

ADMINISTRATIVE POLICY

1 Receipts

- 1.1 All receipts will be processed within 5 working days of payment received.
- 1.2 Checks will be stamped 'For Deposit Only' upon receipt. No checks will be cashed, but must be deposited into the bank account.
- 1.3 An accounts receivable file will be kept for all deposits. This file will include a copy of all checks deposited, any back up detail that was issued with the check and an accounts receivable ledger reflecting the deposit.

2 Bank Accounts

- 2.1 OPTIONS will maintain bank accounts utilizing sound accounting principles. There will always be a system of checks and balances with all financial transactions.
- 2.2 All bank accounts will be reconciled at least monthly.
- 2.3 All checking accounts will require dual signatures for amounts over \$500.00. All payroll checks and P&I checks will require dual signatures.
- 2.4 All expenditures will be classified under the OPTIONS Chart of Accounts at least once each month.
- 2.5 The current balance of each account will be determined after each deposit or withdrawal is made.
- 2.6 In all cases where a check is being written that involves one of the signers (such as a payroll check, reimbursement for expenses, etc.) there will always be two signatures on the check.

3 Payroll

- 3.1 Payroll is to be processed by the Accounting Specialist and then reviewed by the CFO and/or the CEO. All payroll checks require two signatures by any two people on the signature card for that account. A record will be kept of all payroll disbursements.
- 3.2 Employees will be paid bi-weekly, for a total of 26 payroll periods per year.

4 Donations

- 4.1 A record will be kept of the description of any item or cash amount donated to OPTIONS. A receipt will be issued to the person or

ADMINISTRATIVE POLICY

organization making the donation.

5 P&I Funds

5.1 Funds received for client personal and incidental (P&I) expenses will be deposited into the P&I checking account.

5.2 At the request of the Program Manager or Program Supervisor, checks will be issued to provide cash to individual accounts which will then be kept in a locked cash box or safe at the program site. The cash boxes will remain at each respective location in a secured location.

5.3 A ledger showing cash deposits and withdrawals will be maintained for all P&I accounts at the residential sites. A control account for all receipts and expenditures with supporting vouchers and receipts will be maintained in the Administrative accounting office.

5.4 Individual P&I accounts or funds will not be co-mingled or combined in any way.

5.5 The Program Manager/QIDP will audit all P&I accounts on a monthly basis.

5.6 Any P&I check written to cash will require a dual signature.

6 Financial Statements

6.1 Monthly financial statements will be generated for OPTIONS' accounting operations. These statements will be calculated on an accrual basis and will include current assets, liabilities and fund balance.

6.2 A monthly income and expense statement will be generated for each of OPTIONS' departments. This report will compare actual expenses to the current budget and will also show a year-to-date total for each line item expense. These statements will be reviewed by the CEO and/or Program Director on a monthly basis.

7 Annual Independent Audits

7.1 One independent audit will be conducted each year to verify accuracy of billing, accounts receivable, accounts payable, payroll and to verify the accuracy of the financial statements. The audit will be conducted by a certified public accountant not otherwise associated with OPTIONS and will be reviewed by the Board of Directors.

ADMINISTRATIVE POLICY

8 Budget Development

- 8.1 It is the intent of OPTIONS to develop an annual budget in a timely manner with a review of all departments.
- 8.2 The budget will be developed by OPTIONS' CFO each year and distributed to the CEO for review and input. All adjustments will be reviewed and amended as needed. This budget will be presented to the OPTIONS Board for approval at the regularly scheduled meeting closest to the start of the new fiscal year.
- 8.3 The budget may be modified after the approval of a new state budget in order to accommodate any changes to rates and presented at the next scheduled board meeting.

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