



**MO-KAN REGIONAL COUNCIL**

**FISCAL  
PROCEDURES  
MANUAL**

**MO-KAN REGIONAL COUNCIL (Mo-Kan)**  
**FISCAL PROCEDURES MANUAL**

Effective: May 1, 2006  
Last Updated: December 6, 2017, August 22, 2018

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## GENERAL

The Mo-Kan Fiscal Procedures Manual has been developed with the intent of establishing and implementing a clear and concise set of guidelines for recording and controlling the receipt, custody and disbursement of all agency assets. To this end, the Mo-Kan By-laws and Employee Manual are incorporated herein by reference.

There shall be one individual appointed by the Executive Director as Fiscal Officer who shall be responsible to the Executive Director for all agency fiscal operations. His/her responsibilities shall include, but not be limited to, the monitoring of all operations defined in this manual and appropriate funding source regulations and the oversight of agency fiscal personnel. In addition, the Fiscal Officer is responsible for the disclosure of all financial matters to the Board of Directors in order to provide a sound basis for decisions affecting the agency.

All accounting transactions will be processed through the agency's computerized accounting software.

All fiscal personnel will, to the extent possible, be cross-trained to enable an efficient fiscal operation in the absence of any personnel from the fiscal department.

The Fiscal Officer shall be responsible for the training and cross-training of all fiscal personnel and must be capable of actually performing the duties of absent fiscal personnel.

Fiscal duties and responsibilities shall be separated, as much as possible, so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc.

Separate accounting of funds will be maintained as required by funding source regulations.

All reports will be generated by computer, typewritten or completed in ink.

All reports generated from within the Fiscal Department shall be reviewed and approved by the Fiscal Officer, and when necessary, the Executive Director or their designee prior to release.

Generally Accepted Accounting Principles will be followed except for the treatment of depreciating grant-owned equipment. In accordance with grant award budgets approved by funding sources, equipment and property and renovations purchased with grant award funds are charged to expense in the period of purchase instead of being depreciated over their useful lives. The various funding sources have a reversionary interest in the equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations.

## **PETTY CASH**

A petty cash custodian will be responsible for maintaining the petty cash. The petty cash funds shall be maintained on an imprested basis. The custodian will turn in receipts totaling the amount of reimbursement requested. The petty cash fund will not exceed more than \$50 at any one time.

All petty cash funds will be kept in a petty cash box in a locked drawer, file cabinet or safe. Only the petty cash custodian and Fiscal Officer will have access to the petty cash box.

Disbursements of \$10.00 or less may be made from the petty cash fund for items that are not reflected as a part of the normal operating budget or for which there is an immediate need.

The purchaser shall present receipts totaling the amount of the petty cash reimbursement requested to the petty cash fund custodian for payment. Postage due will require a copy of the envelope or the original envelope itself.

Each petty cash custodian shall be responsible to the appropriate Program Director and the Fiscal Officer to account for the existence and reliability of all slips issued to him/her for petty cash.

The petty cash log shall show the amount of cash to be withdrawn, the date of the withdrawal, the reason for the withdrawal, the name of the program fund to be charged, and the signature of the petty cash recipient.

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

When the petty cash fund is exhausted or needs replenished, the petty cash custodian shall total all receipts and present them to the Accounts Payable Manager for reimbursement. Programs will be charged on at least a quarterly basis through the Accounts Payable module of the current accounting software based on actual receipts.

Petty cash reimbursement checks shall be made out only to the petty cash custodian with Petty Cash written on the check stubs.

The Fiscal Officer or designee will conduct surprise counts of all petty cash funds.

Any irregularities in the petty cash fund will be immediately reported in writing to the Executive Director.

Loans will not be made from petty cash funds and personal checks will not be cashed out of this fund.

## **CASH RECEIPTS**

All cash, checks and money orders will be immediately forwarded to the Receptionist who will log the receipt into a notebook. Pre-numbered cash receipts will be issued for all cash received. All cash, checks and money orders will then be delivered to the Fiscal Office who will determine in which bank account the funds belong. A copy of all checks and money orders will be made by the Fiscal Office before placing them in the safe where they will be stored until the bank deposit can be made.

Deposits will be made daily by the Fiscal Staff if and when the deposit will exceed \$1,000.00. All receipts will be deposited intact. Fiscal will prepare a deposit slip which reflects the source, account number and amount of each receipt. The checks shall be stamped with a restrictive endorsement.

When federal grants allow the use of the Payment Management System (PMS) to receive electronic transfers, the Fiscal Officer or designee will request money only when the cash balance in the federal grant funds is negative or will be negative within 24 hours. A sheet reflecting the PMS transfer and the dollar amount for each fund affected will be submitted to the Fiscal Office for posting into the current accounting software.

To the extent possible, all funding from the State of Missouri will be received in the main checking account via electronic funds transfer, or EFT.

Documentation for all receipts (copy of check, letters, etc.) will be attached to the copy of the deposit slip, the PMS sheet or the non-Federal EFT confirmation sheet and will be forwarded to the designated Accountant who is responsible for entering cash receipts into the current accounting software. After entering the cash receipts into the current accounting software, the copy of the deposit slip, copies of checks and all attached documentation, including the current accounting software report(s), will be filed chronologically by month.

The designated Accountant will notify the Fiscal Officer of any checks returned for insufficient funds. The Fiscal Officer will then notify the Program Director(s) involved and a determination of action to be taken will be made on a case-by-case basis.

## **BILLING / INVOICING**

All billing or invoicing for the agency will be done by the Staff member responsible. Original invoices will be mailed to the customer by the designated personnel. A copy of the invoice will be forwarded to the Fiscal Office for maintaining Accounts Receivable.

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

Accounts receivable remaining uncollected beyond the anticipated collection date will be turned over to the Fiscal Officer who will take the appropriate action necessary to insure collection.

## CASH DISBURSEMENTS

The Receptionist will stamp the date received on all invoices and statements mailed to Mo-Kan. The Receptionist will forward them to the Fiscal Office. All other original invoices will be received by the Fiscal Office directly. If there is not a purchase order for an invoice, the Fiscal Office will forward the invoice to the Program Director for authorization. Upon return, the invoices will be examined by the Fiscal Office to insure that extensions are correct and that each is signed by an authorized agency representative (a Program Director or his/her designee). If there is a purchase order matching the invoice, the Fiscal Office can proceed to process the invoice without sending it to the Program Director.

The Program Director or his/her designees are responsible for coding purchase orders and invoices to the correct program and chart of account number. Approved invoices will be processed by the Fiscal Office who will enter them into the accounting system utilizing the accounts payable software menu in the current accounting software. The Fiscal Office will review the account number for reasonableness when entering items into the software. Any questionable account numbers will be reported to the Fiscal Officer for verification. The Fiscal Office will also mark any potential IRS Form 1099 vendors when entering the invoices for payment. Missouri sales tax will not be paid to vendors or as reimbursements to employees.

After all invoices are entered into the accounting system, the Fiscal Office will generate a printout of the accounts payable register.

After the accounts payable register is checked to insure there were no errors in entering data into the accounting software, the Fiscal Office will load the disbursement checks into the printer and prepare checks for disbursement. Only checks having the Board Secretary/Treasurer's and Executive Director's signature and/or other representatives designated on the bank signature cards will be valid for payment. In any case, two signatures are required on all checks.

Normally, checks are processed once a week. In the event a check needs to be issued because of a deadline before the weekly check run, the same procedures are followed as the computer generated checks.

Regardless of whether the check is produced manually or by computer, the Fiscal Office will give the check and the supporting documentation to the Fiscal Officer for review. The Fiscal Officer or the designated Accountant will verify the correctness of the payee, amount, authorization, and account number by initialing the invoice before the checks are released to the payee.

All paid invoices and supporting documentation will be filed numerically with paid invoice and other supporting documentation

In no event will:

- Checks be prepared unless these procedures are followed.

- Checks be prepared from monthly statements or copies of invoices, unless prior approval from the Fiscal Officer or the designated Accountant is obtained.

- Checks be used in other than numerical order.

- Checks be prepared or signed in advance.

- Checks be made out to ~~%CASH+~~, ~~%BEARER+~~, or ~~%BETTY CASH+~~



Checks be prepared on verbal authorization, unless prior approval from the Fiscal Officer is obtained and supporting documentation is later obtained.

Payees that perform a service and are not incorporated must fill out IRS Form W-9 before payment is made, in the event a Form 1099 would need to be sent at year-end. However, all medical service payees must fill out a W-9, regardless of incorporation status.

~~Bank statements will be forwarded to the Fiscal Officer or the designated Accountant who will prepare the bank reconciliation within 15 business days.~~

**Bank Reconciliations** . Monthly bank reconciliations will be prepared by the Fiscal Officer, reviewed by the Executive Director, and approved by the Board Treasurer. Bank reconciliations were be prepared within five days of receiving the bank statement and then be given the Executive Director for review. The Board Treasurer will approve the bank reconciliation no later than the following board meeting. (Updated - August 22, 2018)

Paid checks will be examined for date, payee name, endorsement and cancellations prior to filing.

The bank balance will be compared to the cash in the bank account in the general ledger and approved by the Fiscal Officer.

The Fiscal Officer or the designated Accountant will notify all vendors whose checks are outstanding over 90 days, and will take appropriate action on those checks.

When a check needs to be voided, the Accounts Payable Manager will void checks in the accounting software and write VOID+boldly in ink across the face of the check and the signature portion of the original check will be perforated or cut out. The original of the voided check will be filed numerically.

**Definition of Accounts Payable:** Under the accrual method of accounting, expenses are recorded when they are incurred rather than when they are paid. Therefore, according to generally accepted accounting principles, the expense and the related liability should be recorded when the goods have been received or the service has been provided. This shall be the criterion used by the Fiscal Office of MO-KAN for determining the period.

**Credit Card Policy** . Credit cards will be issued to Mo-Kan staff at the direction and discretion of the Executive Director. The Executive Director will authorize and review all credit card expenditures. Individual staff members will be personally responsible for the safeguarding and authorized use of the credit card. Receipts are required for all purchases. Personal use is strictly prohibited. The Fiscal Officer will reconcile the credit card statement to all authorized purchases. The Executive Director will approve the credit card statement for final payment. Current credit card statements will be made available at all monthly board meetings. (Updated - August 22, 2018)

## PURCHASING

(as adopted by MRKC June 27, 2007, updated June 2016, updated December 6, 2017)

### COMPETITIVE PURCHASES

The requirements below are applicable to single items being purchased or to the aggregate purchases of near identical items. Purchases of the same/similar items should not be ordered separately to avoid a more stringent bidding requirement. All procurement transactions must be conducted in a manner providing full and open competition.

Purchases of **\$1000 or less** (micro-purchases) are made at the discretion of the Executive Director.

If the purchase is more than \$1000 but less than \$10,000, (small purchases) at least three informal quotations must be obtained. Quotations may be obtained by telephone, email, internet, supply catalogs, etc.; however, the purchaser will document the source of the quotations and the prices. The Executive Director (or their designated representative) must approve and sign off on all purchases of \$1000 or more on the basis of three written quotations prior to ordering

Formal quotations of purchases of **\$10,000 or more** will involve a formal written process . Request for Proposals (RFP). RFPs will be advertised. Additionally, direct solicitations are encouraged. Request for proposals must be issued at least ten days prior to the date of bid opening.

If a funding source's procurement procedures are more stringent from the above then the requirements of the funders requirements will be followed.

Ordering from a cooperative bidding contracts or statewide bidding contracts may be deemed has having met the requirements for the formal written bidding procedures. When appropriate, federal and state surplus property purchasing is encouraged.

On bids for recurring services, (i.e. audit services), it will not be necessary to obtain bids each year. They should, however, be obtained at least once every three years. With Board approval, a one year extension may be granted.

Procurement by noncompetitive proposals . is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. An emergency will not permit a delay in the competitive process;
3. The funding source expressly authorized expressly authorizes noncompetitive proposals in response to a written request; or
4. After solicitation of a number of sources, competition is determined inadequate.

### FORMAL WRITTEN BIDDING PROCESS

Requests for formal bids or proposals will include a description of the item on which bids/proposals are to be received, the closing date for receipt of bids/proposals and any other information which may affect the amount of the bid/proposal. Solicitations shall clearly set forth all requirements that the bidder/proposer must fulfill in order for their bid/proposal to be evaluated. Any and all bids/proposals may be rejected when it is in Mo-Kan's best interest to

do so. Contracts/purchases will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Mo-Kan Regional Council shall be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In particular, a contractor that develops or drafts specifications, requirements, a statement of work, an invitation for bids, or a request for proposal for a particular procurement should be excluded from competing for that procurement except upon request the agency waives this requirement for a particular procurement.

MO-KAN has established procurement procedures which provide for the following as a minimum:

1. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.
2. Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the materials, products, or services to be procured. Such description shall not, in competitive procurement, contain features which unduly restrict completion. ~~%~~Brand name or equal+descriptions may be used as a means to define the performance or other salient requirements of procurement, and who so used the specific features of the named brand which must be met by bidders/proposers should be clearly specified.
3. Positive efforts shall be made by procuring parties to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts.
4. The type of procuring instruments used (for example: fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts) shall be determined by Mo-Kan, but must be appropriate for the particular procurement and for promoting the best interest of the grant project or program involved. The ~~%~~cost-plus-a-percentage-of-cost+or ~~%~~percentage of construction cost+ methods of contracting shall not be used.
5. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractors' integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.
6. When appropriate, contracts will be required to provide for performance bonds, liability insurance, workman's compensation insurance and all other necessary coverages and permits

### CONTRACT PROVISIONS

All contracts will contain a provision for termination, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

As needed, contracts shall contain contractual provisions or conditions that allow for administrative, contractual or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

Where applicable, contracts shall include ~~%~~*Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards*+. See **Appendix A**. (Updated June 2016)

### CODE OF ETHICS/CONDUCT STATEMENT

MO-KAN shall enforce the following Code of Ethics & Conduct for all officers, board members, staff or agents. Any breach may result in disciplinary action as determined by the Board Chair and/or the Executive Director.

1. Mo-Kan officers, board members, staff and volunteers shall act with honesty, integrity and openness in all their dealings as representatives of the organization. Mo-Kan promotes a working environment that values respect, fairness and integrity.
2. Mo-Kan officers, board members, staff or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors nor potential contractors. This is not intended to preclude bona-fide agency fund-raising activities or de minimis gifts.
3. No officer, board member, staff or agent of Mo-Kan shall participate in the selection, award, or administration of a contract if the persons would have a financial interest in that contract through:
  - The employee, officer or agent;
  - Any member of his or her immediate family;
  - His or her business partner;
  - An organization in which any of the above is an officer, director, or employee;
  - A person or organization with whom any of the above individuals is negotiatingor  
has any arrangement concerning prospective employment.

\*\*\* PURCHASING (as adopted by MRKC June 27, 2007) \*\*\*

\*\*\* PURCHASING (updated June 28, 2016) \*\*\*

\*\*\* PURCHASING (updated December 6, 2017) \*\*\*

## PAYROLL

Each employee will be responsible for completing his or her own time sheet according to the schedule provided at the beginning of the fiscal year. Hourly employees must indicate time worked, vested leave taken or holiday time taken on a contemporaneous bases and salaried employees must indicate leave taken on a daily basis. Completed time sheets must be signed by the employee's Supervisor and/or the Executive Director.

The Fiscal Office will process all time sheets through the accounting system. The Fiscal Department will utilize the payroll software menu in the current accounting software. Hours for non-exempt employees are totaled and compared to the employee's total. Where possible, any variances will be reconciled with the employee or his/her Supervisor before continuing. A preliminary printout is produced to compare hours of vested leave used and gross pay against actual timesheets. Once agreed, the Fiscal Office reviews the reconciliation for reasonableness. Upon Fiscal Office's approval, the remainder of the payroll program will be run and payroll checks will be printed for disbursement or readied for electronic funds transfer. Checks will be sorted and stored in the safe until payroll is to be distributed. The Executive Director or the Fiscal Officer will be responsible for distributing payroll checks. All time sheets will be filed and maintained for each individual employee. Payroll files will be locked in a cabinet with only the Executive Director and the Fiscal Officer having keys for access.

After payroll is completed, the Fiscal Office will calculate the 941 Federal tax deposits. It is then entered in using the electronic funds transfer payment system (EFTPS) assuring the taxes due are drafted from Mo-Kan's checking account within the allowable IRS period. Missouri payroll taxes, withholding and unemployment, will also be filed electronically.

The Fiscal Office will prepare state and federal wage reports, and the Executive Director and/or the Fiscal Officer will review and sign them.

The Executive Director is responsible for forwarding change of status information for all staff. This may include changes in rates of pay, responsibilities, and/or Supervisors. The Fiscal Office is responsible for updating the employee's status in the current accounting software system.

The Fiscal Office will be responsible for posting the monthly vested leave reports within ten days after payday.

## **BENEFITS**

The Fiscal Office/Human Resources Manager will be responsible for handling and coordinating benefits for employees. This includes, but is not limited to: health/dental insurance, short-term disability, long-term disability, life insurance, retirement plans, workers' compensation, unemployment insurance, and FICA and Medicare taxes.

Reports for any benefits item will be updated and maintained by the Fiscal Office. The Fiscal Officer will review all documents before being submitted to the appropriate parties.

All programs will be charged for fringe benefits at the same percentage of gross wages for each class of employees.

Please refer to the Employee Manual for a more in-depth explanation of benefits.

## **TRAVEL**

### **In Area Versus Out of Area Travel**

Mo-Kan defines In Area Travel as any travel in the core county services area or, if an employee's regular work area is in a county outside the core counties, the county where the employee regularly works. Out of Area Travel is defined as travel that is out of the Mo-Kan core county service area.

### **Travel Approval (out of area)**

All out-of-area travel must be approved in advance by the Executive Director. Travel is only considered approved when the employee requesting the travel has notified and received permission from the Executive Director.

### **Travel Advances (out of area)**

Funds will be advanced for upcoming approved travel only upon receipt of a completed and properly approved request for a travel advance. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with Mo-Kan's travel policies as explained later in this section.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgement of, and agreement to, these policies. Employees receiving travel advances must submit an expense report within [5 days] of returning from travel. Any outstanding advances more than [30 days] old will be deducted from an employee's next paycheck.

The employee and the Executive Director will sign the travel advance request and forward it to the Fiscal Office for processing. Travel advance payments will be entered into the accounting system as a receivable to be later reconciled.

Travel advance checks will be issued at the time of regular weekly Accounts Payable disbursements.

Within five days after the trip, the employee will submit a reconciliation of the travel advance requested. The traveler will attach all necessary receipts and submit all documents to the Fiscal Office for final settlement.

If the travel advance exceeds the actual travel expenses, the employee will reimburse the difference to MO-KAN; this will be credited to the appropriate program account; the check copy will be filed by vendor with documentation attached.

If the actual travel expenses exceed the travel advance, the Fiscal Office will process the travel advance reconciliation and will submit a prepared voucher for amounts due the employee and process with other disbursements on the next check run.

No further travel advances will be issued to any employee who has an outstanding balance due Mo-Kan from previous business trips.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the Expense Report results in a balance due to Mo-Kan (as a result of receiving a travel advance greater than actual business expenditures), the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction.

### **Employee and Director Business Travel**

At the conclusion of a Mo-Kan business trip, an employee or member of the Board of Directors that has incurred business-related expenses should complete a travel expense report. The traveler must:

1. Identify each separately incurred business expense (i.e. do not group all expenses associated with one trip together)
2. All business expenses must be supported with invoices/receipts.
3. For all lodging and any expenditure, vendor receipts/invoices must be submitted. Credit card charge slips do not represent adequate supporting documentation . a hotel receipt must be obtained to substantiate all lodging expenditures.
4. For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
5. The business purpose of each trip must be adequately explained on each report.
6. Specific Program/Functions must be identified for all expenditures.
7. For all meals and other business expenditures, the following must be clearly identified:  
Names, titles, organizations, and business relationships of all persons entertained  
The business purpose of the meal or other business event (topics discussed, etc.)
8. All expense reports must be signed and dated by the employee.
9. All expense reports must be approved by the Executive Director.

### **Per Diem (out of area)**

Meal costs will be compared to the per diem rates cited in the Federal Register, however Mo-Kan, currently, will reimburse employees' meal cost based on actual expenses/receipts. As part of the employees' travel expense report, the employee will attached receipts for meal expenses in conjunction with approved travel and/or attendance at authorized events

### **Reasonableness of Travel Costs (out of area)**

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

1. Suites and other upgraded rooms at hotels shall not be allowed; Travelers should stay in standard rooms
2. When utilizing rental cars, travelers should rent midsize or smaller vehicles; Share rental cars whenever possible
3. Business-related long-distance telephone calls while away on business travel are



- permitted, but should be kept to a minimum; Expense reports should explain long-distance charges
4. Personal long-distance calls while away on business are reimbursable if kept to a minimum, such as one nightly call home to family; Personal calls in excess of this shall not be reimbursed
  5. Whenever possible, travelers should utilize long-distance calling cards when placing calls while away on travel; avoid using the hotel's long-distance service if possible

### ***Special Rules Pertaining to Air Travel (out of area)***

The following additional rules apply to air travel:

1. Air travel should be at coach class; First class air travel shall not be reimbursed unless there is a documented approved reason.
2. Memberships in airline flight clubs is not reimbursable
3. Cost of flight insurance is not reimbursable
4. When airfare exceeds \$500, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report.
5. When returning on a Sunday or departing on a Saturday in order to obtain a cost savings in airfare due to the Saturday-night stay over, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay over)
6. Cost of upgrade certificates is not reimbursable
7. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as changed meeting dates, etc.)
8. 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. Example MO-KAN will not reimburse for the personal legs of a trip)

### ***Spouse/Partner Travel***

It is the policy of Mo-Kan not to reimburse any employee or board member for separate travel costs (air fare, etc.) associated with his/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.

### **In Area Travel - Mileage**

Each employee will complete the local travel expense statement or mileage sheet daily as necessary to record in-area travel. The information will include the beginning location and ending location, the purpose of the travel, the mileage, and what program the travel was for.

Mileage to and from an employee's residence will **only** be paid by the agency for the following: the distance from home to the employee's first meeting place is closer than from work to the employee's first meeting place, the employee is traveling on the weekend to attend a

conference, meeting, home visit or housing job site. Commuting from the employee's residence to the employee's defined office or recurring job site or vice-versa will **never** be paid by the agency.

On a monthly basis, the employee will total the mileage and costs on the local travel expense statement or mileage sheet and submit it to their Supervisor/Executive Director for approval and for program/function coding. Then, the expense statement will be submitted to the Fiscal Office for reimbursement. The Fiscal Office will verify the totals and process the check.

Incomplete expense statements or mileage sheets will be returned to the traveler. After making the necessary corrections, the traveler may re-submit the form(s) for reimbursement.

Checks will be prepared in accordance with procedures set forth in the Cash Disbursements section of this manual.

Reimbursement for mileage will be based upon a Board approved rate per mile.

## **BENEFICIARY AND BOARD**

Any individual who incurs expenses directly associated with duties carried out on behalf of the agency should request reimbursement on the monthly travel expense statement. When necessary, a travel advance request should be completed for out-of-area travel.

Such claims for reimbursement will be verified and approved by the Supervisor/Executive Director for.

Checks for reimbursement will be prepared in accordance with procedures set forth in the Cash Disbursements section of this manual.

## **CONSULTANTS**

Consideration will be given to in-house employee capabilities to accomplish services before contracting for them.

Written contracts will clearly define work to be performed, the time duration of the contract and the rate of pay for such services will be secured for all consultant and contract services.

The Executive Director will approve and sign all contracts. The Fiscal Officer will review all contracts in excess of \$2,000.

Consultant services will be paid for when an invoice from the Consultant is received and the work indicated on the invoice has been performed. The Executive Director or his/her designee will indicate approval of the invoice.

The Board of Directors will approve audit and other significant contracts or may delegate such authority to the Executive Director.

The Executive Director will maintain on file copies of all current contracts as well as approved contract forms.

## PROPERTY (Equipment)

Equipment shall be defined at all times (purchased, government excess or donated) with a unit cost of \$5,000 or more and a useful life of more than one year, unless the specific funder requires a lesser amount, then that amount will prevail. All electronic equipment with a unit cost of \$500 and a useful life of more than one year will also be defined as equipment.

The Inventory Clerk will prepare or have prepared a property record for all equipment. Each item of new equipment will have an identifying number. The list will include equipment from the property records indicating the item, cost, condition, location, fund number, and inventory identification number. The Inventory Clerk will include disposition data, including date of disposal and sale price, if any, or the method used to determine current fair market value where a recipient compensates the awarding agency for its share.

The Inventory Clerk or designee will then prepare at the end of the fiscal year a Summary of Inventory for the Fiscal Officer's approval.

The Office Manager will create a report the first week of each month with all equipment purchased in that month listed. This report will be given to the Inventory Clerk or designee who is responsible for maintaining property records. Program Directors or designee are responsible for reporting transfers and disposals of equipment to the Inventory Clerk.

The Inventory Clerk or designee by the 15<sup>th</sup> of the month will prepare and deliver to each Program Director or designee the Inventory Acquisition Form and inventory identification tag. The Program Director or designee will complete and return the form to the Inventory Clerk or designee and affix the tag to the item by the end of the month. The Inventory Clerk or designee will notify the Program Director of any forms not returned.

The Program Director or designee will be responsible for reporting using the Property Location Form when any inventoried equipment is moved to another office or building. The Program Director or designee will be responsible for reporting on the Property Disposition Form all disposed property.

A physical inventory of all equipment will be taken and the results reconciled with the equipment records at least once every year prior to the end of Mo-Kan's fiscal year.

The Inventory Clerk will be immediately notified of all cases of loss, damage, or destruction of equipment. He/she will, in turn, make a report to the Fiscal Officer and insurance carriers if necessary and/or the grantor.

Purchase and disposition of items of equipment having a unit cost of \$5,000 or more will be approved by the Executive Director or Fiscal Officer. Funding source approval may be obtained through an approved budget or by way of a separate written request.

The purchase of equipment will comply with the procedures set forth in the Purchasing section of this manual. Acquisition and disposal of equipment with a value over \$5,000 and a useful life over 1 year will be recorded in the general ledger by the Accountant assigned to the fund or funds it affects, after being approved by the Fiscal Officer.

A perpetual inventory will be maintained.

See Appendix D for additional procedures. (Added August 22, 2018)

## **LEASES**

The Executive Director will approve all leases unless the nature of the lease should require the Board of Directors approval.

Leases will be written to correspond to program year beginning and ending dates whenever possible.

Copies of all leases will be kept by the Fiscal Office until the lease is completed; then, the lease will be filed in the vendor file.

## INSURANCE

Insurance policies will be maintained in an insurance 3-ring binder by the Fiscal Officer or designee.

Insurance policies will be carefully reviewed by the Fiscal Officer before renewal.

Reasonably adequate coverage will be maintained for motor vehicle, other property, and liability insurance.

The Fiscal Officer/Human Resources Manager will produce the reports and process the invoices for workers compensation and the Fiscal Officer for all other insurance types.

Any worker compensation claims will be reported to the Human Resources Manager. He/she will be responsible for turning the claim in to the insurance company on a timely basis.

Property claims will be reported to the Fiscal Officer. The Fiscal Officer will then turn the claim in to the insurance company on a timely basis.

The Human Resources Manager/Fiscal Officer will inform the Executive Director of all claims.

Insurance expense for vehicles, property and liability will be direct charged, based on program ownership or use thereof.

**Insurance . Bonding Coverages .** The fiscal procedures contains an ~~%~~insurance+section. However the section does not list the needed and required coverages applicable to Mo-Kan's responsibilities. Required coverages will include: a comprehensive commercial package (property, general liability, computer, dishonest employee/crime, auto, employee benefits, sexual/physical abuse and professional liability), a workers compensation policy, an umbrella policy of, at least, \$1,000,000. Additionally, Mo-Kan will obtain Directors & Officers liability and an Errors & Omission policy. (Updated . August 22, 2018)



## **NON-FEDERAL IN-KIND CONTRIBUTIONS**

Each Program Director is responsible for the generation of the non-federal requirement of his/her program.

The employee who receives the contribution will prepare an in-kind voucher, have the donor sign it, and submit it to the Fiscal Office.

At the end of the month, in-kind vouchers/reports should be sent to the Fiscal Office.

The Fiscal Office will review all vouchers and prepare a journal entry to record in-kind in the current accounting software system.

Examples of in-kind donated time, space and supplies are calculated as follows:

- Donated services are valued at fair market value for professional services.

- Other unskilled services are determined by an hourly rate or minimum wage

  - Reasonable fringe is allowed.

- Donated space is valued at fair market or, if available, an appraisal.

- Donated supplies are valued at fair market value at the date of donation.

## **BOOKS OF ORIGINAL ENTRY**

The agency will maintain its books on the modified accrual system of double entry accounting by utilizing the current accounting software for all funds.

The Receptionist will record all cash receipts, except electronic transfers, in a daily cash receipts log book. The Fiscal Office will enter the cash receipts into the current accounting software.

The Fiscal Office will enter all checks in the current accounting software in order to produce a check register.

The Fiscal Office will prepare general journal entries to be reviewed/approved by the Fiscal Officer prior to posting to the general ledger.

Adequate documentation will be maintained for every entry.

Expenditure reports by line item will be prepared for each program every month or more often if required. These reports will be distributed to and utilized by Program Directors to insure that expenditures remain within their budget limitations.

The current accounting software will be backed up routinely by the Fiscal Office utilizing the backup system built into the server system. The Fiscal Office will also backup the accounting data periodically, especially prior to complex postings. Offsite storage will be utilized to safeguard financial data. Fiscal data will be maintained on the computer for at least two years.

## **GRANTS AND CONTRACTS**

Copies of all grants and contracts will be forwarded to and maintained by the Executive Director who will then assign the grant to a specific personnel. The Accountant will then file them by program.

The Fiscal Officer will carefully review each award to insure that financial provisions or special conditions will be complied with.

The Fiscal Office may prepare a budget journal entry to record each award. General ledger accounts will be maintained as necessary to clearly separate and identify the amount of any award which is to be applied to a specific program.

## **BUDGETS**

Financial budgets will be prepared at the time of the grant application or contract negotiation by the assigned Program Director and the Fiscal Office.

Budgets will be submitted to the Fiscal Officer for review prior to submission to the funder.

The Fiscal Officer will insure that budgets are on file for all grants and contracts.

Changes to budgets will be submitted to the Fiscal Officer as soon as they are finalized and he/she in turn will insure that the staff Accountant is aware of the changes.

The Fiscal Officer will, upon request, assist each Program Director in reviewing program budget activity monthly.

The Fiscal Office will submit to Executive Director/Program Directors a copy of their budget along with their revenue and expenditure report monthly. The Fiscal Officer will monitor the budget and revenues and expenses to determine whether the grant/contract is on track and discuss any concerns with the Program Director; however, the Program Director is ultimately responsible for staying within budget. The Executive Director will be notified by the Fiscal Officer or Program Director upon detection of any problems.

## **REPORTS**

Monthly, quarterly, semi-annual, or annual financial reports (depending on the fundersq requirements) to the funding sources will be prepared by the Fiscal Office timely and accurately.

The Fiscal Office will review and approve all reports and forward them to the Executive Director to sign prior to submission to the funding sources.

The Fiscal Office will prepare and maintain a current listing of reports and due dates, and insure that all reports are submitted on a timely basis.

## **FRAUD POLICY**

### **Scope**

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with Mo-Kan. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with Mo-Kan.

### **Policy**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Fiscal Officer or the Executive Director. Alternatively, if the detected or suspected fraud is attributed to the Fiscal Officer or the Executive Director, a report may be made directly to Chair of the Mo-Kan Board of Directors. Once detected or suspected fraud is reported the Fiscal Officer, Executive Director, or Board Chairperson will coordinate an investigation.

### **Actions Constituting Fraud**

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Mo-Kan
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of Mo-Kan
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to Mo-Kan.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

### **Other Irregularities**

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management and the Human Resources Department.

If there is a question as to whether an action constitutes fraud, contact the Fiscal Officer or Executive Director for guidance. If the question of an action constituting fraud involves the Fiscal Officer or the Executive Director contact the Chair of the Mo-Kan Regional Council's Board of Directors for guidance.

### **Investigation Responsibilities**

The Fiscal Officer and Executive Director have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Fiscal Officer and Executive Director may utilize whatever internal and/or external resources considered necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Fiscal Officer and Executive Director will issue reports to appropriate designated personnel and, if appropriate, to the Mo-Kan Board of Directors and/or the Executive Committee.

Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrong doing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the organization. It is the policy of Mo-Kan to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

### **Confidentiality**

The Fiscal Officer, Executive Director and the Chairman of the Board will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Fiscal Officer 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 below).

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 Mo-Kan from potential civil liability.

### **Authority for Investigation of Suspected Fraud**

The Fiscal Officer, Executive Director and/or Chair of the Mo-Kan Board of Directors will have:

1. Free and unrestricted access to all Mo-Kan records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

### **Reporting Procedures**

Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Fiscal Officer, Executive Director or Chair of the Mo-Kan Board immediately. The employee or other complainant 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 Fiscal Officer, Executive Director, Board Chair 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 Fiscal Officer, Executive Director, Board Chair or Mo-Kan legal counsel.

### **Timeliness**

If an investigation is required, it shall be undertaken as quickly as possible by the person responsible for its completion. While the top priority of the investigation shall always be the collection of accurate information and documentation; it should also be a priority to conduct such an investigation in as timely a manner as possible.

See Appendix C for additional procedures. (Added August 22, 2018)



## OTHER

Loans from outside sources (banks, other agencies, etc.) will be approved by the Board of Directors and funding source, if applicable.

Accurate minutes of all meetings of the Board of Directors will be prepared by the Executive Assistant. The Executive Director, Fiscal Officer, and all current Board members will receive a copy of the minutes. The Fiscal Officer will note all items in the minutes relating to finance and take appropriate action.

Each program will pay for direct costs relating to that program. In addition, some programs may be charged costs based on a cost allocation affecting their program.

Program related income will be used for the total cost of the program generating the income.

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

Fiscal procedures will be reviewed annually by the Fiscal Officer, with any changes in the fiscal procedures manual to be approved by the Board of Directors prior to implementation.

In all cases where telephone approval is given by a funding source, a letter or email confirming that conversation and its contents will be immediately prepared and sent to the funding source.

The Form 990 and 5500 will be prepared by the Fiscal Officer or a Certified Public Accounting firm and signed by the Executive Director.

Unauthorized duplication of copyrighted computer software violates the law and is contrary to Mo-Kan's standards of conduct. Mo-Kan disapproves of such copying and will not tolerate the making or using of unauthorized software copies under any circumstances.

**Record Retention Policy** . Mo-Kan Regional Council will adopt a policy similar to the Northwest Workforce Development Board's (WDB) Issuance #A19. This policy [2 CFR 200.333] states, in part, that financial records, supporting documents, statistical records and all other non-federal entity records pertinent to a Federal award must be retained for period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported the Federal awarding agency or pass-through entity in the case of a subrecipient.+ (Added - August 22, 2018)  
(See Appendix B)

**Personally Identifiable Information (PII)** - All data that is collected must be secure and as such, must never be released to any entity outside of Mo-Kan without proper prior approval. This would include, but is not limited to: social security numbers, driver's license numbers, credit card information, unique assigned numbers, financial information, and medical or health information. (Added - August 22, 2018)

## APPENDIX A

As Mo-Kan Regional Council is primarily funded by federal loans and grants, Mo-Kan is required to comply with federal provisions and assurances in the execution of those loans and grant funds. As such, not only is Mo-Kan required to be in compliance but to also ensure that Mo-Kan does business with vendors that also comply (where appropriate) with those requirements. These requirements/compliances include:

### ***Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards***

*In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.*

*(A) **Contracts for more than the simplified acquisition threshold currently set at \$150,000**, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.*

*(B) **All contracts in excess of \$10,000** must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.*

*(C) **Equal Employment Opportunity**. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” ( 30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”*

*(D) **Davis-Bacon Act**, as amended ( 40 U.S.C. 3141- 3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act ( 40 U.S.C. 3141- 3144) as supplemented by Department of Labor regulations ( 29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act ( 40 U.S.C. 3145), as supplemented by Department of Labor regulations ( 29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.*

*(E) **Contract Work Hours and Safety Standards Act** ( 40 U.S.C. 3701- 3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by*

Department of Labor regulations ( 29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

**(F) Rights to Inventions Made Under a Contract or Agreement.** If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

**(G) Clean Air Act ( 42 U.S.C. 7401- 7671q.) and the Federal Water Pollution Control Act ( 33 U.S.C. 1251- 1387), as amended -** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act ( 42 U.S.C. 7401- 7671q) and the Federal Water Pollution Control Act as amended ( 33 U.S.C. 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

**(H) Debarment and Suspension (Executive Orders 12549 and 12689) -** A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 ( 3 CFR part 1986 Comp., p. 189) and 12689 ( 3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

**(I) Byrd Anti-Lobbying Amendment ( 31 U.S.C. 1352) -** Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

**(J) See § 200.322 Procurement of recovered materials.**

As a vendor seeking to contract for services &/or equipment with Mo-Kan Regional Council, we affirm that our agency/company complies with the above applicable requirements. Exceptions, if any, are noted below

Company Name: \_\_\_\_\_

Company Official/Title: \_\_\_\_\_

Date: \_\_\_\_\_



## APPENDIX B

### Record Retention Policy

As Adopted from <https://nwwdb.org/administrative-and-program-procedures/> August 22, 2018  
Issuance No: A19

#### **Definition:**

Uniform Guidance **2 CFR 200.333** indicates financial records, supporting documents, statistical records and all other non-federal entity records pertinent to a Federal award must be retained for a **period of three (3) years** from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.+ Records and/or documents may include, but are not limited to, paper documents, e-mails, web files, text files, sound and movie files, PDF documents and all Microsoft Office or other formatted files, etc. The three (3) year retention period assumes no audit/litigation problems would require an extended retention period. If any litigation, claim or audit is started before the expiration of the original retention period, the records must be retained until all findings have been resolved and final action has been taken, or until the end of the regular three (3) year record retention period, whichever is later.

The WDB will adhere to the requirements outlined above to include all records for WIOA Title I and WDB funded programs.

#### **Custody of Records:**

To avoid duplicate record keeping, subcontractors will retain records that are required for joint use (recipients/grantees or subrecipients/sub grantees). In the event the WDB identifies a need for such records, during the prescribed period of time, the WDB will have the right to transfer those records to its custody. When the records are transferred to or maintained by the WDB, the retention requirement does not apply to the subcontractor that relinquished its records.

If any records are unintentionally disposed through acts of man or God prior to the three year period, the WDB must be notified immediately. The WDB will request approval from DWD before any records are destroyed.

## APPENDIX C

### Fraud and Abuse Procedures

As Adopted from <https://nwwdb.org/administrative-and-program-procedures/> August 22, 2018  
Issuance No: A8

*In accordance with DWD Issuance 23-2015 and TEGL 02-2012*

Recipients of federal awards under WIOA or the Wagner-Peyser Act are obligated to report incidents of fraud, waste, misappropriation, or theft of those funds by the recipient, or a subrecipient, as a condition of receiving of funds. DWD Issuance 23-2015 makes reference to 20 CFR 683.200(h) which requires reporting of criminal fraud, waste, abuse, or other criminal activity.

In the WIOA implementing regulations, 20 CFR 683.200(h) stipulates that all WIOA Title I and Wagner-Peyser Act recipients of federal awards must disclose violations of federal criminal law potentially affecting the award. The Rule incorporates by reference the requirements of the Uniform Guidance for Federal Awards at **2 CFR 200.113**, Mandatory Disclosures. This Rule requires:

*The non-federal entity or applicant for a federal award must disclose, in a timely manner, in writing to the federal awarding agency or pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Failure to make required disclosures can result in any of the remedies described in 200.338 "Remedies for noncompliance," including suspension or debarment.*

The above-referenced Rule at **2 CFR 200.338** prescribes the following remedies or penalties for noncompliance with mandatory disclosures:

*If a non-federal entity fails to comply with federal statutes, regulations, or the terms and conditions of a federal award, the federal awarding agency or pass-through entity may impose additional conditions, as described in 200.207, "Specific conditions." If the federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:*

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-federal entity or more severe enforcement action by the federal awarding agency or pass-through entity;*
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.*
- (c) Wholly or partly suspend or terminate the federal award.*
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a federal awarding agency).*
- (e) Withhold further federal awards for the project or program.*
- (f) Take other remedies that may be legally available.*

It is the policy of North Central Missouri College and the Northwest Workforce Development Board that the highest standard of ethical conduct be maintained by Board members, contracted agencies, and staff alike. To achieve and maintain this standard and to abide by DWD Issuance 23-2105 and TEGL 02-2012, there are various policies, procedures, and activities in place:

- NCMC Board Policy Manual
- Northwest WDB Administrative Procedures
- Financial Procedures Manual
- College Audit
- Travel Procedures
- Time sheets
- Inventory control
- Annual Fiscal Monitoring/ Program Evaluation
- Annual Continuous Improvement Review

In those rare circumstances when established standards are not met, this procedure should guide actions. For purposes of this procedure, the following definitions will be used:

Fraud . intentional perversion of the truth in order to induce another to part with something of value.

Abuse . intentional misrepresentation for personal gain.

Waste . intentional or neglectful use of resources which minimizes their intended effect or contribution.

It is the shared responsibility of all WDB staff to communicate openly any concerns of irregular practices which involve travel expenses, payroll, procurement, time sheets, agency equipment/ supplies, or any other business/ financial records. However, it is not the responsibility of employees to investigate or determine if fraud or abuse has actually occurred. Upon receiving a report of irregular practice, the Director shall:

1. Ensure necessary precautions are taken to prevent recurrence.
2. Determine whether partial or full recovery is possible (fidelity/ surety bonds, liability insurance, employee repayments, etc.).
3. Conduct preliminary investigation through interviews and/ review of records.
4. If necessary, conduct in-person interviews.
5. Notify Missouri Division of Workforce Development and US Department of Labor

Cases of fraud and abuse will be determined on an individual basis. The Director may consider verbal warning, written warning, probation, or termination based upon the severity of the infraction. In case of charges against the Director, the College President and WDB Chair shall be notified to serve in the investigative and hearing role. If necessary, they will make a final recommendation to the Workforce Development Board and the Board of Trustees.

Any cases of confirmed fraud, waste, or abuse by contracted agencies of the WDB that rise to the level of disciplinary action must be reported to the WDB Director as soon as is legally possible. In all cases where WDB or contracted agency situations result in criminal charges being filed, the Workforce Development Board, the College President, the Division of Workforce Development, must be notified immediately and concurrently.

## APPENDIX D

### Inventory Policy

As Adopted from <https://nwwdb.org/administrative-and-program-procedures/> August 22, 2018  
Issuance No: A18

**Definition:** Property means real property or personal property. **Uniform Guidance 2 CFR 200.78, 2 CFR 200.85 and 2 CFR 200.311** shall be referred to for guidance on property.

**Equipment**, as defined in **2 CFR 200.33**, consist of tangible personal property (including information technology systems) having a useful life of more than one year and a per unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.+ In other words, equipment with per-unit fair market value of less than \$5,000 shall not qualify as equipment under this definition.

**Supplies**, as defined **at 2 CFR 200.94**, consist of tangible personal property other than equipment.+ Thus, all tangible personal property acquired with a per-unit fair market value of less than \$5,000 shall be considered supplies.

**Tracking:** The Northwest WDB will maintain a listing of all property defined as **equipment** as well as maintain a record of tangible **supplies** with a per-unit acquisition cost of \$500. This is in keeping with the college's policy on inventory which is identified in Section #6.5.00 of the NCMC Board Policy Manual.

All inventoried purchases will be tagged with a label and maintained on a listing to include: **description of the item, manufacturer, serial number (if applicable), unit acquisition cost, acquisition date, location, funding source, condition at last inspection, title/ownership by percent and sale price if sold.**

A physical inspection of inventoried items will be completed on an annual basis in conjunction with monitoring visits and reconciled with WDB records. During the course of the physical inspection, any property that cannot be accounted for will become the responsibility of the last custodian, based upon the location of the item(s) from the prior year inspection. If the missing property is valued at less than \$100 or has exceeded its estimated life, no financial recovery will be implemented. However, the WDB may establish additional reporting expectations for the custodial vendor/subcontractor to reduce the likelihood of future loss. If the missing property is valued at \$100 or more and still has an expected useful life, the custodial vendor will be asked to reimburse the value of the lost property to the Northwest Workforce Development Board.

**Ownership and Authorization to Purchase:** Any **equipment** or tangible **supplies** purchased with an acquisition cost of \$500 or more will become the responsibility and ownership of the NW WDB. Purchases of **equipment** or **supplies** with an acquisition cost of \$500 or more by a subcontractor must be approved in advance by the WDB Director while equipment or supply purchases of \$5,000 or more must have prior approval from DWD.

**Disposition:** Equipment and inventoried supplies no longer being used will be included on a listing of surplus property to be reviewed and approved by the Board. A fair market value will be established by an independent third party. Disposition will be handled in the following manner:

Individual items valued at \$100 or less will be recycled, given away or tossed.



Individual items with a value over \$100 will be sold through public auction or disposed of by receipt of sealed bids.

In determining a method for disposition, priority will be given to cost-effectiveness, protection of confidential information, and conservation of natural resources.

The WDB will request prior approval from DWD to dispose of any ~~equipment~~ or **“supplies”** worth \$5,000 or more.

**Transfers:** Equipment and supplies must be utilized for the program or project for which the equipment/supplies were acquired as long as needed, whether or not the project or program continues to be supported by the WDB/DWD. Prior approval from the WDB/DWD must be obtained before any other program can encumber the property.

**Proceeds:** Uniform Guidance at **2 CFR 200.314(a)** states, ~~“If~~ there is a residual inventory of unused **supplies** exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federal award, the non-federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. ~~“Equipment or~~ **Equipment or supplies** with a per unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no obligation to the federal awarding agency.

While proceeds from the sale of equipment are not program income, they shall be reported to DWD in a manner similar to that of program income which will be used offset future equipment or program services.

The WDB shall ensure that DWD has a right to an amount of the proceeds in proportion to DWD's share (percentage of participation) in the cost of the original equipment.

## Action by Board Approving Fiscal Procedures on August 22, 2018:

### MINUTES ABCD REGIONAL PLANNING COMMISSION MO-KAN REGIONAL COUNCIL

August 22, 2018  
7:00 PM

MEMBERS  
PRESENT:  
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Leah Johnson ó Doniphan County	Joyce Simpson ó Doniphan County	Robert Burns ó Lathrop
Timothy Wymes ó City of Cameron	Gary McCrea ó Clinton County	David Farr ó DeKalb County
Bob Caldwell ó Andrew County	Ward Good ó City of Clarksdale	Tanya Zimmerman ó DeKalb County
	Greg Harris ó City of Plattsburg	Joe Stevenson ó City of Stewartville

OTHERS  
PRESENT:

Jon Ecker ó MKRC	Gary Miller - MKRC	Rebecca Thacker - MKRC
Janice Spearman ó MKRC/MCC	Laura Brewer ó MKRC/MCC	

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The combined meetings of ABCD Regional Planning Commission and Mo-Kan Regional Council were held August 22, 2018, at the Mo-Kan Regional Council offices, 224 North 7<sup>th</sup> Street, St. Joseph, MO, at 7:00 PM with Vice Chair Leah Johnson presiding. A quorum was present.

**Vice-Chair Leah Johnson called the meeting to order at 7:04 pm.** Introductions were made.

- A. Adopt Agenda:** A motion was made by Bob Caldwell to adopt the agenda as presented, Bob Burns seconded the motion. The motion passed unanimously.
- B. Approval of Minutes:** The minutes of the combined meetings of Mo-Kan Regional Council and ABCD Regional Planning Commission of June 27, 2018 were included in the board packets for review. **Motion to approve the minutes was made by Joyce Simpson, seconded by Ward Good. Motion passed unanimously.**
- C. Treasurer's Report:** Gary Miller presented the financial reports as of June 30, 2018 and as of July 31, 2018. Gary distributed additional financial statements to the board. The July 31, 2018 statements included the balance sheet, the profit & loss statement and the July check register. The June 30, 2018 statements were the balance sheet previous year comparison and the profit & loss previous year comparison. Gary noted a few items to the board. He stated that the auditors should be beginning their field work sometime in September. Gary also stated that the current bank reconciliation statements and the credit card statements will be made available at this and future board meetings. Gary encouraged board members to contact the office if they had any questions. **Motion to approve Treasurer's Report was made by Joe Stevenson, seconded by Gary McCrea. Motion passed unanimously.**
- D. Committee Reports:**
  - 1. Personnel Committee Report:** Bob Caldwell reported that the committee met to discuss the executive director position and has a recommendation under new business.
  - 2. Budget Committee Report:** Joyce Simpson reported that the budget committee met to discuss investments options for the surplus cash in the UMB operating account. Joyce stated that the committee recommends investing \$100,000 in a UMB CD for 6-months at 2.00% and investing \$100,000 in a UMB CD for 12-months at 2.35%. The recommendation was discussed ó there were no objections. Names on the CDs will be as previously approved for the other UMB Bank accounts.
  - 3. Revolving Loan Fund Committee:** Jon Ecker reported that the committee did not meet. Jon gave the board a general update on the portfolio including two pay offs and a loan servicing issue. Jon noted that the committee has a couple vacancies. Greg Harris and Joyce Simpson volunteered to serve on the committee.
- E. New Business:**
  - 1. Action Item – Resolution 2018-01: Appointment of Executive Director:** Bob Caldwell, speaking on behalf of the personnel committee, stated that Jon Ecker was introduced at the last board meeting as the proposed new executive director. Bob stated that the board had been encouraged to ask questions of the committee or Jon in regards to the pending appointment. Bob asked the board if they had any questions concerning Jon's appointment. Hearing none, Bob Caldwell stated that it is the recommendation of the personnel committee that Jon Ecker be appointed (effective immediately) to the position of Executive Director of Mo-Kan Regional Council. Chair Leah Johnson asked the board if there were any further questions or discussion. She then asked, by a show of raised hands ó those in favor of the appointment of Jon Ecker as Executive Director. All hands were raised. **The personnel committee's recommendation passed unanimously.** Applause followed. Jon thanked the board for the appointment.

2. **Action Item – Approve Workforce Development Board Contract Amendment #5 – Increase of \$67,842.17:** Gary Miller presented to the board that at the June 27<sup>th</sup> board meeting, the board approved extending the previous WDB contract for 12-months (July 1, 2018 to June 30, 2019). This amendment transfers carryover funding of \$67,842.17 from last year to the new contract year. Gary stated that amendment #5 provides additional funding to serve the Career Center customers. Discussion followed. **Gary McCrea made the motion to approve/accept Amendment #5 in the amount of \$67,842.17. Bob Burns seconded the motion. Motion passed unanimously.**
  3. **Action Item – Fiscal Procedures – Update Selected Policies:** Gary Miller reported to the board that the Workforce Development Board had completed their financial monitoring of Mo-Kan. The report was given to the board. The report noted three concerns that required Mo-Kan to respond to with corrective action. Gary explained the process and correspondence between Mo-Kan and WDB. He stated that the primary areas of concern involved missing language or specific topics in the current Financial Procedures manual. Gary listed the areas of concern as: bank reconciliations, credit card policy, record retention policy, fraud & abuse policies, insurance, equipment policy, procurement policy, and personally identifiable information protection. Gary stated the current fiscal procedures would be modified to correct the noted areas of concern. Missing policies would be added. Some policies will be adopted from the WDB fiscal procedures. The handout given to the board included the proposed changes and the proposed adopted policies. Discussion followed including particular elements and changes in general. The board was given the option of considering the changes and voting at the next meeting. Discussion continued. **Bob Burns made the motion to update the selected policies as presented. The motion was seconded by Greg Harris. Motion passed unanimously.** Following the vote, a question was asked as to when the board could see the updated Fiscal Procedures manual. Gary stated that after the changes had been added, he would attach the manual to the Mo-Kan website ([www.mo-kan.org](http://www.mo-kan.org)) and notify the board.
  4. **FYI Item – Community Action Partnership MK #656 – Duration Supplement Carry Over, \$1,740,403.** Jon Ecker advised the board of Community Action Partnership's Head Start application to carry over funds for the construction of the Head Start early childhood center in Cameron, MO. Jon stated that the FYI item is to inform the board of this direct federal funding application. Discussion followed. No action taken/required.
- F. Old Business:**
1. **Updates** – Jon Ecker reported that the By-Laws efforts are temporarily on hold. He reported that By-Law committee chair Brandt Shields has resigned from the Mo-Kan board. Jon added that as soon staffing capacity increases, we will take up this item again.
- G. Other Business:**
- No other business items/issues.
- H. Other Reports:**
- Community and Regional Planning Activities:**
- Rebecca Thacker updated the board on the Transportation Alternative Program grant opportunity, the Transportation Advisory Committee will hold their quarterly meeting on August 29<sup>th</sup>, and Mo-Kan just received a mini message board trailer with radar/speed data capabilities. She encouraged the board to contact her for help with traffic studies or grant considerations.
- Workforce Development Activities:**
- Laura Brewer shared how the Career Center distributed personal care items to customers and encouraged the board to give to the cause. The annual job fair will take place at the St. Joseph Civic Arena on September 19<sup>th</sup>. An open house of the new Career Center will be in late September. Laura encouraged counties/communities to participate in the Certified Work Ready Community initiative.
- Other Staff Reports:**
- Gary Miller updated the board on the Region H Homeland Security Grant.
- Report of Board Chairperson:**
- Leah Johnson thanked the board for their assistance with the meeting. She gave a quick update on Doniphan County strategic plan activity.
- Report of Executive Director:** Jon Ecker commended the staff and expressed his gratitude for being appointed to the executive director position. He updated the board on his recent community meetings and loan activity. He stated that efforts continue on the Buchanan County Comp Plan. He added that staff is going through a learning curve staff in regards to the EPA Brownfield Revolving Loan program. He again thanked the board and staff for their support.

The meeting adjourned at 8:08pm.