The document is intended to provide an overview of the fiscal policies and procedures for Family Resource Agency, which shall be referred to as "the Agency" or "the Organization." Family Resource Agency is incorporated in the state of Tennessee and is exempt from Federal Income taxes under IRC Section 501(c)(3) as a not for profit corporation. Family Resource Agency is also authorized by the IRS and the state of Georgia to provide Head Start services to six counties in northwest Georgia. These services are provided through an IRS approved subordinate of Family Resource Agency called Family Resource Agency of North Georgia. Family Resource Agency of North Georgia operates under the umbrella of the parent corporation, Family Resource Agency, Inc. The mission of Family Resource Agency is as follows:

We serve families, children and adults in ways that improve their quality of life and enable them to become more self-sufficient productive members of the community.

This manual will document the financial operations of the Organization. The primary purpose of this manual is to formalize accounting policies and selected procedures for the fiscal staff and to document internal controls.

The contents of this manual were approved as official policy of the Organization by the Board of Directors on the date listed above.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	10.0100
Revised:	10/24/2011	**General**	

The Agency is governed by a volunteer Board of Directors. The Board of Directors is responsible for establishing fiscal policies, selecting an auditing firm and general oversight of the Agency and its operations. The CEO has the responsibility of recommending policies to the Board and implementing those policies approved by the Board to cover the day to day operations of the Agency. The CEO in turn involves the Fiscal Director in the development of the fiscal policies that are recommended to the Board. The Fiscal Director and the Program Directors are supervised by the CEO.

This policy outlines how the Board and Management intend to operate. Occasionally the Board or CEO may make an exception to this policy or procedure or provide a more extensive interpretation or clarification of policy if it is deemed to be in the best interest of the Agency.

Current job descriptions will be maintained and revised periodically as needed. Minimally these job descriptions outline the various duties and responsibilities for the position described. As much as is feasible, duties and responsibilities will be separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts or any other material duty performed by the fiscal department.

Accounting activity will be maintained and reported separately as required by funding source regulations. All employees handling funds will be covered by employee crime insurance in accordance with funding source regulations. All official forms pertaining to financial operations will be typed, computer generated, or completed in ink. All certifying signatures will be signed in ink as well. The financial records of the Agency, including bank statements, are located at the main administrative office in Cleveland, Tennessee. To protect the sensitive data contained in these documents, the Agency does not allow this information to be removed from the administrative office.

The Fiscal Department consists of eight staff who manage, process and report financial information for the Agency. The following positions comprise the Fiscal Department:

- Fiscal Director
- Fiscal Services Coordinator
- Accounts Payable / Benefits Manager
- Payroll Specialist
- Accounts Payable Specialist
- Payroll / Benefits Assistant
- Fiscal Specialist
- Fiscal Assistant

Other officers and employees of the Agency that have financial responsibilities are as follows:

- CEO
- Executive Assistant to the CEO
- Program Directors or their designees
- Full Board of Directors
- Board Officers

The primary responsibilities of the Fiscal Department consist of:

- General ledger maintenance
- Cash management
- Asset management
- Cash receipts
- Accounts payable
- Payroll and benefits
- Financial statement processing
- Bank reconciliation
- Compliance with government reporting requirements
- Assistance in the annual audit process
- Assistance in the budgeting process

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	20.0100
Revised:	10/24/2011	**Practice of Ethical Behavior**	

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Family Resource Agency depend to a very large extent on the following considerations. Any employee determined to be in violation of this policy, or any Agency policy, is subject to discipline up to and including termination.

Each employee is responsible for applying common sense in business decisions where specific rules do not provide all the answers. In determining compliance with this standard in specific situations, employees should ask themselves the following question.

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Family Resource Agency's policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?
8. Would a reasonable person make the same decision under similar circumstances?

Each employee should be able to answer "yes" to all these questions before taking action. All employees must carefully weigh all courses of action suggested in ethical as well as economic terms and base their final decisions on the guidelines provided by this policy. If an employee feels policy is not clear in a certain area, the employee should seek clarification from their immediate supervisor. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is prohibited by this policy or any other regulation that Family Resource Agency must adhere to.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	20.0200
Revised:	10/24/2011	**Governing Regulations**	

Family Resource Agency receives revenue from many different funding sources. Each grantor requires recipients of their funding to comply with the regulations they have adopted. These regulations are typically spelled out in the grant award or funding contract. Each individual program director or their designee is responsible for ensuring that items they approve to be paid for with funding from their program are necessary, reasonable and allowable according to the regulations of the funding source being charged.

In the course of business, situations may arise in which an Organization decision maker has a conflict of interest or in which the process of making a decision may create the appearance of a conflict of interest.

All directors and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Organization in dealing with the outside entities or individuals.
2. Disclose real and apparent conflicts of interest to the Program Director, CEO or Board member.
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

A conflict of interest arises when a director or employee involved in making a decision is in the position to benefit, directly or indirectly, from his/her dealings with the Organization or person conducting business with the Organization. A potential conflict of interest exists when a director or employee or his/her immediate family owes/owns or receives more than 1% of the benefitting business or profits.

Examples of conflicts of interest include, but are not limited to, situations in which a director or employee:

1. Negotiates or approves a new contract, purchase, sale or lease on behalf of the Organization and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
2. Employs or approves the employment of or supervises a person who is an immediate family member of the director or employee;
3. Sells products or services in competition with the Organization;
4. Uses the Organization’s facilities, other assets, employees or other resources for personal gain, except the use of Agency equipment such as copiers, postage meters, fax machines, printers and cell phones as long as the employee reimburses the Agency for any personal use as required later in this policy;
5. Receives a substantial gift from the vendor of more than $25 in retail value with a limit of $100 per year per source if the director or employee is responsible for initiating or approving purchases from that vendor.

This conflict of interest and nepotism policy also extends to the Agency’s employment practices. No person shall be employed while s/he or a member of his/her immediate family serves on a board or council of this Agency, if the board or council has the authority to order personnel actions affecting his/her job. This includes a board or council that either by rule or practice, regularly nominates, recommends, screens, or approves candidates for the Agency or program by which he is employed. No person whom this policy would apply may submit an application for employment while s/he or an immediate family member serves on a board or council as described above. However, a Policy Council member may be employed as a substitute but must abstain from voting on any issue directly relating to that position classification.

No person shall be employed in a job over which a member of his immediate family exercises supervisory authority. No person shall enter into a paid procurement for goods or services with a relative. For the purpose of above, a member of an immediate family shall include any of the following persons:

Husband	Wife	Brother
Father	Father-in-law	Brother-in-law
Mother	Mother-in-law	Sister
Son	Son-in-law	Sister-in-law
Daughter	Daughter-in-law	

In addition, the Agency also considers it improper, and the same policy applies, if the relationship is a "step" or "half" relationship involving any of the above named relatives (i.e. step-brother, step-mother, half-sister).

It is the policy of this Agency that relatives should not be employed in a position which there is supervisory relationship. If such a relationship should be created by promotion or reassignment or come to light after both are employed, then one or both persons would have to be transferred or terminated to remedy the potential conflict of interest situation. An exception would be allowed if it is documented that no other qualified person is available to fill one of the positions and there have been reasonable attempts to find someone. This exception would require the CEO's written approval to be allowed to exist.

The Agency discourages dating between persons who have a supervisor/subordinate relationship. If such a relationship should come to light, then one or both parties would have to be reassigned, transferred or potentially terminated to remedy the potential conflict of interest situation. An exception would be allowed if it is documented that no other qualified person is available to fill one of the positions and there have been reasonable attempts to find someone. This exception would require the CEO's written approval.

Conflict of interest arises whenever the personal or professional interest of a Board Member is potentially at odds with the best interests of Family Resource Agency and its programs. Although the legal standards for avoiding a conflict of interest for nonprofit organizations are fairly limited, Family Resource Agency intends, where possible, to avoid even the appearance of impropriety. If an issue is to be decided by the Board that involves potential conflict of interest for a Board Member, it is the responsibility of the Board Member to:

- Identify the potential conflict of interest to the Board President or CEO.
- Not participate in the discussion of the matter or motion being considered.
- Abstain from voting on the matter and ask that the abstention be recorded in the official minutes of the meeting. (The Agency should make a record of the conflict of interest situation, how it was resolved, and why it was resolved in a particular way. All of that information may be kept separately from the official minutes.)

Potential conflicts of interest may involve the Board member's ownership of a business, his/her current employment position, his/her relationship to individuals involved in a particular transaction or decision, or his/her relationship with an employee of the Agency.

As a reminder in regard to current Agency policy, no person shall be employed by the Agency while s/he or a member of his/her immediate family serves on a Board or Council of this Agency if that Board or Council has authority to order personnel actions affecting his/her job. No person for whom this policy would apply may submit an application for employment while s/he or an immediate family member serves on a Board or Council as described above. However, a Policy Council member may be employed as a substitute but must abstain from voting on any issue directly relating to that position classification.

Current Head Start regulations prohibit members of a governing body from providing services for compensation to the Agency. Therefore, any person who has a financial interest in any type of transaction, contract, or vendor relationship would be prohibited from serving on the Board. This requirement does not prohibit a member of the Board from donating products or services to the Agency.

Confidentiality Policy

Members of the Board of Family Resource Agency must understand that it is important to keep certain information confidential except in situations where they are required by law to disclose the information. Failure to adhere to this policy could jeopardize the safety of certain clients, could put the Agency at risk of legal action, or sanction from funding sources. Board members that do not comply with this policy may be removed from the Board. The following information or situations should be considered confidential:

- The location of the Harbor House
- Confidential client information such as address, ss #, date of birth

- Family Violence Program client information, including names
- Personnel matters, especially relating to discipline or grievances
- Legal matters involving Family Resource Agency

Board members must also understand that in any situation involving the media, the Board President or his/her designee will be considered the official spokesperson for the Board. Board members must refrain from making any unauthorized comments to the media. If contacted by the media Board members must inform them that the Board President is the only Board member who is authorized to speak for the Board and they should contact him/her.

On an annual baisis, Board members are also required to sign a "Conflict of Interest Disclosure and Confidentiality Policy Form".

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	20.0500
Revised:	10/24/2011	**Fraud**	

The Agency needs to know about any instances of fraud, theft, or the improper use of Agency property or equipment. Fraud is further defined but not limited to:

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

Any person having knowledge of any of these situations should immediately contact his/her Program Director, the CEO, the Board President or the Agency's independent outside auditor. The phone numbers of any of those persons can be supplied by the Executive Assistant to the CEO by calling 423-303-3519.

The general ledger is the collection of all asset, liability, net assets, revenue and expense accounts. The general ledger is used to accumulate all financial transactions. General ledger accounts are used to accumulate transactions and the impact of each of these transactions on each asset, liability, net asset, revenue and gain or loss account.

Family Resource Agency's chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Fund Balance / Net Assets
4. Revenues
5. Expenses
6. Gains and Losses

Each account number is followed by a two digit department number and in some cases a three digit project code and a three digit site code. The Fiscal Director or a designee monitors, controls and maintains the chart of accounts. Any additions or deletions of accounts should be approved by the Fiscal Director, who ensures the chart of accounts is consistent with the structure of Family Resource Agency and meets the needs of each program.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	30.0100
Revised:	10/24/2011	**Agency's Fiscal Year**	

While Family Resource Agency operates on a fiscal year that begins on January 1st and ends on December 31st, the funding received by the Agency is often on different fiscal year cycles. The Agency currently receives funding with fiscal year end dates as follows:

06/30
08/31
09/29
09/30
12/31

If necessary, the Agency's auditors furnish schedules that reconcile the audited numbers from the calendar year audit reports for the different fiscal year reporting requirements of each funding source.

Any changes to the Organization's fiscal year must be approved by the Agency's Board of Directors.

Issued:	05/21/2007	Descriptor Code 30.0200
Revised:	10/24/2011	**Journal Entries**

Family Resource Agency uses sequentially numbered journal entries. Journal entries are used to record transactions in the general ledger that cannot be made by any other type of transaction method. Examples of the type of transactions made by journal entry include, but are not limited to: monthly in-kind donation activity, salary accrual adjustments and adjusting journal entries resulting from the yearly audit.

All general ledger entries must be supported by a journal entry form that includes an explanation of why the entry is necessary as well as supporting information that documents the amounts of the entry. All journal entries must be approved by the Fiscal Director or a designee and are kept within the Fiscal Department.

Issued:	05/21/2007	Descriptor Code	40.0000
Revised:	10/24/2011	**Petty Cash**	

An imprest petty cash fund of $100 shall be maintained at the Cleveland Administrative Office. Another imprest petty cash fund in the amount of $100 shall be maintained at the Administrative Office for the Georgia Head Start Program. The Agency's Fiscal Specialist is the petty cash custodian for the Cleveland Administrative Office. The Accounts Payable Specialist or a designee is the petty cash custodian for the Georgia Head Start Office.

All funds disbursed from any Agency petty cash fund must still meet the criteria of being allowable, allocable and reasonable as stipulated by the HHS Code of Federal Regulations (CFR) Title 45 Part 74.27 including paragraph (b) and by OMB Circular A-122, "Cost Prinicples for Nonprofit Organizations." The petty cash fund is designed to be used for small purchases and one time type items that are more easily funded by petty cash rather than incurring the transaction costs involved in writing an accounts payable check.

These funds must be kept in a locked file cabinet or drawer with only designated individuals having access to the funds. Those individuals include the petty cash custodian, Fiscal Director, CEO, Fiscal Services Coordinator and the Fiscal Specialist. The Accounts Payable Specialist or a designee and the Georgia Head Start Director or a designee along with the above mentioned persons are the only individuals that have access to the Georgia Head Start petty cash fund.

Any money disbursed or received at the Cleveland Administrative Office is recorded in an Excel Spreadsheet. Money disbursed or received at the Georgia Administrative office is recorded on a columnar ledger sheet. Receipts are signed by the custodian or a designee. Disbursements are signed by the person receiving the funds. A paid receipt should also be attached to the ledger sheet for all disbursements. At all times the petty cash fund should contain receipts and cash totaling at least the amount of the fund.

The Petty Cash Fund shall be replenished as necessary. To replenish the fund an a/p check will be made out to Employee's Name - Petty Cash Custodian. Personal check cashing or loans are not allowed from the petty cash fund.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	40.0100
Revised:	10/24/2011	**Petty Cash Review**	

The Fiscal Director and/or a designee will conduct a surprise count of each petty cash fund at least once a year. Any irregularities will be investigated. A written report summarizing the results of the surprise count of petty cash will be given to the Fiscal Director after the count is complete.

The Petty Cash Fund is also used to handle small receipts of cash from employees for use of the copier, postage, or for fax charges based on the rates listed in these policies. Any cash received by the petty cash fund is entered as a credit memo transaction type which increases the balance of petty cash on hand.

In reviewing and verifying the amount of petty cash on hand, the cash on hand plus the expenditure receipts less all credit memos should equal the total of the fund.

The handling and receipting of cash and checks will be conducted in the manner described in the following sections. The sections that follow apply to funds received at all Agency locations.

Every effort will be made to safeguard all funds remitted to the Agency at all locations. Duties will be segregated, to the extent it is economically feasable, so that no one person has control of the entire cash receipts process from beginning to end without involving other Agency employees in the process. Receipt books used must contain at least three copies per each receipt written and must be sequentially pre-numbered. All receipts must be accounted for either as used in the cash receipts process or as voided.

All cash, checks, money orders and any other funds to be deposited are forwarded to the Fiscal Services Coordinator or a designee for the assignment of an account code. The Fiscal Services Coordinator or the designee will then forward the funds to the Executive Assistant to the CEO who will record them on the monthly remittance list and stamp any checks "For Deposit Only Family Resource Agency, Inc." Efforts will be made to deposit funds the day they are received. If a deposit can't be made, the funds will be kept in a locked fireproof filing cabinet until the funds can be deposited.

All funds to be deposited will be given to the Fiscal Assistant or a designee to prepare a receipt in triplicate and a deposit slip in duplicate. After the deposit is prepared, the CEO or a designee will deposit the funds into the Agency's checking account. In the CEO’s absence, another employee will be designated to make the deposits. All funds received, whether in the form of cash, check, money order or any other type of funds shall be deposited intact. Once the deposit is made, the bank deposit receipt will then be given back to the Executive Assistant to the CEO so the amount on the bank deposit slip can be checked against the remittance list total. The deposit slip is given to the Fiscal Director for review and then forwarded to the Fiscal Specialist, who is responsible for recording cash receipts into the Agency’s accounting system. At the end of each month, the Executive Assistant to the CEO will give the Fiscal Director the completed remittance list for the month.

When possible, the Agency will execute agreements with funding sources allowing for the automatic electronic deposit of funds to the Agency's bank account. In this case, the Fiscal Director will forward a copy of any remittance notices from the funding source to the Fiscal Specialist for entry into the accounting system.

After the cash receipts cycle is complete, the Fiscal Specialist prepares a Cash Balance Worksheet. This report is generated at least once a week or at any other time it is requested. This report is used to give the Fiscal Director and the CEO information regarding cash balances so that qualifying expenditures can be paid in a timely manner.

Funds needed to operate all Agency programs are shown on the Cash Balance Worksheet. This worksheet is normally prepared on Tuesday or Wednesday; checks are normally processed and signed on Thursday. On Friday morning, checks are released or mailed.

From the Cash Balance Worksheet information, the CEO or a designee will request the funds needed to cover obligations being paid for the week for both the Tennessee and Georgia Head Start programs. The request is made to the Department of Payment Management via the “Cashline” method. Funds are supposed to be direct deposited to the Agency’s checking account within 24 hours of the request. This procedure is a result of the Agency’s effort to minimize the time between the request of Federal funds and their subsequent expenditure.

In the absence of the CEO, the Tennessee Head Start Director, the Georgia Head Start Director, the Fiscal Director or a designee may request the funds from DPM needed to cover expenditures being paid.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	50.0200
Revised:	10/24/2011	**Client Fees**	

Programs that charge fees can collect cash up to $100.00 and hold it under lock and key until the next collection day when deposits are made. If at any point the cash on hand exceeds $100.00, the funds must still be kept under lock and key but a deposit must be made by the end of that business day. During the day of their collection, fees are to be kept in a locked cabinet, file, or safe with only designated individuals having access to it. It will be the decision of each program whether they will accept personal checks for the payment of client fees.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	50.0300
Revised:	10/24/2011	**Tennessee Head Start - Client Fees**	

Client fees are normally collected by the Tennessee Head Start site secretary or a designee. Clients are required to pay each Friday prior to the week of service, no later than end of business Monday of each week. If payment is not received by closing of business Monday, a late fee notice will be mailed. Should fees remain unpaid for two consecutive weeks, a second notice will be sent and the child will be dropped from the full day / full year child care portion of the day. When fees are collected, a three part pre-numbered receipt should be immediately written. One copy is for the person paying the fee, another is to be attached to the deposit slip that goes to the Fiscal Office and the other copy stays in the receipt book.

Each time a deposit is made, a copy of the deposit ticket showing the receipt numbers included in the deposit is to be delivered or faxed to the Fiscal Office on the same banking day. All receipts must be turned in to the Fiscal Office in proper numerical sequence. When the last receipt is written from a receipt book, the entire receipt book should be immediately turned in to the Fiscal Office. Each time a deposit is made, a fee summary report of all clients who are charged fees should be printed and sent to the Fiscal Office along with the receipt copies and deposit slip.

Any NSF bank charges incurred by Family Resource Agency for checks that are returned as insufficient will be reimbursed to the Agency by the client that issued the NSF check.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	50.0400
Revised:	10/24/2011	**Georgia Head Start - Client Fees**	

The Georgia Head Start program's fee collection policy requires client fees to be paid in advance on Monday of each week. Fees are normally collected at each location by the Family Services Specialist or a designee. If the weekly payment has not been received by the end of the day on Tuesday, the child will not be allowed to return to the full day portion of school until the fee is paid. On Wednesday morning, the child will only be allowed to attend during the standard HS hours of operation. If payment is still not received by the end of the day Friday, the child will be transferred to the next available HS standard day opening. Late charges for failure to pick up children at or before the posted pick up time are charged at $3.00 for each 5 minute period per child. Fee summary reports that list all clients who are charged fees should be printed and sent to the Fiscal office along with the receipt copies and deposit slip.

Client fees collected by the Georgia Head Start program are currently deposited into a checking account with a bank that has branch locations near our Head Start centers in Georgia. This account is used solely for the purpose of providing a secure place to deposit and transfer the fees after they are collected. The CEO has custody, under lock and key, of all checks available for use with this fee collection account. At the end of each quarter the Fiscal Director or a designee informs the CEO of the balance in this fee collection account. The CEO then writes a check for the balance in the account less the $1,000.00 required minimum balance. Once the CEO writes this check from the Georgia Head Start fee collection account, it is coded and given to the Executive Assistant to the CEO for deposit as outlined in the cash receipts section 50.0100 for the Administrative Office. The amount of this check can at times exceed $5,000.00; however, it does not require a second authorized signature since the funds are transferred to the Agency's operating checking account.

Any NSF bank charges incurred by Family Resource Agency for checks that are returned as insufficient will be reimbursed to the Agency by the client that issued the NSF check.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	50.0500
Revised:	10/24/2011	**Review of Fee Collection Process**	

At least twice a year, a designee from the Fiscal Department will randomly monitor the fee collection process for each program that collects fees. The designee reviewing the fee collection process at these randomly chosen sites will be checking to ensure that the Agency's fee collection policies are being adhered to. A written report that outlines the results of each fee monitoring visit, along with any supporting information, will be completed by the reviewer and submitted to the Fiscal Director, Program Director and the CEO.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	50.0600
Revised:	10/24/2011	**Year End Fee Reports**	

At the end of each year, parents may request information that documents the amount they have paid in child care fees. This information is usually requested by the client for income tax purposes. If a parent requests this information it will be provided to them by the individual programs based on the data from the fee collection software or the ledger cards, depending on the fee tracking system that is used.

Other programs and/or staff may from time to time be given donations from clubs, individuals, or other organizations. Staff should immediately forward these funds to the Fiscal Services Coordinator or a designee for the assignment of an account code. The Fiscal Services Coordinator or a designee will then forward these funds to the Executive Assistant to the CEO so that the procedures outlined in Section 50.0100 can be followed. In the case of donations, the Director of the Program receiving the donation should follow-up with a thank you note to the party providing the donation.

Any NSF bank charges incurred by Family Resource Agency for checks that are returned as insufficient will be reimbursed to the Agency by the person, entity or funding source that issued the NSF check.

The handling of all cash disbursements will be conducted in the manner described in the following sections. Before funds are disbursed by Family Resource Agency, the expenditure must be approved by the Program Director, the Fiscal Director and/or the CEO or a designee. Their signature of approval acknowledges they have determined the cost to be allowable, allocable and reasonable according to the appropriate funding source regulations.

Purchase orders or check requests below the threshold of $1,000 do not require the approval of the CEO. Requests below this threshold will be processed with an approving signature from either the Program Director, the Fiscal Director, an Assistant Director, or the Director's designee. Only in the absence of a Program Director, the Fiscal Director, an Assistant Director or the Director's designee will it be necessary for the CEO to review and approve/disapprove a purchase order or check request below the $1,000 level.

All purchase orders or check requests in the amount of $1,000 or more will be routed to the CEO for review and approval. However in the absence of the CEO, the Fiscal Director can sign for the CEO on purchase orders or check requests in the amount of $1,000 or more if they are approved at the program level by a Program Director, Assistant Director, the Director's designee or the Fiscal Director.

All Agency programs also maintain a list of employees that are authorized to sign purchase orders or check requests in an emergency situation. Only the CEO, Fiscal Director, Program Director, or Assistant Director are allowed to add or delete names from this list. Copies of these lists are sent to the Fiscal Director so the employees of the Fiscal Department will know who is authorized to sign purchase orders on an emergency basis. If a staff person is on the emergency purchase order list, that staff person may phone in and request an emergency purchase order number for purchases below $1,000.

If the authorized employee calls for an emergency purchase order and cannot obtain one because it is outside of normal business hours, the employee must call their Program Director, the CEO, if applicable, or their designees to obtain verbal approval until the next business day. On the next business day, the employee must phone in and request a purchase order number for the emergency situation.

If the emergency request is $1,000 or more, the requesting staff person must first obtain approval from their Program Director, Assistant Director, their designee or the CEO before calling in for an emergency purchase order number. In order for the person assigning the purchase order number to have confirmation the requesting staff person has approval, the Program Director, Fiscal Director, Assistant Director, the CEO or their designees should send the person assigning the number an e-mail confirming their approval. If an e-mail is not possible, a phone call or personal visit is appropriate.

Keep in mind that for any purchase order request of $1,000 or more, emergency or otherwise, a Procurement Documentation Sheet must also be completed unless the CEO has waived the requirement for procurement documentation.

Also, Agency staff, especially those in our Family Violence Program since it operates nights and weekends, may in very limited and emergency situations, exercising prudent judgement, make a purchase up to $50 without first obtaining a purchase order number. However, when the purchase order request is submitted, justification must be written on the purchase order request form explaining why the purchase was an emergency. The purchase should only be for goods or services that are considered to be reasonable, allowable and necessary. These situations will be monitored closely to insure that no staff person is using this process as a way of circumventing the normal purchase order acquisition process.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	60.0200
Revised:	10/24/2011	**Purchase Order System - All Tennessee Programs**	

To request a purchase order number, the appropriate staff will use the Purchase Order Requisition Form. This form has an original and three copies. This form should be filled out and submitted to the appropriate Program Director, Fiscal Director, CEO or a designee for initial approval before Agency funds are spent or obligated. The staff person making the request may wish to keep the fourth carbon copy for future reference to have record of what has been requested. The original and the three copies can be submitted for approval. Items on the Requisition Form should be items that can be purchased from one particular vendor and one only. If the items needed are from several vendors, a separate Purchase Order Requisition should be completed for each vendor.

The Program Director must carefully review the Purchase Order Requisition to determine if the cost is allowable by the funding source, if the cost is necessary, and if the cost is reasonable. After the Program Director has signed giving their approval, the Purchase Order Requisition Form is given to the CEO, or in the absence of the CEO, the Fiscal Director, for review and approval if the amount of the Purchase Order is $1,000 or more. If the amount of the purchase order is less than $1,000 and it has been signed by a Program Director or a designee, it is forwarded to the Fiscal Office so a purchase order number can be assigned. If the CEO and Fiscal Director are unavailable, purchase orders in the amount of $1,000 or more can be processed if signed by a Program Director, Assistant Director, or a designee.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	60.0300
Revised:	10/24/2011	**Check Requests - Tennessee Programs**	

Before purchases can be made or before an employee obligates any funds granted to the Agency, a purchase order/check request form must first be approved. Check requests will be routed to the Program Director or a designee for approval. If the amount of the transaction exceeds $999.99, the signature of the CEO or a designee is also required. The Purchase Order/ Requisition Form will contain a section to specify if the form is being used as a check request, the date the check is needed and whether the check is to be mailed, given to an employee, or held for pick up in the Fiscal Office should be clearly indicated. Check requests must be approved and submitted to Accounts Payable by 12:00 noon each Tuesday in order for the check to be processed by the end of the week.

Once the purchase order number is assigned, the carbon copies are routed back to the procuring staff person for use at the point of purchase. The purchase order number must be written or attached to any invoice, sales slip, packing slip or other documents by the procuring staff person. These documents are then sent back to the Fiscal Office as soon as the purchase is made. The original Purchase Order Requisition Form and any remaining copies are filed awaiting invoices and supporting documentation.

Grocery purchases related to the Head Start, Pre-K and Family Violence Program are to be handled in the following manner. The appropriate staff person is to complete the grocery shopping list or other designated form and provide an estimate of the total cost of the list of items before placing the order or making the purchase. The staff must then call the Fiscal Office and request a purchase order number. The staff requesting the purchase order number writes that assigned number in the appropriate blank on the grocery shopping list or requisition form.

For gasoline, oil and other fluid needs, a bus driver must estimate their purchases for a month at a time and request a purchase order number to cover these specific purchases for the entire month.

Check requests for installment payments to contractors for construction, renovation or any other type of contract requiring payments as the project or service progresses are also part of the purchase order/check request system. Before these check requests can be processed, they require the signature of the Program Director or a designee. The signature of the CEO or a designee is also required if the amount of the transaction exceeds $999.99. If the CEO and Fiscal Director are not available to approve transactions in excess of $999.99, the signature of the Program Director or a designee can serve as the final approving signature as long as Board approval is not required.

Before purchases can be made or before an employee obligates any funds granted to the Agency, a purchase order/check request form must first be approved. An aggregate purchase order request form will be used by the Georgia Head Start program listing the Date, Vendor, Description, Amount, Purchase Order Number assigned, and the initials of approval by the Program Director or a designee. This form will be completed in the Georgia office and faxed to the Administrative office in Cleveland. If the amount of the Purchase order is less than $1,000 and it has been signed by a Program Director or a designee, it is forwarded to the Fiscal Office so a purchase order number can be assigned. If the CEO is unavailable, purchase orders in the amount of $1,000 or more can be processed if signed by a Program Director or their designee and the Fiscal Director. If the CEO and Fiscal Director are not available to approve transactions in excess of $999.99, the signature of the Program Director or a designee can serve as the final approving signature as long as Board approval is not required.

Once approval is given, the form is faxed to the Fiscal Office where Purchase Order numbers are assigned. The form is then faxed back to the Georgia office so the Purchase Order numbers can be used to acquire goods or services. The normal Purchase Order Requisition Form is routed to the Fiscal Office, through mail or courier, where it is matched to the proper documentation to be paid.

This process results in individual Purchase Order Request Forms that have been processed and filed without CEO approval. However, the faxed purchase order request forms will be attached to the accounts payable check stubs and to the original purchase order when it is received to document the authorization for procurement and payment.

Issued:	05/21/2007	Descriptor Code	60.0500
Revised:	10/24/2011	**Check Requests - Georgia Programs**	

Before purchases can be made or before an employee obligates any funds granted to the Agency, a purchase order or check request must first be approved. Check requests will be routed to the Program Director or a designee for approval. If the amount of the transaction exceeds $999.99, the signature of the CEO or a designee is also required. After approval, the check request is given to the Accounts Payable Specialist in the program. The Accounts Payable Specialist will enter the check requests onto the check request sheet. All checks that are to be mailed directly from the Cleveland office will be designated with "**Y**" in the "**Mail**" column. The check request sheet will be faxed to the Cleveland office each Tuesday by the 10:00am deadline. As a safety measure, this same sheet will be sent to the Accounts Payable Specialist in Cleveland as an e-mail attachment. Only the check request sheet with the approval signature of the CEO, the Program Director or a designee will be processed.

Check requests for installment payments to contractors for construction, renovation alteration or any other type of contract requiring payments as the project or service progresses are also part of the purchase order/check request system. Before these check requests can be processed they require the signature of the Program Director or a designee and the CEO or a designee if the amount of the transaction exceeds $999.99. If the CEO and Fiscal Director are not available to approve transactions in excess of $999.99, the signature of the Program Director or a designee can serve as the final approving signature as long as Board approval is not required.

Issued:	05/21/2007	Descriptor Code 60.0600
Revised:	10/24/2011	**Travel Advances - Georgia Programs**

Travel advances will be routed to the Program Director, Fiscal Director, CEO or their designee for approval. After approval, the travel advance request is given to the Accounts Payable Specialist. The Accounts Payable Specialist will enter all travel advances on the bottom of the weekly check request sheet with a comment in the description column "**Travel Advance Document Attached**." The travel advance paperwork will be faxed to the Cleveland office for processing with the other items on the check request sheet. The original travel advance form will be filed by the Program Development Specialist.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	70.0000
Revised:	10/24/2011	**Credit Card Applications**	

All applications for Agency credit cards, store accounts or any other type of charge account must be approved by the CEO. The CEO's signature of approval is required on the internal Credit Card Application form before a new charge or credit account can be established. This form must be attached to all applications for credit in the name of the Agency and then forwarded to a program Director and then to the CEO for signature. Once the request for credit is approved by the CEO, the credit card application and all other paperwork will be given to the accounts payable staff in the Fiscal Department where it will be completed and sent to the creditor.

If you receive an unsolicited credit card application by mail or some other means, simply shred it.

A master list is also compiled of all Agency credit cards. New cards and the names of those employees responsible for them will be added to the list before the cards are released by the Fiscal Office. It is the responsibility of each program to collect all cards from employees before they leave the employment of the Agency. It is also the program's responsibility to notify the Fiscal Department in writing or by e-mail when names need to be added, deleted or when there is a change in the person responsible for the custody of any card.

Issued:	05/21/2007	Descriptor Code	70.0100
Revised:	10/24/2011	**Agency Credit Cards**	

Credit cards used by the employees of the Agency fall into two categories. The first are those issued in the Agency's name only. For example, these are typically our Walmart, Lowe’s, Staples and other similar credit cards. These are issued in the Agency's name only and are typically assigned to specific individuals and/or positions or held in the custody of certain designated individuals and then checked out by other staff as needed. When an Agency credit card is in the possession of a staff person, they must understand they are responsible for safeguarding the card and returning it immediately after it is used to the employee they checked it out from.

For purchases made with credit cards issued in the Agency's name only, certain procedures must be followed. All purchases, even if made with a credit card, are to be made in accordance with the Agency’s normal purchase order procedures. This includes the requirement of completing a purchase order request and obtaining a purchase order number prior to making the purchase. The amount the purchaser is allowed to spend is limited to the amount of the purchase order that has been approved. Emergency requests should also follow our existing emergency purchase order request procedure. After the purchase is made, the purchaser should insure that all receipts are turned in through their regular system for turning in receipts used by their program. Activity on all Agency cards is monitored on a regular basis. **The use of this type of card for purchase of personal items is strictly prohibited**. Those persons who use this type of Credit Card must sign a Credit Card Usage and Custody Agreement that includes a restatement of and/or a reference to these practices and policies.

The second type of credit cards are those issued jointly in the name of the Agency and a particular employee, with the employee's name actually embossed on the card. This second type of card is limited to only Director level employees who have requested to have one.

The same processes and procedures apply for the credit cards jointly issued in the name of the Director level employee and the Agency. Since the use of this type of card for the purchase of personal items is also strictly prohibited, **under no circumstances can the Agency pay for a personal purchase item and then be reimbursed by the employee**. Director level employees must also sign a Credit Card Usage and Custody Agreement that restates and/or references these policies.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	80.0000
Revised:	10/24/2011	**Check Authorization**	

All original invoices will be immediately forwarded to the Accounts Payable / Benefits Manager or Accounts Payable Specialist for matching with a purchase order request. Approved invoices will then be processed for payment. If the amount of the check request is less than $1,000.00 and it has been signed by a Program Director or a designee, it is forwarded to the Fiscal Office for processing. If the CEO is unavailable, check requests in the amount of $1,000.00 or more can be processed if signed by a Program Director, their designee, and the Fiscal Director. In the absence of the CEO and the Fiscal Director, the signature of any Program Director can serve as the authorizing signature on a check request as long as Board approval is not required.

The Accounts Payable / Benefits Manager, Accounts Payable Specialist or a designee will be responsible for all blank checks, which will be kept under lock and key. The Accounts Payable Specialist will normally be responsible for printing checks for all approved invoices. The Accounts Payable Specialist or a designee will stamp all invoices "Paid." The check will be mailed to the payee. The laser check stub will be attached to and filed with the paid invoice and all supporting documentation.

The MIP accounting software prints the laser signature of the CEO on the first line of checks in the amount of $4,999.99 or less as they are generated by the computer. Checks in the amount of $4,999.99 or less only require this one laser signature. For checks in the amount of the $5,000.00 or more, the system does not print a laser signature at all. For checks made payable in the amount of $5,000.00 or more, two manual signatures are required except for the check made payable to the Agency’s payroll account for the payroll deposit and the check written each quarter to transfer the Georgia Head Start client fees into the Agency's operating account. The payroll deposit check and the fee transfer check require only one authorized signature. Usually the CEO and one authorized Board member sign checks in the amount of $5,000.00 or more. However, in the absence of the CEO, any two authorized Board members may sign checks in the amount of $5,000.00 or more.

Additionally, the accounts payable staff will print a weekly check register report that lists all checks generated by the system. The CEO will review and initial this report. These reports will be maintained on file. In order to maintain internal control, the CEO will regularly request to see the actual supporting documentation and the check stub for certain randomly chosen transactions. The accounts payable staff will supply any information necessary for the CEO to perform this review even if the check has been voided for some reason. The CEO will maintain a log of the transactions chosen for review to insure the items are eventually presented for review as requested.

The Fiscal Director receives a weekly check register report that lists all checks that were processed for $5,000 or more. The Fiscal Director reviews these checks to see that they were coded correctly.

The Accounts Payable / Benefits Manager also receives a check register that lists all checks that were processed for $1,000 to $4,999.99. The Accounts Payable / Benefits Manager reviews these checks to see that they were coded correctly.

All voided checks are to have the word “VOID” written boldly in ink across the face of the check. The signature portion of the check should be cut out. The voided check will be placed in the canceled check binder in proper numerical sequence or filed with the journal entries in the month they are voided.

Under no circumstances should checks be prepared from monthly statements unless the exception has the approval of the CEO. Checks are not to be signed in advance or made out to cash. Checks should be prepared in numerical and chronological order.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	80.0200
Revised:	10/24/2011	**Bank Reconciliations**	

Bank statements will be given unopened each month to the Fiscal Director. Currently the reconciliation of the operating checking account and the Georgia Head Start fee account is performed by the Fiscal Specialist. The payroll checking account reconciliation is performed by the Payroll Specialist. Once the bank statements are opened and reviewed, they are forwarded to the Fiscal Specialist or the Payroll Specialist for reconciliation. After the statements have been reconciled they will be forwarded to the Fiscal Director for review.

The Fiscal Specialist or a designee will review the bank reconciliation monthly to determine if any checks are outstanding over 90 days. An effort will be made to contact the payee to see if the check has been received. Before any outstanding checks are voided, the bank will be contacted to see if it has been cashed. If not, a stop payment will be issued for that check, it will be voided and a new one will be issued if needed.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	80.0300
Revised:	10/24/2011	**Check Filing System**	

Once accounts payable checks are produced, the original is mailed to the vendor or delivered based on the routing instructions on the bottom of each Purchase Order/Check Request Form. The laser check stub is attached to the paid invoice and/or supporting documents. The laser check stub and supporting documentation are filed in the accounts payable files alphabetically by vendor name. All paid invoices for a particular vendor can be found by locating the vendor file in the accounts payable office.

The laser check stub, paid invoice and/or supporting documents related to items of equipment or major renovations are also kept in a permanent equipment file. The documents in this file are maintained for the life of the asset plus three years after the release date of the audit that reflects the disposal of the asset.

All actions involving payroll such as a change of pay, position, location, change in scheduled work hours or change in allocation percentages shall be duly noted on a Payroll Change Notice Form. The form must be approved by the Program Director or a designee in their absence and the CEO. The original is to be kept in the employee's personnel file. The payroll change notice form and all other payroll information is due to the payroll office no later than Wednesday by 10:00am on the off payroll week.

The Program Director, their designee, or if applicable, the CEO, is responsible for seeing that employees in their program complete all relevant tax forms such as the W-4, I-9, Insurance Forms, Employment Agreement, etc. Once completed, these forms, excluding the Employment Agreement, are turned into the Payroll Office for utilization and filing.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	90.0100
Revised:	10/24/2011	**Time Sheets / Leave Forms**	

Each payroll period will consist of two calendar weeks. Payroll checks are distributed on every other Friday following the end of the preceding payroll period. If that Friday is a holiday, pay checks will be distributed on a working day prior to that Friday.

All employees are responsible for completing and signing their own time sheets / leave forms and turning them in to the appropriate supervisor. If the employee is not available to sign their time sheet or leave form, they may be processed if it is signed by their supervisor and an explanation given as to why the employee did not sign. Program Directors or their designee are responsible for insuring that time sheets and any accompanying leave forms are turned in to the Payroll Office no later than 12:00 o'clock on Friday of the week preceeding the actual payday. If time sheets are due on a holiday, an alternate due date will be designated and listed on the Agency's payroll calendar. Please refer to the payroll calendar for exact time sheet due dates and payroll check release dates. After review by the proper supervisory staff, time sheets are sorted by department, alphabetized and submitted collectively by each program to the Payroll Office.

All sick and annual leave forms as well as hours worked on the time sheet are to be checked, and, if necessary, corrected before time sheets are submitted to the Payroll Office.

The Payroll Specialist checks for clerical accuracy and makes any necessary changes to the time sheet in ink. Time sheet data is then entered into the payroll program. After payroll is generated and proofed, the information is uploaded to the payroll processor and funds are electronically deposited. If an employee has not established a bank account, they receive an actual payroll check until their electronic pay card can be established. The original time sheet is placed in the employees time sheet file. Copies are made of time sheets and leave forms that contain errors and require adjustment by the Payroll Specialist. These copies are given to the appropriate personnel at the end of each payroll period.

All leave forms require the signature of a Program Director or the CEO. A designee can approve leave forms in the absence of a Program Director or CEO. Leave forms should be reviewed before they are turned in to the payroll office to verify accuracy and completeness. Leave balances should also be checked by the employee before requesting any type of leave. After every payroll period, the payroll office generates and distributes annual and sick leave reports for all employees. These reports show leave balances available for use as of the report date. The employee's supervisor should verify leave is available and approve, disapprove or acknowledge all leave requests for the employees they supervise.

A reminder -- Agency policy prohibits sick and annual leave from being used or advanced before it is earned. The leave amounts that are stated on the employee's current check stub or leave report reflect the amount of leave that is available for an employee to use. (Please refer to Section 60.600 in the Agency's Personnel Policies and Procedures for the complete policy regarding leave.)

For contract employees that are allocated leave, their leave is available to them on the effective date of the payroll change notice completed by the program. It is the responsibility of the program staff approving leave requests to insure contract employees do not request more leave than the amount allocated to them.

Any checks and all payroll reports are delivered by the third party payroll processor to Family Resource Agency via courier. Quarterly payroll tax reports as well as year end W-2's are prepared by the third party payroll processor.

After each payroll period the Payroll Specialist prepares a payroll issues report. This report lists by program, any issues encountered during the processing of payroll such as time sheets, leave forms, PCN's and other information that were turned in late or incomplete. This report is given to each program.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	90.0200
Revised:	10/24/2011	**Overtime**	

The Agency recognizes two categories of employees in relation to overtime pay in accordance with applicable State and Federal laws. These classifications are Non-Exempt and Exempt. A variety of positions are included as exempt positions. These include the CEO, Program Director, Fiscal Director, Head Start Coordinator and others so designated by management.

Please refer to Section 50, “Classification of Personnel Associated With The Agency” and Section 60, “Compensation, Benefits and Work Schedules” of the Agency’s Personnel Policies for a complete description of policies related to this section.

For the purposes of this Agency, a work week shall be that seven day period from 12:01am Sunday till 12:00pm the following Saturday. Overtime shall only apply to hours worked beyond 40 in a particular work week.

Any employee who works overtime should list this time separately on his/her time sheet to facilitate more accurate processing. Also it must be indicated on the time sheet who approved the overtime work and the reason for it. This information should be written in the space labeled "Overtime Hours" earned. Remember overtime is only applicable if the total time for the entire week is greater than 40 hours of actual work time. For instance four days of 10 hours each day would not be considered overtime.

Employees who are eligible to earn overtime are responsible for making sure that it is duly recorded on their time sheet. The Agency accepts no responsibility for the payment or credit of any overtime unless it is properly recorded and documented by the employee within the pay period it applies to.

For additional information related to overtime, exempt, and non-exempt employees, please refer to the "Overtime" sections 60.0400 -60.0400.20 of the Personnel Policies and Procedures Manual.

Payroll taxes are paid via the EFTPS (Electronic Federal Tax Payment System) as required by the IRS each payroll period. EFTPS is a system used for paying payroll taxes to the Internal Revenue Service electronically. As mentioned earlier, these taxes are calculated and remitted as a part of the service agreement with the third party payroll processor. This agreement with the third party payroll processor also includes any taxes that are required to be collected and remitted to each state the Agency operates in.

A limited power of attorney form is on file in the Fiscal Department which grants the payroll processor the right to perform these services.

Family Resource Agency - Fiscal Policies		
Issued:	05/21/2007	Descriptor Code 90.0400
Revised:	10/24/2011	**Other Payroll Deductions**

The following types of payroll deductions are paid via a third party check by the payroll processor: VALIC retirement, Garnishments and employee contributions to United Way.

Vision, Flexible Spending contributions, Cancer, Intensive Care Critical Illness, Pre-paid Legal, Disability, Life and Dental insurance deductions are left in the Agency's operating checking account and are paid with an Agency check through the accounts payable process.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	100.0000
Revised:	10/24/2011	**General Travel Policies**	

Employees may be reimbursed for the use of a personal vehicle while on Agency business at a rate up to that allowed by the Federal Travel Regulations. The particular amount allowable by Federal Regulations and currently acknowledged by Family Resource Agency will be distributed and updated periodically as an attachment to the Agency's Personnel Policies and Procedures Manual. To be reimbursed, employees must submit the request on the approved travel or mileage claim form.

Any out-of-the-area travel must be approved by the Director or CEO before it is undertaken. Approval is obtained through completion of the Travel Advance Authorization Form. Out of the area travel is defined as travel outside of the Agency's service area.

Local travel mileage can be claimed on the Agency's Daily Mileage Log form. This form also requires the signature of the employee as well as their supervisor. These signatures should be on the page where the total mileage is shown. All approved mileage claims will be processed for payment in accordance with the Cash Disbursement procedures. All mileage sheets are normally turned in at the same time as time sheets. Due to the large number of mileage sheets that are turned in, the Tennessee Head Start and the Georgia Head Start mileage sheets are turned in and processed on alternating payrolls as designated on the Agency's payroll calendar.

All out-of-area or overnight travel must be approved through an employee's submission of the Travel Advance/Authorization Form. Not only is this form to be used by employees requesting an advance but the form is also documentation that the specific travel has been approved by the appropriate Director-level staff.

Employees may also use the form to request a travel advance for expenses related to approved overnight or out-of the-area travel. The travel advance should be based on the employee's reasonable travel plans. Also, by signing the form and accepting the advance the employee is taking responsibility for those funds as well as agreeing to the timely completion of the necessary travel reimbursement forms after travel has been completed. The proper travel reimbursement forms must be completed by the employee within two weeks (14 days) of returning from travel.

When an employee returns from travel they must also submit a travel claim form showing the actual travel completed. Since the travel advance is an estimate of mileage and/or other expenses it is possible that the actual expenses will be lower or higher than the advance request. In either case, the travel claim form will show whether the employee is owed money or owes money to the Agency. If money is owed to the Agency, the employee should refund the Agency those funds, preferably by check, along with their Travel Claim Form. If money is owed to the employee, they will be reimbursed for that amount within 14 days of submitting an approved Travel Claim Form.
In order to be processed for payment, Out-of-Town Travel Claims must have all relevant receipts and conference brochures as outlined in the Personnel Policies (see Travel Sections 70.0100-70.0500 in that manual).

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	100.0100
Revised:	10/24/2011	**Parent, Board, Council Travel/Other Expenses**	

Parents involved in certain programs such as Head Start and who meet the income guidelines may be reimbursed for certain travel and meal expenses to serve on committees, boards, and councils. Also, they may claim certain other expenses such as child care. This is completely outlined in the Head Start Program Plan for each program. In order to claim these expenses, the parent must sign and present the completed forms to the Head Start Director for review. After review and approval, the requests are processed as any other payment request.

Council and Board members may be reimbursed for travel relating to agency business. Reimbursement would follow the same guidelines as for staff travel.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	110.0000
Revised:	10/24/2011	**Leases Agreements**	

All leases must be approved and signed by the CEO or a designee. Originals of leases should be kept in the contracts and leases file, which is to be maintained in a fire proof filing cabinet by the Executive Assistant to the CEO.

Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	110.0100
Revised:	10/24/2011	**Insurance**	

It is the responsibility of the CEO to offer for bid the Agency's commercial insurance package. This is normally done every three years. These coverages include:

1. Board and Director's Liability
2. Workers' Compensation
3. Commercial Auto
4. General Liability for the programs and premises
5. Employee Fidelity Bond or Employee Crime Coverage
6. Student Accident
7. Commercial Property, Fire, Theft, etc.

However, employee health insurance coverage will be reviewed and quotes sought only when the CEO or Board deems it to be in the best interest of the Agency to do so.

Employee paid voluntary coverage such as Disability, Life and Dental do not have to be bid out. The kinds and amounts of these types of coverages offered will be at the discretion of Agency management.

The policies relating to these coverages will be kept in a fire proof filing cabinet under lock and key by the Executive Assistant to the CEO.

Issued:	05/21/2007	Descriptor Code	120.0000
Revised:	10/24/2011	**Fax Machine**	

All fax machines at locations that require the usage to be tracked and allocated to more than one program or project should have the activity recorded on a log sheet located next to the fax machine. These log sheets are to be turned in monthly to the Fiscal Office at the designated time. They are used to allocate various expenses relating to use of the fax machine.

No log sheet is necessary if the fax machine tracks activity based on user codes, codes that are keyed in or if the machine is used exclusively by one program or project. Any personal faxes sent or received should be paid for by the employee. Personal use, if allowed by the program, must be recorded on the fax machine log as personal use. Reimbursements for personal use of the fax machine must be given to the Agency Fiscal Assistant or the person in charge of petty cash at the location of the fax machine. These reimbursements will be recorded as cash received to the petty cash fund or, in the case of checks, delivered to the Executive Assistant to the CEO for deposit in the Agency's checking account. The reimbursement rates for personal use of Agency fax machines are listed in Appendix A of the Fiscal Policies. The ability to use and reimburse the Agency for personal use of any Agency fax machine is limited to Agency employees only and is not a service available to the general public.

Issued:	05/21/2007	Descriptor Code	120.0100
Revised:	10/24/2011	**Postage Meter**	

Most of the Agency postage is handled through the use of a postage meter. A log sheet identifying what program the postage is to be charged to is located next to the postage meter. If personal use of the postage meter is allowed, this log sheet is used to allocate the cost of personal postage associated with the postage meter. The current postage meter in the Agency's Administrative Office tracks usage by user codes. A report of the usage by user code is printed and used to allocate postage costs to each program.

From time to time employees may use postage from the postage meter for personal mail if this is allowed by their program. Personal use must be recorded on the postage meter use log as personal use. Reimbursements for personal postage must be given to the Agency's Fiscal Specialist or the person in charge of petty cash at the location of the postage meter. These reimbursements will be recorded as cash received to the petty cash fund or, in the case of checks, delivered to the Executive Assistant to the CEO for deposit in the Agency’s checking account. The ability to use and reimburse the Agency for personal use of the Agency’s postage meter is limited to Agency employees only and is not a service available to the general public.

The postage meter in the Georgia Head Start Administrative Office can not be used for personal postage and does not require the use of codes. This postage cost is allocated by using the percentage of Head Start enrollment slots versus Early Head Start slots.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	120.0200
Revised:	10/24/2011	**Copy Machine**	

Copy machine usage is to be recorded on the copy log sheet, tracked by employee user code or allocated based on the percentage of funded enrollment in the program. The log sheet is used by the Fiscal Office to allocate the costs associated with the operation of copy machines. If the log sheets are used, they should be turned in to the Fiscal Office at least monthly. Certain locations have copy machines that require the employee to enter a code before copies can be made. At these locations the copy machine tracks the detail of use based on the employee codes entered instead of the written logs.

If the copy machine requires the use of a code, that code should be entered if copies are being made for personal use as well, if personal use is allowed by the program paying for the copier. The reimbursement rates for personal use of Agency copiers are listed in Appendix A of the Fiscal Policies. These funds are to be given to the Agency Fiscal Assistant or the person in charge of petty cash at that location. These reimbursements will be recorded as cash received to the petty cash fund or, in the case of checks, delivered to the Executive Assistant to the CEO for deposit in the Agency's checking account. The ability to use and reimburse the Agency for personal copier use is limited to Agency employees only and is not a service available to the general public.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	120.0300
Revised:	10/24/2011	**Printers**	

Personal use of any printer belonging to the Agency requires the employee to reimburse the Agency. The reimbursement rates for personal use of Agency printers are listed in Appendix A of the Fiscal Policies. Since these reimbursement rates vary depending on the type of printer and the color of ink used, please read Appendix A carefully. The ability to use and reimburse the Agency for personal use of Agency printers is limited to Agency employees only and is not a service available to the general public.

Issued:	05/21/2007	Descriptor Code	120.0400
Revised:	10/24/2011	**Laminators**	

Personal use of Agency laminating machines requires the employee to reimburse the Agency. The reimbursement rates for personal use of laminating machines owned by the Agency are listed in Appendix A of the Fiscal Policies. The ability to use and reimburse the Agency for personal use of Agency laminating machines is limited to Agency employees only and is not a service available to the general public.

Issued:	05/21/2007	Descriptor Code	120.0500
Revised:	10/24/2011	**Telephones**	

Personal long distance telephone calls should not be made and billed to the Agency. Any personal long distance calls should be billed to the employees' personal phone card for their home phone. Employees at locations that have a long distance code assigned to them should enter this code when making long distance calls relating to Agency business. The Agency does receive monthly billings that allow us to review detailed information about each call made from an Agency phone. Telephone bills are analyzed monthly in an effort to detect any inappropriate use.

Issued:	05/21/2007	Descriptor Code	130.0000
Revised:	10/24/2011	**Cell Phones**	

Personal use of Agency cellular phones is permitted by some programs within the Agency and not permitted by others. Please check with the Director of your program to determine the policy your program adheres to. If personal use is allowed, these calls must be tracked by the person making the call so they can be identified and marked on the cell phone bill.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	130.0100
Revised:	10/24/2011	**Cell Phones - Tennessee Programs**	

All cell phone bills are reviewed by the A/P Specialist. Copies of any cell phone bill that exceed the normal monthly billing amount are sent to the staff person the cell phone is assigned to. The bill must be reviewed and any personal calls, text messages, downloads or other personal activity must be clearly marked. Any reimbursement due the Agency for personal use must be submitted to the A/P Specialist along with a copy of the cell phone bill within 10 days of receipt of the bill. If personal calls and business related calls combined do not exceed the total free minutes allowed, no reimbursement is due the Agency. However, if personal calls trigger any other type of charge or tax that is not part of the normal monthly billing amount, the employee is responsible for reimbursing the Agency for these charges even if the total amount of free minutes is not exceeded. Failure to promptly reimburse the Agency within this timeline could result in suspension of cell phone privileges. The amounts owed and copies of the cell phone bills will be kept on file in the A/P Specialist's office.

Any employee requesting an Agency paid cell phone or a cell phone upgrade must gain approval from their Program Director before they can be added to the Agency's plan or receive a new phone. All cell phones not in use are kept under lock and key in the A/P Specialist's office.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	130.0200
Revised:	10/24/2011	**Cell Phones - Georgia Program**	

The A/P Specialist sends copies of all cell phone bills to the Georgia Head Start Office Administrator to review and distribute to the employees with Agency cell phones. Users of Agency cell phones must review the bills, clearly mark all personal calls, text messages, downloads or any other charges and forward any reimbursements due the Agency along with a copy of the bill to the A/P Specialist within 10 days of receiving their copy of the bill. The amounts owed and copies of the cell phone bills will be kept on file in the A/P Specialist's office.

If personal calls and business related calls combined do not exceed the total free minutes allowed, no reimbursement is due the Agency. However, if personal calls trigger any other type of charge or tax that is not part of the normal monthly billing amount, the employee is responsible for reimbursing the Agency for these charges even if the total amount of the free minutes is not exceeded.

Any employee requesting an Agency paid cell phone or a cell phone upgrade must gain approval from their Program Director before they can be added to the Agency's plan or receive a new phone. All cell phones not is use are kept under lock and key by the Office Administrator.

The Program Director is responsible for generating the in-kind required for their program. The Fiscal Department currently receives in-kind reports monthly from the Tennessee Head Start program, the Georgia Head Start program and the Family Violence program. The Fiscal Department enters this information by journal voucher into the Agency's accounting software on a monthly basis.

An in-kind form will normally be prepared by the staff member in the program receiving the in-kind contribution. The staff member and the contributor will both sign the form. Before the program enters amounts from these forms into the Child Plus software used to track in-kind activity, a staff member reviews and signs the in-kind form certifying that the in-kind being claimed is necessary, reasonable, allowable and valued appropriately according to 45 CFR part 74.23 . If the employee entering this data into the computer has to make corrections to the amounts listed on the form, these changes should be written in ink on the form so the source document and the data entered into the computer agree.

Periodically the Fiscal Director will update the fringe benefit percentage that can be applied to the hourly rate used to value volunteer services. The fringe benefits total from the most recent audit is calculated as a percentage of total audited program salaries. This percentage is then added to the base hourly rate to arrive at the total in-kind volunteer rate.

Every five years, the Program Directors will review the in-kind rates being claimed for the property their program occupies. These rates should be verified by a Certified Real Estate Appraiser. This appraisal report should be kept on file for audit and other purposes. The Program Directors will forward to the Fiscal Director a listing of the properties being claimed and their in-kind values. As values or properties being claimed as in-kind change, the Program Directors will also provide the Fiscal Director with a monthly updated list of all in-kind properties with the new rates.

Issued:	05/21/2007	Descriptor Code	150.0000
Revised:	10/24/2011	**Books of Original Entry**	

Family Resource Agency operates on an accrual basis of accounting. The disbursement and receipt of funds are entered into the appropriate module in the Agency's "MIP" accounting software. Deposits of funds are entered as Cash Receipt transactions; Payroll totals and third party checks are entered as Cash Disbursements and Accounts Payable invoices are entered and paid as “API” and “APS” transactions.

Once a batch of information of the same type is entered into MIP, a report of unposted transactions is printed to review for accuracy. Once that batch is proofed, it is posted to the General Ledger. Due to the ability of this software to utilize any date for posting, controls are established monthly by the Fiscal Director or a designee in the Administration Module of the software which limit the date ranges available for use in posting. Once all financial activity is posted to the General Ledger and it balances, the monthly financial reports for the various funding sources are then generated from the accounting software. Any report requiring modified information from the General Ledger to the financial report should have a worksheet or explanation attached to it.

Issued:	05/21/2007	Descriptor Code	150.0100
Revised:	10/24/2011	**Review/Adjusting Entries**	

In an effort to reduce the number of year end adjusting entries, the Fiscal Director or the Fiscal Specialist will review all prior year adjusting entries to insure that every foreseeable adjustment is made before year end. This procedure will help lessen the materiality of any post year end audit adjustments. So that expenses and revenues will be accurately reflected, revenues will be coded to revenue accounts and expenses will generally be coded to expense accounts. However, some expenditures are coded to revenue accounts. Examples of these include expenses charged to the interest income and miscellaneous income accounts.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	160.0000
Revised:	10/24/2011	**Grants and Funding Contracts**	

Presently the Agency has several grants and funding contracts from a number of sources. These include Head Start, (one grant for Tennessee and a separate grant for Georgia), the Tennessee Department of Human Services as well as funds to provide Child and Adult Care Food Program services. Several grants are funded through OCJP to provide Family Violence Shelter Services and Victims of Crime Assistance. The Department of Education also provides funding for Pre-K services as a part of the Head Start program in Tennessee. In some instances these funds are directed through a local school system before being received by the Agency.

Although not in contract form, the Agency receives funds from the United Way of Bradley County for Family Violence services. The Agency also receives funding from Bright From the Start - DECAL (Department of Early Care and Learning) for expenses related to operating the Child and Adult Care Food Program as well as funding to provide Pre-K services as part of the Head Start program in Georgia.

The notice of grant award, depending on the funding source, is often mailed to the attention of the Fiscal Director, CEO or Program Director. Because of this variability, the Agency uses a grant award routing form that forces the recipient to document the date they received the grant award and the date they forwarded it to the next person on the form. This grant award routing form requires that a copy of each grant award is mailed to the Agency's auditing firm as well. The Fiscal Director will carefully review each award to insure that all reporting provisions of the grant or contract will be complied with. A copy of each relevant grant or contract will be forwarded to the proper Program Director to review, to retain, and to insure that all programmatic provisions are complied with. The original grant and contract documents will be maintained in a fire proof filing cabinet by the Fiscal Services Coordinator.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	160.0100
Revised:	10/24/2011	**Budgets**	

Annual financial budgets will normally be prepared by the individual Program Directors with assistance from staff in their program, the Fiscal Director and the CEO. Any budget or project relating to the Administrative Office or the Agency as a whole will be prepared by the CEO. Budgets prepared by the Program Directors must be submitted to the CEO prior to submission to any other council or funding source.

In the case of both Head Start programs, the sequence of annual budget approval is as follows, internal Administrative review, Policy Council approval, Finance Committee approval, then Agency Board approval. The Board, at its discretion, may choose to forego the approval of budgets at the committee level and approve budget submissions at the Board level if it feels time constraints, committee attendance or any other factors make it necessary to do so.

Any budget revision requesting to increase current funding levels requires the same process as outlined above, except that the Finance Committee step is not included.

As needed, the Fiscal Director will meet with the Agency's Program Directors or the CEO to discuss the current budget in place, year to date expenditure patterns, obligated funds, changes in revenue patterns and to determine if there is a need for the budget to be revised. If the budget needs to be revised, the Program Director or their designee will submit a revised budget to the Fiscal Department.

Annually as part of the overall budgeting process, historic food and food related costs are analyzed and used to project future budget amounts for the programs that participate in the CACFP (Child and Adult Care Food Program). These budgets are used as a management tool to monitor spending patterns.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	160.0200
Revised:	10/24/2011	**Obligation of Funds**	

The Department of Health and Human Services, which funds both Head Start Programs, is the only funding source that has a formal written method which allows for unobligated funds after the year end closeout to be requested for use in the following budget year for specific approved purposes.

These unspent funds, after the audited year end closeout, are referred to as carry-over balances. During the course of the year, every effort is made to spend funds for program needs while at the same time ensuring that both Head Start programs do not over spend their funding levels.

At the end of any program year, funds are obligated in accordance with DHHS regulations, which require that all outstanding obligations must be liquidated within 90 days from the end of the program's fiscal year. Items not liquidated within 90 days from the end of the program's fiscal year will have to be paid with funding from the current fiscal year. It is the Program Director's responsibility to ensure all goods and services are ordered, and work is completed in sufficient time to meet this criteria.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	160.0300
Revised:	10/24/2011	**Spend Down of Head Start Grants**	

The Fiscal Director or a designee is responsible for generating the spend down reports and sharing that information with the specific Head Start Director and the CEO.

Procedures are in place to ensure both Head Start grants are not overspent. The in-house financial reports for both programs can be used to determine if either program is over or under budget. However, a formula must be used to determine funds availability. In basic form, this formula takes total Head Start expenditures less the following items if applicable: Miscellaneous or Other Income, Depreciation, Child Care Food Program Revenue, Losses on Fixed Assets and any other program income. This net expense amount is then compared to the total approved DHHS funding level to determine funds left to spend. In a year with no unusual transactions, this method can be used to determine grant funds expended for either Head Start program.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	160.0400
Revised:	10/24/2011	**Spend Down of Other Grants/Contracts**	

The Fiscal Director or a designee is responsible for generating spend down reports for other grants and contracts received by the Agency. These spend down reports are typically generated during the last three months of the grant year and are designed to supply the Program Directors in the Agency with information about funds left to spend so that expenses do not exceed all available revenue streams in any given program.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	170.0000
Revised:	10/24/2011	**Financial Reports**	

Monthly financial reports relating to all the Agency's programs are prepared by the Fiscal Director or a designee. The monthly reports due to the School Systems, Department of Human Services, Office of Criminal Justice, Department of Education and United Way are sent to those funding sources by the appropriate dates - Schools Systems, DHS, OCJP, and DOE by the 5th or as soon as possible thereafter; United Way by the 10th - No Exceptions. The Head Start monthly reports, the Administrative Office financial report and the monthly Pre-K Collaborative reports are internal reports. They are not sent to any funding source but are normally prepared and distributed internally by the 10th.

Besides the monthly financial reports, there is a quarterly report sent to DHS. It is due by the 15th of the month following the end of the quarter. SF-425 reports for both Head Start programs are due to the regional office 30 days after the end of each six month period. A final SF-425 report is due to regional office 90 days after the end of the program's fiscal year. The Georgia Head Start's fiscal year end is August 31st. Their final SF-425 report is due on November 30th of each year. Since this date falls before the Agency's annual audit has started, the true final Georgia Head Start SF-425 report is submitted after the audit report is completed.

All reports should be thoroughly reviewed by the Fiscal Director or a designee before submitting them to the CEO. It will be the responsibility of the Fiscal Director or a designee to insure that all reports are accurate and are submitted on a timely basis. Copies of all monthly reports will be kept on file, shared with Program Directors, and given to relevant councils and/or boards.

A monthly financial summary is included each month as a part of information that is presented to the Board of Directors. This summary highlights the funds left to spend for all programs as well as any miscellaneous financial information that does not appear on program financial reports. To be included in the information package mailed to the Board, the Fiscal Director or a designee must have this summary report ready by the Monday prior to the Board meeting.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0000
Revised:	10/24/2011	**Loans**	

Any loan or line of credit obtained by the Agency or any of its programs must be approved by the Board of Directors. The Agency does not make loans of any kind to employees. Interfund loans from restricted funding sources are prohibited.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0100
Revised:	10/24/2011	**Minutes of Meetings**	

Minutes of all Board and Committee meetings as well as Policy Council and Committee meetings will be maintained on file at the Administrative Office. The Executive Assistant to the CEO or a designee records and maintains official minutes of all Board and Committee meetings unless the meeting is closed to Agency staff. It is the responsibility of the Tennessee Head Start Director and the Georgia Head Start Director to see that the minutes from their Policy Council meetings are maintained and a copy of those minutes forwarded to the CEO.

It is the responsibility of the Family Violence Program Director to maintain minutes of that program's advisory committee. A copy of the minutes of these meetings should be forwarded to the CEO. For any other Program Advisory Council, the Director of that specific program is responsible for maintaining the minutes of the respective program's council.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0200
Revised:	10/24/2011	**Program Income**	

Donations of cash and non-program related income will be separately accounted for. Program income, regardless of the source, is typically treated as an additional revenue stream and subtracted from total allowable expenses to arrive at net reportable reimbursable expenses for each funding source.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0300
Revised:	10/24/2011	**Accounts Receivable**	

Documentation will be maintained for any grant funds due to Family Resource Agency. Any receivables will be recorded on the books and collected on a timely basis.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0400
Revised:	10/24/2011	**Financial Procedures Review**	

The Financial Procedures Manual will be reviewed periodically by the Fiscal Director and CEO. Recommended changes will be reviewed with the Agency's Finance Committee and taken to the Board for final approval.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0500
Revised:	10/24/2011	**Form 990**	

The independent auditor will prepare Form 990 - Return of Organizations Exempt from Income Tax from information obtained as part of the audit process. The Fiscal Director will review the return. The CEO will sign the form and then submit it to the IRS.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0600
Revised:	10/24/2011	**Form 5500**	

The Agency is required to file IRS Form 5500 yearly. This form summarizes key information related to the Agency's 403(b) retirement plan. The form 5500 Series is part of ERISA's overall reporting and disclosure framework, which is intended to assure that employee benefit plans are operated and managed in accordance with certain prescribed standards so participants, beneficiaries and regulators are provided access to sufficient information to protect the rights and benefits of participants and beneficiaries under employee benefit plans.

This form, or an extension request, is required to be filed by July 15th of each year.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0700
Revised:	10/24/2011	**ERISA Scope Audit**	

The Agency's 403(b) retirement plan is required to have an ERISA scope audit performed annually. This audit may be performed by the same firm that conducts the Agency's annual audit or by a different firm, depending on how the Board awards each audit contract.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	180.0800
Revised:	10/24/2011	**15% Administrative Cost Limitation**	

Both Tennessee and Georgia Head Start programs are subject to a 15% administrative cost limitation as mandated by the Department of Health and Human Services. The components that make up the administrative cost total are: Head Start Administrative Costs plus Indirect Costs allocated to the Head Start Program. The total of these two figures cannot exceed 15% of the total Head Start funding including the Non-Federal Match.

Since each Head Start program is structured differently, the types of costs included in the 15% administrative cost limitation calculation vary depending on how each program is staffed and operated. A spreadsheet documenting this calculation can be found as part of the backup information filed with each program's yearly grant application and the semi-annual and final SF-425 report for both Head Start programs.

Issued:	05/21/2007	Descriptor Code	190.0000
Revised:	10/24/2011	**Indirect Cost Rate Proposal**	

Annually, the Fiscal Director submits an Indirect Cost Rate proposal to the Department of Health and Human Services Division of Cost Allocation. This proposal includes the proposed method of allocating the Agency's general administrative costs to the various Federally funded Head Start programs.

The Agency's direct program salaries and wages are used as a base in computing the indirect cost rate. The Agency is assigned a provisional indirect cost rate that is not finalized until after the audit is complete each year. Example: the provisional indirect cost rate used for 2011 is the final rate assigned for 2010. The semi-annual and Final SF-425 reports that are sent to the Head Start regional office require us to disclose the approved provisional indirect cost rate and the total indirect cost allocated to each Head Start program.

Since the Agency is always using the final indirect cost rate from a prior year as the provisional rate for the current year, there are times when the provisional rate does not cover the indirect costs allocated to a program for the current year. However, since the Agency’s final indirect cost rate for the current year is based on actual audited figures for the current year, the final indirect cost rate will be sufficient once it is approved.

Family Resource Agency - Fiscal Policies		
Issued:	05/21/2007	Descriptor Code 190.0100
Revised:	10/24/2011	**Indirect Cost Allocation**

The Agency allocates the actual costs in the indirect pool each month by determining what percentage each month's indirect cost pool total is of total Agency salaries for the same month. For example, if the indirect cost pool for the month equals 7.5% of a program's total year to date salaries, that percentage is applied to the actual monthly indirect cost pool for the Agency to determine that program's monthly allocation of indirect costs.

The Fiscal Department tracks each program's monthly indirect cost allocation amount against the most recent approved indirect cost rate. Because this calculation allocates costs using actual figures that vary from month to month, some programs will be allocated more indirect costs than the approved provisional rate allows. Once the final indirect cost rate is approved after the audit for the year in question, the final rate will be sufficient to cover the costs allocated for the year, since it is based on actual audited numbers for the year.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	190.0200
Revised:	10/24/2011	**General Cost Allocation**	

When allowable, reasonable and necessary costs benefit more than one program, funding stream or cost center, these shared costs are allocated in the simplest, fairest and most equitable way possible. The actual method of allocation may be based on meals served, number of classrooms, salaries by program, funded enrollment, enrolled children, full time employees supervised, square footage occupied or other equitable methods.

These allocation methods and any others are used until they no longer fairly and equitably represent the best way to allocate shared costs. At that point, new allocation methods based on cost benefit will be assessed and implemented.

The Tennessee Head Start program has an allocation plan that documents how costs are allocated to the Pre-K Collaborative projects in that program that are funded through the local school systems. This plan is typically updated yearly to reflect the change in allocation of Pre-K and Head Start slots.

Certain key elements of these cost allocation plans are incorporated into budget proposals submitted to funding sources if the budget process for that particular funding source permits or requires this information.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	190.0300
Revised:	10/24/2011	**CACFP Allocation Method**	

The cafeteria at East Cleveland serves meals to both Tennessee Head Start and Pre-K children. Since these programs have different funding sources, all cafeteria costs are allocated based on meals served to each program or funding stream. The approved method currently allocates revenues and expenses based on the number of meals served in each program. Head Start and Pre-K meals that are eligible for reimbursement are entered into a worksheet that calculates each program's allocation as a percentage of total eligible meals served for the month. These percentages are used to allocate the revenue from the meals served from the East Cleveland Cafeteria.

To allocate the food and food related costs from the East Cleveland Cafeteria, the above method is used except all meals served are included in the allocation calculation. This is done because all meals served, whether eligible for reimbursement or not, are related to the total cafeteria costs for any given month. By including both eligible and ineligible meals served, both programs pay their fair share of meals served to their program. Breakfast, Lunch, and Supplement meals each cost different amounts to produce, so this calculation method also includes a feature that weights the Lunch meal as more expensive than the Breakfast or Supplement meals. The Breakfast meal is weighted as the next most expensive meal, with the Supplement being the least expensive to prepare.

This allocation method ensures the fair allocation of revenues and expenses to both programs regardless of the type of meals they serve.

The East Cleveland and Blythe Cafeterias and certain other locations in Tennessee serve meals to more than one program. Any location in either state that serves meals to more than one program or funding source that has separate reporting requirements must allocate Child and Adult Care Food Program expenses and revenue based on the methods in this policy.

Issued:	05/21/2007	Descriptor Code	200.0000
Revised:	10/24/2011	**Procurement**	

The purpose of this procurement section is to combine all relevant federal, state, and/or local requirements on procurement in policies that are useful for the efficient and responsible management of the Agency and its programs. These policies relate to the purchase or procurement of all supplies, equipment, services, and construction.

Note: The terms purchase and procurement are used interchangeably for the purpose of this policy.

It is the highest priority that the Agency's purchasing activities are conducted in an ethical and legal manner and in keeping with the policies outlined.

No employee, officer, Board member or agent of the Agency shall participate in the selection, award, or administration of a procurement where to his knowledge he or his immediate family member, business partner(s), or organization in which he or his immediate family member or partner has a financial interest in or with whom he has any arrangement concerning prospective employment.

The term "immediate family" includes husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, and daughter-in-law. The term "financial interest" includes but is not limited to: Any direct, or indirect financial interest in the specific procurement, including a commission or fee, a share of the proceeds, prospect of promotion or future employment, a profit, or any other financial reward or compensation. Any of the following interests in the business or entity with which the procuring party is contracting: ownership; partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the Board of Directors of the governing body.

Employees of Family Resource Agency are prohibited from accepting gifts or money from persons receiving benefits or services under the programs of the Agency or performing services or providing goods to the Agency as a result of a procurement. However, this does not apply to unsolicited and inexpensive items such as pens, pencils, other token items, or meals with a retail value of less than $25 and within a limit of $100 per year per source.

All procurement transactions should be conducted in such a manner as to provide to the maximum extent possible, open and free competition. It is important that transactions be carried on at "arms length" so there is no implication of impropriety or that the procurement has not been made with the Agency's best interests in mind. If there is a possibility a potential transaction might not be an "arms length" transaction or could potentially involve a relative or some other prohibited relationship, it is the responsibility of the procuring individual to immediately notify the CEO and/or the Board President for further guidance and instructions in regard to how to conduct the procurement.

The above mentioned policies prohibit the Agency from doing business with Board or Council members. This policy does not prohibit a Board member from donating products or services to the Agency.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	200.0200
Revised:	10/24/2011	**Procurements Requiring Board Approval**	

Any procurement in the amount of $25,000.00 or more that relates to equipment, renovation, alteration or construction requires prior Board approval if the item or services being procured were not part of a budget or any other action already approved by the Board.

All procurements should be conducted to reasonably maximize free and open competition among potential providers. Reasonable affirmative action steps should be taken to include small, minority, and women's business enterprises in the procurement process when possible. Purchaser's should be alert to practices that unnecessarily restrict competition and trade, potential conflicts of interest, and noncompetitive practices among contractors.

Awards shall be made to the offer or bidder whose offer/bid is responsive to the solicitation and is most advantageous to the Agency. Various factors that may be considered are price, other value added service or optional equipment added, warranty, delivery schedule, convenience for service, vendor integrity, past vendor performance, vendor technical resources or other factors considered as relevant. Solicitations should clearly set forth all the requirements the offer or/bidder must fulfill in order for their proposal to be evaluated by the Agency. Any and all offers/bids may be rejected when it is in the best interest of the Agency to do so.

It is the responsibility of all Director level employees, the CEO, or designees acting on their behalf, to avoid purchasing unnecessary or duplicate items. This can be accomplished by reviewing inventory logs in the case of equipment needs or communicating with other program staff to ascertain what supplies are on hand. Where it is appropriate, an analysis of lease and purchase alternatives should be made to determine which would be the most economical or practical arrangement.

Official solicitations for goods or services should contain the following:

1. A clear and accurate description of the technical requirements of the material, product, or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition. If such a restrictive feature is included, there must be written documentation signed by a Director level staff person or the CEO justifying the reason for such a limitation.
2. Requirements which the proposer must fulfill and all other factors to be used in evaluating the proposals or bids. This includes disclosing that the proposer must comply with the Davis-Bacon Act, Copeland Anti-Kickback Act or any other law or legislation referenced in these policies or mandated by the funding source of the project.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
5. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

Several types of procuring instruments are allowable. These include purchase orders, fixed price contracts, cost reimbursable contracts, and incentive contracts. However, Federal Regulations prohibit the use of a “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods.

For any procurement where the following conditions apply and it involves the expenditure of Federal Funds, the awarding Federal Agency must first approve before the procurement is undertaken.

1. The procurement is expected to exceed the simplified acquisition cost which is currently fixed at $100,000 (41 U.S.C. 403(11)) and is to be awarded without competition, or only one bid or offer has been received in response to a solicitation.
2. The procurement is expected to exceed the small purchase threshold, currently $100,000 and specifies a “brand name” product.
3. The proposed award is over the simplified acquisition threshold, currently $100,000, is proposed to be awarded to other than the apparent low bidder under a sealed bid procurement. **(Note: we typically do not use a sealed bid procurement. We typically solicit proposals.)**
4. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the simplified acquisition threshold, which is currently $100,000.
5. The proposed procurement involves renovations/alterations that are expected to exceed $75,000 and the specific alterations/renovations were not included as a part of the original grant package. **(According to the Post Awards section of the Head Start Fiscal Assistant, renovations/alterations are typically work that may be described as remodeling, rehabilitation, or modernization, and may include such changes as removing or rearranging interior walls.)**

Some form of cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways including comparison of price quotations, examination of market prices, and other relevant information. In comparing prices and total cost of the procurement, be sure to consider discounts offered, shipping, installation, and other additional costs besides price alone.

Contract agreements should only be entered into with responsible contractors who possess the potential to perform successfully under the terms and conditions set forth in the contract.

A copy of the contract for projects outlined in this section must be attached to the purchase order and procurement documentation sheet when it is sent to the Cleveland Administrative Office to be signed by the CEO. This copy of the contract will be filed with all other supporting documentation in the vendor's accounts payable file. The Program Director, CEO or the accounts payable staff will not process purchase order requests or check requests for payments related to the contracts mentioned in this section if all supporting information is not attached to the purchase order or check request.

All construction, repair, or alteration contracts must contain the following statement: **The contractor/proposer agrees to submit ANY and ALL requests for changes, additions, or deletions, commonly referred to as Work Change Orders in writing to the designated Agency Staff Person overseeing the project BEFORE any work is undertaken related to the Work Change Order request. All Work Change Orders MUST be in writing, approved, and signed by the Agency Staff Person overseeing the project and the Program Director or CEO BEFORE the change is binding on the Agency. Failure to abide by this requirement will subject the contractor/proposer to assume all financial obligations and/or risks relating to the Work Change Order request**. All construction, repair, or alteration contracts must also contain a retainage clause that stipulates an amount or percentage of the total contract price that is to be withheld pending a review or inspection of the work completed. Once the work has been reviewed or inspected and determined to have met the specifications outlined in the contract, the balance due the contractor will be released.

For all contracts in excess of $25,000, the following information must be attached to the procuring documents.

1. The basis for the selection of the particular vendor/contractor.
2. Justification for lack of competition if at least 3 proposals or bids are not obtained.
3. A contractual provision that specifies the administrative, contractual, or legal remedies that will be available to the Agency in instances in which a contractor violates or breaches the contract terms, or for conditions where the contract may be terminated because of circumstances beyond the control of the contractor, e.g. "acts of God." The contract shall also specify how the termination will be effected and outline terms of settlement.

Additionally, for all contracts in excess of $50,000 the following information must be attached to the procuring documents.

1. A performance bond on the part of the contractor for 100 percent of the contract price and covering performance of repairs for a period of at least one year. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligation under such contract. The contractor is not to begin work or to be paid any funds until the

performance bond is provided to the Agency. A copy of the performance bond is to be kept in a fire proof safe and a copy must be forwarded to the CEO.

Additionally, for all procurements in excess of $100,000 and that are for the purposes of construction, renovation, or repair, these contracts shall also include the following provisions.

1. A bid/proposal guarantee from each proposer equivalent to five percent of the bid/proposal price. This guarantee shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying the proposal/bid as assurance that the proposer/bidder shall upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
2. A performance bond on the part of the contractor for 100 percent of the contract price and covering performance of repairs for a period of at least one year. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligation under such contract. The contractor is not to begin work or to be paid any funds until the performance bond is provided to the Agency.
3. A payment bond on the part of the contractor for 100 percent of the contract price. A payment bond is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.
4. Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business With the United States."
5. All contracts of $100,000 and above shall include a provision to the effect that the recipient, the HHS awarding agency, U.S. Comptroller General, or any other duly authorized representatives shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions relative to the contract award.

All contracts, no matter what the size, which are awarded by the Agency, including small purchases, shall contain the following provisions in sections 200.0410-200.0480, as applicable, where the cost of the contract is treated as a direct cost of a federal or state award.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	200.0410
Revised:	10/24/2011	**Equal Employment Opportunity**	

All contracts shall contain a provision requiring compliance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

Issued:	05/21/2007	Descriptor Code	200.0420
Revised:	10/24/2011	**Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)**	

All contracts and subgrants in excess of $100,000 for construction or repair awarded by the Agency and any subrecipients of the Agency shall include a provision for compliance with the Copeland “Anti-Kickback” Act, 18 U.S.C. 874, 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 shall 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 is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal Awarding agency.

Issued:	05/21/2007	Descriptor Code	200.0430
Revised:	10/24/2011	**Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)**	

When required by Federal program legislation, the Agency employee responsible for soliciting bids on all projects costing more than $2,000 for construction, alteration and/or repair, including painting, will also enter the project in the Agency's Help Desk work order software under Custom Queries for Davis-Bacon work orders. The Help Desk work order software can be found on the Agency's web site located at: www.fratn.com. The Agency employee must also include information in the bid specifications notifying all prospective bidders that the project is subject to compliance with the Davis-Bacon Act.

The Agency employee responsible for completing the initial purchase order for projects subject to Davis-Bacon and all subsequent check requests, purchase orders, work change orders etc., must request that all activity related to these projects be coded to the appropriate project/site code in the Agency's accounting software designated to track activity related to Davis-Bacon Act projects. Any employee that needs help with coding activity related to Davis-Bacon projects should contact the Fiscal Department for assistance.

When required by Federal program legislation, all construction, alteration and/or repair including painting and decorating contracts awarded by the recipients and subrecipients of more than $2,000 shall include a provision for compliance with the Davis-Bacon Act, 40 U.S.C. 276a-a-7, and as supplemented by Department of Labor regulations, 29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction.” Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the HHS awarding agency.

Important Note: Davis-Bacon regulations do not apply if the construction work is done by an independent contractor or contractors who have no employees. If the contractor is him/herself performing all the work and has no employees involved, then Davis-Bacon would not apply. Davis-Bacon does not apply if the persons performing the work are partners or part owners of the business. Davis Bacon also does not apply if an individual is hired as a temporary employee of the Agency and performs the work as an employee of the Agency.

Issued:	05/21/2007	Descriptor Code	200.0440
Revised:	10/24/2011	**Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)**	

Where applicable, all contracts awarded by recipients in excess of $100,000 for construction contracts and for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-333, as supplemented by Department of Labor regulations, 29 CFR part 5. Under section 102 of the Act, each contractor shall 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 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall 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.

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any further implementing regulations issued by HHS.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	200.0460
Revised:	10/24/2011	**Clean Air Act (42 U.S.C. 7401 et seq.)**	

Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. 7401 et seq., and the Federal Water Pollution Control Act, as amended 33 U.S.C. 1251 et seq. Violations shall be reported to the HHS and the appropriate Regional Office of the Environmental Protection Agency.

Issued:	05/21/2007	Descriptor Code 200.0470
Revised:	10/24/2011	**Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)**

Contractors who apply or bid for an award of more than $100,000 shall 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 Federal 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 shall 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 recipient. (See also 45 CFR part 93).

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	200.0480
Revised:	10/24/2011	**Debarment and Suspension (E.O.s 12549 and 12689)**	

Certain contracts shall not be made to parties listed on the nonprocurement portion of the General Services Administration’s “Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs” in accordance with E.O.s 12549 and 12689, “Debarment and Suspension.” (See 45 CFR part 76.) This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding their exclusion status and that of their principals prior to award.

Issued:	05/21/2007	Descriptor Code	210.0000
Revised:	10/24/2011	**Contract Services and Consultants**	

The acquisition of all services and the engagement of consultants shall adhere to the policies outlined in the Purchasing and Procurement Section of this manual except for those specific instances covered in this section, or otherwise justified in writing and specifically approved by the CEO.

Consideration of in-house capabilities should be made before engaging the services of a consultant. The qualifications, experience, and reasonableness of fees will be considered in hiring consultants. The Program Director, if applicable, and the CEO will approve all proposed contracts. However, the Agency Board of Directors will approve the contract for the Agency audit and other specific contracts it designates.

Contracts with consultants or for other contracted services should be reviewed by the Program Director or CEO at least annually. If the contractor or service provider wishes to increase fees or charges beyond the level already approved in the agreement or decrease the level of service, it would be necessary to reopen the agreement and again solicit competitive proposals. As long as the agreement remains the same and there is no change in cost or terms, if it is in the Agency's best interest, the agreement can be renewed annually.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	210.0100
Revised:	10/24/2011	**Specialized Professional Services**	

The Agency may engage the services of certain professionals such as attorneys, doctors, engineers and others on a contract or non-contract basis. The need for these specialized professional services is usually triggered by a set of complex circumstances that are hard to define. In these instances, the Agency is sometimes required to seek advise and take action quickly. Examples include, but are not limited to, seeking legal counsel regarding the interpretation and applicability of laws to situations or circumstances that may arise, providing varied medical treatment to clients and customers and securing the services of engineers and architects to provide advise on facilities or other issues.

The Agency periodically compares prices for these types of specialized services, taking into account price, other value added service, delivery schedule, convenience for service, vendor integrity, past vendor performance, vendor technical resources and/or other factors considered as relevant. The cost of the service along with these other factors are documented in writing and used as justification for purchasing specialized services until the Agency determines it is necessary to compare prices again.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	210.0200
Revised:	10/24/2011	**Contracts for Food Service with Public Schools**	

Since the Agency operates a number of classes on the campuses of local schools and is involved in preparing children for successful entry into the public school system, the Agency may enter into food service contracts with local schools without going through a competitive process, as long as the negotiated reimbursement rates the schools charge is considered to be reasonable in regard to the price of the meals being served when compared to other schools or outside vendors, and that it includes a provision for termination with no more than a 30 day notice.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	220.0000
Revised:	10/24/2011	**Proposals, Price Quotes, Bids, and Other Comparison Techniques**	

This section applies to all procurements except fuel for vehicles, vehicle repair and maintenance, and food and non-food purchases relating to the cafeterias and kitchens.

For any single item, service, lease, rental, or single aggregate purchase of less than $1,000, competitive quotes, proposals, or bids do not have to be obtained. However, the procuring staff person should always make some type of appropriate cost comparison and indicate the type of analysis performed by checking the appropriate informational box on the Purchase Order form when initially completing it.

For any single item, service, lease, rental, or single aggregate purchase of between $1,000-$4,999.99 three price quotations should be obtained. These may be either oral or in writing. If they are obtained orally, the procuring staff person should document the specifics of the quote, including the name of the business, the person giving the quote, the date, the amount, and the specifics of what is being quoted on such as make, model, etc. Also, other information such as warranties, delivery costs, or other "add-ons" to the price should be noted as well. This information should be attached to the Procurement Documentation and Summary Sheet. If the lowest price quote is not recommended by the procuring staff person, then a brief justification should be included to explain why. Some examples of a justification might be that one product offered a five year warranty while the others had just a one year. Another could be that one vendor includes free delivery while the others charge additionally for this.

For any single item, service, lease, rental, or single aggregate purchase of between $5,000-$24,999.99, at least three written quotes, proposals, or bids must be taken. If at least three bids are not attached to the procurement, then an explanation must be included with the Procurement Documentation and Summary Sheet explaining why three are not included and what the procuring staff person has done to attempt to obtain at least three. Again, if the lowest price quote is not recommended, a sufficient explanation must be also attached.

For any single item, service, lease, rental, or single aggregate purchase of $25,000 or more, competitive quotes, proposals, or bids should be taken after a period of advertising. Except for specialized purchases such as school buses or other equipment where potential vendors/ contractors are not usually found by advertising in local newspapers, the procuring staff person may solicit proposals directly from interested parties in lieu of local newspaper advertising. Some examples of these kinds of products or services where this may apply include school buses as previously mentioned, specialized classroom equipment and annual classroom supply purchases.

Issued:	05/21/2007	Descriptor Code	230.0000
Revised:	10/24/2011	**Special Purchasing Conditions**	

In emergency situations the CEO may approve the purchase of equipment, materials, parts and/or services without soliciting bids if the health, welfare, safety, etc. of Agency staff, clients or the protection of Agency property is involved. A cost/price analysis is required and approval from the funding agency may be necessary if the purchase is over the small purchase threshold.

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

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

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	250.0000
Revised:	10/24/2011	**Kitchen Food and Non-food Supplies that are Food Program Related Expenses**	

These are food and non-food supply purchases such as paper plates, napkins, trash can liners, paper towels, etc. that are being purchased through an Agency kitchen or cafeteria and are being expensed to the Child Care Food Program.

At least twice per year, the staff person in charge of these types of purchases, normally a Cafeteria Manager or Head Cook for the site, shall compile a cost comparison form covering the items typically purchased. This form shall list the items usually purchased and list the prices from preferably at least three sources. This information shall be kept on file and used in making purchase decisions for the upcoming quarter of purchases.

Price alone is not the only factor to be considered. Other relevant factors may include the vendor delivery schedule, quality of the product, and for food products taste may be a consideration.

A copy of this comparison form shall be forwarded to the state specific Accounts Payable Specialist for the respective program by September 1st and February 1st of each year.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	260.0000
Revised:	10/24/2011	**Funding Source Restrictions/Differences Relating to Procurement**	

The following is not an all-inclusive list of restrictions but the ones encountered most often.

A. Department of Health and Human Services

DHHS requires that an Agency receive advance approval for purchasing equipment that costs $25,000 or more and for building renovation or alteration costs of $75,000 or more.

B. Tennessee Department of Human Services

The Tennessee Department of Human Services requires that an Agency receive advance approval to purchase equipment that costs $5,000 or more. This only applies to equipment purchased through the Child and Adult Care Food Program as this is currently the only grant the Agency has through TDHS.

C. Office of Criminal Justice (Family Violence, VOCA, and STOP)

The OCJP requires that an Agency receive advance approval for expending funds on equipment that costs $5,000 or more that were not part of a budget that has been approved.

D. Tennessee Department of Education

TDOE requires that an Agency receive advance approval for expending funds on equipment that costs $5,000 or more that were not part a of budget that has been approved.

E. United Way of Bradley County

There is no requirement to seek approval for any particular purchase, repair, renovation, or alteration if that procurement can be accomplished within an Agency's current United Way allocation. However, if by incurring the expense, the Agency believes this will cause them to exceed their allocation, then it should be brought to the attention of United Way. Any special requests to purchase equipment or perform repairs or renovations outside the Agency's regular operating budget can be presented to United Way during the annual budgeting and allocation process or at any other time as necessary.

Federal Regulations define equipment as any item with a life expectancy of one year and an acquistion cost of $5,000.00 or more per unit. The Agency must receive prior Board and Regional Office approval before purchasing any equipment that is valued at $25,000 or more if the equipment being procured was not part of a budget or any other action already approved the Board and Regional Office.

Equipment for Agency purposes shall be defined as all items purchased or donated with a unit cost of $5,000.00 or more and having a useful life expectancy of one year or more. For items purchased with grant funds from the State of Tennessee, equipment is also defined as all items purchased or donated with a unit cost of $5,000.00 or more and having a useful life expectancy of one year or more. Equipment items should be included on the Agency's equipment depreciation list prepared by the auditing firm each year.

Sensitive minor equipment shall be defined as items with a value of least $100.00 which, although expended as supplies, may be highly personally desirable and may be easily removed from the premises. This includes items such as cameras, portable tape recorders, DVD players/recorders, televisions, calculators, computer components, and software, etc. Refer to the end of this section for a complete list of items considered to be sensitive minor equipment; these items are not listed in the asset accounts of the Agency since these items are expended.

Both equipment and sensitive minor equipment items should be tagged with consecutive inventory identification numbers. Tags should be permanent, not easily changed, defaced, nor removed. Other items, although not tagged with a property ID number and tracked on the Agency's inventory log, may have a non-numbered property tag affixed to them that identifies them as property of the Agency.

The inventory data base must include the following:

1. a description of the item
2. manufacturer's serial number or other ID number if applicable
3. consecutive assigned ID number
4. acquisition date
5. cost
6. check number (located by referencing the purchase order number)
7. fund source with applicable State or Federal contract number
8. location within the Agency's operation where the equipment is utilized
9. the condition of the equipment at the time of the inventory
10. disposition information if the property has been disposed of.
11. purchase order number
12. the vendor the item was purchased from.

A physical inventory of the equipment items must be taken at least once every year. The

Executive Assistant to the CEO will supply each Program Director or their designee with an inventory printout to be used in checking off the inventory items for their program. The person conducting the inventory should sign and date the inventory printout in the appropriate place. It is the responsibility of each Program Director to see that their program's inventory is completed each year.

Written notification should be given to the appropriate Program Director and the CEO for any equipment that is discovered to be lost or stolen during the inventory process or at anytime during the year. Any theft or vandalism of equipment requires the Agency to contact the Police Department in their area concerning the loss or damage. Depending upon the initial cost of the sensitive minor equipment, the CEO may or may not request a Police Department investigation. The CEO requires an internal investigation be conducted immediately for any missing inventory items. This investigation and any related paperwork must be forwarded to the CEO for approval. The CEO shall also be immediately notified, preferably in writing, of all cases of loss, damage, or destruction of Agency property or equipment.

Any information concerning loss or damage to inventoried items shall be kept in a continuing file called Equipment Loss/Damage. This file will be maintained in the office of the Executive Assistant to the CEO. Police Reports relating to such loss or damage should also be kept in this file.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	270.0100
Revised:	10/24/2011	**Disposition**	

Disposition of property that is no longer fit for use or no longer needed will be subject to the disposition regulations of the funding source that initially paid for the equipment. Disposition of property having an original aquisition cost of $100.00 or more and is no longer fit for use or no longer needed can not be disposed until notifying the CEO by e-mail.

No property on the Agency's inventory or sensitive minor equipment list can be disposed of without prior written approval from the CEO.

Equipment with a per-unit fair market value of less than $5,000 and with no further use value may be retained, sold or otherwise disposed of with no further obligation to the Federal Government. Equipment with a fair market value of more than $5,000 requires Federal approval for disposition.

Where the Agency is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return. When the Agency no longer needs the equipment, it may use the equipment for other activities in accordance with the following standards. For equipment with a current per unit fair market value of $5,000 or more, the Agency may retain the equipment for other uses provided that compensation is made to the original HHS awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of HHS's share in the cost of the original project or program to the current fair market value of the equipment. If the Agency has no need for the equipment, the Agency shall request disposition instructions from the HHS awarding agency; such instructions must be issued to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern:

If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the HHS awarding agency an amount computed by applying to the sales proceeds the percentage of HHS share in the cost of the original project or program. However, the Agency is permitted to deduct and retain from the HHS share $500 or ten percent of the proceeds, whichever is less, for selling and handling expenses. If the Agency is instructed to ship the equipment elsewhere, the Agency will be reimbursed by the HHS awarding agency by an amount which is computed by applying the percentage of the recipient's share in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

If the Agency is instructed to otherwise dispose of the equipment, the Agency will be reimbursed by the HHS awarding agency for such costs incurred in its disposition. If the Agency's project or program for which or under which the equipment was acquired is still receiving support from the same HHS program, and if the HHS awarding agency approves, the net amount due may be used for allowable costs of that project or program. Otherwise the net amount must be remitted to the HHS awarding agency by check. The HHS awarding agency reserves the right to order the transfer of title to the Federal Government or to a third party named by the awarding agency when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards:

The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.
The HHS awarding agency may require submission of a final inventory that lists all equipment acquired with HHS funds and federally-owned equipment. If the HHS awarding agency fails to issue disposition instructions within 120 calendar days after receipt of the inventory, the Agency will sell the equipment and reimburse the HHS awarding agency an amount computed by applying to the sales proceeds the percentage of HHS share in the cost of the original project or program. When

the HHS awarding agency exercises its right to order the transfer of title to the Federal Government, the equipment will be subject to the rules for federally-owned equipment. (See 74.34(g)). No property can be disposed of without prior written approval from the CEO.

Issued:	05/21/2007	Descriptor Code	270.0120
Revised:	10/24/2011	**State Funds**	

For equipment items, items that initially cost $5,000.00 or more, then the proper State Department should be contacted regarding the specific disposition request. For items costing less than $5,000.00, then it would be up to the Agency to handle the disposition of them. No property can be disposed of without prior written approval from the CEO.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	270.0130
Revised:	10/24/2011	**Other Funds**	

Equipment purchased with any other funds may be disposed of as the Agency wishes or in accordance with any particular restrictions the funding source placed upon the equipment. No property can be disposed of without prior written approval from the CEO.

All requests for the purchase of equipment and/or sensitive minor equipment shall be identified on the Purchase Requisition Request form by placing a check mark in the inventory column. Provided the request is approved, the inventory number will be assigned when the transaction is complete.

After a purchase order number is assigned, a designee in each program will e-mail a copy of the approved purchase order request to the Executive Assistant to the CEO. Once the item is received, the designee in each program will complete an inventory addition form. A inventory sticker is issued and the sticker is affixed to the item. The Executive Assistant to the CEO will periodically check the purchase orders against the inventory data base to insure all items are inventoried.

The ICT staff of the Agency will occasionally build computers using parts owned by the Agency and/or components purchased from suppliers. Computers assembled in this manner must be added and tracked on the inventory just like any other computer that is purchased from a vendor. It is the responsibility of the ICT staff to complete an inventory addition form and submit it to the designee in each program as soon as the computer is assembled and ready for use. The purchase date should be the date of completion and the purchase amount should be the sum total of all parts used to assemble the computer and make it ready for use.

The Inventory data base shall be maintained by the Executive Assistant to the CEO. An inventory report may be requested as necessary by the Program Directors, the CEO or their designees to complete the annual inventory or for other reasons as necessary.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	280.0100
Revised:	10/24/2011	**Sensitive Minor Equipment Listing**	

Only sensitive minor equipment costing over $100 will be tracked on the inventory. Items costing less than $100 will not be tracked.

For a complete list of items considered to be sensitive minor equipment, see Appendix B of the Fiscal Policies.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	290.0000
Revised:	10/24/2011	**Records Retention**	

Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report. The only exceptions are the following:

1. If any litigation, claim, financial management review, or audit is started before the expiration of the 3 year period , the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
2. Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	290.0100
Revised:	10/24/2011	**Personnel Records Retention Guidelines**	

The following guidelines apply only to personnel records. They are not applicable to client files and financial records of various kinds.

Job applications, resumes connected with a specific job advertisement, job advertisements, interview information, interview evaluation or scoring sheets, and reference check information related to persons that are not hired are to be kept on file for **one year** from the interview date. Unsolicited resumes are not considered to be official applications and are therefore not required to be retained.

Currently there are many differing retention requirements pertaining to employment records of various kinds. In order to comply with these requirements in as reasonable and efficient manner as possible, employment and/or personnel records are to be kept for **four years** past the employment termination date. The exception to this time frame is for medical records relating to any worker's comp claim or an employee's exposure to a hazardous material in which he/she had a "significant adverse reaction." In these two situations just mentioned, the records are to be retained for the staff person's life of employment plus 30 years. However, for employees who have had no such exposure to a hazardous material or who have had no worker's comp claims, their medical files will be retained for only four years past the termination of their employment date.

Employee medical information relating to Family Medical Leave requests, job-related injuries, or accident information, exposure to a hazardous material including blood-borne pathogens, and medical reports and/or information related to any of these previously mentioned situations are kept in the employee medical file. The employee medical file, which is considered to be a part of the Personnel Files must be kept separately from the other personnel records and information shared only on a need-to-know basis with an authorized supervisor.

For employees who have worked with the Agency for more than four years, only their most recent four annual performance evaluations will be retained in the file. For annual evaluations more than four years old, the employee's evaluation score and evaluation date from these "old" evaluations should be recorded on a sheet labeled "Prior Evaluation Tally Sheet," which is kept in the personnel file. After the information is recorded on the sheet, the annual evaluations over four years old are to be removed from the file and destroyed.

List of Reimbursement Rates for Personal Use of Agency Fax Machines, Copiers, Laser Printers, Ink Jet Printers and Laminators:

Fax machine reimbursement rates per page:

	Send	Receive
Local	$0.10	$0.10
Long Distance	$0.20	$0.10

These rates apply only to faxes sent in the lower 48 states. Any other faxes outside the lower 48 states or to another country require the CEO's approval so that an appropriate charge can be made.

Printer and copier reimbursement rates per page:

$0.05 cents - Reimbursement rate per sheet for copy machine usage.

$0.05 cents - Reimbursement rate per sheet for laser printer usage (black ink only).

$0.10 cents - Reimbursement rate per sheet for laser printer usage (50% or more use of color ink).

$0.25 cents - Reimbursement rate per sheet for ink jet printer usage (less that 50% color ink).

$0.75 cents - Reimbursement rate per sheet for ink jet printer usage (50% or more color ink).

Laminating machine reimbursement rates per foot:

$0.25 cents - Reimbursement rate per foot of usage.

Family Resource Agency - Fiscal Policies			
Issued:	05/21/2007	Descriptor Code	310.0000
Revised:	10/24/2011	**Appendix B - Sensitive Minor Equipment**	

List of Sensitive Minor Equipment:

1. Answering Machines
2. Calculators
3. Cameras
4. Cassette Players
5. CD Players
6. Computer Battery Backup Units
7. Computers
8. Copiers
9. DVD Players
10. Electric Hole Punchers
11. Electric Staplers
12. Fax Machines
13. Global Positioning Units
14. Hearing Screeners
15. Laminators
16. Leaf Blowers
17. Microwave Ovens
18. Monitors
19. PA Systems
20. PDA's
21. Paper Folders
22. Paper Shredders
23. Pressure Washers
24. Printers
25. Projectors
26. Radios
27. Record Players
28. Rug Shampooers
29. Scanners
30. Tape Recorders
31. Tillers
32. Transcription Kits
33. TV's
34. Typewriters
35. Vacuum Cleaners
36. VCR's
37. Vision Screeners