfederal functions. See the Payroll section of this manual for detailed procedures.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated for grant purposes, but will be capitalized and depreciated at year-end for financial statement purposes).

Direct Costing Allocation Procedures

Direct and joint costs are allocated to the benefiting programs using the following policies and procedures:
Indirect pool will receive its fair share of any direct costing allocations.

1. Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources.

2. As much as possible, costs will first be charged directly to benefiting programs.

3. All remaining shared costs will be allocated on the most meaningful measures. The following bases will be used:

   a. Facilities and related costs, including liability insurance will be allocated based on square footage occupied.
   b. Accounting staff and related costs will be allocated based on number of transactions. Allocation will be based on current transactions, and will be reconciled at least quarterly.
   c. Vehicle Maintenance and Vehicle Insurance cost will be allocated based on number of vehicles

4. WIOA program-related costs will be allocated based on relevant activity measures, such as amount of personal time spent on each funding.

Indirect cost

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective.

As a non-Federal entity that has never received a negotiated indirect cost rate, IGD has elected to charge a 10% de Minimis rate of modified total direct cost (MTDC) to cover the indirect cost.

Modified Total Direct Cost (MTDC). (2 CFR Part 200.68)
MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award.
MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.

Indirect cost will include, but not limited to: Salaries of the Executive Director, Executive Assistant and related costs, the salary of the Fiscal Manager and related cost.

Closeout of Federal Awards

IGD shall follow the closeout procedures described **in 2 CFR 200.344**, Closeout, and in the grant agreements as specified by the granting agency.

IGD and all sub-recipients shall liquidate all obligations incurred under the grant or contract within 45 days of the end of the grant or contract agreement.

SUB-RECIPIENTS

Making of Sub-awards

From time to time, IGD may find it practical to make sub-awards of federal funds to other organizations. All sub-awards in excess of the simplified acquisition threshold shall be subject to the conflict of interest policies described in St. Clair County Employee Personnel Code Section 15 (g) Code of Conduct. In addition, all sub-recipients must agree to the sub-recipient monitoring provisions described in the next section.

IGD is required to evaluate each sub-recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award to determine the appropriate monitoring. Evaluations may include such factors as: **(2 CFR Part 200.331(b))**

- The sub-recipient's prior experience with the same or similar sub-awards;
- The results of previous audits including whether or not the sub-recipient receives a Single Audit, and the extent to which the same or similar sub-award has been audited as a major program;
- Whether the sub-recipient has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring (e.g., if the sub-recipient also receives Federal awards directly from a Federal awarding agency).

Evaluations may include such factors as: **(2 CFR Part 200.205)**

- Eligibility qualification or financial integrity by reviewing the Federal Awardee Performance and Integrity Information System (FAPIIS), Dun and Bradstreet and "Do Not Pay", also suspension and debarment requirements at **2 CFR Part 180.**
- In evaluation, risks posed by applicants, IGD will use a risk-based approach and may consider any items such as; Financial stability, Quality of management systems, history of performance, reports and finding from audit.

In addition, IGD should obtain the following documents from all new sub-recipients:

1. Articles of Incorporation
2. Bylaws or other governing documents
3. Determination letter from the IRS (recognizing the sub-recipient as exempt from income taxes under IRC section 501(c)(3))
4. Last three years' Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last three years' audit reports and management letters received from sub-recipient's independent auditor (including all reports associated with audits performed in accordance with **2 CFR Part 200.500 – 521**, if applicable)
6. Copy of the most recent internally-prepared financial statements and current budget

7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations, or monitoring procedures performed in the last three years

Monitoring of Sub-recipients

When IGD utilizes federal funds to make sub-awards to sub-recipients, IGD is subject to a requirement to monitor each sub-recipient in order to provide reasonable assurance that sub-recipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor sub-recipients, the following policies apply to all sub-awards of federal funds made by IGD to sub-recipients:

The following required information will be provided to all sub-recipients:

1. Federal Award Identification.

    a. Sub-recipient name (which must match registered name in DUNS);

    b. Sub-recipient's DUNS number ;

    c. Federal Award Identification Number (FAIN);

    d. Federal Award Date;

    e. Sub-award Period of Performance Start and End Date;

    f. Amount of Federal Funds Obligated by this action;

    g. Total Amount of Federal Funds Obligated to the sub-recipient;

    h. Total Amount of the Federal Award;

    i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

    j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official,

    k. Catalogue of Federal Domestic Assistance (CFDA) Number and Name. IGD must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;

    l. Indirect cost rate for the Federal award (including if the de minimis rate is charged per **§ 200.414 Indirect (F&A) costs**).

2. All requirements imposed by IGD on the sub-recipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

3. Any additional requirements that IGD imposes on the sub-recipient in order for IGD to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

4. An approved federally recognized indirect cost rate negotiated between the sub-recipient and the Federal government or, if no such rate exists, either a rate negotiated between IGD and the sub-recipient, or a de minimis indirect cost rate as defined in **§ 200.414** Indirect costs.

5. A requirement that the sub-recipient permit IGD and auditors to have access to the sub-recipient's records and financial statements as necessary for IGD to meet the monitoring requirements of **2 CFR Part 200**; and

6. Appropriate terms and conditions concerning closeout of the sub-award.

7. Sub-awards shall require that sub-recipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.

8. Sub-awards should require that sub-recipients submit financial and program reports to IGD on a basis no less frequently than monthly.

9. IGD will follow up with all sub-recipients to determine whether all required audits have been completed. IGD will cease all funding of sub-recipients failing to meet the requirement to undergo an audit in accordance **2 CFR Part 220.501**. For sub-recipients that properly obtain an audit in accordance with **2 CFR Part 200.501**, IGD shall obtain and review the resulting audit reports for possible effects on IGD's accounting records or audit.

10. Program Coordinators shall assign one of its employees the responsibility of monitoring each sub-recipient on an ongoing basis during the period of performance by the sub-recipient. This employee will establish and document, based on her or his understanding of the requirements that have been delegated to the sub-recipient, a system for the ongoing monitoring of the sub-recipient.

11. Ongoing monitoring of sub-recipients will vary from sub-recipient to sub-recipient based on the nature of work assigned to each. However, ongoing monitoring activities may involve any or all of the following:

    a. Regular contacts with sub-recipients and appropriate inquiries regarding the program.
    b. Reviewing programmatic and financial reports prepared and submitted by the sub-recipient and following up on areas of concern.
    c. Monitoring sub-recipient budgets.
    d. Performing site visits to the sub-recipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the sub-award.
    e. Offering sub-recipients technical assistance where needed.

f. Maintaining a system to track and follow up on deficiencies noted at the sub-recipient in order to ensure that appropriate corrective action is taken.
g. Establishing and maintaining a tracking system to ensure timely submission of all reports required of the sub-recipient.

12. Documentation shall be maintained in support of all efforts associated with monitoring of sub-recipients.

13. In connection with any sub-recipient that has been found to be out of compliance with provisions of its sub-award with IGD, responsive actions by the Organization shall be determined by Fiscal Manager. Such actions may consist of any of the following actions:

   a. Increasing the level of supporting documentation that the sub-recipient is required to submit to IGD on a monthly or periodic basis.
   b. Requiring that sub-recipient prepare a formal corrective action plan for submission to IGD.
   c. Requiring that certain employees of the sub-recipient undergo training in areas identified as needing improvement.
   d. Requiring documentation of changes made to policies or forms used in administering the sub-award.
   e. Arranging for on-site (at the sub-recipient's office) oversight on a periodic basis by a member of the Program Coordinator or Program Accountant.
   f. Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the sub-recipient.
   g. Reimbursing after-the-fact, and not provide advances.
   h. Requiring review and approval for each disbursement and all out-of-area travel.
   i. As a last resort, terminating the sub-award relationship and seeking an alternative.

Sub-recipients Procurements

Sub-recipients must follow the Methods of Procurements as described in the PURCHASING POLICIES AND PROCEDURES section of the manual (Page 28), and as described in **§ 200.324** Federal awarding agency or pass-through entity review.

(a) The Sub-recipient must make available, upon request if IGD believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the Sub-recipient desires to have the review accomplished after a solicitation has been developed, IGD may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The Sub-recipient must make available upon request, for IGD pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all asset, liability, net assets, revenue, and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts. The general ledger is the foundation for the accumulation of data and production of reports.

Chart of Accounts

The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and gain and loss account.

When new grants or awards are awarded the chart of accounts is revised. Copies of financial statements that show the account coding, shall be promptly distributed to these individuals involved in expense coding and reporting.

Control of Chart of Accounts

The Fiscal Manager monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the Fiscal Manager who ensures that the chart of accounts is consistent with the Organizational structure of IGD and meets the needs of each division and department.

IGD utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates or the useful lives of property and equipment, fair market values of donated assets, values of contributed services, and cost allocation calculations

The Fiscal Manager will reassess, review, and approve all estimates yearly. All conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the Executive Director and the external audit firm.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of cash transactions
2. Corrections of posting errors
3. Nonrecurring accruals of income and expenses

All journal entries not originating from subsidiary ledgers shall be authorized in writing by one of the accounting staff by initialing or signing the entries. Accounting staff authorizing the journal entry cannot be the person that creates it. Adequate documentation will be maintained to support all journal entries

POLICIES ASSOCIATED WITH REVENUES CASH DRAWDOWNS

Revenue Recognition Policies

IGD receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements in the following manner:

1. Grant income – Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).

2. In-Kind Contributions or Non-Federal Share – Recognized as income when received.

3. Program Income – Defined as gross income generated by a supported activity or earned as a result of an award, and is recognized as a reduction in expenditures in the period in which it is received.

4. Interest income – monthly accrual based on when it was earned.

5. Contribution – An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity or individual.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the Fiscal Manager.

Cash Drawdowns of Advances

Cash drawdowns of advances from federal agencies shall be made bi-weekly in conjunction with the accounts payable and payroll schedule, based on need. All federal funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to IGD:

1. The Organization will request reimbursement after expenditures have been incurred, unless an award specifies another method.

2. IGD will strive to minimize the time between receipt and disbursement of grant funds by issuing payments within 48 business hours of receipt of such funds.

> 2 CFR Part 200 requires that organizations receiving federal funds minimize the time between receipt and disbursement of grant funds as follows: "The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements..." 2 CFR Part 200.305(b)(1) An advance of federal funds occurs when the non-federal entity receives funds prior to disbursing them. Therefore, an advance can be as short as a few hours. All advances must comply with requirements for deposit into an insured and interest-bearing account. Non-federal entities may keep up to $500 in interest earned on federal advances per year. (2 CFR Part 200.305(b)(7), (8) and (9))

3. Each program will be responsible for forecasting their programmatic and administrative cost (excluding payroll and indirect cost) for the forthcoming pay out.

4. The Program Coordinator or Workforce Development Division Accountant should review and approve all Forecast Reports.

5. Forecast Reports should be forward to the Accounting Technician at least one (1) day prior to the cash draw down date.

6. The Accounting Technician will calculate cash needed based on the Program Forecast Report, previous payroll, estimated allocated cost and any extra cost such as insurance, workmen's comp., etc.

7. Cash drawdowns are done on different days for different funding agencies. The request should be done in a timely manner to allow the funds to be deposited one day before the payout.

Accounts Receivable Entry Policies

Individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

The Accounting Clerk will record all receipts and checks in the cash accounts within 5 days of receipt.

The Accounting Clerk and Accounting Technician and will prepare cash receipts journal entries with adequate documentation, and will be approved by the Fiscal Manager.

Classification of Income and Net Assets

All income received by IGD is classified as "unrestricted," with the exception of grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted

CASH RECEIPTS

Overview

Checks payable to the Organization, is the most liquid asset an organization has. Therefore, it is the objective of IGD to establish and follow the strongest possible internal controls in this area.

Processing of Checks and Cash Received in the Mail

The following procedures will be followed:

1. Cash receipts are received in a central location, rather than at remote sites, to ensure that cash received is appropriately directed, recorded, and deposited on a timely basis.

2. All funds received will be immediately forwarded to the Executive Assistant, who will record the receipt on the Daily Receipts Log *(form* F1).

3. A deposit slip will be completed in duplicate by the Accounting Clerk. The deposit slip will include the source, account number, and amount of each receipt. The duplicate copy of the deposit shall always remain in the deposit book.

4. All deposits and the daily receipts log will be given to the Fiscal Manager or the Accountant Technician to verify.

5. A copy of the daily receipts log will be given to the Community Development Division. The original is retained by Accounting Clerk.

6. The Accounting Clerk will make a copy of the deposit slip and all receipts in preparation of receipts journal entry and record deposits in appropriate checking accounts. Cash Receipts entries are approved by the Fiscal Manager.

Bank deposits will be made on a daily basis, unless the total amount received for deposits less than $500. In no event shall deposits be made less frequently than weekly. Deposited checks and cash shall be maintained in a locked box and kept in a secure area until deposited. Such cash will not be used as petty cash or to make change.

The bank validated deposit receipt will be attached to the duplicate deposit slip. All receipts will be deposited intact.

Reconciliation of Deposits

On a periodic basis, the Fiscal Manager who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits on the monthly bank statement. Any discrepancies shall be immediately investigated.

Loan Payment Receivables

1. The Accounting Technician will use the copies of the deposits to enter payment into the loan processing program.

2. Copies of all loan deposits edit lists and loan worksheets will be reviewed by the Fiscal Manager

3. The Account Technician will prepare the journal entries to record cash receipts, late fees, interest and the adjusted amounts for Notes receivable and Reserve for Loans. Journal entry will be reviewed and approved by the Fiscal Manager.

4. Copies of the updated customer balances will be given to the CDBG staff to review.

5. The Accounting Technician will maintain a file of all payment copies, worksheets, accounts receivable posting and updated customer lists.

Monitoring and Reconciliations

On a monthly basis, the Account Technician will reconcile a detailed accounts receivable report to the general ledger. The Fiscal Manager will review the reconciliation and ensure that all differences are immediately investigated and resolved.

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. The Account Technician, who is independent of the cash receipts function, will process credits and adjustments to Accounts Receivable, and all credits shall be authorized by the Loan Committee.

Accounts Receivable Write-Off Authorization Procedures

All available means of collecting accounts receivable will be exhausted before write-off procedures are initiated. Write-offs are initiated by the department associated with the amount to be written off, in conjunction with the Accounting Department.

PURCHASING POLICIES AND PROCEDURES

2 CFR Part 200 has replaced the word "vendor" with the word "contractor". (2 CFR Part 200.23) We use "contractor" in our manual.

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY IGD.

IGD requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements.

The purpose of this Procurement Policy is to ensure that sound business judgment is utilized in all procurement transactions and that supplies, equipment, construction and services are obtained efficiently and economically and in compliance with applicable federal and state requirements and to sure that all procurement transactions will be conducted in a manner that provides full and open competition.

Responsibility for Purchasing

All Managers and/or Program Coordinators shall have the authority to initiate purchases on behalf of their department, within the guidelines described here.

The Accounting Department shall be responsible for processing purchase orders. The Executive Director has approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial. Managers and/or Program Coordinators initiate purchases must insure the purchase is allowable, allocable and reasonable according to the regulations of their grant or award. (**2 CFR Part 200 Subpart E)**.

In order to comply with Code of Conduct in Purchasing **(2 CRF Part 200.318 (c) (1)),** all staff must always follow the St. Clair County Personnel Code Manual, Section 10 Part M, ETHICS and Part N, GIFT BAN ACT.

Competition

In order to promote open and full competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.

- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in the Organization's best interest.
- Not give preference to state or local geographical areas unless such preference is mandated by Federal statute. **(200.319(b))**
- "Name brand or equivalent" description may be used as a means to define the performance or requirements **(200.319(c)(1))**

Nondiscrimination Policy

- All contractors who are the recipients of Organization funds or who propose to perform any work or furnish any goods under agreements with IGD, shall agree to these important principles:

- Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractors.

- Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

Procurement Procedures

The following are IGD's procurement procedures:

1. IGD shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award. **(2 CFR Part 200.318(d))**

2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. **(2 CFR Part 200.318(d)).** This analysis should only be made when both lease and purchase alternatives are available to the program.

3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services. **(2 CFR Part 200.318(e))**

4. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. **(2 CFR Part 200.318(f))**

5. Documentation of the cost and price analysis associated with each procurement decision in excess of the simplified acquisition threshold shall be retained in the procurement files pertaining to each federal award. **(2 CFR Part 200.323**)

2 CFR Part 200.323 Contract cost and price, requires non-Federal entities to perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold. As a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

6. All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition. **(2 CFR Part 200.319(d))**

7. IGD will maintain records sufficient to detail the history of procurement, including: **(2 CFR Part 200.318(l))**
   a. Rationale for the method of procurement;
   b. Selection of contract type;
   c. Contractor selection or rejection; and
   d. The basis for the contract price.

8. IGD shall make all procurement files available for inspection upon request by a federal awarding agency.

9. IGD shall not utilize the cost-plus-a-percentage-of-costs method of contracting. **(2 CFR Part 200.323(d))**

10. Consideration will be given to dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, women's business enterprises, and labor surplus area firms. **(2 CFR Part 200.321(b)(3))**. These efforts include veteran owned businesses.

All staff members with the authority to approve purchases will receive a copy of and be familiar **2 CFR Part 200 Subpart E - Cost Principles.**

Methods of Procurement

All completed purchase orders must be signed by the approving Manager/Program Coordinator and if total purchase exceeds $1,000 approved by the Executive Director.

Procurements shall be made by one of the following methods; (1) micro-purchase, (2) small purchase procedures; (3) sealed bid (formal advertising); (4) competitive proposals: (5) noncompetitive proposals.
(2 CFR Part 200.320)

1. Micro-purchase – Limit of $3,000 in aggregate ($2,000 if the purchase is subject to the requirements of Davis Bacon). Micro-purchases may be made without soliciting competitive quotation if IGD considers the price to be reasonable. Purchasers should distribute micro-purchases equitably among reasonable qualified suppliers.

2. Small purchase – Small Purchase procedures are relatively simple and informal

procurement methods for securing services, or other property. Items with unit costs over $3,001 but less than $25,000 can be purchased utilizing documentation of three written bids, County or State procurements can be used in lieu of the three written bids. Items with unit costs at or over $5,000, must have written permission obtained from the funding agency.

Procurement amounts $25,001 to $150,000 should use the sealed bid or competitive methods.

3. Sealed bids methods (formal advertising), are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all of the material terms and conditions of the invitation for bid. Formal advertising condition must be present,

   a. A complete, adequate and realistic specification or purchase description is available.
   b. Two or more responsible bidders are willing and able to compete effectively for IGD's business; and
   c. The procurement lends itself to a firm-fixed-price contract, and the selection of the successful bidder can be made principally on the basis of price.

   When sealed bids are used, the following requirements apply;

   a. A sufficient time prior to the date set of bid opening, bids shall be solicited (publicly advertised) from an adequate number of known suppliers.
   b. The invitation for bids, including specification and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation for bids.
   c. All bids shall be opened publicly at the time and place stated in the invitation for bids.
   d. A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation cost, and life cycle cost shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of IGD's indicates that such discounts are generally taken.

Any or all bids may be rejected if there are sound documented business reasons in the best interest of the program.

4. Procurement by competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids. If the competitive proposals method is used for procurement, the following requirements apply:

   a. Request for Proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to publicized request for proposals shall be honored to the maximum extent practical.
   b. Proposals shall be solicited from an adequate number of qualified sources.
   c. The procuring party must have a written method for conducting evaluation of the proposals received and for selecting awardees.
   d. Awards will be made to the responsible vendor whose proposal will be most advantageous to the procuring party, with price and other factors considered. Unsuccessful vendor will be promptly notified in writing.

5. Non Competitive Procurement will be allowed in certain unique circumstances, where the ability to go through a competitive process in not possible. Purchase must be

documented as to the reason for the non-competitive procurement and approved by the Executive Director. Allowable exceptions for noncompetitive procurements include:

a. Where an unforeseen situation of urgency exists and the goods or services cannot be obtained by means of open procurement procedures.
b. Where only one supplier is able to meet the requirements of procurement in the circumstances (sole sourcing).
c. Where goods or services are needed due to a natural or man-made emergency.

Approved Contractors

2 CFR Part 200.319(d) states: "The non-Federal entity must ensure that all prequalified lists of persons, firms or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period."

Purchasing

The purchasing process in initiated by Central Supply Requisition *(form* F2*)* or by a Purchase Order *(form* F3*)*.

Central Supply

Employees requisitioning purchases through Central Supply will e-mail Accounting Clerk with the request. Employees should also copy their Program Manager/Coordinator on the Central Supply Request e-mail which will serve as an approval for the request.

Fiscal will determine if item(s) will be distributed from IGD or St. Clair County Central Supply.

1. Items from IGD Central Supply will be tallied and totaled on a Central Supply Requisition (*Form* F2) for each program, at the end of each month.

2. Items from St. County Central Supply will be ordered by an accounting staff and will prepare a disbursement authorization when the bill is received.

Use of Purchase Orders

IGD utilizes a purchase order system. A properly completed purchase order (Form3) shall be required for each purchase decision (i.e., total amount of goods and services purchased, not unit cost), with the exception of travel reimbursements, which require the preparation of a separate form described elsewhere in this manual. A properly completed purchase order shall contain the following information, at a minimum:

- Contractor name and address, point of contact and phone number (if applicable)
- Purchase order number
- Date purchase order was prepared
- Source of funding
- Delivery or performance schedules
- Quantity needed
- Unit
- Catalog number, page number, etc. (if applicable)

- Net price per unit, less discount, if any
- Specifications or statement of services required
- Total amount of order
- Coordinator's signature and if total is at or over $1,000, the Executive Directors signature
- Approval from funding source, if required

Purchase order numbers are kept in a secure area in the Accounting Department, and issued upon request from the Accounting Clerk. All purchase orders shall be recorded in a purchase order log, indicating number, contractor, amount, date and program.

Purchase orders are filed with the disbursement authorization forms in the Accounting Department.

ACCOUNTS PAYABLE MANAGEMENT

Overview

IGD strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and bank account reconciliation. The following are general policies for accounts payable:

Recording of Accounts Payable

- All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.
- Accounts payables are processed and entered into the accounting system from an approved disbursement authorization with invoice or appropriate documentation attached.
- Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the contractor records.
- Invoices received via email will be printed, date-stamped, and initialed by the Program Coordinator.
- Any additional copies of the emailed invoice will be deleted. .
- No payments will be made from contractor statements.

Accounts Payable Cutoff

Complete disbursement authorization forms with all approving signatures are due to Fiscal by 9:00 am the Monday before the payout. Incomplete or late invoices will be returned to the Program Coordinator and will not be paid until the next payout. Fiscal will notify if disbursement authorization forms are due earlier due to holidays.

Preparation of a Disbursement Authorization

Prior to any Disbursement Authorization (*form* F4) being submitted for payment, it shall contain the following documents:

1. Contractor invoice (or employee expense report)
2. OEA invoices should have Labor and Material subtotals
3. Packing slip (where appropriate)
4. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
5. Purchase order as required by procurement policies
6. Any other supporting documentation deemed appropriate

Disbursement Authorization forms must include

1. Coded with the grant #, cost category, general ledger and contract codes
2. Must include initials and date of person submitting

3. Must be reviewed and approved by a Program Coordinator
4. Any Disbursement at or over $1000 must be approved by the Executive Director
5. Vendor Name
6. Invoice Number and Invoice Date (if applicable).
7. Date Due
8. Description

Original documentation should be stapled to the disbursement authorization. Any correspondence or copies that need to be sent with the checks should be paper clipped to the back. Invoices to the same vendor should be submitted on one disbursement authorization, unless separate checks are needed or invoice numbers are different.

Disbursement Authorization should not be submitted and approved by the same person. In the event that a Coordinator submits and approves a Disbursement Authorization additional approval is needed by the Executive Director even if the amount is under $1,000.

In no event shall an employee do intake or create an invoice on themself, family member or friend for programmatic services.

Employees can create Disbursement Authorization for travel, mileage or purchases reimbursement, but must be approved by Coordinator or Executive Director.

Processing of Disbursement Authorization

The following procedures shall be applied to each disbursement authorization by the Account Technician or the Fiscal Manager:

1. Check the mathematical accuracy of the contractor invoice.
2. Compare the nature, quantity, and prices of all items ordered per the contractor invoice to the purchase order, packing slip, and receiving report.
3. Review the general ledger distribution coding, using the Organization's current chart of accounts.
4. Obtain the review and approval of the Program Coordinator (or designee) associated with the goods or services purchased.

Approvals by Program Coordinator indicate their acknowledgment of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the contractor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual, and date of approval.

Reconciliation of A/P Subsidiary Ledger to General Ledger

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

Also on a monthly basis, the Accounting Clerk shall perform the following procedures:

1. Check all statements received for unprocessed invoices.

2. Check the purchase order file for open purchase orders more than 30 days old and follow up.

Employee Expense Reports

Reimbursements for travel expenses or other approved costs will be made only upon the receipt of a properly approved disbursement authorization and completed Travel Expense Report (*form* F9) or Mileage Expense Report (*form* F10). (See further policies under "Travel.") All required receipts must be attached, and a brief description of the business purpose of the trip or meeting must be noted on the form. Travel reimbursement will be processed for payment in the next vendor payment cycle if received by the deadline. Expenses older than one month may not be reimbursed.

Management of Accounts Payable Contractor Master File

Upon the receipt of an invoice from a new contractor that is not already in IGD Organization's Accounts Payable Contractor Master File, the Accounting Clerk shall mail (or email) a Form W-9 and a request for completion of the Form W-9, including the vendor's full address and federal employer identification number.

On an annual basis, contractors that have not been utilized over the preceding 24-month period shall be purged (or made inactive) from the master contractor file. In addition, on an annual basis an internal audit shall be performed of the master contractor file and payments made to each contractor. This analysis, to be performed by the Fiscal Manager and shall consist of the following procedures, at a minimum:

1. Cross-checking of contractors with matching street or P.O. Box addresses

2. Review of payment histories for signs of repeat invoice numbers or other indications of duplicate payments

Any unexplained deviations or irregularities noted in connection with the preceding internal audit procedures shall be reported to the chair of the Executive Director.

Verification of New Contractors

The Accounting Clerk will perform additional procedures to validate the legitimacy of new contractors. For such contractors, the Accounting Clerk shall perform a limited public records search and shall contact the contractor to validate its existence.

Prepaid Expense

IGD treats payments of expenses that have a time-sensitive future benefit as prepaid expenses and will amortize these items over the corresponding time period. For purposes of this policy, payments of less than $1,000 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as noncurrent assets.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

IGD prints contractor checks and expense reimbursement checks on a biweekly basis. Checks shall be prepared by the Accounting Clerk who is independent of those who approve expenditures, as well as those who are authorized check signers.

All contractor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, and travel policies described in this manual.
2. Generally, all contractors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
3. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.
4. Checks shall be utilized in numerical order and unused checks are stored in a locked safe in the accounting department.
5. Checks shall never be made payable to "bearer" or "cash."
6. Checks shall never be signed prior to being prepared.
7. Upon the preparation of a check, contractor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

Check Signing

Checks can only be signed by Richard Stubblefield, Executive Director and Christina Anderson, CDBG Program Coordinator. No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

The Fiscal Manager will promptly notify the IGD's financial institutions of changes in authorized signatures upon the departure of any authorized signer.

Equipment used to sign checks (plates, stamps, etc.) will be kept in a locked drawer. Access to the equipment shall be restricted to the Executive Director or the Executive Assistant to the Executive Director.

Use of Positive Pay System

IGD utilizes a "Positive Pay" system with its financial institution for all checks drawn on the payroll clearing account. With this system, the Account Technician electronically communicates to the financial institution a list of check numbers, amounts, and payees in connection with each check run. The financial institution shall then notify the Fiscal Manager if any check is presented for payment that does not match the three characteristics for valid checks.

The Fiscal Manager or the Account Technician shall be the only person authorized to communicate approvals of checks to the bank that have been flagged by the bank's positive pay system.

Mailing of Checks

After signature, checks are returned to the Account Technician or the Fiscal Manager and they will compare all checks with approved disbursement authorizations and mail checks immediately. Checks shall not be mailed by or returned to the individuals or departments that authorized the expenditures.

Checks will not be held in the fiscal department without the Fiscal Manager's signature.

Voided Checks and Stop Payments

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

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed using the online banking system. A journal entry is made to record the stop payment and any related bank fees.

Recordkeeping Associated with Independent Contractors

IGD shall obtain a completed Form W-9 or equivalent substitute documentation from all contractors to whom payments are made (see "Accounts Payable Management" policies). A record shall be maintained of all contractors to whom a Form 1099 is required to be issued at year-end. Payments to such contractors shall be accumulated over the course of a calendar year.

CASH AND CASH MANAGEMENT

Expense Clearing Account:

The expense clearing account is the primary operating account that provides for routine check disbursements.
This account maintains a $100,000 balance. Cash transfers are done on an as-needed basis to cover disbursements.

Transfers from the program accounts into the expense clearing account are initiated by the Fiscal Manager or Account Technician. Transfers must be approved by one of the authorized check signers.

Payroll Account:

The payroll account is separate from the primary operating account. The payroll account maintains $1,500 balance. As such, only the amount needed to cover each payroll is transferred into this account from program checking accounts.

Transfers from the program accounts into the payroll account are initiated by the Fiscal Manager or Account Technician. Transfers must be approved by one of the authorized check signers.

Bank Reconciliations

Bank account statements are received each month and forwarded unopened to the Executive Director. The Executive Director shall open the statement and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. (This review must be performed in a timely manner so that reconciliation of the bank account is not delayed.) Unusual or unexplained items shall be reported immediately to the Fiscal Manager.

After this review is complete, the entire bank statement is forwarded to the Account Technician, who prepares reconciliation between the bank balance and general ledger balance. The bank reconciliation process will be completed within 10 working days of receipt of each bank statement.

The reconciliation process shall involve an inspection of the photocopy of cancelled checks returned with the bank statement. The purpose of this inspection is to identify signs of forgery, altered or substitute checks, or other signs of fraudulent activity.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed and approved by the Fiscal Manager on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

Stale Checks

IGD will write off checks that are more than 60 days old that have not cleared the Expense Clearing account. Before checks are written off, contact will be made with the payee to resolve the issue.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written or the expenditure incurred.

IGD will also comply with the Illinois laws regarding unclaimed property. Accordingly, if uncashed checks are subject to a state reporting and transfer requirement, the IGD shall file all appropriate forms and remit unclaimed property to the appropriate jurisdiction.

Petty Cash

A petty cash fund will be maintained in Fiscal, by the Accounting Technician, in the amount of $300.00. One-Stop Centers in Belleville and the Satellite Centers in Clinton, Monroe, Randolph and Washington will maintain a cash fund of $200.00 each.

All petty cash funds will be kept in a locked petty cash box in a locked drawer or file cabinet. Only the petty cash custodian and Fiscal Manager will have keys to the petty cash box and drawer.

Disbursements of $25.00 or less may be made from the petty cash fund for miscellaneous expenses, except for the purchase of stamps. Funds may be used for client bus passes if no other means are feasible.

Petty cash fund reimbursement checks will be made out to the (proper name of the cash custodian) - Petty Cash Custodian.

At all times the petty cash box will contain receipts and cash totaling the amount of the fund.

Unscheduled counts will be conducted by one of the Accounting staff of all petty cash funds. If any irregularities in the petty cash fund are found, the petty cash box will be immediately returned to Fiscal Manager.

Loans will not be made from petty cash funds.

For IGD Main Office. - The purchaser shall present the petty cash slip approved by the Program Coordinator, to the petty cash fund custodian for payment. A receipt for all purchases must be attached to the petty cash slip. The petty cash fund custodian shall ensure that the petty cash slip is properly completed, approved, and that a proper receipt is attached before payment is made. When expenditures total $200.00, the petty cash custodian will total disbursements by program and account classification, and submit the recap and all receipts to Fiscal for disbursement.

For One-Stop and Satellite Centers – When expenditures total between $100.00 - $150.00, the petty cash custodian will complete a disbursement authorization for reimbursement. Original receipts must be attached and must equal the amount listed on the disbursement authorization. Authorizations shall be forward to the Workforce Development Accountant for approval. A copy of authorizations and receipts should be kept until the reimbursement check is received.

CREDIT CARDS/PURCHASING CARDS

Issuance of Agency Credit Cards or Purchasing Cards

IGD recognizes that there will be occasions when employees need to use the agency credit card. Agency credit card is to be used only when purchase orders or direct billing is not an option. Therefore, credit card usage must be approved by the Program Coordinator, Fiscal Manager, or Executive Director, with the exception of the Account Technician, who may use the credit card to arrange for travel with an approved travel authorization, or for purchasing with an approved purchase order. The cards will be retained in a locked cabinet by the Accounting Technician who will temporarily assign it to users.

Card users will be required to sign a statement acknowledging the following:

- The card shall be used exclusively for legitimate IGD-related business purposes.
- The cardholder agrees to take reasonable precautions to protect the card from loss or theft by storing it in a secure location, and understands the actions to take in case of theft or loss.
- The cardholder will follow all required procurement policies and procedures.
- The cardholder understands and agrees to disciplinary procedures for misuse of the card.

Sales Tax

Card users should remind contractors at the time of purchase that according to the tax laws in Illinois, IGD is exempt from sales tax. Cardholders should keep a copy of St. Clair County's sales tax exemption form with them to present to the vendor at the time of purchase. If a cardholder is charged sales tax for a card purchase that should be tax exempt, the cardholder should contact the contractor directly to request a credit for the amount of the sales tax.

Card User Responsibilities

Card users will turn in receipts with Credit Card Expense Form (*form* F6) or Purchase Order (*form F4)* to ensure appropriate account coding and approval to the Accounting Technician when they return the credit card. If the Fiscal Department is missing a receipt when the monthly statement is reconciled, the Accounting Technician will confer with the Fiscal Manager to determine who used the card, and follow up with that employee to get the receipt. Any lost receipt(s) will be charged to the user of the card

Any fraudulent or other unauthorized charges shall be immediately pointed out to the Fiscal Manager for further investigation with the card provider.

Personal use of Agency credit cards is strictly prohibited. Any personal charges on agency credit card will the reimbursed to the agency immediately.

Revocation of Corporate Credit Cards or Purchasing Cards

Failure to comply with any of these policies associated with the use of IGD agency's credit cards or purchasing cards will result in suspension of use and or disciplinary action.

Employee Credit Cards

IGD will reimburse employees for properly supported and documented business expenditures charged to their personal credit cards on the next payout date. (See the policy on Travel expense report preparation procedures and Preparation of Disbursement Authorization.)

Purchasing Cards

Any purchase of gift, food, gas cards with grant funds will be kept in the fiscal department.

Cards must be signed out with card number, employee's initials', date and client name and eligibility.

COST SHARING AND MATCHING (IN-KIND)

Overview

IGD values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or federal agency regulations identify specific values to be used.

IGD shall claim contributions as meeting a cost sharing or matching requirement of a federal award only if all of the following criteria are met:

1. They are verifiable from IGD's records.

2. They are not included as contributions (or match) for any other federally-assisted project or program.

3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

4. They are allowable under the federal cost principles, **2 CFR Part 200 Subpart E, Cost Principles**.

5. They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.

6. They are provided for in the approved budget when required by the federal awarding agency.

7. They conform to all provisions of federal administrative regulations, **2 CFR Part 200 Subpart D, Post Federal Awards Requirements.**

8. In the case of donated space, (or donated use of space), the space is subject to an independent appraisal performed by a certified appraiser as defined by **2 CFR Part 200.306(i)(1**) to establish its value.

TRAVEL

Documentation must justify that participation of the traveler is necessary for the Federal award and costs are reasonable and consistent with IGD's travel policy. **(2 CFR Part 200.474(b) (1) and (2))**

Travel Approval

All travel (at or over 50 miles from the office) must be approved in advance by submitting a travel authorization form *(form* F7).

The employee will complete the request for authorization of the travel. Registration forms or notices are to be completed and attached. The travel request should be signed by a Program Coordinator.

The Executive Director will approve all travel; disapproved request will be returned to the employee with denial.

A copy of current auto liability insurance must be present in employees personnel file before travel is approved.

Out-of-State Travel for OCA and CSBG

Out-of-state travel where the combined cost for all participants together is $500 or more, approval for funding source is required. The request must be submitted no less than four (4) weeks prior to the travel date. When an out-of-state trip's combined cost of all participants together would be less than $500, no approval is necessary.

A copy of the approval for out-of-state travel must be attached to the travel authorization form before any arraignments can be made.

Travel Arrangements

An approved travel request must be submitted to the Accounting Technician.

Travel request must be submitted in a timely manner to give the Accounting Technician time to acquire the lowest cost of travel.

The Accounting Technician will confirm registration; acquire overnight stay and airfare, if needed.

Car Rental is not the preferred method of transportation. Request for car rentals must be submitted in writing to the Executive Director.

Overnight stay is allowed if traveling at least a 100 miles.

Reasonableness of Travel Costs

IGD shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Payment for suites and other upgraded rooms at hotels shall not be allowed unless required by a medical condition. Travelers should stay in standard rooms.

2. Ask hotels for any available discounts – nonprofit, government, or corporate rates.

3. When utilizing rental cars, travelers should rent midsize or smaller vehicles unless safety considerations require a larger vehicle. Rental of a vehicle larger than midsized must be approved by the Executive Director. Share rental cars whenever possible.

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class or the lowest commercial discount fare at the time the ticket is purchased except when this fare would:
   - Require circuitous routing,
   - Require travel during unreasonable hours,
   - Excessively prolong travel,
   - Result in additional costs that would offset the transportation savings, or
   - Offer accommodations not reasonably adequate for the traveler's medical needs.

2. First class air travel shall not be reimbursed unless there is a medical reason which must be documented and approved by a supervisor.

3. Memberships in airline flight clubs are not reimbursable.

4. Cost of flight insurance is not reimbursable.

5. At least two quotes from a travel agency and/or an airline website should be obtained and attached to the expense report.

6. Cost of upgrade certificates is not reimbursable.

7. The cost of baggage fees required by airlines to either check or carry-on luggage is allowable and reimbursable.

8. Cost of canceling and rebooking flights is not reimbursable, unless it can be documented that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.).

9. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e., IGD will not reimburse for the personal legs of a trip).

10. Frequent flyer miles will accrue to the traveler, not the Organization.

Spouse/Partner Travel

IGD does not reimburse any employee or board member for separate travel costs (air fare, etc.) associated with his or her spouse or partner. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner for purposes of this policy.

Per Diem

Advance per diem checks must be requested with a per diem request (*form* F8). A per diem allowance is available only when overnight lodging is obtained. A per diem allowance is determined by using the IRS per diem rate for various cities, as published in the GSA Publication.

If a conference fee includes a meal, the per diem allowance shall be reduced by the amount of the particular meal listed in the Meals and Incidental Expense in the GSA Publication. GSA Publication can be found at www.gsa.gov. Other arrangements will be made for those employees on special diets.

The following times will be used to determine allowance of:

- For breakfast, an employee only will receive reimbursement if employee is on travel status and leaves I.G.D. or residence at or before 7:00 a.m.
- Lunch will be reimbursed with receipts when the employee is on official business at least fifty miles away from I.G.D between 11:00 a.m. & 2:00 p.m. Lunch is paid in per diem if on travel status before 11:00 a.m.
- For dinner, an employee must be on travel status and arrive back at I.G.D. or residence at or after 8:00 p.m. For employees commencing travel after the close of business but before 6:00 p.m., reimbursement for dinner is allowed.

An employee shall be allowed reimbursement for the actual cost of meals in lieu of per diem. With itemized receipts, but not to exceed the GSA published rates. Credit Card charge receipts are not acceptable.

Gratuities shall be reimbursed to a maximum of 18% except for those programs or grants which are prohibited by Federal or State rule or regulations.

Mixing of per diem and receipts is not allowed. If you received a per diem for a particular day, you cannot present receipts for payment.

To process a per diem check the Accounting Technician will submit disbursement authorizations to Program Coordinator for approval and coding. The disbursement authorizations will be returned to Fiscal and check will be prepared in accordance with Cash Disbursements policy.

Travel arrangements will be made to give ample time to arrive or return from a conference/meeting. Earlier or later arrangements can be made only if it does not increase the cost to the agency, such as per diem, hotel, airfare or wages.

Completion of Travel

On completion of travel, the employee must complete a travel expense report (*form* F9). This form must be completed even if the net result is zero.

The travel expense report shall be submitted to the Program Coordinator for approval and then to the Account Technician for payment.

Covered expenses with receipts include but are limited to meals (if per diem is not received), conference fees, hotel and motel accommodation, parking, toll fees and mileage or taxi fares. Reimbursement will only be allowed for work related activities.

Non-reimbursable expenses include, but are not limited to, alcoholic beverages, personal entertainment, valet service, magazines and newspapers.

Travel expense reports must include.

- Receipts for lodging, common carrier transportation and miscellaneous expenses
- Copy of conference/seminar/meeting agenda
- Copy of travel authorization
- Copy of Google Map for mileage reimbursement
- Signed and dated by the employee
- Must be approved by the employee's Program Coordinator

Only one expense report form should be prepared for each trip.

Local Travel & Mileage

Every attempt should be made to use an IGD vehicle. Only county authorized drivers are allowed to use IGD owned vehicles and the following will apply.

- E-mail Nancy Wilson and cc Lial Field to schedule use.
- Keys and Mileage sheet are to be pickup from Nancy Wilson.
- No smoking in vehicle
- Vehicle is to be returned with no trash or personal items left in the vehicle.
- Gas level should not be below a quarter of a tank. Gas can be obtained at the County Jail at any time.
- Any malfunctions or damages must be reported to Lial Field immediately.

When an IGD vehicle is not available, mileage will be reimbursed using GSA rate per mile for privately-owned automobiles.

Each employee will complete the mileage expense report (*form* F10).

At the end of the pay period, the mileage expense report will be totaled, signed by the employee, signed by the Executive Director/Program Coordinator submitted on a timely basis.

Google maps will be used to obtain mileage and included in expense report.

Mileage to obtain breakfast, lunch or dinner or to and from residence will not be paid by the agency. Mileage reimbursement will only be allowed for work related activities.

Incomplete mileage expense reports will be returned to the Program Coordinator, and mileage expense reports turned in after the payout cutoff date will be held until the following pay period.

To receive reimbursement for mileage, current liability insurance must be on file with the Account Technician.

PAYROLL AND RELATED POLICIES

Payroll Administration

St. Clair County Human Resource Department processes IGD's payroll, completes and submits required tax forms and supplies IGD with necessary reports.

All grant salary limitations will be followed. IGD does not pay incentives or bonuses to employees from grant or award funds.

A personnel advice sheet will be prepared by the Executive Assistant for new hires and the Account Technician for any changes thereafter and approved by the Executive Director for any changes to wages, deductions, personnel information, etc. It will be forwarded to St. Clair County Human Resources Department no later than the Wednesday before pay date in order for the change to take effect the following payday.

St. Clair County Human Resource Department will perform a criminal background check on all new potential employees and requires a Chain of Custody Form for a drug testing. Those employees whose job duties included the handling of money, a credit check will also be performed.

The Executive Assistant will be responsible for insuring that all new employees complete the following:

1. The payroll/personnel advise sheet
2. Form W-4, Employee Withholding Certificate (State and Federal)
3. S.C.C. application for New Hire
4. I-9 form
5. Pre-employment Verification
6. A valid Driver's License and valid Auto Insurance
7. Social Security card.

The Executive Assistant will be responsible for insuring all new employees receive a copy of their Job Description and a copy of the Financial Policies and Procedures Manual.

Processing of Timesheets

Each IGD employee must submit to the Fiscal Department a signed and approved timesheet no later than 9:30 am the Monday following the payout.

Employees who work in more than one grant/contract must track their time worked and submit this information to the program timekeeper.

Each timekeeper will be responsible for completing a timesheet (*form* F11) on a biweekly basis.

Any time taken or earned other than a normal work day must be approved with the use of a Time Authorization Form (*form* F12). Time Authorization forms should be sent to the program timekeeper as soon they are approved by the Supervisor. The timekeeper must attach time authorization to the timesheet with the corresponding day (s) effective.

Compensatory time must be approved by the Executive Director.
Timesheet must be completed on the last day worked for the pay period. (Do not fill out time sheet in advance)

Incomplete timesheets will be returned to the coordinator and late timesheets will be held until the following pay period.

The Accounting Clerk will verify the accuracy of the timesheets and will enter time information in the S.C.C. New World software.

The payroll reports generated by S.C.C. New World software and timesheets will be checked and approved by the Fiscal Manager or Account Technician before submitting to the county payroll department by Tuesday.

The Accounting Clerk will record the appropriate information on the sick time and vacation accumulation sheets and file the timesheets in the personnel file.

Distribution of Payroll

Payroll checks (or check stubs for electronic deposits) shall be distributed by the Accounting Clerk who does not approve timesheets, is not responsible for hiring and firing, and does not control the preparation of payroll.

Checks can only be released early with approval of the Executive Director. Checks can only be released one day prior and can NOT be cashed until the Check date.

The Fiscal Manager will distribute payroll checks (or check stubs for electronic deposits) on a surprise impromptu basis at least twice a year.

The Accounting Clerk will reimburse the S.C.C. Treasurer Office by creating disbursement authorizations. Checks will be prepared in accordance with Cash Disbursements policy and sent to the St. Clair County Treasurer.

Termination of Employment

Upon termination of employment all unused vacation and compensatory time will be paid on the employees last paycheck.

Upon termination of employment all keys, ID badges, electronic equipment and any other property purchased by IGD or purchased with the use of Federal or State funds will be turned over to their immediate supervisor.

PARTICIPANT PAYROLL

A New Hire Packet will be completed by program personnel and forwarded to Fiscal. New Hire Packet must be complete. These forms must be sent to Fiscal before participant starts working.

New Hire Packet includes:

- Original Participant information form (signed by person completing intake) (form F13).
- Original Federal W2 form (signed and completed by participant)
- Original State W2 form (signed and completed by participant)
- Original I9 Form signed and completed by participant
- I9 CERTIFICATION section signed by person completing intake.
- Copy of participant's Social Security card
- Copy of one document from List B on back of I9 form
- Original Drug Free Workplace Policy (signed by participant)

Changes to participant information, such as Name, Address, Job Description, Employment status, must be submitted on a Participant Information Form (*form* F13), and marked revised, to Fiscal.

Timecards will be filled out and signed by participants, verified and signed by the work site supervisor and verified by the Program Monitor and/or the Program Coordinator.

Timecards are due to fiscal no later than the Monday of pay out week at 9:30 am.

The Accounting Clerk or Accounting Technician will process payroll checks from timecards and will check and balance each payroll before checks are released.

Each pay period, a copy of the check register is sent to the Program Monitor and Program Coordinator for review.

The Fiscal Manager will compare check with time sheets.

All payroll checks will be mailed to the address given on the participant information form. The checks of participants who have not signed their time card will be held.

Paychecks held for no signature or returned by the post office can only be picked up by the participant with proper identification.

Any check more than 60 days old will be voided and funds will be returned to the grant. A list of voided checks will be kept by the Account Technician.

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial(s). A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Budgets are also prepared for funding sources, and each grant manager must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items.

Monitoring Performance

IGD monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the bi-weekly financial reporting process described later in the "Financial Statements" section.

In addition, Program Coordinators shall submit monthly performance (non-financial) reports to the Executive Director, and the Board of Directors.

Budget and Program Revisions

This policy addresses IGD's general situation. Many grants have specific dollar limits and requirements that require prior approval before making budget revisions. Each Program Coordinator should know these requirements for her or his grants.

IGD will request prior approval from federal awarding agencies for any of the following program or budget revisions: **(2 CFR Part 200.308)**

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.

2. Change in a key person (Executive Director, Program Coordinator, etc.) specified in the application or award document.

3. To extend the end date of the award.

4. The inclusion, unless waived by the federal awarding agency, of costs that require prior approval in accordance with **2 CFR Part 200.407**, Prior written approval.

5. The transfer of funds allotted participant support costs to other categories of expense.

6. Unless described in the application and funded in the approved awards, the sub-award, transfer, or contracting out of any work under an award. (However, this provision does not apply to purchases of supplies, materials, equipment, or general support services.)

7. Changes in the amount of the approved cost-sharing or matching provided by the Organization

FINANCIAL STATEMENTS

Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Organization. Financial statements reflect current year budget-to-actual comparisons.

Frequency of Preparation

The objective of the Accounting Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.

Financial statements shall be produced by the Accounting Clerk and distributed to each Program Coordinator on a biweekly basis, who in return will distribute to employee with budgetary responsibilities.

Contract reports are also sent out to those employees who need to monitor those activities.

Distribution

On a monthly basis, the Grants Committee will be provided financial statements for all grants for their review.

On a quarterly basis, the CAA Board of Directors will be provided with summary program and/or grant financial information.

Annual Financial Statements

On an annual basis, the Organization shall prepare, under the direction of the Fiscal Manager, a complete set of GAAP financial statements, including footnotes addressing all disclosures required by GAAP. These financial statements shall be presented to IGD's independent auditors at the beginning of their annual audit as the draft statements from which they will conduct their audit.

A formal presentation of the Organization's annual audited financial statements shall be provided by the Independent Auditor to the Grants Committee and CAA Board of Directors. See separate policies regarding the annual audit under "Audit" section later in this manual.

ACCRUED LIABILITIES

Identification of Liabilities

The Accounting Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by IGD at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Paid leave (see policy below)
- Rent

In addition, IGD shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies permit employees to carry forward up to two time vacations earned of unused vacation from year to year. Such unused leave is payable to an employee upon termination of employment.

Accordingly, IGD records a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave, up to a maximum of 300 hours, multiplied by each employee's current hourly pay rate.

Leave that does not "vest" with employees (i.e., leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability.

PROPERTY AND EQUIPMENT

Before property is acquired, a lease/purchase analysis should be performed. If the total cost of leasing equipment over a three-year period or less exceeds the purchase price, the equipment should generally be purchased.

All property leased or purchased is the property of IGD and shall be used to carry out the respective function or required communication for IGD business. To include but not limited to cell phones, hot spots, air cards, notebooks, laptops and PC's.

Capitalization Policy

Capital Equipment shall be defined as all items (purchases, government excess or donated) with a unit cost of $5,000 or more and a useful life of more than one year. Written prior approval must be obtained from the funding agency. Items with unit costs below this threshold shall be expensed in the year purchased.

If an awarding agency requires a lower amount for purchase of equipment prior approval, IGD will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets will be reported as expensed for grants if approved. However, for the Organization's financial statements, these assets will be capitalized and depreciated according to these policies.

Contributed Assets

Assets with fair market values in excess of $5,000 (per unit) that are contributed to IGD shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Equipment and Furniture Purchased with Federal Funds (2 CFR Part 200.313)

IGD may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal agency. For purposes of federal award accounting and administration, equipment shall include all assets with a unit cost equal to the lesser of $5,000.

All purchases of equipment with federal funds shall be approved, in advance and in writing, by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.

2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of $5,000 or less at the conclusion of the award, IGD shall retain the equipment without any requirement for notifying the federal agency.

3. If the remaining per unit fair market value is $5,000 or more, IGD shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs not to exceed $500, to the federal agency. **(2 CFR Part 200.313(e))**

4. The Grant Manager shall determine whether a specific award with a federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.

5. A physical inventory of all equipment purchased with federal funds shall be performed every other year in the odd year by an employee who is not responsible for ordering or approving the purchase of these assets. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by IGD.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset: **(2 CFR part 200.313(d)(1))**

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number or other identification number)
4. Source of the funds used to purchase the equipment, including the federal award number, if applicable
5. Whether the title vests in the Organization or the federal government
6. Information to calculate the federal share of the cost of the equipment, if applicable
7. Location, use and condition
8. Depreciation method
9. Estimated useful life
10. Ultimate disposition data including the date of disposal and sale price

Receipt of Newly Purchased Equipment and Furniture

At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the contractor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the contractor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.
2 CFR Part 200.94 defines supplies as follows: "Supplies means all tangible personal property other than those described in **§200.33**, Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful file."

Dispositions of Property and Equipment

If equipment is sold, scrapped, donated, or stolen, adjustments need to be made to the fixed asset listing and property log. The Fiscal Manager will be immediately notified of all cases of loss, damage or destruction of equipment, and will make a report to the Executive Director and Program Coordinator. The Program Coordinator will request relief of liability from the funding agency.

If money is received for the asset, then the difference between the amount received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

Prior approval must be obtained from the awarding agency for disposal or transfer of assets with the purchase price of greater than $5,000. As each program has different requirement for property, computers and other electronic devises under $5,000, contact the Fiscal Manager before removing.

Write-Offs of Property and Equipment

The Fiscal Manager approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Fiscal Manager. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

Agreements, contracts, leases or any other documents that would create a liability for St. Clair County or this department must be signed by the Executive Director or the County Board Chairman.

Leases will correspond to program years whenever possible.

Copies of all leases will be immediately forwarded to the Fiscal Manager.

Classification of Leases - Lessee

IGD classifies all leases in which the Organization is a lessee as either financing or operating leases. IGD will utilize the following criteria to determine if the lease should be classified as a finance lease:

1. The lease transfers ownership of the leased asset to IGD on or before the end of the lease term.
2. The lease grants IGD an option to purchase the underlying asset and the Organization is reasonably certain to exercise.
3. The lease term is for a major part of the remaining economic life of the leased asset.
4. The present value of the sum of the lease payments and any residual value guaranteed by IGD not already reflected in the lease payments equals or exceeds substantially all of the fair value of the leased asset.
5. The leased asset is so specialized, it is expected to have no alternative use to IGD at the end of the lease term.

Leases that do not possess any of the preceding characteristics will be treated as operating leases. In addition, all leases that are immaterial in nature or with a term of 12 months or less will be accounted for as operating leases. IGD will recognize these leases on a straight-line basis over the lease term.

Reasonableness of Leases

IGD assesses the value of leases according to the requirements of **2 CFR Part 200.465, Rental Costs of Real Property and Equipment,** considering the following factors;

- The rate is reasonable when compared to similar property in the same area;
- The rate of any alternatives; and
- The type, life expectancy, condition, and value of the property leased.

Rental arrangements will be reviewed every 3 to 5 years to determine if circumstances have changed and other options are available.

Accounting for Leases

All operating leases and financing leases with a term of less than 12 months will be accounted for as expenses in the period in which the lease payment is due. (See CLASSIFICATION OF LEASES section elsewhere in this manual.) Operating and financing leases with terms greater than 12 months will be reported on the balance sheet as a right-of-use asset and a lease liability, initially recorded at the present value of the lease payments.

Financing leases

IGD will record a right-of-use asset and lease liability for the present value of payments to be paid over the lease term. Amortization of the asset will be on a straight-line basis over:

- The shorter of the lease term or an estimated useful live that is consistent with the Organization's capital asset policy; or
- Through the end of the useful life of the asset if the lease transfers ownership of the leased asset to the Organization or the Organization is reasonably certain to exercise an option to purchase the asset.

Interest expense will be calculated using the effective interest method and will be reported separately from the amortization of the right-of-use asset. Interest payments and variable lease payments will be reported in the operating section of the statement of cash flows and the principal payments for the lease liability will be reported in the financing section of the statement of cash flows.

Operating leases

IGD will record a right-of-use asset and lease liability for the present value of payments to be paid over the lease term. Interest expense and the amortization of the right-of-use asset together as one lease expense, allocated over the term of the lease on a straight-line basis, or other rational basis, if more representative of the benefits received from the leased asset. All cash payments will be reported in the operating section of the statement of cash flows.

IGD will also maintain a control list of all operating and capital leases. This list will include all relevant lease terms, including a schedule of future annual lease payments obligations.

Also see the CAPITAL ASSET section of this manual.

Changes in Lease Terms

Leasehold improvements and deferred rent incentives are amortized over the initial lease term. If such lease term is changed prior to the expiration of the initial lease term, IGD will revise amortization to reflect the remaining lease term as of the effective date of the lease modification.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of IGD.

St. Clair County maintains adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery, and other items of value. IGD is covered under their policy and is billed proportionally.

Insurance Definitions

Workers' Compensation and Employer's Liability
Contractors are required to comply with applicable federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy, except when contract operations are so commingled that it would not be practical to require this coverage.

Crime
Within the St. Clair Counties Illinois Counties Risk Management Trust is a Crime section that covers Blanket Employee Dishonesty, Loss inside the Premises – Money & Securities, Loss outside the Premises, Money Orders and Counterfeit Currency, Depositors Forgery or Alterations, Computer Fraud and Funds Transfer Fraud.

Comprehensive Liability
This type of coverage may include directors, officers, and employee general liability insurance, buildings, contents, computers, fine arts, boilers, and machinery.

Collateral
At all times in order to meet the objective of safety of capital, St. Clair County requires that deposits in excess of the federally insured amount to be collateralized to the extent of 100-110 percent and evidenced by an approved written agreement. Collateral amounts will be reviewed monthly.

RECORD RETENTION

> **2 CFR Part 200.335**, Methods for collection, transmission and storage of information, states that, "non-Federal entities should, whenever practicable, collect, transmit and store Federal award-related information in open and machine-readable formats rather than in closed formats or paper…When original records are electronic and cannot be altered, there is no need to create and retain paper copies."

Record Retention Policy

IGD retains records as required by law and destroys them when appropriate. All files, both hard copy and electronic shall be labeled with topic, year (if applicable), and destruction date. Electronic copies shall be saved in appropriate folders on the network storage device. Hard copies should be stored in file cabinets or archived in the storage area. Archived hard copy files shall be stored in water and animal proof containers.

Annually records will be reviewed and a list sent to the Illinois State Archives Service for permission to dispose. Per the state archives service the minimum retention requirements outlined below.

The destruction of any documents containing social security numbers or any other "consumer data" as defined under federal laws and regulations shall be done via shredding using an approved shredding service provider.

Per the State Archives Service guide lines the formal records retention policy of IGD is as follows:

Record	Retention
Audit reports	Permanent
Minutes for Grants Committee and WIOA and CAA Board meeting	Permanent
Tax returns and worksheets, examination reports and other documents relating to tax filings	Permanent
Application for authority to dispose of local records and local records disposal certificates	Permanent
Contracts, mortgages, notes, and leases – expired	10 Years
Accident reports/claims (settled Cases)	7 Years
Bank statement & reconciliations	7 Years
Financial records and ledgers	7 Years
Garnishments	7 Years
Invoices (to customers, from vendors)	7 Years
Payroll records and summaries	7 years
Personnel records (terminated)	7 years
Property records (incl. depreciation schedules)	7 Years
Purchase orders	7 Years
Grant agreement and awards - expired	4 Years
Administrative files and Correspondence – General	1 Years

Exception for Investigations

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of the Organization's Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

1. All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.

2. The term "records" shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

GOVERNMENT RETURNS

Overview

To legitimately conduct business, IGD must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state, and local jurisdictions. IGD filing requirements for the St Clair County Community Action Agency include, but are not limited to, filing annual information returns with IRS, Illinois charitable solicitation reports, and annual reports for corporations. On IGD's behalf, St Clair County filling requirements include, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

Filing of Returns

The Fiscal Manager shall be responsible for identifying all filing requirements and ensuring that IGD is in compliance with all such requirements. The IGD on behalf of the St Clair County Community Action Agency will file complete and accurate returns with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns.

Filings made by IGD for The St Clair County Community Action Agency include, but are not limited to, the following returns:

Form 990 – Annual information return of tax-exempt organizations, filed with IRS. Form 990 for St Clair County Community Action Agency is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.

ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT - Annual information return of tax-exempt organizations, filed with the state of Illinois. Annual report for St Clair County Community Action Agency is due six months of IGD fiscal year-end. A sixty date extension may be obtained by filing a written extension request. Upon expiration of the first sixty days, a second extension of up to two and one-half months for good cause. Good cause for state filing purposes is the same as set forth by the IRS.

ANNUAL REPORT - Filed annual under the General Not for Profit Corporation Act. Report due prior to the first day of the new year.

Filings made by St Clair County for IGD include, but are not limited to, the following returns:

W-2s and 1099s – Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees, independent contractors and the federal government by January 31. Generally, Form 1099 is required only if the organization has provided more than $600 in compensation to an independent contractor during the calendar year.

Form 5500 – Annual return for IGD's employee benefit plans. Form 5500 is due on the last day of the seventh month after the end of the plan year, but a 2½-month extension of time to file may be requested using Form 5558.

Form 940 – Annual federal unemployment tax return filed with IRS, for all employers [other than charitable organizations exempt from FUTA (but not necessarily state unemployment tax) under IRC section 501(c)(3)], due January 31.

Form 941 – Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

IGD's fiscal and tax year-end is December 31. All annual tax and information returns of St Clair County Community Action Agency Form 990 are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the St. Clair County.

St. Clair County complies with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each IGD employee.

Review of Form 990 by Board of Directors

A draft of St Clair County Community Action Agency's annual Form 990 information return shall be reviewed and approved by the CAA Board Chair and/or Trustee prior to being filed with the Internal Revenue Service. This review and approval shall be documented with the signature of the Board Chair and/or Trustee.

Public Access to Information Returns

Under regulations that became effective in 1999, St Clair County Community Action Agency is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990 and Form 990-T, if applicable) [excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A].

2. St Clair County Community Action Agency's original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

IGD shall comply with the federal requirements to make its forms widely available by posting all required forms on the website Guide Star. The Organization's website refers all requesters to this website. In addition to making its returns widely available on Guide Star, IGD will also permit visual inspections of its returns to anyone personally appearing at the Organization's offices during normal working hours and making such a request. The Fiscal Manager shall be responsible for maintaining this copy of each form and for making it available to all requesters

ANNUAL AUDIT

Per 2 CFR Part 200.508, Auditee Responsibilities, "The auditee must:

a. Procure or otherwise arrange for the audit required by this Part in accordance with § 200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with § 200.512 Report submission.

b. Prepare appropriate financial statements, including the schedule of expenditures of Federal award in accordance with § 200.510 Financial statements.

c. Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with§ 200.511 Audit findings follow-up, paragraph (b) and § 200.511 Audit findings follow-up, paragraph (c), respectively.

d. Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this Part.

Role of the Independent Auditor

IGD will arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm will be required to communicate directly with the Fiscal Manager upon the completion of their audit. In addition, Fiscal Manager and the Executive Director are authorized to initiate communication directly with the independent accounting firm.

The objectives of the audit are to obtain reasonable assurance as to whether the Organization's financial statements are free from misstatement, whether due to fraud or error; issue an auditor's report that includes the auditor's opinion about whether the Organization's financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information, when considered in relation to the financial statement as a whole. The auditor will issue written reports that will be presented to the Grants Committee and the CAA Board after the financial statements have been reviewed and approved by the Fiscal Manager.

1. Any time there is dissatisfaction with the service of the current firm.
2. When a fresh perspective and new ideas are desired.
3. Every [5 years] to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years, but simply to reevaluate the selection).

Preparation for the Annual Audit

IGD shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Accounting Department shall provide assistance to the independent auditors in the following areas:

Planning – The Fiscal Manager is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. The Fiscal Manager shall review the list of information requested by the auditors and assign responsibility for each item to the appropriate staff of IGD.

Involvement – IGD staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to IGD's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. The Accounting staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.

Throughout the audit process, IGD will make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of IGD from its independent auditor, the Fiscal Manager shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of IGD.
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Fiscal Manager.

It shall also be the responsibility of the Fiscal Manager to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the Single Audit Clearinghouse form shall be completed.

Audit Adjustments

It is the policy of IGD to review all adjustments prepared by the independent auditor in connection with the annual audit, and, if in concurrence, record them in the general ledger.

The Organization may also receive a list of unadjusted differences (or passed audit adjustments) from the independent auditor in connection with the audit. If the Organization receives such a list, it shall be the responsibility of the Fiscal Manager to review them and determine whether or not to record them in the current year.

Internal Control Deficiencies Noted During the Audit

In accordance with generally accepted auditing standards, at the conclusion of the audit the Organization's independent auditors may provide a written communication of internal control deficiencies noted in connection with their audit. Not all deficiencies in internal control are required to be reported by the auditor. Only the following two types of deficiencies are required to be communicated:

Material weakness – A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Significant deficiency – A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Organization's independent auditors are required to provide written communication to the Executive Director of all significant deficiencies and material weaknesses (i.e., only those control deficiencies that rise to the level of materiality at which they qualify under the definitions provided above, in the opinion of the auditor).

SECTION 2

RISK ASSESSMENTS AND CONTROL ACTIVITIES

Risk Assessments and Control Activities

Overview

The St. Clair County Intergovernmental Grants Department (IGD) is an agency within St. Clair County government whereby the County Board Chairman, with the advice and consent of the County Board, appoints the Grants Committee, consisting of seven members, to oversee the agency activities. The Committee meets monthly to carry out the following functions:

1. Review and approve the payroll and expense claims for the month and provides a letter of recommendation of approval to the County Board Chairman.
2. Review and approve the reports for the Community Services, Community Development and Workforce Development Divisions.
3. Reviews and approves the submission of all Grants Department resolutions to the County Board Chairman.

IGD organizes itself into four Divisions related to a variety of public services. While the Divisions utilize specifically trained staff and funding sources that are uniquely related to their public services objectives, they share a common goal of working together for the residents of St. Clair County and in some cases our neighboring counties.

- **Administration Division**
  The goal of Administration is to ensure the agency carries out the functions set forth from the county and the funding sources. Administration oversees the operations of IGD through fiscal and program management. Administration Division is comprised of the Executive Director, Executive Assistant, Fiscal Manager, Accounting Technician and Accounting Clerk.

- **Community Development Division**
  The goal of the Community Development Division is to strengthen community economic development; improvement of public infrastructure and eliminate conditions which are detrimental to health, safety and public welfare; conservation of the County's housing stock to provide a decent and suitable living environment for persons of low and moderate income. This Division includes the Community Development Block Grant and the Home Program.

- **Community Services Division**
  The goal of the Community Services Division is the help strengthen the community, improve energy efficiency, build neighborhoods, and create opportunities. This Division includes the St. Clair County Community Action Grants; Community Services Block Grant, Weatherization Grants from DOE, HHS and the State of Illinois and Low-Income Energy Grants from HHS and the State of Illinois.

- **Workforce Development Division**
  The goal of the Workforce Development Division is to ensure that area employers have skilled and ready workforce available to them at all times. This Division includes Workforce Investment Act Formula Grant and Trade Adjustment Assistance Grants.

Control Environment

To ensure compliance with the various state statutes, St. Clair County ordinances, and grant/program requirements under which IGD operates, the Executive Director, with the assistance of the Program Coordinators work closely with various funding agencies and policy committees at a state and local level to keep informed on developing legislation or program actions that could potentially affect the agency fiscally.

All employees have formal job descriptions, which define employee job responsibilities, minimum educational and/or experience requirements, duties, and reporting relationships. These job descriptions are also the basis on performance reviews and/or evaluations.

IGD handles various transaction types that have different risks and controls.

- Grants
- Information Technology
- Revenues/Receipting
- Disbursements-Payroll
- Disbursements-Expense Claims
- Property and Equipment
- Budgets
- Financial Reporting
- Contingency Plan

The assessments presented here for IGD intend to address both business and fraud risks. Business risks represent the risk that an action (or non-action) or event will adversely affect an organization's ability to successfully achieve its objectives. Controls over fraud consider the vulnerability of the office to fraudulent activity. For both types of risk, designed controls deter, prevent, or detect instances of errors or fraud in a cost effective manner while considering cost-benefit relationships.

Grants

IGD receives grants from federal, state, and/or private sources. All grants have specific performance and financial compliance requirements.

Control Environment

IGD knows and relates the importance of compliance with grant regulations to all employees and is committed to complying with all grant requirements. Due to the large dollar amount associated with many of the grants, IGD participates in several state and local agency program audits of performance, internal procedures and financial reporting throughout the year.

Risk Assessment

Based on the 2022 operating budget, grant funding compromises approximately 99% of IGD's revenue, making it a significant revenue source of financing for the many services that IGD provides to St. Clair County residents. Availability of grant funds is dependent on events IGD is unable to control. In addition, due to the varied nature of grants, the risk of misstatement and noncompliance with grant terms is significant.

Control Activities, Information and Communication, and Monitoring

The Executive Director and appropriate Division Coordinators complete reviews of all grant contracts before acceptance to ensure the agency has the ability to meet the grant contract terms. In addition, the Fiscal Manager reviews the fiscal reporting requirements and budget component of a grant contract to ensure IGD has the ability to meet the fiscal reporting requirements of the contract.

While Division Coordinators monitor and report on grant deliverables on an on-going basis, the Accounting department also regularly reviews grant contract terms to ensure adequate financial reporting is being completed and proper program performance reporting is being made to funding agencies.

While successful past performance greatly aids IGD in maintaining its existing grant funding and in obtaining new funding, to ensure awareness of future funding opportunities and to establish open communication between state and local funding sources, Program Coordinators are encouraged to serve on outside committees, taskforces and policy action groups. In addition, due to the significant laws and regulations surrounding grants, employees of IGD are encouraged to complete special training and education in the area of grant administration.

Conclusion

Active participation of employees in the activities of funding agencies positions IGD favorably with funding agencies for future grant opportunities. In addition, the review of grant contracts, performance and financial reporting by multiple knowledgeable employees ensures the minimization of the risk of misstatement and noncompliance with grant terms.

Information Technology

IGD is materially reliant on multiple web-based programs to meet reporting requirements for various grants received from federal and state sources. These include but are not limited to Stars, Weather Works, IWDS, GRS, and IDIS (collectively referenced here as "Databases").

Control Environment

IGD knows and relates the importance of compliance with grant reporting requirements including information input into these Databases to all employees and is committed to complying with grant program objectives.

Risk Assessment

Meeting grant-reporting requirements is dependent on staff access to and user knowledge of how to operate within the Databases. There is a risk of losing grant funds if IGD does not complete proper reporting as required by the grant contract.

Control Activities, Information and Communication, and Monitoring

IGD works closely with St. Clair County Courthouse Information Technology Department ("IT"), who is charged with acquiring and maintaining the hardware and software needed to operate and manage critical computer networks and applications (the "IT Infrastructure").

When possible, staff is sent to training provided by the various agencies to learn how to use the systems. In addition, user manuals and/or detailed policy and procedures are developed and maintained to assist staff on Database navigation. User passwords and security access to the Database is maintained by the requiring Database support personnel but users are responsible for establishing their own procedural controls in securing their Database passwords.

Conclusion

By having County IT maintain the IT Infrastructure and by providing training and printed manuals and/or policies and procedures to staff for use in navigating the Database systems as well as a system of routine help not reliant on one person, the risk of noncompliance with grant reporting terms is minimized.

Revenues and Cash Receipts

IGD receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements as Grant Revenue, In-Kind contributions, Programs Income, Interest income and Contribution. Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the Fiscal Manager.

Direct Deposit is the preferred way to receive cash deposit and IGD receives funds this way for 99% of funds received.

Control Environment

By standardizing the receipting process, IGD has tried to emphasize the importance of properly recording and depositing all receipts in a timely manner.

Risk Assessment

Due to the large number of programs operated by IGD, misclassification of revenues/receipts is possible.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for these activities can be found on page 26 and 27 of this manual. IGD uses the method of separation of duties in order that no one person is responsible for requesting funds, reviewing or the process of recording those funds in the proper classification. See Section 3: Segregation of Duties. All funds requested are reviewed to insure that only funds needed are requested. Financial reports or routinely examined against the funding sources to insure all receipts are properly classified.

Conclusion

By having the procedures set in place and the reviews preformed, the risk of misclassification is minimized and that there are adequate funds to cover the expense incurred.

Disbursements-Payroll

Payroll comprises of a little over 15% of IGD's budget. IGD is responsible for annual rate of pay adjustments and timesheet/hours-worked using batch processing in the County's New World Software financial system (NWS). The Human Resources Department at the Courthouse processes the payroll after review and prints all checks and earning stubs. IGD monitors compliance with the budgets. IGD has a Youth workforce and is responsible for annual rate of pay adjustments and timesheet/hours-worked using batch processing in MIP financial system. IGD processes the payroll after review and prints all checks.

Control Environment

The IGD impresses upon fiscal staff their responsibilities to employees and various funding agencies. IGD also stresses the need to monitor budget constraints.

Risk Assessment

IGD utilizes a paper timesheet system and time must be entered into the County's NWS payroll processing system and IGD's MIP financial system. There is a risk of not entering all hours worked, resulting in incorrect employee paychecks. Due to the large number of programs operated by IGD, misclassification of payments is possible.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for these activities can be found on page 48 and 50 of this manual. IGD uses the method of separation of duties in order that no one person has full responsibility for the hiring, processing of timesheets, distribution of payroll, termination of employment. See Section 3: Segregation of Duties. To ensure there are strong internal controls over recording time and activities and the reporting of employee's time worked, timesheets are signed by the employee, division time keeper, and they are verified and signed by program coordinators.
Most of the employees have direct deposit, for those who do not their checks are signed by the County Board Chairman.
Since youth payroll is processed at IGD an additional step is added to the process, someone other than the one processing payroll compares checks with timesheets to verify the name and hours worked before checks are disbursed. The Payroll Clearing account is reconciled by someone not part of the payroll process.

Conclusion

By having the procedures set in place and the reviews preformed the risk of misclassification, under/over payment to an employee is minimized.

Disbursements-Expense Claims

IGD is responsible for procurement, expense line items, payment of a credit cards, and expense claims entry using batch processing in the MIP financial system. IGD coordinators and fiscal personnel monitor compliance with the budgets, allowable cost restrictions under grants, and bid requirements (for expenditures with an item costing more than $3000).

Control Environment

IGD stresses to staff the need to be compliant with the laws, regulations, and grant restrictions set by our funding agencies regarding allowable expenses and procurement requirements along with the need to monitor budget constraints.

Risk Assessments

Payment for goods or services not received, costing a premium price, or not authorized by a funding agency is possible.

Due to the large number of programs operated by the IGD, misclassification of payments is possible.

After authorization but prior to the printing of checks, IGD Accounting staff can change the payees, amounts and the remittance addresses in the MIP system. There is a risk that a final check may not agree with the intended payee.

There is a risk of non-compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as outlined in the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly known as the "Uniform Guidance" pass-through funding requirements when processing contract payments to vendors.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for Purchasing, Accounts Payable Management, Cash Disbursements and Credit Card are found on pages 28 to 42.

IGD uses the method of separation of duties in order that no one person has full responsibility for purchasing, receiving, coding, processing and disbursing. See Section 3: Segregation of Duties. The Expense Clearing account is reconciled by someone not part of the processing of expense checks.

Conclusion

By having the procedures set in place and the reviews preformed the risk of misclassification, under/over payment to a contractor is minimized.

Property and Equipment

All property leased or purchased is the property of IGD and shall be used to carry out the respective function or required communication for IGD business. To include but not limited to cell phones, hot spots, air cards, notebooks, laptops and PC's.

Capital Equipment shall be defined as all items (purchases, government excess or donated) with a unit cost of $5,000 or more and a useful life of more than one year. Written prior approval must be obtained from the funding agency. Items with unit costs below this threshold shall be expensed in the year purchased.

Control Environment

IGD realizes the importance of asset listings as a tool to monitor assets for financial and insurance purposes. IGD and outside funding agencies also demonstrate the importance of safeguarding inventories by requiring periodic verification and reporting.

Risk Assessments

There is a risk that not all additions or deletions of assets are on a fixed asset and/or inventory listing.

There is a risk of asset theft, altering or deleting asset information without approval, or incorrect reporting of assets to funding agencies.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for Property and Equipment is found on pages 55 to 57.

IGD uses the method of separation of duties in order that no one person has full responsibility for purchasing, receiving, and review of inventory. See Section 3: Segregation of Duties.

Conclusion

By having the procedures set in place and the reviews preformed, the risk of misclassification or loss of property is minimized.

Budgets

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial(s). It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Control Environment

The Fiscal Manager works closely with Division Coordinators to communicate the importance of compliance with grant requirements, laws, and regulations and to improve the budgetary process.

Risk Assessment

There is a risk that budgets accepted are not the budgets used for operation.

Processing of expense claims that exceed grant budget lines or are unallowable by the grant contract is possible.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for budgeting is found on pages 51 to 52.
IGD monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the bi-weekly financial reporting process described later in the "Financial Statements" section.

Conclusion

By having the procedures set in place and the reviews preformed the risk of misclassification or incorrect budgets amounts is minimized.

Financial Reporting

IGD is responsible for certain periodic reporting to the Grants Committee, the CAA Board, and funding agencies.

Control Environment

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization. Financial statements reflect current year budget-to-actual comparisons.

Risk Assessments

There is a risk of not detecting potential fraud, misstatement, or noncompliance on a timely basis.

There is a risk of losing grant funds if IGD does not complete proper reporting and record verification as required by the grant contract.

Control Activities, Information and Communication, and Monitoring

The policy and procedures for Financial Statements is found on pages 53.
The objective of the Accounting Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.

Conclusion

By having the procedures set in place and the reviews preformed the risk of not misstating our financial position is minimized.

Contingency Plan

In case of an emergency such as a natural or man-made disaster that result in the current St. Clair County Intergovernmental Grants Department office being uninhabitable, the offices and out services will be temporarily moved to:

1. St. Clair County Emergency (911) Operations Center (EOC, 101 West Washington Street, Belleville, IL 62220. The EOC has a large classroom setting in its secure lower level with access to telephone including emergency call networks. All (or Mission Essential staff) shall report to work at this location.

2. If location #1 is also affected, or to provide an alternate location, then the passenger terminal of MidAmerica Airport in Mascoutah will be used.

3. Sited #1 and #2 has direct service by Metro Transit.

4. In case of a leave of absence of the Executive Director, extended or otherwise, day to day management will be provided by the Fiscal Manager. Fiscal Manager will seek guidance from County Board Chairman Kern as needed.

SECTION 3

SEGREGATION OF DUTIES

St Clair County IGD
Segregation of Duties
Payroll

Name and Title of person performing task	Fisical Manager	Accounting Technician	Accounting Clerk	Program Coordinator	Executvie Director	County Board Charman	County - Payroll Dept
Approves timecards				X			
Has access to entering data into the payroll system, including employee master file and / or payroll specific data such as timecard information	X	X	X				X
Enters timecard data into payroll system			X				
Prints payroll checks							X
Signs payroll checks						X	
Reviews detail report of salaries expense by employee	X	X					
Distributes payroll checks			X				
Adds new employees to employee master file							X
Makes non pay-rate changes to employee master file							X
Approves changes to pay rates					X		
Enters pay rate changes to payroll system							X
Prints annual W-2 forms							X
Reviews annual W-2 forms			X				
Distributes annual W-2 forms			X				

St Clair County IGD

Segregation of Duties

Accounts Receivable / Cash Receipts

Name and Title of person performing task	Fisical Manager	Accounting Technician	Accounting Clerk	Executive Assistant	Executive Director	Program Coordinator
Generates invoices			X			X
Enters invoices into system			X			
Receives cash directly from customers & writes up receipts NA						
Reconciles receipts for payments to amounts posted to a/r		X	X			
Prepares log of all incoming receipts at time mail is opened				X		
Physically has access to or handles cash/checks at any point	X	X	X			
Reconciles log of incoming receipts to accounts receivable postings	X					
Endorses checks with "for deposit only" stamp				X		
Has access to posting cash receipts & adjustments to the accounts receivable system.	X	X				
Posts cash receipts to accounts receivable system	X	X				
Prepares bank deposit	X		X			
Delivers deposit to bank		X	X			
Approves miscellaneous adjustments.	X	X				
Posts miscellaneous adjustments to accounts receivable system:	X	X				
Prepares and mails customer statements	X					X
Reconciles g/l cash account balances to bank statements	X	X				
Reconciles general ledger accounts receivable balances to detail	X					
Periodically reviews general ledger reconciliations	X	X				
Reviews aging detail and follows up on old balances			X			
Ensures aging detail review has been performed	X					

St Clair County IGD

Segregation of Duties

Accounts Payable / Cash Disbursements

Name and Title of person performing task	Fisical Manager	Accounting Technician	Accounting Clerk	Executive Assistant	Executive Director	Program Coordinator	County Board Charman
Maintains vendor master file		X					
Periodically reviews vendor master file or changes to vendor master file	X						
Opens incoming mail and distributes the invoices				X			
Receives approved invoices from various people			X				
Assigns account numbers to invoices						X	
Verifies invoices have been properly approved	X	X					
Has system access to enter invoices into the accounts payable system	X	x	X				
Enters invoices into accounts payable system			X				
Has system access to generate accounts payable checks	X	x	X				
Generates accounts payable checks.			X				
Distributes/mails accounts payable checks		X					
Signs accounts payable checks					x	X	
Reconciles vendor statements			X				
Reconciles g/l accounts payable balances to detail	X						
Reconciles g/l cash account balances to bank statements		X					
Periodically reviews general ledger reconciliations	X	X					
Verifies checks to invoices		X					

St Clair County IGD

Name and Title of person performing task	Fisical Manager	Accounting Technician	Accounting Clerk	Program Coordinators	Executive Director	CDBG Prgraom Coordinator	County Board Charman
Initiates manual journal entries	X	X	X				
Checks manual journal entries against source documents and approves all manual journal entries for input	X	X					
Has security access to enter manual journal entries into general ledger package	x	X	X				
Inputs manual journal entries into general ledger package			x				
Periodically reviews general ledger reconciliations	X						
Reviews financial reports for errors and inconsistencies	X	X	X	X			
Prepares formal financial reports for board presentation	X						
Reconciles cash account balances to bank statements	X	X					
Has access to cash, securities, and/or investments	X	X					
Has check signing authority and/or authority to borrow					X	X	

SECTION 4

FORMS

FORM F1

St. Clair County Intergovermental Grants Department

DAILY RECEIPTS LOG

DATE RECEIVED	RECEIVED FROM	DESCRIPTION	CHECK #	ACCOUNT #	AMOUNT
				TOTAL	0.00

LOG PREPARED BY ____________________ DATE ____________

DEPOSIT PREPARED BY ____________________ DATE ____________

DEPOSIT CHECKED & DEPOSITED BY ____________________ DATE ____________

FORM F2

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT

CENTRAL SUPPLY REQUISITION

APPROVAL	INITIALS	DATE	DEPARTMENT
FISCAL MANAGER			RECEIVED BY
PROGRAM COORDINATOR			ISSUED BY
WD ACCOUNTANT			TOTAL AMOUNT
EXECUTIVE DIRECTOR			DATE
FISCAL			CHARGED TO

DESCRIPTION	UNIT	PRICE PR	QTY	EXTENDED PRICE
STATIONARY				
STATIONARY (Letterhead)	Ream			$
Envelopes (Letterhead) Regular	Box			$
Envelopes (Letterhead) Window	Box			$
Envelopes #10 Plain	Box			$
IGD Labels	Each / PK			$
BATTERIES				
AA	Each / PK			$
AAA	Each / PK			$
C	Each / PK			$
D	Each / PK			$
9 VOLT	Each / PK			$
				$
COPY PAPER				
8 1/2 X 11 White	Case			$
MISCELLANEOUS				
Post-It Notes (3x3)	Each / PK			$
Post-It Notes Pop-ups (3x3)	Each / PK			$
Post-It Notes (1 3/8 X 1 7/8)	Each / PK			$
Permanent Markers	Each			$
Sharpie Highlighters	Each			$
Print and Scanner rollers cleaner	Each			
Correction Tape	Each			$
Packing Tape	Each			$
Compressed Air	Each			$
Disinfectant Spray	Each			$
Disinfectant Wipes	Each			$
Kleenex	Each			$
Hand Sanitizer	Each			$
Paper Towels	Each			$

FORM F3 (GREEN)

PURCHASE ORDER

St. Clair County Intergovernmental Grants Department
19 Public Square, Suite 200
Belleville, Illinois 62220-1695
(618) 277-6790 Fax (618) 236-1190

VENDOR ______________________

PURCHASE ORDER # ______________________

PURCHASE ORDER DATE ______________________

Charge to (account #) ______________________

Ship to: (if different from above) ______________________

TERMS NET 30

QUANTITY	UNIT	CATALOG NO.	DESCRIPTION	UNIT PRICE	TOTAL PRICE
					0.00
					0.00

AUTHORIZED BY:

______________________ DATE
Signature Coordinator or Fiscal Manager

______________________ DATE
Signature of Executive Director (For Purchases at or over $1,000.00)

Suggested Suppliers: ______________________

ATTACH BIDS IF APPICABLE

FORM F4

_________ Year of Appropriation

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT
Disbursement Authorization

APPROVAL	INITIALS	DATE	VENDOR NAME
INVOICE SUBMITTED BY			VENDOR NUMBER
COORDINATOR			SESSION ID 23API
COORDINATOR			INVOICE NUMBER
COORDINATOR			INVOICE DATE
			INVOICE AMOUNT 0.00
WD ACCOUNTANT			DATE DUE
EXECUTIVE DIRECTOR			DESCRIPTION
FISCAL			

GRANT (3 SP)	COST CATEGORY (4 SP)	GENERAL LEDGER (4 SP)	CONTRACT (7 SP)	PETITION (3SP)	AMOUNT PAID

VENDOR ADDRESS STREET CITY	NOTES
	ENTERED BY

Revised 12/22

FORM F5

St. Clair County Intergovernmental Grants Department
Applicant Disclosure Form

I____ attest to the best of my knowledge that:

Please check one

☐ I am not an employee, related to, or have any relationship including being an acquaintance of anyone employed by the St. Clair County Intergovernmental Grants Department.

☐ I am an employee of the St. Clair County Intergovernmental Grants Department.

Group employed in ____

Immediate Supervisor____

☐ I am related to or have a relationship including being an acquaintance of an employee of the St. Clair County Intergovernmental Grants Department.

Name of employee____

Relationship to employee____

☐ I am related to or have a relationship including being an acquaintance of a board member of the St. Clair CAA Board and/or the St. Clair County Grants Committee.
Name of Board member____

Relationship to Board member____

Applicant Signature	Date	Witness by IGD Staff	Date

I certify that my responses to the above questions are complete and correct to the best of my knowledge. I understand the disclosure of this information may or may not disqualify me for services, nor give me an advantage to any benefit program within St. Clair County Intergovernmental Grants Department.

Office Use Only

I have reviewed the potential conflict of interest with the above named applicant and determined:
☐ There is no conflict.
☐ A potential conflict exists and procedures have been implemented to address it. (See Attachment).

Coordinator	Date	Grants Committee Member	Date
IGD Director	Date	Grants Committee Member	Date
Grants Committee Chairman	Date	Grants Committee Member	Date
Grants Committee Member	Date	Grants Committee Member	Date
Grants Committee Member	Date		

Revised 11/15

FORM F6

St. Clair County Intergovernmental Grants Department

Credit Card Expense Form

Date of Expense: ______________________________

Charge to: ______________________________

Signature: ______________________________

Explanation of Expense: ______________________________

____

Notes: For any expense associated with travel please attach a copy of the travel authorization form.

Please attach small receipts here. Full page receipts may be attached to the back of this form.

Revised 11/15

FORM F7

TRAVEL AUTHORIZATION

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT
19 PUBLIC SQUARE, SUITE 200, BELLEVILLE, IL 62220-1624

THIS DOCUMENT IS TO SERVE AS AUTHORIZATION FOR APPROPRIATE TRAVEL ARRANGEMENTS TO BE MADE FOR:

PURPOSE FOR THE TRAVEL:

DESTINATION:	MODE OF TRANSPORTATION	DATES OF TRAVEL:

NAME ADDRESS AND PHONE NUMBER
OF HOTEL AT WHICH THE ABOVE
MEMBERS WILL BE STAYING

THIS DOCUMENT MUST BE SIGNED BY THE DIRECTOR OR AUTHORIZED DESIGNEE

EXECUTIVE DIRECTOR — DATE

PROGRAM COORDINATOR — DATE

FISCAL MANAGER — DATE

REVISED: 11/15

FORM F8

ST CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT

PER DIEM REQUEST

I WILL BE TRAVELING TO ______________________________

TO ATTEND ______________________________

DATE & TIME OF DEPARTURE: ______________________________

DATE & TIME OF RETURN: ______________________________

DATE	________	DATE	________
BREAKFAST	$ ________	BREAKFAST	$ ________
LUNCH	$ ________	LUNCH	$ ________
DINNER	$ ________	DINNER	$ ________
IE	$ ________	IE	$ ________
DATE	________	DATE	________
BREAKFAST	$ ________	BREAKFAST	$ ________
LUNCH	$ ________	LUNCH	$ ________
DINNER	$ ________	DINNER	$ ________
IE	$ ________	IE	$ ________
DATE	________	DATE	________
BREAKFAST	$ ________	BREAKFAST	$ ________
LUNCH	$ ________	LUNCH	$ ________
DINNER	$ ________	DINNER	$ ________
IE	$ ________	IE	$ ________

AS STATED IN THE AGENCY FINANCIAL PROCEDURES MANUAL, IF A CONFERENCE INCLUDES A MEAL THE PER DIEM ALLOWANCE SHALL BE REDUCED BY THE AMOUNT OF THE PARTICULAR MEAL LISTED IN THE MEALS AND INCIDENTAL EXPENSE IN THE GSA PUBLICATION.
WEB SITE IS WWW.GSA.GOV

ADVANCE PER DIEM MUST BE REQUESTED THE MONDAY BEFORE THE NEXT PAYOUT DATE.

PLEASE ATTACH ITENERAY OR BACKUP MATERIAL

______________________________ EMPLOYEE SIGNATURE

______________________________ EXECUTIVE DIRECTOR, FISCAL MANAGER COORDINATOR SIGNATURE

Revised 04/16

FORM F9

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT
TRAVEL EXPENSE REPORT

NAME ______________________________

PURPOSE OF TRIP ______________________________

Google Map Must be Attached

DATE	FROM <----------> TO	# OF MILES	RATE	
				0.00
				0.00
				0.00
				0.00
TOTAL MILEAGE				**$0.00**

Information must be complete. Original receipts and / or copy of per diem forms must be attached.

MEALS						TOTAL PER DAY
DATE	RESTAURANT	CITY/STATE	BREAKFA	LUNCH	DINNER	
						$0.00
						$0.00

LODGING			NO. OF		
DATE	HOTEL	CITY/STATE	NIGHTS	COST PER NIGHT	TOTAL
					$0.00
					$0.00

OTHER EXPENSES		
DATE	DESCRIPTION	TOTAL

TRIP SUMMARY	MILEAGE	MEALS	LODGING	OTHER	TOTAL
TOTAL EXPENSES	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

LESS CREDIT CHARGES,PER DIEM OR HOTEL CHECKS	$0.00
LESS DISALLOWED COST(S)	$0.00
REIMBURSEMENT DUE IGD (NEGITIVE) / TRAVLER (POSITIVE)	**$0.00**

I certify that all information contained herein reflects a true accounting of travel expenses incurred for business purposes and request reimbursement of the indicated amount.

______________________________ Signature of Traveler

______________________________ Date

The amounts indicated are approved travel expenses and a check is authorized for the amount of reimbursement due.

______________________________ Signature of
Executive Director, Fiscal Manager, or Coordinator

______________________________ Date

Revised 1/18

FORM F10

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT
LOCAL TRAVEL MILEAGE EXPENSE REPORT

NAME ______________________________

Google Map Must be Attached

DATE	FROM <----------> TO	# OF MILES	RATE
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
TOTAL MILEAGE			**$0.00**

DATE	Parking Expense		
			0.00
			0.00
			0.00
			$0.00

______________________________ Signature of Traveler

______________________________ Date

The amounts indicated are approved travel expenses and a check is authorized for the amount of reimbursement due.

______________________________ Signature of Executive Director, Fiscal Manager, or Coordinator

______________________________ Date

Revised 11/15

FORM F11

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT

BI-WEEKLY TIME SHEET

PAY PERIOD:

EMPLOYEE NAME: ______________ (First) ______________ (Last) EMPLOYEE # ________

BEGIN:

END:

EMPLOYEE TYPE: ______________

DESCRIPTION		S	M	T	W	T	F	S	S	M	T	W	T	F	S	TOTAL	percent
Regular																0	
																0.00	
																0.00	
OTHER FUNDING																	
																0.00	
																0.00	
Total Program																0.00	
Holiday	*	0						0	0						0	0.00	
Vacation	*	0						0	0						0	0.00	
Sick Leave	*	0						0	0						0	0.00	
Comp Time Used	*	0						0	0						0	0.00	
Comp Time Earned	*	0.00						0	0						0	0.00	
Leave W/O Pay	*	0						0	0						0	0.00	
GRAND TOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Employee Signature

Executive Director, Fiscal Manager, or Program Coordinator

Time Keeper

FORM F12

ST. CLAIR COUNTY
INTERGOVERNMENTAL GRANTS DEPARTMENT

TIME AUTHORIZATION FORM

EMPLOYEE NAME ______________________________

☐ VACATION

☐ COMP TIME EARNED

____

Approved by Executive Director

☐ SICK LEAVE

☐ LEAVE WITHOUT PAY

☐ COMP TIME TAKEN

☐ EXCUSED ☐ UNEXCUSED

START DATE ____________ RETURN DATE ____________

DAY(s) ____________ and/or # HOUR(s) ____________

FROM ____________

TO ____________

______________________________ EMPLOYEE SIGNATURE

______________ DATE

______________________________ COORDINATOR, SUPERVISOR SIGNATURE

______________ DATE

______________________________ EXECUTIVE DIRECTOR, COORDINATOR, FISCAL MGR SIGNATURE

______________ DATE

Revised 11/15

FORM F13

ST. CLAIR COUNTY INTERGOVERNMENTAL GRANTS DEPARTMENT

YOUTH PROGRAM PARTICIPANT INFORMATION

Information Type (please circle one): NEW REVISED

SSN#:		
NAME (Last, First, M.I.):		
ADDRESS:		
CITY:	ST:	ZIP:
HIRE DATE:	TERMINATION DATE:	
PROCESSING GROUP ○ WIOA IN SCHOOL	○ WIOA OUT OF SCHOOL	
HOURLY WAGE:		
DATE OF BIRTH:	HOME PHONE:	
AGE:	SEX: ○ MALE ○ FEMALE	
JOB DESCRIPTION:		

WORKSITE EMPLOYER: ______________________________

ADDRESS: ______________________________

CITY/ST/ZIP: ______________________________

IMMEDIATE WORK SUPERVISOR: ______________________________

TELEPHONE #: ______________________________

____
AUTHORIZED WORKSITE SIGNATURE DATE

ATTACH THE FOLLOWING:

- ☐ COPY OF HIS/HER SOCIAL SECURITY CARD
- ☐ COMPLETED ILINOIS W-4
- ☐ COMPLETED FEDERAL W-4
- ☐ COPY OF ID CARD OR DRIVER'S LICENSE
- ☐ COMPLETED FORM I-9
- ☐ COMPLETED DRUG FREE POLICY
- ☐ WORK PERMIT (IF APPLICABLE)

DUE TO PAYROLL UPON EMPLOYMENT

PAYROLL USE ONLY	
WORKER'S COMP CODE:	
ENTERED BY:	DATE: