

**PASCO-HERNANDO WORKFORCE BOARD, INC.
FINANCIAL POLICIES & PROCEDURES MANUAL
(Revised July 2019)**

Effective Date(s) of Accounting Policies

The effective date of all accounting policies described in this manual is July 1, 2017 and was revised September 15, 2008, March 11, 2010 and February 1, 2011, November 2012 and July 2017, July 2019. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

Introduction

The following accounting manual is intended to provide an overview of the accounting policies and procedures for the Pasco-Hernando Workforce Board, Inc., which shall be referred to as the PHWB throughout this manual.

The PHWB is incorporated in the State of Florida and is exempt from Federal income taxes under IRC Section 501(c)(3) as a nonprofit corporation.

MISSION:

Pasco Hernando Workforce Board enhances economic development efforts of our region by providing a well trained, high quality workforce which supports the success of local business and improves the quality of life.

This manual shall document the financial operations of the PHWB. Its primary purpose is to formalize accounting policies and selected procedures for accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Organization by the Board of Directors, the CEO and the VP of Finance. All PHWB staff are bound by the policies herein, and any deviation from established policy is prohibited.

RESPONSIBILITIES

1. The CEO has responsibility for all operations and activities of the PHWB including financial management.
2. The VP of Finance is responsible to the CEO for all financial operations.

3. Financial duties and responsibilities must be separated, as staffing limits allow, ensuring that no one employee has sole control over cash receipts, disbursements, payrolls, etc.
4. The accounting books will be maintained as required by funding source regulations and GAAP. Separate bank accounts will only be maintained if required by the funding source, otherwise all funds will be comingled into one bank account for all funding sources. Unrestricted funds will be maintained in a separate bank account.

The primary responsibilities of the accounting department consist of:

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

Accounting Department Overview

The accounting department consists of the VP of Finance, the finance director and an accounts payable specialist. The department has adequate staff to manage and process financial information for the PHWB. PHWB-approved positions may include additional staff, such as an Assistant VP of Finance, Accounts Payable Clerk, and other positions as warranted by the needs and responsibilities of the Finance Department.

Position Descriptions: See job descriptions maintained in the Human Resources Department for latest job responsibilities

Standards for Financial Management Systems

In accordance with, *the Uniform Guidance GPO 2 CFR Part 200*, the PHWB maintains a financial management system that provides for the following.

1. Accurate, current, and complete disclosure of the financial results of each project or program in accordance with the reporting requirements of
2. Records that identify adequately the source and application of funds. These records shall contain information pertaining to authorizations, obligations, unobligated balances, assets, outlays, income, and interest.
3. Effective control over and accountability for all funds, property, and other assets. The PHWB shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each fund source. Whenever possible, financial information shall be related to performance and unit cost data.
5. Written procedures to minimize the time elapsing between the transfer of funds to the PHWB and the issuance or redemption of checks, warrants, or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allowability of costs.
7. Accounting records including cost accounting records that are supported by source documentation.

Compliance with Laws, Regulations, and Organization Policies

The PHWB does not tolerate:

- The willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment;
- The disregard or circumvention of PHWB policy or engagement in unscrupulous dealings.

Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

The performance of all levels of employees will be measured against implementation of the provisions of these standards.

PHWB Confidentiality

The Finance Department employees will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CEO immediately and should not attempt to personally conduct investigations or interviews/interrogations, related to any suspected fraudulent act.

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. See Sarbanes-Oxley Act of 2002.

Protection of Records

The PHWB 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. See Sarbanes-Oxley Act of 2002.

Security

PHWB's blank check stock shall be stored in a locked location in the finance office. This cabinet will be locked with a key that is kept in the finance office. Access to this file cabinet shall be by keys in the possession of the VP of Finance and/or the Finance Director .

Access to Electronically Stored Accounting Data

The PHWB utilizes passwords to restrict access to accounting software and data. Only duly authorized personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis. 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.

ACCOUNT CODING

General Description

The accounting structure has been designed to provide for tracking and reporting income and expenditures by fund or grant contract. It serves as a guide for budgeting, classifying expenditures and comparing program activities' progress as proposed in the plan (budget). The numerical configuration is designed for growth and for consistency of account designations among funds.

Account Structure

The financial system software adheres to pure fund accounting. Every fund has a balance sheet. Individual balance sheets are used for cash and payroll transactions. A combined balance sheet indicates our financial position.

The Grant/Fund code is designated by the first three numbers of the account number. The three digits of the fund code designate a specific grant. The second and third numbers usually, but not always, denote the year of the award.

The General Ledger account number (four digits) ensures revenue and expenditures are recorded in the appropriate general ledger account. These accounts are consistent in each fund.

The third set of numbers indicates the cost category. This field is not used for balance sheet and revenue accounts.

The fourth set of numbers indicates the code attached to the contracts in force for the year. This code also indicates the One Stop location that is being charged. These codes are used also to assign a reporting category (such as OSS, OJT, EWT). These codes are also used to differentiate between portions of some general ledger accounts. (telephone, internet) These codes are used only when making payments.

BOOKS OF ACCOUNT - GENERAL

The Books of Account are vital financial records of the PHWB, and are complemented by documentation supporting the accounting entries.

Books of Original Entry General Ledger

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 individual accounts. All information entered through source data and the books of original entry are automatically posted to the General Ledger. The General Ledger contains the control accounts, is the foundation for the accumulation of data and is the primary source of information used in preparing financial reports and statements.

SUBSIDIARY ACCOUNT LEDGERS

These ledgers are contained within the computerized financial system and contain detailed supporting information within the General Ledger control accounts. The VP of Finance monitors and controls the subsidiary account ledgers, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the VP of Finance who ensures that the subsidiary account ledgers are consistent with the organizational structure of the PHWB and meets the needs of the organization.

Cash Receipts

All Cash Receipts are processed uniformly as described below.

The majority of Cash Receipts are received from the State on a regular basis and are ordered through the state's financial system. Other Cash Receipts include refunds, rent payments and fees for the use of facilities. Cash draw downs are recorded as revenue to the appropriate grant. Refunds, rents and fees are recorded as reductions of expenditure on the appropriate line item or reductions in the cost of the items originally charged.

Cash is ordered weekly under the direction of the VP of Finance through the State financial system. After all invoices are received and entered into the accounts payable module of the accounting system, fund totals are compared to the cash available in each fund and to payables, projected incoming cash, expenses and payroll requirements using a cash projection spreadsheet. Projected cash requirements are noted. The spreadsheet is submitted to the VP of Finance for review and approval. The resulting cash order is entered into the State financial system by the VP of Finance or designee and confirmed as "Saved". A spreadsheet or email with the summary of the Cash Order is sent to the Department of Economic Opportunity (DEO)

Per inquiry, the cash draw is done weekly by Finance Manager and the cash needs spreadsheet is reviewed by VP of Finance to determine funds to make cash draws.

Procedure for Receipt of Cash

Cash (including checks payable to the Organization) is the most liquid asset an organization has. Therefore, it is the objective of the PHWB to establish and follow the strongest possible internal controls in this area.

When cash is received via Electronic Fund Transfer (EFT) transactions, the Finance Manager reconciles the amounts of the draw downs against the amounts requested.

Refunds and rent checks received are turned in to the Finance Office for identification and verification. Checks are scanned and stamped with a restrictive endorsement and are prepared for deposit by the designated staff member. On rare occasions cash may be received by the Finance Office. The amount is verified at the time of receipt by the finance manager or designated member and the person providing the cash for receipt. Both parties must agree to and initial the amount of cash received.

These funds are deposited once a week. Until the time of deposit, funds are secured in a fireproof file cabinet and deposited on Fridays.

Accounts payable specialist prepares the deposit slips which are then taken to the bank by Finance manager. Finance manager then prepares the applicable journal entry, which then must be reviewed and approved by VP of Finance and CEO before the entry is posted to the general ledger.

The deposit receipt is reconciled with the source documentation and the duplicate deposit slip. The deposit is then entered into the cash receipts module of the accounting system.

The complete document packet consisting of the bank deposit receipt, the duplicate deposit slip, the copies of the checks deposited and the copy of the Revenue transaction in our financial computer system are then filed in a Receipt File for future reconciliation and reference. Rents received are recorded against lease expense in the financial computer system.

CASH DISBURSEMENTS

Code of Conduct in Purchasing

The PHWB 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 statutes and executive orders.

Ethical conduct in managing the Organization's purchasing activities is absolutely essential.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, board member, employee, or agent shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.
- Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.

All Cash Disbursements are handled uniformly as described below:

Check Preparation--General

The PHWB prints vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers. Finance manager performs the check run.

All vendor 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 and business entertainment policies described in this manual, the travel policy and/or the procurement policies and procedures.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.
3. Generally, all vendors shall be paid within thirty (30) days of submitting a proper invoice upon delivery of the requested goods or services. If any

- discrepancy or delay of payment occurs, the vendor will be notified immediately.
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
 5. All supporting documentation for the checks issued is available to an authorized check signer.
 6. Checks shall be utilized in numerical order and unused checks are stored in a locked file cabinet in the Finance Office.
 7. Checks shall never be made payable to "bearer" or "cash."
 8. Checks shall never be signed prior to being prepared.

General Purchasing Procedures

Emergencies

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of organization property is involved.

Single Distributor/Source

Sole source purchases will be made only when solicitation of multiple vendors is not feasible and one of the following conditions apply:

- The item or service is only available from one source,
- The situation is a public emergency,
- The awarding agency approves the purchase, or
- Competition is deemed inadequate (insufficient bidders)

Cost/Price Analysis

A cost/price analysis is required for all procurement actions and prior approval from the funding agency may be necessary if the purchase is over the \$5,000 fixed asset threshold.

Requests for Payment

Normally, all purchases in excess of \$3,500 require that a purchase order be prepared and approved prior to placing an order with any vendor. Exceptions to the use of a purchase order are:

- Emergency purchases as described previously. Failure to plan a purchase does not constitute an emergency.

- Purchases less than \$3,500 and within budgeted guidelines. These types of purchases include normal office supplies and recurring operating materials.

Documentation to support the payment of the invoice shall include business purpose, nature of the emergency (if an emergency and greater than \$500), competitive pricing (verbal or internet) and an invoice.

Purchase Orders

All purchases greater than \$3,500 require a properly documented and approved purchase order or Request for Payment prior to placing the order with the selected vendor. Purchase order approval limits are as follows:

- \$0 to \$3,500 – department manager and VP of Finance
- \$3,500 to \$150,000 – CEO) and the VP of Finance
- \$150,001 and above – CEO and the Executive Committee

Please refer to the procurement policy for further instruction.,

PAYMENT PROCEDURES

All original vendor invoices are forwarded to the Finance Office and are compared to previously authorized Purchase Orders or with contracts in force to insure they comply with all facets of the agreement. To be considered for payment, invoices require the signature of an involved party and/or notes, including email, indicating satisfaction with the goods or services received. The involved party may be the person that placed the order or the person that gathered required documentation. No invoice signatures are required when paying regularly recurring invoices such as utilities and rent.

Service Provider invoices or requests for payment are first submitted to program staff for approval and must include documentation supporting the expenditure prior to payment. For recurring items the appropriate documentation that must be included is determined in advance. Credit Card invoices will be tallied by "like" account and double checked for accuracy.

Invoices are checked against purchase order or contracts and coded to correct general ledger codes by Accounts payable specialist. They are reviewed by the Finance manager and returned to be entered in MIP accounting system. After invoices are entered, they are submitted to VP finance for final approval before checks are issued.

Check Run Procedures

After above is completed, the vendor checks are then printed. When the run is complete, the system will print a check register, noting the Void alignment check. The batch is then posted under Manage Sessions- Post Entries to the General Ledger, and the posting is printed and filed in the finance office. All copies of invoices and checks are scanned and stored on our finance documents drive located on the server.

All unused checks are returned to the locked cabinet. The A finance manager verifies the next check number is in sequence to ensure all checks are accounted for.

Each check is divided into three parts by a horizontal perforation. The top portion is mailed along with the check itself and serves as a receipt for the payee. The "tear away" portion of the checks are separated from the checks prior to signature and are retained in the finance office for later attachment to the appropriate voucher. The checks are then provided to the CEO for signature, along with supporting documentation. The CEO compares the vendor name to the Check Register as the checks are signed, and also signs the Check Register.

The CEO may sign checks up to and including \$5,000. Checks above this amount must also have the signature of an Executive Committee member. All checks made out to the CEO must be signed by an Executive Committee member. The signed checks are then given to a designated staff member to mail or distribute.

The Accounts payable specialist records on voucher covers the check batch numbers, check numbers and date paid. All voucher covers and invoices are stamped "PAID" and dated.

The "tear away" portion of the checks are attached to the vouchers. All vouchers and documentation are scanned prior to filing. The scanned vouchers are filed alphabetically by Vendor name in the Finance Office, with the most recent to the front.

NOTE:

Under **NO** circumstances will a check:

- be prepared without following the above procedures.
- be prepared from a monthly statement.
- be issued other than in numerical order.
- be prepared or signed in advance.
- be made out to "cash" or "petty cash."

Void Checks

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 cutting out the signature portion of the check. All voided checks shall be retained to aid in preparation of bank reconciliations. Checks will be voided only on the authorization of the VP of Finance.

Checks remaining uncashed after 90 days are voided after investigation.

The only exceptions are the alignment checks printed by the system which are designated automatically as "VOID".

Voided checks are entered into the financial system through the Activities Menu, Check Writing Menu, Void Checks section. This system allows the VP of Finance and the finance manager to void the check or the attendant voucher or both. If the check only is voided, the system will post through accounts payable and then to Cash. The voucher will remain active. If both the voucher and the check are canceled, the check is voided as outlined above and the voucher is voided through

the General Functions Menu, Reverse Posted Accounting Entries. The voided check is attached to the void check register and filed with the Check Registers for future reference and reconciliations.

Stop Payment

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by VP of Finance through the Suntrust online banking system. Stop payments are made the the “void” system in our accounting program. A journal entry is made to record any related bank fees.

Unrestricted Funds

(Revised 9/15/08)

The PHWB has a separate bank account for those funds generated through fees for service, snack machine revenue, etc. The above procedures apply to this account as well as the main vendor account. Checks generated through unrestricted funds will only require the signature of the CEO or an Executive Committee member.

BANK RECONCILIATIONS

The procedure for Bank Reconciliations is as follows:

1. Bank statements are delivered unopened to the CEO by Finance Manager when they are received in the mail.
2. The bank reconciliation module of the PHWB financial system is used for PHWB accounts.
3. In the financial system, the Activities Menu, "Bank Reconciliation" is used to reconcile bank accounts.
4. The Finance manager prepares the bank recs. All cancelled checks are marked in the system. The system generates a Bank Reconciliation Register reporting all cleared and uncleared documents (outstanding checks).

5. The bank reconciliation documents and the Bank Reconciliation Register are provided to the VP of finance for review and approval.
6. The reports and bank statements are then filed by month. These documents are kept in the Finance Office.

It is the responsibility of the Finance manager to track, research and resolve all checks uncashed after three months.

CLOSING THE MONTH

At the close of each month the following procedures are followed:

- Bank statements are reconciled
- Adjusting entries are made.
- Cost pool allocation entries are prepared and recorded.
- Monthly reports to the State are prepared and submitted.
- Monthly reports to USDOL (if applicable) are prepared

The above should be accomplished as soon as possible after month end but no later than the 20th of the month following the activity.

Personnel policies and procedures fall under separate policies

PAYROLL

ADP Entry Procedures:

Funding sources are direct charged based on "time spent" by staff on activities related to each of our funding sources. Hours worked for employees whose time is not dedicated to one funding stream is accumulated in cost pools and allocated to funding streams based upon the approved cost allocation plan.

PHWB employees enter their time worked in the online ADP payroll system. They report their time in the category worked each day based on functional tasks. Time off is recorded based upon the type of leave used. Requests for leave are entered and Supervisors receive an email notification requesting approval by employee. Supervisors approve all time and human resource manager finalizes payroll, before sending to the finance manager who completes the payroll process.

Per inquiry, payroll is done online using ADP as a third party provider. ADP provides all necessary reports required to enter the information into the accounting system.

Each Payroll Period:

The following procedures will be followed prior to processing payroll:

1. Hours worked are entered in ADP Payroll by all employees.
2. Approved PTO requests are entered and approved by Human Resource Manager.
3. The Human Resource Manager the hours worked, leave taken and distribution of hours.
4. A pre-payroll report will be run. All deductions will be verified by human resource manager and/or Finance Manager.
5. The payroll entered is reviewed by the finance manager for accuracy and submitted to the VP of finance for approval. The approved payroll is electronically submitted to the processing company to prepare direct deposits.
6. A payroll journal entry will be entered into the accounting system after review and approval by the VP of Finance
7. A final journal entry will be prepared for payments made outside of the payroll processor's system with review and approval by the VP of Finance.

Cumulative Wage and Tax Information

All cumulative wage and tax information is compiled by the payroll processor. It is the responsibility of the Finance Office to compile accurate 1099 data and issue the 1099 MISC's. 1099's are issued through the Activities portion of the PHWB financial system.

Federal Taxes & Tax Deposits

All payroll taxes are computed by the payroll processor. All tax deposits are made by the Payroll processor on behalf of the PHWB.

ETA Salary Cap

The PHWB and its sub-recipients will comply with Public Law 109-234, and none of the funds appropriated in Public Law 109-149 or prior Acts under the heading of "Employment and Training" that are available for expenditures on or after June 15, 2006, shall be used by a recipient or subrecipient of such funds to pay the salary

or bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided under section 101 of Public Law 109-149.

JOURNAL ENTRIES

Periodically it is necessary to generate accounting transactions internally through the use of journal entries. Examples include:

- Adjusting and re-classifying entries
- Corrections of posting errors
- Monthly, Quarterly, and Year-end closing entries
- Nonrecurring accruals of income and expenses
- Quarterly and Year-end accruals
- Cost Allocation Entries
- Recording payroll entries

It is the responsibility of the VP of Finance or designee to initiate and construct all journal entries. An approved journal entry is entered into the financial system in the "Transaction" portion of the program under "Journal Entry". The documentation is attached to the Posted Transaction Register. If prepared by a designee of the VP of Finance, the completed journal, accompanied by supporting documentation, is presented to the VP of Finance for review and approval. Documentation must include an explanation of the nature and the purpose of the journal entry. Journal entries prepared by the VP of Finance will be provided to the CEO for his review and approval.

All completed journal entries are filed by sequence for future reference.

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to accruals of recurring expenses.

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal voucher.

All journal entries not originating from subsidiary ledgers shall be authorized in writing by the VP of Finance by initialing or signing the entries.

PROPERTY/INVENTORY CONTROL

(Revised 9/15/08)

The PHWB uses a barcode system for inventory control. Equipment purchased for \$5,000 or more is capitalized over its useful life. Other less costly items, such

as computers and related items may also be entered into the inventory control system for internal tracking and insurance purposes.

Our IT vendor maintains records

The VP of Finance, as well as the IT Contractor will track all items newly purchased during a year and those stated for surplus in order to report these items accurately to the auditors to record changes in fixed assets on the balance sheet.

Fixed Asset Ledger
(Added 1/12/12)
(Revised 9-13-12)

The Fixed Asset Ledger will include the following information regarding each asset:

Asset Type ID
Asset Account Number
Asset ID
Asset Tag
Description of Asset
Acquisition Date
Most Recent Depreciation Date
Cost
Beginning Depreciation
Current Year Depreciation
Accumulated Depreciation
Net Book Value
Location Code
Source of Funds to include Federal Grant Award Number and percentage of funds charged to that Award Number.
FAIN #
Condition
Date Condition Determined

Disposition of Surplus Property
(added 9/15/08)

Once items have been officially approved as surplus, disposal or destruction by the appointed committee of Board Staff, the following information shall be recorded on the individual property record for each item:

- 1) Date of disposition;
- 2) Justification for the certification as surplus property;

- 3) Manner of disposition (sold, donated, transferred, scrapped, destroyed or traded);
- 4) Documentation of the employee(s) witnessing the disposition process if scrapped or destroyed. (The guardian of the items is prohibited from being a witness);
- 5) The tracking number and dollar amount if the asset is sold by the guardian; and
- 6) For items disposed as a result of casualty loss (destroyed beyond repair, etc.), the value of insurance proceeds and bar code number as well as documenting the reason for disposition.

All written documentation for disbursement of surplus property will be retained by the guardian.

TRAVEL

(Revised 9/15/08 and 3/11/10 and 5/20/10 and 7/1/17)

Travel by PHWB employees, One-Stop staff and Board members is necessary and useful in the operation of a successful entity.

All trips for education, training, or official business outside of Pasco and Hernando counties shall be approved in advance by the employee supervisor, or his designee. The Travel Authorization Form is submitted to the CEO and is accompanied by a brochure or agenda for the meeting/conference. Approval is based on the availability of funds and the value of the trip to the PHWB.

In instances where PHWB board members, One-Stop staff, subrecipient staff and employees are in an approved travel status, pre-approved, reasonable and necessary per diem allowances and travel expenses may be reimbursed. Such reimbursement shall be at the standard travel reimbursement rates established in 112.061 Florida Statutes (currently .445 per mile) and shall be in compliance with all applicable federal and state requirements.

No funds may be used for entertainment costs and recreational activities for board members and employees. There will be no reimbursement for meals incurred on short or day trips where the traveler is not away from his or her official headquarters overnight (Class C travel).

To be reimbursed for travel expenditures, the employee must complete a PHWB Travel Reimbursement form. Map mileage must be used for mileage reimbursement. Parking, taxi or other expenses claimed must be supported by receipts. All other documented expenses are listed on the Reimbursement form. The form and receipts may then be submitted to the Finance Office for reimbursement. A copy of the original approved travel authorization, if required, is attached by the Finance Office prior to approval. If an advance has been allowed, it is reconciled at this time.

All Requests for Reimbursement of local mileage must contain actual map mileage, not estimates, except in the case of locations listed on the Mileage Calculations list on the staff portal. The beginning travel location should be from the closest one stop center to that location. Since many employees who travel tele-commute, it is unreasonable to determine beginning point of origin from any place other than closest center. If an employee is scheduled to work from a one stop center, that will be considered their official headquarters for the day.

Official Headquarters: The official headquarters is normally the same city or town as that of the office to which the employee is assigned. For an employee located in the field where there is no established office, the headquarters will be the city or town nearest to the area where the majority of the employee's work is performed, or such other city, town, or other area as may be designated by the supervisor. In all cases of such designations, the location must be in the best interest of our organization and the customers we serve, and is not determined based upon the convenience of the employee.

Point of Origin: The geographic location of the traveler's official headquarters or the geographic location where travel begins, whichever is the lesser distance from the destination.

Travel between these frequently traveled locations will be reimbursed as stated on that list. These requests must be submitted to the Finance Office after approval by the employee's supervisor. The CEO's travel will be countersigned by the Board Chair or other designated Board member.

AUDITS

Annual Audit Plan

The PHWB will provide an annual audit plan to the State within allowable time given by DEO and USDOL after end of year. The plan will include but is not limited to the following components:

The procedures for obtaining audit services for the PHWB. The audit firm will be selected through an RFP process that adheres to all procurement standards in 2 CFR 200 subpart F. The RFP will state the selected firm cannot provide services for more than five years.

A statement that the PHWB will obtain an engagement letter from the selected auditor indicating that the audit will adhere to regulations contained in DEO Policies and 2 CFR 200.

A statement of target dates for the beginning and completion of the audit as well as dates for submission of all resulting audit reports. The target dates that must be included are as follows:

- Commencement date of audit
- Date of Exit interview
- Date Audit reports due to the PHWB
- Date for Submission of reports and corrective action, if necessary, to the State.
- Date for Submission of audit resolution report showing corrective actions taken.
- Date for Final resolution of all audit findings

Identification of all funds to be audited, including all qualified service providers, profit and non-profit. Any service providers not requiring audit per regulations will be identified and monitored closely by the PHWB.

Audit Procedures - Going Out of Business

All contracts for vendor services will include the following stipulations:

- Immediate notification of the PHWB of possibility of cessation of business.
- Arrangement by the PHWB for an immediate grant specific audit of the service provider.
- The PHWB shall become custodian of all WIOA/TANF records
- If bankruptcy, the PHWB/Career Source will enter the proceedings as a judgement creditor if questioned costs put the PHWB in a vulnerable position.

Scope of Audits

The Auditor shall determine the following:

If the financial statements of the PHWB fairly represent its financial position and the results of its operations in accordance with generally accepted accounting principles.

If the PHWB has reasonable and proper internal controls in place to provide assurance that the management of all federal/state programs is in compliance with laws and regulations that could impact financial statements

Audits will be performed on an annual basis in compliance with OMB Uniform Guidance

Audits--Internal Controls

Institutions of higher learning and non-profit organizations must adhere to OMB Uniform Guidance

The Auditor will include in the bound audit report a statement regarding sub-recipient audits which contains the following:

- The PHWB is obtaining and acting on sub-recipient audit reports and the reports comply with OMB Uniform Guidance.
- Audit reports have been submitted within thirty (30) days of completion of the audit.
- Audit findings have been resolved within six (6) months.

SERVICE PROVIDERS

All service providers for the PHWB that receive \$750,000 or more will be audited in accordance with 2 CFR 200.501. The requirements for audit will be included in all contracts between the PHWB and service providers.

Upon receipt of the audit report of a service provider, the PHWB will review the audit report to ensure the requirements of O and have been met. For service provider audits the PHWB will use the Department of Labor, Employment and Training Administration 1993 Audit Report Quality Review Checklist as amended.

Service providers must submit their audit reports to the PHWB within thirty (30) days of receipt. The PHWB must be notified of any corrective action and/or action plans that result from the service provider's audit. Within one hundred and eighty (180) days of receipt of the audit report by the PHWB, proof of completion of corrective action and the resolution of all findings must be submitted to the PHWB.

The PHWB will respond to service provider audits by issuing a letter of determination. This letter will include statements regarding allowance or disallowance of questioned costs, whether corrective actions for administrative findings are adequate, will include a statement that all findings are subject to State and Federal review, and will address the establishment of a debt, if applicable. Repayment options available to the service provider will be enumerated. The rights of the service provider to appeal the PHWB final determination will be in accordance with Section 144 of the Workforce Investment Act of 1998, as amended.

If there are no findings relating to WIOA or TANF funds, the letter will state this and the PHWB audit file will be closed; however, the service provider will be reminded that Federal and State authorities may also review the audit.

Debt Collection Procedures

A debt is established when a final determination is issued, and if there are questioned costs as yet unresolved. If a hearing is requested regarding the final determination, the debt collection process is delayed pending the results of the hearing.

Collection Procedures:

- Immediate repayment of the debt will be requested in the final determination. This will be a certified letter, with return receipt requested.
- After thirty (30) days, if no response or repayment has been received, another certified letter will be sent requesting payment within ten (10) days.
- If still no response, the matter will be referred to PHWB legal counsel for collection through the legal system.
- Cash is the preferred repayment method for debt satisfaction and must be made from non-Federal funds.
- If "stand-in" costs are to be used to satisfy the debt, prior State approval will be obtained.

PETTY CASH

The PHWB does not utilize a petty cash fund.

STATE FINANCIAL REPORTING

Monthly financial reports are due to the Department of Economic Opportunity (DEO) by the 20th of the month following the reporting period. A report is due for each funding source or portion thereof. Monthly expenditures are entered by cost category. Total expenditures should equal total expenditures on the Trial Balance of Expenditures for the same period.

Data for the reports is derived from the Trial Balance of Expenditures that is in a format that coincides with the categories required by the state financial reporting system. The data is broken into cost categories and sub-cost categories and is entered into the state financial system by NFA ID number. If, due to issues with the state system, it is not possible to enter sub-category figures that exactly match the general ledger, a notation is made on the Cost Category Report so as to reconcile the difference.

PROGRAM INCOME

Periodically, the PHWB generates program income. When generated it is returned to the generating program or distributed among programs in the appropriate time frame and reported in the state financial system.

BUDGET

The PHWB views the budgetary process as a management tool. The VP of Finance works with the CEO and other staff to develop a useful and accurate budget. The budget is entered into a spreadsheet that shows projected revenue as well as projected expenditures by the fund source. Contracts are listed individually. Upon completion of preliminary budget, prior to June 30, the projected budget is presented to the local officials for approval. The approval is to accept a preliminary budget with the understanding it won't be final until all NFA's from DEO, carryover from current year and other funding streams have been received. This preliminary budget is then reviewed and approved by our board prior to June 30. Unless significant changes to funding occur, over 15% of total funding, new approval will not be necessary.

BOARD FINANCIAL REPORTING

The PHWB is required to approve the initial fiscal year budget and any budgetary changes proposed by the CEO. The CEO is authorized to accept additional funding for existing program expenditures from funding sources throughout the program year. Only significant budget changes will be presented to the board for approval of 15% or more— ordinary line item changes do not require approval. The Board receives a Budget spreadsheet whenever the budget is revised, and a Statement of Revenues and Expenditures for each meeting.

BUSINESS MEETING EXPENSE

The PHWB adheres to CFR 200.432 regarding Business Meeting Expenses. Meetings are approved in advance by the PHWB and expenses relating to the meetings are carefully monitored for appropriateness and prudence. Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All required receipts must be attached.

COST ALLOCATION PLAN

All costs that can be identified as attributable to specific programs, are charged directly to those programs. Costs which are shared are charged to the appropriate cost pool and monthly are distributed to specific funding sources based upon the cost allocation plan approved by approving agency.

CREDIT CARD POLICY

The PHWB has an active business credit card account at our bank. The cards issued to staff members are to be used for business purposes only. If the account is used for personal expenses, the staff member will have to turn in their card and face disciplinary action. Some expenditures that are prohibited from purchase using a credit card are Capital assets and items disallowed by the Cost Principles. Prohibited expenditures are not limited to these examples.

The staff members having cards are the CEO, Vice President of Business Services, Finance Manager, Sr. VP of Finance, Human Resource Manager, Sr. Operations Manager, Program Assistant. The cards, when issued, are to be kept in the individual's wallet or purse and never lent to other individuals. If a staff member finds their credit card lost, damaged or stolen, they are to report it to the Finance office immediately, as well as contact Suntrust immediately and report the card lost or stolen. The employee will order a new card for use and notify finance of the credit card number once received.

When a staff member needs to purchase something with their business credit card, they must follow the purchasing procedures outlined in the purchasing policies. All shopping and approvals are necessary **prior** to making the purchase. Items under \$500 must also have prior approvals in place and receipts must be submitted on a Request for Payment with all receipts and documentation attached.

When the transaction is complete, the resulting invoice must be signed and returned to the Finance Office immediately.

In an emergency or unusual circumstance, a verbal or e-mail notification to the Board Office for approval must be attempted. The resulting invoices must accompany the Request for Payment as well as a written explanation of the situation causing the emergency purchase.

Credit Card POLICY & PROCEDURES

I. PURPOSE

To establish criteria for the use of gas cards and credit cards issued on behalf of the Pasco Hernando Workforce Board, Inc to staff for the purpose of purchasing fuel, travel and other necessities for the board business

II. OVERVIEW

The use of credit cards has proven to be a cost effective and efficient way of operating business. Credit cards are used for small purchases in line with our procurement policy, to cover the costs of travel and incidentals instead of waiting on a check or reimbursing an employee for use of their personal cards.

III. DEFINITIONS

For the purpose of this policy the following definitions apply:

- A. *Finance manager*- This individual shall review and approve a Cardholder's monthly statement of account
- B. *Cardholder*- The Individual who is issued a credit card and authorized to make purchases in accordance with these procedures.
- C. *Single Purchase Limit*- A dollar amount limitation of purchasing authority delegated to a Cardholder. This dollar limit may vary depending on the guidance from the VP of finance and/ or the CEO.
- D. *Vendor*- A company from which a Cardholder is purchasing fuel, merchandise or services under the provisions of this procedure.

IV. PROCEDURE

A. Issuance of credit cards

1. All Pasco Hernando Workforce Board, Inc. employees issued a charge card must sign documentation verifying agreement to the conditions of use.
2. The CEO or his designee will determine the purchase authority of the employees relay information to finance for their records.

B. Use of the credit Card

1. All charge cards are assigned to an employee.
2. The charge card is to be used in the conduct of the company's business only. The use of a PHWB charge card to acquire or purchase goods and services

for other than official use of the company is fraudulent use and may subject the employee to disciplinary action up to and including dismissal as specified in the PHWB Personnel Policy.

a. The Cardholder will forward all vendor receipts to Finance for future reconciliation of the credit card statement.

3. The Card Holder is responsible for checking with the vendor prior to obtaining service to verify vendor accepts visa cards.

The credit cards may be used for purchases of an pre-approved necessary purchase as covered in our procurement policy

C. Unauthorized credit Card Use

1. The charge card **SHALL NOT BE USED** for the following:

a. Personal purchases or identification

b. Any purchases that are not in compliance with our purchasing policies.

c. Service/Maintenance on a vehicle above and beyond scheduled maintenance unless approved by Management.

2. A Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank or card company in connection with the misuse. The Cardholder will also be subject to disciplinary action, which may include termination.

D. Cardholder Record Keeping

1. Whenever a purchase is made, receipts shall be obtained as proof of purchase. Receipts, which will be used to verify the purchases listed on the Cardholder's monthly charge credit statement, will be turned in to Finance to show proof of purchase 2. When the purchase is made over-the-counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible for checking that the vendor lists the quantity, fully describes the items(s), and includes sales tax, prior to the Cardholder signing the slip. If the receipt is lost, a written email must be sent to finance manager with explanation to be approved by CEO.

E. Payment of charge Card Purchases

1. The PHWB Finance department will ensure that sufficient funds are available to pay for anticipated purchases.
2. Finance Department staff will reconcile the monthly statement and attach the receipts.
3. Accounts Payable will review the documents for correctness, charge the proper accounts, and process the statement for payment.

F. Cardholder Security

1. It is the Cardholder's responsibility to safeguard the charge card to the same degree that a Cardholder safeguards his/her personal credit information. A violation of this trust will result in that Cardholder having his/her card withdrawn and disciplinary action.
2. If the card is lost or stolen, the Cardholder shall immediately notify a member of the Finance Department, and immediately contact the credit card company.
3. A new card shall be promptly issued to the Cardholder after the reported loss or theft. If a card is subsequently found by the Cardholder after being reported lost, it shall be given to the Finance Manager to be destroyed.
4. An employee may have two cards replaced due to loss or theft. After that their credit card privileges are revoked. If an employee is found guilty of theft due to negligence in care of security, replacement cards will not be issued.

G. CARDHOLDER SEPARATION

Prior to separation from the PHWB, the Cardholder will surrender the credit card and current charge card purchase receipts to the HR Manager or other individual performing the exit interview. Upon its receipt, the HR Manager will immediately forward the charge card(s) to the VP of Finance.

Sponsorship Policy

Adopted June 6, 2010

Purpose

To establish the chain of responsibility for entities to sponsor activities and facilities with the Pasco Hernando Workforce Board (PHWB) resulting in the generation of unrestricted funds or products.

Definition

Sponsorship is defined as "a business deal between two or more parties in which one party meets all or part of the costs of a facility, project or activity in exchange for commercial benefit"

Examples of Sponsorship: *Seminar Sponsorship, Job/Career Fair Underwriting, Business Advantage Seminars, Best Place To Work Annual Recognition Breakfast, Advertisement on Career Central Website, Advertisement on Career Central Mobile One Stop*

General principles

PHWB (also referred to as the Board) will endeavor, where possible and appropriate, to work in partnership with local, regional and national businesses to identify opportunities for sponsorship that will be of mutual benefit.

PHWB will not enter into sponsorship agreements with any business which is in legal or financial conflict with the Board or the State of Florida nor which connects the Board with any political party or pressure group.

Sponsorship agreements must not be regarded by any business as a means of gaining favorable terms from PHWB in any other business agreements.

PHWB should **only** seek to enter into sponsorship agreements with businesses whose values, practices and products are not in conflict with Board policy, vision, or ethic.

PHWB will ensure partner is aware that our sponsorship does not cover the unallowable costs, such as food and liquor, as defined in 2 CFR 200.

Coordination and approval procedure

Any employee or Board member planning to approach a business with a sponsorship proposal should first consult with both the Vice President of Business Services (VPBS) and the CEO to avoid several approaches being made at the same time to the same sponsor by different parts of the Board.

The VPBS will then check with the Board's VP of Finance to ensure that the potential sponsor is not in legal or financial conflict with the Board.

The VPBS will also consult with the Better Business Bureau to determine whether the potential sponsor is known to operate in a manner that may be considered as prejudicial to the best interests of consumers or in breach of any trading standards legislation.

The employee seeking sponsorship should identify at the outset the sum which they are seeking to raise. They should also agree with the VPBS on the criteria

that will be applied in determining an appropriate sponsor for the project in question.

Information on PHWB projects seeking sponsorship will be available via www.careercentral.jobs. In cases where it is proposed that more than \$5,000 should be raised from a sponsorship deal, additional steps may need to be taken to advertise the opportunity to potential sponsors.

The VPBS is responsible for approving the suitability of any potential sponsorship agreement within their department, in consultation with the CEO and other funding partners.

A legal contract between PHWB and the sponsor will support all sponsorship agreements. It must be signed by the CEO on behalf of the Board.

The VPBS will appoint an individual to act as the Board's Administrative main contact with the sponsor throughout the duration of the sponsorship agreement.

Financial procedure

In the case of cash sponsorship, in general payment should be made in full at the beginning of the period of sponsorship, unless the agreement runs for more than one fiscal year, in which case a phased payment can be agreed.

It is the responsibility of the appointed Board representative to coordinate with the VP of Finance to follow financial regulations relating to the banking of sponsorship income. Similarly, if sponsorship is in terms of goods or equipment, guidelines relating to inventories should be followed.

Marketing and media relations

Media relations for all sponsorship agreements will be handled by the PHWB 's Media Representative, unless otherwise agreed with the named employee.

All information for the media produced by the sponsor must be approved by the VPBS before circulation, to include:

- The size and positioning of sponsors' logos on promotional material and signs
- The use of the Board's corporate identity on any sponsors' publicity

The use of sponsors' logos and other branding must not interfere with the Board's own corporate identity.