STAFF REPORT

Shasta County
Regional Transportation
Planning Agency

MEETING DATE:	**5/22/12**
SUBJECT:	**Approve Financial and Accounting Policies & Procedures**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Dan Little**

SUMMARY:

The board-approved transition of the RTPA to an independent agency will require fiscal and administrative accounting policies.

STAFF RECOMMENDATION:

It is recommended that the board approve the attached Financial and Accounting Policies and Procedures.

DISCUSSION:

RTPA staff, RTPA counsel, and the professional accounting firm of Aiello, Goodrich & Teuscher have developed basic fiscal policies and internal controls needed for the start-up and operation of an independent agency beginning July 1, 2012. The attached Financial and Accounting Policies and Procedures would establish all necessary controls needed for the day-to-day management of agency activities, including:

1. Management of agency bank accounts;
2. The establishment of accounts in compliance with the state controller's office (§308);
3. Thresholds for board authorization of spending (§805);
4. Ability to receive and distribute agency funds; and
5. Provisions for a board audit committee to be designated in June (§202).

Certain section numbers marked "open" in the table of contents have been drafted but are not included at this time. These are non-essential provisions to agency start-up and need further legal review. A more refined version will be provided for future board consideration.

ALTERNATIVES:

The board may modify the policies and authorization thresholds on spending.

The agency may continue the matter for further information. If so, a special board meeting must be scheduled quickly to allow time for the set-up and testing of a fully operational accounting system by the July 1, 2012, deadline.

OTHER AGENCY INVOLVEMENT:

The independent RTPA board subcommittee, consisting of Chair Moty, Vice Chair Watkins, and past Chair Dickerson are scheduled to review this item May 21.

FINANCING:

Adoption of these fiscal policies will have no direct fiscal effect. Continued administration and application of the policies will require ongoing professional Certified Public Account consulting services. These were estimated at $25,000 annually in the January report provided to the board for consideration of independent RTPA. Adequate funds are budgeted in the 2012/13 Overall Work Program.

Daniel S. Little, AICP, Executive Director

Attachments: Draft Financial and Accounting Policies & Procedures

Shasta Regional
Transportation
Agency

Shasta Regional Transportation Agency

Financial and Accounting Policies and Procedures

May 2012

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100. Introduction

101. Purpose of Manual

101.1. The purpose of this manual is to enable the Shasta Regional Transportation Agency board and agency personnel to carry out the purpose and mission of the agency within the guidelines set by the California Government Code, the State Controller's Office, and the United States Government.

200. Internal Control Policies

201. The Board

201.1. The board is responsible for the oversight of management and to provide continuity to the agency. Responsibilities of the board as they relate to financial operations are to:

1) Hire/support/evaluate/discharge the executive director;
2) Safeguard the assets of the agency by developing and implementing policies and procedures;
3) Monitor the financial performance of the agency;
4) Create an environment for ethical behavior;
5) Commit the financial and administrative resources for the prevention and detection of fraud and embezzlement;
6) Review and approve the annual budgets and all budget revisions;
7) Review and approve major organizational decisions, commitments, and plans including expenditures, contracts, loans, and leases;
8) Evaluate progress toward program and financial goals;
9) Ensure the continuity of the agency through the development and recruitment of the executive director;
10) Conduct affairs of the board including board development, transition and effectiveness; and
11) In conjunction with the executive director, provide leadership on organizational transition, structure and planning.

201.2. The board, as the governing body of the agency, formulates financial policies. The board may choose to delegate some of the responsibility for administration of financial policies to staff or to the audit committee.

201.3. The board is required to complete ethics training biennially.

201.4. The board will meet their specific responsibilities through:

1) Board orientation;

2) Information flow: financial statements, reporting regarding programs and operations, planning;

3) Each board member exercise of informed, independent judgment;

4) Appropriate board organization and continuity;

5) Board meetings, agendas, minutes and documentation;

6) Appropriate committee structure; and

7) Determination of board-executive staff relationships and the extent of delegation of management authority.

202. Audit Committee

202.1. The agency will establish an audit committee comprised of the following:

1) All members should possess or obtain a basic understanding of governmental financial reporting and auditing.

2) The committee should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose.

3) The actual audit committee membership should be comprised of the agency's board members.

4) The minimum membership of the committee should be no fewer than two (2) members.

202.2. The audit committee provides the highest level of management oversight related to financial operations. Responsibilities of the audit committee are:

1) Recommend the choice of an auditor after completion of request for proposal (RFP) process; perform regular, in-depth reviews of the agency's financial activity; oversee the development of the annual budget and budget revisions; determine the allocation of assets and investments.

2) Submit any financial policies it deems to be in the best interest of the agency within the parameters of the bylaws or federal, state and local laws to the board for approval.

3) Meet as needed or at least twice a year.

4) Determine that all investigations of ethics violations, fraud or embezzlements have been adequately performed.

5) Evaluate, on an annual basis, the performance of the agency executive director related to the finances.

6) Obtain informal training related to the understanding of financial statements and generally accepted accounting principles.

7) Review financial policies and procedures on an annual basis.

8) Meet with the independent auditor for a pre-audit meeting and post-audit meeting.

9) Present a financial operations report to the board at each board meeting.

300. Financial Management

301. Basis of Accounting

301.1. The agency will maintain the accounting records and prepare financial statements using the accrual method following Generally Accepted Accounting Principles (GAAP).

301.2. The agency will maintain the records under the provisions of Governmental Accounting Standards Board (GASB) 34 related to reporting under full accrual.

301.3. The agency will follow the guidelines as found in the State of California Accounting Standards and Procedures.

301.4. The agency will follow the guidelines as found under Office of Management and Budget (OMB) Circulars A-87, A-133 and No. 74-4.

301.5. Governmental resources are allocated to and accounted for in separate entities, called funds, based upon purposes for which they are to be spent and controlled. A fund is defined as a fiscal and accounting entity with a self- balancing set of accounts recording cash and other financial resources, together with all related liabilities and equities, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Funds focus primarily on the sources, uses and balance of current financial resources and often have a budgetary orientation. They employ the flow of current financial resources measurement focus and the modified accrual basis of accounting:

- Revenues are recognized in the accounting period in which they become measurable and available. Sixty (60) days shall be considered a reasonable period.
- Expenditures are recognized when incurred, if measurable, except for un-matured interest on general long-term obligations, which is recognized when due.
- Prepayments and capital expenditures are not recorded as deferred costs to be allocated over future period, but rather as current expenditures
- Assets and liabilities reported on the financial statements are limited to those representing current available resources or requiring expenditure of said resources.

The general fund is used to account for all financial resources except those required to be accounted for in another fund.

The capital projects fund is used to account for financial resources to be used for the acquisition and construction of major capital expenditures.

Special revenue funds are used to account for revenue to be used for a specific purpose,

Fiduciary Funds focus on net assets and changes in net assets. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. agency funds also use the accrual basis of accounting, but since they are custodial in nature and do not involve the measurement of results of operations, they do not use a measurement focus.

304. Financial Statements

304.1. Financial Statements will consist of a balance sheet, statement of revenues, expenditures and changes in fund balance actual vs. budget, accounts receivable aging summary, accounts payable aging summary, and the applicable period check register. The executive director and project managers will also receive the financials for each work element monthly.

304.2. The financial statements are to be submitted to the board, executive director, agency project managers and audit committee by the accountant no later than 72 hours prior to board meetings.

305. Insurance and Bonding

305.1. When possible, the term of a policy shall be identical to the agency's fiscal year.

305.2. The agency shall maintain fidelity coverage or bonding on all employees involved with financial assets (such as cash and checks) any on consultants or independent consultants who have contact with the financial resources or information of the agency and are not a licensed consultant.

308. Chart of Accounts

308.1. The agency's chart of accounts will comply with the guidelines in the State of California Accounting Standards and Procedures. An account number shall be assigned to each account category to provide a specific identification of all financial transactions.

308.2. Separate ledger accounts for specific projects will be maintained as required by the funding source regulations.

308.3 Accounts will be numbered as follows:

10000 – 10999	Cash
11000 – 11999	Receivables
12000 – 12999	Inter fund Receivables (Due From)
13000 – 13999	Prepaid Assets
15000 – 15999	Capital Assets not Depreciated (Land / CIP)
16000 – 16999	Capital Assets – Depreciated (Buildings / Utility Systems / Infrastructure)
17000 – 17999	Machinery & Equipment
1800 – 1899	Accumulated Depreciation
19000 – 19999	Other Assets
20000 – 20999	Accounts Payable
22000 – 22999	Inter fund Payables (Due To)
23000 – 23999	Payroll Liabilities
24000 – 24999	Benefits & Retirement Liabilities
29000 – 29999	Other Liabilities – (Governmental Funds - Compensated Absences Payable
30000 – 30999	Change in Fund Balance / Net Assets
31000 – 31999	Reserved Fund Balance / Net Assets
33000 -33999	Invested in Capital Assets
40000 – 40999	Revenue – Intergovernmental
41000 – 41999	Revenue – Grants
42000 – 42999	Revenue – Interest
43000 – 44999	Revenue – General & Misc
49000 – 49999	Inter fund Transfers In / Indirect Expense Allocations
50000 – 51999	Expenses – Salaries / Taxes and Benefits
52000 – 59999	Expenses – General Operations/Maintenance (Supplies/ Materials / Equipment Purchases, Repairs & Maintenance / Utilities)
60000 –6 9999	Expenses – Governmental Capital Outlays
70000 - 79999	Expenses – Other (Inter fund Transfers Out / Admin O/M Indirect Expense / Depreciation

310. Fiscal Year

310.1. The agency's fiscal year is July 1 to June 30.

400. Assets, Liabilities and Fund Balance (Net Assets)

401. Bank Accounts

401.1. The agency shall maintain all bank accounts in accordance with Section 404: Investment Policies.

401.2. Cash shall be presented on the statement of net assets as unrestricted or restricted.

402. Bank Reconciliations

402.1. The accountant shall reconcile the bank statement and verify all deposits/checks posted on the agency's account against the computer generated check register. When reconciliation is complete, the statement shall be reviewed by the executive director.

403. Cash Management and Forecasting

403.1. The accountant is responsible for maintaining a cash flow forecast and monitoring the flow of cash into and out of the agency's bank accounts on a daily basis in order to assure all checks clear the account and the account is not overdrawn.

403.2. The accountant shall maintain a minimum daily balance in the agency's checking account of five thousand dollars ($5,000) and make the determination to transfer funds into this account no later than 2:00 p.m. daily, Monday through Friday.

403.3. If for any reason it appears that the checking account may be overdrawn or the daily balance has gone below $5,000 the executive director and the audit committee will be notified immediately.

405. Petty Cash

405.1. A petty cash fund not to exceed $150 shall be maintained in the agency office by the accountant.

405.2. Petty cash shall be used for authorized agency purchases under $25 only. It shall not be used for personal loans of any nature. No other use of the fund is authorized without approval of the board.

405.3. The fund shall be kept in a locked file, desk or other facility at all times.

405.4. A log of all expenditures and associated receipts shall be maintained by the accountant. The executive director shall approve the petty cash expenditures.

405.5. The accountant shall prepare a reimbursement check when the fund requires replenishment.

405.6. The board will perform random unannounced audits of the petty cash funds.

406. Accounts Receivable

406.1. It is the intent of the agency to bill receivables by the 25th of the month, or as defined by the grant.

406.2. The accountant will prepare invoices for all contracts, grants, service and mitigation agreements when expenses exceed one-thousand dollars ($1,000) unless it is a final billing at the end of the grant or agreement.

407. Allowances for Doubtful Accounts

407.1. The agency shall consider an allowance for doubtful accounts each month.

407.2. No receivable account can be written off without board approval.

408. Employee Advances

408.1. Employee advances are not permitted.

409. Employee Loans

409.1. Loans to employees are not permitted.

410. Inter-fund Transactions and Balances

410.1. Inter-fund transactions and balances must reconcile at all times.

410.2. Loans to other funds are permitted with board approval.

411. Prepaid Expenses

411.1. Amounts paid for supplies or services over $500 not yet consumed will be recorded as a prepaid expense.

411.2. A detail of prepaid expenses will be maintained on a monthly basis.

412. Prepaid Insurance

412.1. The agency will maintain a prepaid insurance account with premiums paid in advance recorded amortized over the applicable periods.

412.2. The agency will maintain an annual schedule of prepaid insurance on a monthly basis. Annual premiums under $500 do not need to be amortized.

413. Deferred Grant Costs

413.1. Grants costs paid in advance (pre-award costs) that will be eligible for invoicing at a later date will be recorded as deferred grant costs. Grant preparation costs and bid costs, when allowable, will accumulate in a deferred grant costs account.

413.2. The agency discourages any expenditure prior to the effective date of a grant.

414. Inventory

414.1. Inventory items for the field shall be maintained on supplies in excess of $2,500.

415. Equipment

415.1. Capitalization of equipment by the agency will:

1) Be defined as all items with a unit cost of $5,000 or more and a useful life of more than one year.

2) If leased, and the total cost over a 3-year period or less exceeds the purchase price, the equipment should generally be purchased, if allowable, by the funding source. Leased equipment will be capitalized under generally accepted accounting principles.

1) Be issued an inventory number, along with a label for the item, and add it to the capital equipment inventory list by the accountant. This list will include the item description, vendor, equipment inventory number, date of acquisition, and location. The accountant shall be responsible for placing inventory numbers on newly acquired capital equipment.

4) Be pre-approved by the board unless it is necessary for the project/grant for which it is purchased and allowable by the funding source.

5) Be notified to the board by the executive director of all cases of loss, damage, or destruction of equipment or other property in a timely manner.

6) Upon completion of a project, the project manager shall inventory any remaining supplies. The board shall decide how to dispose of any remaining inventory or property.

416. Depreciation

416.1. The agency shall record depreciation monthly.

416.2. The accountant shall maintain property and equipment schedules for depreciation on a monthly basis.

416.3. Depreciation shall approximate the useful life of the asset and be recorded on a straight line basis.

417. Donated Property and Equipment

417.1. Donated property and equipment shall be recorded at the fair market value at the date of the donation.

417.2. The agency will follow the restrictions of the donor, if any, as to the use of the asset.

417.3. For income tax purposes, the agency will acknowledge the donation when requested, and will not notify the donor of the fair market value of the donation.

418. Self-Constructed Assets

418.1. The agency shall follow generally accepted accounting principles regarding the self-construction of assets.

418.2. A capital projects fund will be used to account for self-constructed assets.

419. Other Assets

419.1. Loan fees, restricted assets and other assets will be recorded and amortized, if necessary.

420. Accounts Payable

420.1. The accountant will maintain a detail of accounts payable on a monthly basis.

420.2. Payables will be recorded for the prior month up to the close date for each month.

421. Accrued Expenses

421.1. The accountant will accrue material payables at the end of each month that can be reasonably estimated for which actual invoices have not yet been received from vendors.

422. Compensated Absences

422.1. Vacation and personal leave will be accrued on a monthly basis and charged to grants accordingly.

423. Accrued Salaries and Wages

423.1. Salaries and wages will be accrued and adjusted on a quarterly basis only if the liability is over $2,000.

424. Assets/Funds Held for Others

424.1. Any assets or funds held for other agencies or organizations will be recorded in this liability account.

424.2. The accountant will maintain a detail of this liability account on a monthly basis.

425. Deferred Revenue

425.1. Any grant funds paid to the agency in excess of revenue earned will be recorded in the liability account.

425.2. The accountant will maintain a detail of this account on a monthly basis.

426. Notes Payable and Line of Credit

426.1. Third party loans or Line of Credit (LOC) loans from outside sources (other agencies, banks, etc.) or the use of a LOC shall be approved by the board.

426.2. The accountant will establish and maintain a LOC with an accredited financial institution with a limit approved by the board. The accountant will negotiate the lowest APR and terms available in the local market. The LOC will be used for cash flow shortfalls only.

426.3. The accountant will review the funds held in the agency checking account(s) on no less than a weekly basis to determine if funds may be transferred to the agency savings account to earn interest or to pay down the line of credit.

427. Unrestricted, Restricted and Designated Net Assets

427.1. The agency will follow GASB 34 and GASB 54 as follows:

1) All net assets are unrestricted except those legally restricted by outside third parties.
2) Net asset designations, done at the discretion of the board, will appear as a footnote only in any financial statements.

500. Revenue

501. Revenue Recognition

501.1. Revenue will be recognized under GAAP using exchange transaction and non-exchange transaction criteria.

502. Fees for Service

502.1. The agency is permitted, under California Government Code, to perform fees for service as long as all of the agency's cost are recovered.

503. Endowments

503.1. Endowments are permanent funds bestowed upon the agency.

503.2 Endowments or monetary funds may only be accepted by the board.

504. Rental Income

504.1. The agency is permitted to rent out equipment based on fair market rental rates.

504.2. The agency can rent real property under the guidelines of the California Government Code.

800. Purchasing and Contracting

805. Purchasing Authorization, Disbursements and Check Processing

805.1. Purchasing authorization is the agency's intent to ensure that monies are not spent without advanced approval.

1) A budget compiled at the time of entering into a grant or contract constitutes approval to proceed according to that specific financial plan. Part of the budget approval process is to establish terms and conditions, which consultants must use.

   a) Total expenditures which causes the total project, contract, or grant to materially exceed the budget requires approval of the board prior to such spending. Recurrences of the necessity to seek approval may signal the need to revise the budget.

   b) The board may choose to establish a spending authorization schedule. The executive director is authorized to spend up to $3,000 without getting specific board approval on items not in a pre-approved budget.

   c) An approved budget with an approved spending schedule is the means to maintain fiscal responsibility without sacrificing operational flexibility. If there is any question about the approval of a proposed expenditure, the executive director will obtain the appropriate approvals before committing agency funds

   d) The agency employs a purchase order (PO) system for tracking, recording, and paying for purchases, rentals, or services.

   e) Expense and travel claim forms must be prepared, signed by the employee and turned in with the current time card. Both the executive director and project manager will approve all expense and travel forms before payment is made. A member of the board will approve all expense and travel claims submitted by the executive director before payment is made.

   f) The administrative assistant will date stamp all bills/invoices upon receipt. A copy of the approved purchase order and bill/invoice will be forwarded to the accountant. Accounting then prepares an Invoice Payment Request, assigns a cost code and forwards it to both the agency project manager for approval. Accounting personnel enter the invoice into the accounting software program.

2) Check Processing/Accounts Payable

All Invoice Payment Requests should include the vendor's name, invoice date and number; date payment must be mailed to arrive at the vendor or consultants on time, account allocation, description of expenditure, project number, invoice documentation, and amount of the invoice. The appropriate invoice and purchase order shall be attached.

Accounts payable shall be paid no later than thirty (30) days after receipt of a correct invoice unless the invoice specifically states a due date, such as: Net 10 – payment is due 10 days after receipt of invoice; Net 30 – payment is due 30 days after receipt of invoice; or when a specific due date is specified, payment is due to the vendor or consultant by that date. Those invoices that state "due immediately" will be paid within 30 days of receipt of invoice. Consideration will be given to early payment of local vendors. accountant will notify the agency project manager if for any reason an invoice cannot be paid on time and of any invoices that have been returned for corrections.

a) All checks written shall be created from the accounting software program wherein a check register may be generated.

b) Checks under $100,000 shall be signed no less than every other week by the executive director. Checks over $100,000 shall require an additional signature from an authorized board member.

c) Signed checks will be mailed by the administrative assistant.

d) Electronic payments will require the same approval process as manual checks.

3) Disbursement Verification

a) The executive director and board (upon signing the check) may review the invoice payment requests to verify that at a minimum either the executive director or project manager have initialed their approval for payment and the request has been prepared accurately. The accountant prints and reviews a disbursements journal upon the processing of checks and the audit committee reviews the journal on a periodic basis at their financial review meetings.

4) Internal Check Control

a) All blank checks will be locked in the accountant's office.

b) No signature stamp may be used.

c) Voided checks will be marked VOID and filed

d) No checks will be made payable to "Cash" or "Bearer." Petty Cash checks will be made out to the institution that maintains the general checking account.

e) Blank checks will not be pre-signed.

f) All checks must have prior authorization attached.

806. Purchase Order System

806.1. Purchase Orders should be issued before any purchase, rental, or service is made or provided for a specific project. The agency supports using local suppliers whenever possible. Most suppliers will issue an invoice when purchase is made. Others will give a receipt and mail the invoice or mail the invoice with the purchase.

806.2. Purchase Order Distribution

1) Vendor copy: Give to vendor if appropriate or to the employee ordering for the grant/project file.

2) Accountant copy: Attach behind invoice and give to the accountant.

3) Executive assistant copy: Give to the administrative assistant.

806.3. Required Information

1) Purchase Order Log Sheet:
   - a) Date
   - b) Name of purchaser
   - c) P.O. Number
   - d) Vendor Information

2) Purchase Order
   - a) Order date.
   - b) Name of person ordering
   - c) Job number to be billed
   - d) Vendor information
   - e) Itemized Description and cost of items ordered
   - f) Grand Total or "Not to Exceed Amount"
   - g) Authorized Signature of agency project manager or executive director

806.4. Processing Procedures

1) If the vendor asks for a signature on a charge slip, the purchaser must sign his or her name legibly or make it clear on the slip that is making the purchase.

2) If item purchased has a warranty or is considered an asset according to agency limits, then the warranty card, serial number, make and model will be noted on the delivery ticket that is given to the accountant.

3) Payment processing (waiting for invoice): The purchaser gives purchase order and any supporting information (quotes, ordering information, packing slip, etc.) to the administrative assistant who will put it into the sorter to wait for the invoice. When the items are received and the invoice arrives it will be attached to the purchase order and forwarded to the accountant.

4) Payment processing (with invoice): When a valid invoice (original invoice, with invoice #, authorized signature, packing slip) is received.

5) Payment: Payment will be made according to the terms listed on the invoice.

806.5. Exceptions

1) Office Supplies – A purchase order is not required for consumable office supplies. When supplies are needed, indicate what is needed and the project number on the request sheet kept by the administrative assistant. The administrative assistant will order the material and transmit invoices and packing slips to the accountant. Non-consumable office supplies like furniture and calculators will use the normal purchase order process.

2) Fuel for vehicles and equipment – A purchase order is not needed for day-to-day fuel purchases. Employees buying fuel shall turn in receipts to the administrative assistant on a daily basis with the vehicle and employees name written on it.

806.6. Examples of Purchases, Rentals and Services:

1) Purchases –software, computers, computer hardware, etc.

2) Rentals – vehicles, conference rooms, etc.

3) Services – consultants, legal counsel, audits, etc.

811. Blanket Purchase Orders

811.1 The executive director will issue a blanket purchase order for goods or services based, if possible, on competitive quotations to procure items on an as-needed basis.

1000. Cash Receipts and Deposits

1001. Cash Receipts and Deposit Policy

1001.1. The agency receives cash and checks as a normal course of business. All employees will adhere to the following policy and procedures when handling these receipts.

1) Receipts

a) Records of accounts receivables shall be maintained by the accountant.

b) The agency prefers to receive payments through electronic transfer, or in the form of a check. All checks shall be made payable to the agency.

c) The agency will use a standard pre-numbered receipt cash form, which will include all of the information necessary for a basic audit. All receipts will be in duplicate and include the agency's name and address.

d) When payments by check are received, the administrative assistant will record the payment in the receipt book. If requested, the original copy will be sent to the payer. A copy of the receipt will be sent to the accountant after deposit and the second copy will remain in the receipt book for audit purposes.

e) If payment is received at a location other than the agency office, the employee handling the transaction will complete the receipt in a timely manner and return the payment and the receipt book to the administrative assistant.

f) The receipt book shall be kept in the agency office and shall be available for audit at any time.

g) The receipt shall always include the project and/or account number to which it is credited.

h) The administrative assistant will make photo copies of the checks, stamp the agency's endorsement on the checks, fills out a bank deposit slip, and the accountant or other designated personnel deposits the proceeds in the agency's bank account on the same day the money is received.

i) The accountant will post all receipts in the accounting software program by noting the payee's name, date; amount received, and grants number.

j) The audit committee may perform random audits to ensure that the receipt process is being followed and that calculations are accurate.

2) Deposits

a) Deposit slips will include the bank number and amount of each check. Cash will be listed separately. Separate deposit slips per grantor check will be prepared. All deposit slips will be totaled, dated, and initialed by the preparer. The grant number will be written on the yellow copy of the deposit slip.

b) A copy of deposited checks and the deposit slip and the bank's proof of deposit will be forwarded to the accountant.

1100. Agency Travel and Expense Reimbursement

1102. Credit Cards

1102.1. The existing administrative policies on purchasing and travel apply to all credit card usage.

1102.2. A credit card may be issued to executive director to use for agency related travel and other travel related expenditures such as lodging and transportation.

1102.3. The agency credit card may be used to purchase food for committee meetings, office supplies and equipment.

1102.4. All users of the agency credit card must turn in receipts to the accountant for all purchases, with supporting documentation for the purpose of the purchase such as meeting agendas.

1102.5. The credit card statements are included with the monthly report to the board on agency check payments.

1102.6. Relating to travel: The agency credit cards shall be used in accordance with the agency travel policies and IRS reimbursement limits unless there are mitigating circumstances such as no hotels or restaurants available at the IRS rates and conferences being held at a given hotel, or meetings held at a given restaurant.

1102.7. Limit on expenses: all purchases shall be made in accordance with the agency purchasing policies in purchasing of goods.

1102.8. Office/food purchases shall be reserved for official agency functions and committee meetings, with the exception of purchase of food during travel or out-of-office meetings.

1102.9. Employees shall reimburse the agency for the actual loss where the employee: voluntarily chooses not to travel and does not inform the executive director or designee of that decision with adequate time to cancel or change the travel plans. No reimbursement is required where, upon approval of the executive director, an alternate employee or board member assumes the original employee's place.

1102.10 The agency credit card shall remain on the business premises at all times.