



# **Governor's Institute**

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## on Substance Abuse

**Accounting Policy and Procedure Manual**  
**Governor's Institute on Substance Abuse**  
**Online Version**

**Updated: July 2018**

# Accounting Policy and Procedure Manual

## Governor's Institute on Substance Abuse

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## **Chapter 1: Budgeting and Cost Allocation**

### **Budgets:**

- Project Directors are responsible for creating a draft budget for all individual projects. For current fringe benefit and overhead rates, consult with the Director of Finance and Certified Public Accountant.
- Personnel information should never be shared unless given permission by management for the purpose of composing a budget.
- Draft budgets are presented to the Director of Finance, Certified Public Accountant and Associate Executive Director for review. Final approval is given by the Executive Director.
- Any revisions to the budget are prepared by the Director of Finance, Certified Public Accountant, and Associate Executive Director with input from the Project Directors and their staff.
- The Director of Finance reviews the budget with the Certified Public Accountant, Associate Executive Director and Executive Director and receives final approval before a budget is submitted to a funding source.
- Approved final budgets are shared with the Board Finance Committee and presented to the Board.
- All final budgets, with the exception of personnel information, are maintained in a notebook in the Director of Finance's office for staff to use for reference purposes.

### **Cost Allocation:**

- Costs are allocated to projects as either direct project expenses or indirect/administrative expenses.
- The Chart of Accounts used to classify expenses (i.e. office supplies, rent, payroll, etc.).
- Direct expenses to an individual project/grant are determined by the Project Director and the project's scope of work.
- Indirect expenses are allocated using the Operations Department's expense allocation spreadsheet, which uses proportional indirect percentage allocations based upon major projects' current fiscal year budgeted indirect costs as a percentage of total projected indirect costs.

- A list of Class Codes assigned to each revenue source for expense tracking and allocation.
- Governor's Institute full time employees complete a semi-monthly time sheet and hourly part time employees complete a monthly timesheet. All timesheets are submitted to the Operations Department for processing.
- Any changes or updates to an employee's salary source allocation are documented in the FTE/PTE salary source spreadsheet by the Director of Finance and approved by the Executive Director.
- For current FTE/PTE salary source spreadsheet, see the Director of Finance.

## Chapter 2: Contracting and Purchasing

### Contracting:

- When creating or renewing a current subcontract the Project Director is responsible for preparing the scope of work and supervising the work of the contractor for the duration of the subcontract.
- The Project Director should consult with the Certified Public Accountant and the Director of Finance to verify the subcontractor's status as a contractor versus an employee.
- All subcontracts must be presented to the Director of Finance and the Institute's Certified Public Accountant for review.
- All final contracts are approved by the Executive Director. No staff member is authorized to enter into an agreement with any contractor without the prior approval of the Executive Director.
- Once a contract is approved and signed by all parties involved, a copy is filed in the contractor's file in the Director of Finance's office.
- All contractors shall provide the Governor's Institute with a current W-9 Form and a copy of their business liability/worker's compensation coverage which will be filed in the contractor's file in the Director of Finance's office.
- Contractors are required to submit monthly invoices no later than the 5<sup>th</sup> of the month for hours worked in the previous month.

### Purchasing:

- Capital purchases greater than \$1,000 must be approved by the Executive Director, Associate Executive Director, Project Director, and identified within the project's budget.
- The Director of Finance must be made aware of ALL purchases and be provided with the receipts.
- The Director of Finance and Certified Public Account will update the Fixed Asset List accordingly

## Chapter 3: Reimbursements for Travel and Credit Cards

### Reimbursements:

#### Travel

- Staff is responsible for verifying that all travel to be reimbursed (employee or contractor) is listed and identified in the budget and the scope of work.
- All employees or contractors requesting reimbursement for approved travel must complete a Governor's Institute travel reimbursement request form.
- Governor's Institute staff shall provide Operations with all forms and receipts to support claimed travel expenses.
- The Director of Finance and/or Director of Finance's designee reviews the receipts and travel reimbursement form to ensure compliance with the Institute's travel policy.
- The travel reimbursement requests are approved by the employee's supervisor. Contractor travel forms are approved by the Project Director.
- The Executive Director's travel reimbursement forms are approved by a bank approved Board member.
- The Governor's Institute has the right to refuse travel reimbursement requests or modify the request as appropriate.

#### Credit Card

- The Associate Executive Director approves all employee requests for a Governor's Institute business credit card.
- The employee requesting a credit card completes The Employee Acceptance Agreement and Notice of Receipt for Platinum Plus Credit Card form.
- Following completion of the paperwork and receipt of approval from the Associate Executive Director, the original form is filed in the employee's personnel file. A copy of the approved paperwork is also distributed to the requesting employee.
- The Governor's Institute has the right to refuse payment of expenses on an employee's credit card. If this occurs, the employee is responsible for reimbursing the Institute for the expenses in a timely fashion before the credit card payment is due.

- A Governor's Institute credit card is not to be used for travel meals unless preapproved. Governor's Institute credit cards are NOT to be used for personal expenses that are not related to Governor's Institute business.
- The Operations & Finance Assistant collects credit card statements as they arrive in the mail.
- Employees validating business expenses charged to Governor's Institute credit cards are responsible for completing the Credit Card Expenditure Form and turning it in, with all original or electronically submitted receipts attached, to Operations to process payment.
- The Operations & Finance Assistant verifies that all receipts match the expenses on the Expenditure Form and the credit card statement.
- Credit card statements must be approved by the Associate Executive Director or the employee's supervisor. The Associate Executive Director's credit card charges are approved by the Executive Director. The Executive Director's credit card charges are approved by either the Board Chair, Board Treasurer or other Board member with bank signing authorization.
- Following receipt of the required approvals and after verifying all receipts and backup documentation, the Director of Finance and/or his/her designee processes the credit card payment.

## **Chapter 4: Accounts Receivable**

The Governor's Institute tracks accounts receivable in QuickBooks and accrues reimbursement requests to the period in which the charges were incurred.

The Director of Finance and/or her designee prepares the following for each grant or restricted fund monthly or as needed.

- Accounts Receivable Report
- Profit and Loss Reports
- Budget Variance Reports/Spreadsheets
- Financial Status Reports or Grant Reimbursement Invoices

Project Directors are provided with copies of budget variance reports for their project(s) for monitoring at the close of each month.

Financial Status Reports and grant reimbursement invoices are due to contracting agencies by the 10<sup>th</sup> of the month. The Institute's payment terms are Net 30 days.



## Chapter 5: Bill Payment/Check Writing Process

### Bill Payment/Check Writing Process:

- The Operations & Finance Assistant will pick up the mail daily and bring it to the Director of Finance. The Director of Finance collects incoming bills and checks to be processed for approval.
- The Director of Finance and/or his/her designee puts the invoices in a file for the correct staff member to approve. The Director of Finance and/or his/her designee will give each staff member their invoice file to approve as needed.
- Once the invoices are reviewed and approved by signature from the appropriate staff members, they are returned to the Director of Finance and/or his/her designee for check processing.
- The invoice expenses are charged to projects based on each project's assigned class code. Expenses are further allocated by specific expense line item using the appropriate Chart of Accounts account code.
- Following check creation and printing, the checks are given to the Executive Director for final review and signature.
- Any check for \$25,000 or more requires two signatures: one from the Executive Director and the other from either the Board Chair, Board Treasurer, or other Board member with bank signing authorization.
- Following Executive Director approval and signature, checks are double-checked by Director of Finance or the Operations & Finance Assistant for correct payment amounts and for all required approvals and signatures.
- The Director of Finance or Operations & Finance Assistant prepares the checks for mailing and ensures the required copies are made. Original checks are mailed to the vendor requesting payment, and one copy of the check stub and invoice is filed in the company vendor file. When the Operations & Finance Assistant writes the checks, the Director of Finance and/or Operations designee will review the checks for mailing.
- Invoice and grant/project files are kept on-site for 3 years, after which time they are transferred to a secure storage facility.
- Governor's Institute reimbursement checks are valid for 90 days. In the instance of a lost or forgotten check, the Institute may, at the discretion of the Associate Executive Director, charge the employee/vendor the current Wells Fargo fee for check reissuance (approximately \$37).

- Employee reimbursement turnaround is a maximum 30 days once the Director of Finance has received all necessary paperwork and receipts.

## **Chapter 6: Employee Compensation**

### **Employee Payroll:**

- Governor's Institute uses QuickBooks/Intuit for payroll processing. The payroll is drafted directly from the Institute's checking account. Full-time employees are paid on a semi-monthly basis, which equates to 24 pay periods per year. Hourly part-time employees are paid on a monthly basis.
- Timesheets for full-time employees, who are paid semi-monthly, are due on the due date stated on the timesheet for that pay period unless otherwise notified by Operations staff. Timesheets for part-time employees, who are paid on a monthly basis, are due the last working day of the month. If an employee is on planned vacation or personal leave, they should submit their timesheet prior to taking paid time off. Employees who fail to submit a timesheet on the due date for semi-monthly or monthly payroll are not guaranteed inclusion in that pay period, resulting in a delayed payment.
- Employees are reimbursed by direct deposit, unless there is special circumstance (i.e. termination check, bonus check).
- A pay stub, or in special circumstances a live check, will be provided to each employee after payroll has been processed by Operations staff.

### **Employee 401(k):**

- Full-time employees become eligible for the GI 401(k) Qualified Retirement plan on the 1st of the month following their date of hire. An employee is immediately 100% vested in their salary deferrals and becomes 100% vested in their employer contributions following one year of employment. Employees hired as "fellows" are not eligible.
- All eligible, full-time employees will receive a monthly 6% employer contribution that will be deposited directly into each employee's plan account. Part-time employees are only eligible to participate after completing a Year of Service (defined as working at least 1,000 hours during the 12-month period immediately following the employee's date of hire).