

# **FISCAL POLICIES AND PROCEDURES**

**The Access Center for Independent  
Living, Inc.**

**Revised March, 2024**

## Introduction

The Access Center is a 501(c)(3) nonprofit organization that provides services to and supports community inclusion for people with disabilities. The Access Center for Independent Living (ACIL) was created by people with disabilities seeking full integration into society. ACIL accomplishes its mission by empowering people with disabilities with the practical skills and self-confidence to take control over their lives and become active members of the community in which they live. ACIL also works to promote access and change within society and responds with programs and services to meet the needs of people of all ages with a wide range of disabilities.

This manual describes the policies and procedures followed at ACIL to ensure that financial statements conform to generally accepted accounting principles; assets are safeguarded; regulations or guidelines of grantors and donors are followed; and that finances are managed with accuracy, efficiency, and transparency.

As a nonprofit recipient of federal grant funds, ACIL will comply with the General Principles in Uniform Guidance to ensure costs are reasonable, allowable, and properly allocated.

Following these policies and procedures will help safeguard ACIL's assets and ensure that they are used for appropriate purposes based on organizational objectives, the requirements of funders, other applicable rules and regulations, and best practices for nonprofit organizations.

### *Consistency with Independent Living Program Purpose and Philosophy*

All activities and operations shall be consistent with the independent living approach. Specifically, expenditures for activities funded through Title VII, Chapter 1, Part C, of the Rehabilitation Act of 1973, as amended by The Workforce Innovation and Opportunity Act of 2014 (WIOA), will be consistent with the IL program purpose and philosophy, particularly in the delivery of IL core services and other IL services.

## Board and Staff Responsibilities

### *Board of Directors (and Committees)*

- Set, oversee and clearly articulate the organization's vision, mission, and values.
- Provide leadership and strategic direction for the mission, budget, and development initiatives that sustain ACIL.
- Set a proper tone for ACIL by articulating a code of ethics, mandating compliance with the code, showing no tolerance for dishonesty, questioning unusual transactions or activities, and supporting appropriate training.
- Review and approve the annual budget prior to the beginning of the fiscal year, and any subsequent budget modifications, and ensure that, in the case of IL Part C funds, Administration for Community Living (ACL) pre-approval of budget modifications are obtained, in accordance with requirements of the contract between the Center and ACL.
- Appoint board members who will have signing authority and establish the limits or circumstances that require dual signatures with the executive director.
- Review periodic financial and programmatic reports. Conduct such reviews no less frequently than once each quarter.
- Develop and approve the job description for the executive director.
- Select a qualified executive director and communicate this selection to funders and the community.
- Hire the executive director and establish the salary and benefits for the position based on responsibilities and on comparative information either from other CILs in the state or other organizations in the community.
- Review the executive director's performance annually and establish salary increases if appropriate.
- Review and approve internal controls and accounting policies and procedures.
- Serve as a resource to the executive director in implementing internal controls.
- Assess risk periodically, determine the adequacy of internal controls and determine the types and amounts of insurance coverage required for the organization.
- Assign a member(s) to co-sign any check in excess of a dollar amount established by the board, or when a check is made out to the executive director.
- Assign a member(s) to review and approve all expenses reimbursable to the executive director or charged directly by the executive director, such as the detail on any credit card issued to the executive director, before payment of the charges.
- Determine whether ACIL should have a federal compliance audit under Uniform Guidance and, if so, select and contract with the auditor
- Review ACIL's compliance periodically and assure that whistleblower protection policies are in place for anyone reporting suspected illegal acts, waste, fraud or abuse of funds.
- Verify ACIL is not involved in any impermissible political activities or lobbying activities

### *Executive Director*

- Provide continuous leadership in the implementation of the mission, strategic direction, budget, and objectives set by the board of directors.

- Ensure that a comprehensive, accurate budget and subsequent modifications are developed annually and presented to the board of directors for review and approval.
- Review key monthly financial reports (such as balance sheet, income and expense report, and budget comparison).
- Present key financial and programmatic reports to the board of directors. Present reports no less often than quarterly. Provide complete and accurate explanations of the reports. Describe any changes, discrepancies or variances in any of the reports, including the budget comparison report. Highlight any aspects of the reports or the organization's financial position of which the board should be aware in fulfilling its leadership role.
- Review and approve all program expenditures to verify that they are reasonable, allowable, and properly allocated.
- Review and approve invoices and reimbursement requests and other supporting documentation.
- Review and sign or co-sign checks.
- Review payroll journals (reports of time worked and pay rates by individual) to ensure hours worked and rates are complete and accurate.
- Review bank statements including checks, electronic payments, transfers and other transactions to identify any irregularities
- Prepare monthly bank reconciliations to present to Board Treasurer for review and approval.
- Ensure adherence to all internal controls is thorough and complete

### Information Technology Controls

Information technology controls are created to protect confidential information, preserve financial data, and operate efficiently.

ACIL will properly protect its electronic information with the following procedures:

- Access to computers with confidential information will be limited to those needing access required for the performance of job duties.
- Access will be immediately removed when someone leaves or is terminated.  
Secure passwords will be used and changed at least quarterly.
- Up-to-date anti-virus protection and anti-spam software will be used.
- License and warranty information will be maintained in a secure central location
- Consumer information will be on the secured database with passwords changed periodically

### *Whistle-Blower Policy*

If any employee reasonably believes that some policy, practice, or activity of ACIL is in violation of law, a written complaint may be filed by that employee with the executive director or board of directors.

It is the intent of ACIL to adhere to all laws and regulations that apply to the organization, and the purpose of this Policy is to support the organization's goal of legal compliance. The support of all employees is necessary to achieve compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of the executive director or the board of directors and provides either with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

ACIL will not retaliate against an employee who, in good faith, has made a protest or raised a complaint against some practice of ACIL, or of another individual or entity with whom ACIL had a business relationship, based on a reasonable belief that the practice is in violation of law or a clear mandate of public policy.

ACIL will not retaliate against an employee who discloses or threatens to disclose to a supervisor or a public body, any activity, policy, or practice of misconduct that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate or public policy concerning health, safety, welfare, or protection of the environment.

#### *Procedures for Opening and Closing ACIL Building*

Staff will be designated, at the discretion of the Executive Director, to open and close the building daily. The staff member(s) responsible for opening and closing can change as needed.

When opening the building, the designated employee must:

- Open the entrance gate of the building and ensure the front door is accessible to the public by 8:30am.
- Open the exit gate located on the opposite side of the building using the same key
- Log onto the TC Security app to disengage the alarm so that staff may enter
- If staff members arrive at the building before the designated opening staff member arrives, the member who arrives first is expected to open the entrance gate and deactivate the alarm so that the rest of the staff may enter the premises.

Each staff member will be responsible for putting together their designated area every morning, including turning on the lights.

When closing the building, the designated employee must:

- Close and lock the exit gate of the building by 4pm using key provided by the Executive Director
- ACIL closes at 4:30pm. The designated staff - or the last staff member to leave the building - must arm the alarm using the TC app or inputting their PIN into the alarm system.
- After ensuring the exit gate has been locked and the alarm has been set, the designated staff – or last employee to leave – will close, lock and leave through the entrance gate.

Each staff member will be responsible for cleaning up their area before leaving each day, including turning off lights in their immediate area and locking up technology, confidential documents and other valuables.

## Financial Procedures and Controls

### *Security of Financial Information and Other Records*

Financial management records, electronic and printed, will be secured at all times. Access to those records will be restricted to those whose job responsibilities require access. Access to the accounting system will be limited to those whose job responsibilities require such access. Each individual will have his or her own password for the system. If security requirements of the accounting system provide for different levels of access to separate modules, the access rights of each individual will be based on their job-related level of need for access. Consumer records,

donor records, and personnel records will be kept in a locked area with access limited to those whose job responsibilities require access.

#### *Segregation of Responsibilities*

The board and staff of ACIL will always ensure the appropriate segregation of duties. The board and staff will accomplish that by following the policies and procedures included in this manual.

#### *Cash Receipts*

Blank checks, checks or cash held for deposit, and checks held for employees or vendors will be kept in a locked area with access limited to those whose job responsibilities require access.

Cash receipts generally come from the following sources:

- Contracts and grants (federal and other)
- Direct donor contributions
- Fundraising activities

Incoming mail will be opened by a staff member designated by the executive director. When checks or cash are received, he or she will perform the following tasks:

- Date stamp the incoming mail
- Count any cash received
- Record all donations for the REDI program
- Forward all checks and cash for deposit to the Executive Director
- All Checks and Cash received will remain locked and stored until deposit.

When receiving any cash or checks the Executive Director will:

- Record all receivables in the accounting system
- Prepare deposit slips
- Copy all checks and cash receipts
- In the case of electronic deposits, a remittance copy will be filed and entered into the accounting system

#### *Federal Drawdowns*

Drawdowns from the federal government or other funders will be made to cover the amounts that have been expended and not previously vouchered and other amounts that will be paid shortly after draws are received. Reimbursement of federal funds is preferred. However, if advances are required, they will be supported by documented, allowable, and reimbursable costs and will be expended as soon as administratively possible after they are received. The Executive Director will calculate and document the draw needed to cover these amounts.

ACIL will seek cash advances limited to the minimum amounts needed, and advances will be timed to be in accordance with its actual, immediate cash requirements in carrying out the purpose of the approved program or project. It is the policy of this organization, consistent with federal regulation, to not draw down federal funds in advance of costs to manage cash flow.

Any federal advances received must be deposited into an interest-bearing account.

ACIL will minimize the time that elapses between the transfer of funds to ACIL from the U.S. Treasury and the payment of related expenses as follows:

- A list of payroll and accounts payable supported by documentation, such as approved invoices with allocations to each grant source, and present this information to the executive director
- The executive director will identify checks to be written, after ensuring that costs are reasonable, allowable, and properly allocated
- The executive director will draw the direct deposit funds for the actual amount needed to cover only those checks allocated to that grant.
- Password access to the federal payment system will be maintained by the executive director or his/her designee.

#### *Expense Allocations*

Payroll and other costs that benefit a single program or cost objective shall be assigned solely to that program or cost objective. Most expenses that benefit more than one program or function (typically administration, rent and other occupancy costs, and minor expenditures such as shared supplies) are allocated to each program or department using a shared cost method, based on ACIL's Indirect Cost Rate approved by the cognizant federal agency.

All expenditures of federal funds must be adequately documented to be considered allowable.

## Grant Administration and Payment System

#### *Check Preparation and Signatures*

The executive director or his/her designee will authorize the payment of expenses related to the operation of ACIL. This includes payment of payroll, payment for products/services received, and lease and contract payments.

Outgoing checks require one signature from the approved list. The list of potential signers is approved by the board of directors, and signature cards are updated as required with the center's banking institution. Changes to the list of names must be approved by the board. The approved list must include, at a minimum, the treasurer, alternate board member, and executive director. All checks written for expenditures over \$1,500.00 will require two authorized signatures, with exception to recurring expenses approved in the budget (i.e. rent, payroll).

#### *Check Signers on Accounts Include The Following Staff:*

- Executive Director
- Core Services Program Manager
- Board Treasurer

All disbursements will be supported by adequate documentation such as time sheets for time worked, invoices and/or check requests for other disbursements and reimbursements. In no case will expenditures be made without the supporting documentation being reviewed and approved. Check Request forms will be completed for all expenditures and approved by the Executive Director.

Invoices that are received electronically are printed, and are subject to the same review, approval, and processing procedures as paper invoices that are received.

Checks will be pre-numbered in sequential order. Access to unused checks is limited to individuals authorized to prepare checks. All voided checks should be retained and defaced with the signature portion of the check removed. All checks should be accounted for.

#### *Bank Reconciliations*

Each month bank reconciliations will be prepared by the accountant using the accounting system. The accountant will contact the Executive Director if any issues are found. After completed, a copy of the reconciliation report documented in the accounting system. The completion of the reconciliation is documented in the accounting system. If anything is needed for the Board Treasurer's review, it will be provided.

#### *Payroll and Time and Effort Reporting Procedures*

All employees are required to complete, sign, and submit personnel activity reports (PARs) meeting the requirements of Uniform Guidance.

#### *Payroll Procedures*

PARs completed by each employee accurately account for all time worked during each payroll period and forwarded by their supervisor to the Executive Director. After approval of time sheets, the Executive Director will call/enter time worked into the payroll processing system. The executive director will review the record of payroll by person for accuracy, including proper rates and hours. Checks for payroll and contracted workers are sealed in envelopes by the executive director and held in a locked area for distribution.

#### *Personnel Activity Reports (PARs)*

The time and effort of all employees charged to programs, grants or activities will be supported by a personnel activity report or other documentation that clearly shows the distribution of activity of each employee. ACIL uses this documentation to verify the way employees' time is split between cost objectives. This requirement applies to supervisory and nonsupervisory employees, as well as to hourly and salaried employees. Each PAR:

- Must be an after-the-fact record of actual time worked. It cannot be dated before the end of the time period.
- Must account for the total activity (100%) of the time for which the employee is compensated.
- Must be signed by the employee and a supervisor with first-hand knowledge of work performed.
- Signatures certify that the percentage of time being reported under each objective is correct. There will be a notation that the distribution of activity represents a reasonable approximation of the work performed by the employee.
- Will be prepared at least monthly and will coincide with one or more payroll period(s).

#### *Debit and Credit Card Procedures*

Any Credit or Debit Card that ACIL has will be subject to the following:

##### *Use of Cards by the Executive Director:*

The executive director of ACIL is authorized to utilize debit, credit, and store charge cards, subject to an individual item limit of \$1,500, for the purchase or payment of allowable costs/expenses related to the normal operation of the programs and services of ACIL. This includes but is not limited to: postage expense, travel expense, supplies expense, equipment purchase

The executive director will retain receipts and other documentation for all card purchases and will provide these to a member of the board for review. The board member will initial documentation or provide other evidence of their review related to the executive director's use of the card(s).

#### *Use of Cards by Other Management Staff or Program Staff*

Other management staff may use cards for the purchase or payment of cost/expense related to the normal operation of the programs and services of ACIL with prior approval from the executive director subject to a \$300 limit. Prior approval may be received in writing, by email, or over the phone. If approval is by phone, the date, time of approval, and type and amount of the expenditure approved will be noted by the executive director and made part of the supporting documentation.

As soon as possible after the expenditure, anyone using the cards will produce the original receipt and other documentation related to the expense for internal processing and submission to the Executive Director. The documentation and/or accompanying notes will explain the nature of the item(s) purchased in a way that permits verification that the item is reasonable, necessary, and allowable, and specify the program(s) or function(s) to which it should be allocated.

When not needed for purchasing purposes, all credit cards will be maintained by the Executive Director until the card is needed by other staff.

#### *Lost or Stolen Cards*

If a debit or credit card is lost or stolen, the person designated with responsibility for the card must report the loss or theft to the executive director immediately. The executive director will immediately contact the bank to cancel the card and request a different card. The executive director will document the circumstances and when the bank was contacted and determine if other steps are needed based upon the circumstances related to the lost or stolen card.

#### *Credit Card Codes and Passwords*

No staff member is allowed to change the original code/password for the debit card that they utilize without permission from the executive director.

#### *Misuse of Credit or Debit Cards*

If staff abuse or misuse a card, the executive director will require the staff member to relinquish the card to the executive director. The executive director will determine if other steps are needed based upon the circumstances related to the misuse of the card, up to and including initiation of civil or criminal proceedings. If the executive director abuses or misuses a card, the card must be relinquished to the board chair or treasurer. The board will determine if other steps are needed based upon the circumstances.

#### *Travel*

Local Travel reimbursement will be in mileage reimbursements after the staff have provided the log of miles traveled for work related purposes. The mileage will be reimbursed at a rate of \$0.55.

Travel outside of the local area can be reimbursed to staff. This includes travel necessary for participation in state/regional committees or task forces, attending workshops, conferences or other trainings, advocacy, development and/or networking activities.

#### *Reimbursement and Documentation*

Documentation for the cost of and purpose for travel must be submitted for reimbursement. A travel reimbursement request with supporting documentation must be submitted within 30 days of travel.

Reimbursement for approved business use of personal vehicles will be based on rates established by ACIL that do not exceed the federal approved rate.

#### *Per Diem*

Meals for out-of-area travel will be reimbursed at rates that do not exceed the federal per diem rates that are documented on the U.S. General Services Administration Per Diem Rate Lookup Website.

To receive Per Diem reimbursement for meals associated with out-of-area travel, travel must begin before or be inclusive of 7:00 am (for breakfast), 10:00 am – 1:00pm (for lunch) and/or end after 7:00 pm (for dinner).

All reimbursable travel must be allowable, allocable, reasonable, and necessary to achieve the purposes of ACIL and the involved funding sources, in accordance with federal cost principles and ACIL's approved budget and written travel policies and procedures. All out-of-state travel by the Executive Director must be approved by the Board of Directors.

#### [Expense Reimbursement](#)

ACIL will follow the following accountable plan for all expenses in which an employee is seeking reimbursement for. All expenses must be reasonable in amount, adequately documented, no expenditure will be reimbursed past 60 days. Any such reimbursement for operational or program expenses will not be counted as reportable income on the employee's W-2, but the employee should report such income on Form 1040.

All receipts must be submitted by the employee for the expenditures. These receipts will be retained with the copies of checks to the employees.

#### [Accounting for Donated Services](#)

The objective of accounting for donated services is to comply with generally accepted accounting principles and with requirements for annual filings. ACIL will also track and document in-kind items that qualify for Grant Matching.

Fair value will be determined at the date of the gift. Services will only be recorded as donations if:

- ACIL has a clearly measurable basis for the amount claimed.
- The following in-kind items will be recorded in the accounting system: Items intended to be used or controlled by ACIL (for example: a computer or copier that would be used by ACIL; or adaptive equipment, the use of which ACIL oversees)
- Donated use of items or facilities, such as real estate
- Donated services that are key to ACIL's operations, programs or services and have been performed by specialists (such as review of contracts by an attorney).

## Financial Reports

All expenditures are to be incurred and paid in accordance with a budget approved by the board of directors.

The following financial statements are prepared:

### Balance Sheet

The balance sheet is created as of a particular point in time, such as month-end.

Net assets will be classified as restricted by donors, designated by the board for use in certain areas, or as available for use where needed.

### *Statement of Income and Expenses and Budget Comparisons*

These statements report contributions received and income earned, as well as expenses for payroll and for products and services received. Reports will be generated for a period such as a month and/or year-to-date and may be compared to the prior year, and/or to budgeted amounts.

### *Other Financial Reports*

Quarterly, a Federal Fiscal Report (FFR) must be submitted to the Grant Solutions before the next quarter's Part C funds can be drawn. An accurate form SF-425 will be submitted to ACIL by December 31 each year.

Other financial reports will be prepared for review as requested by the Board of Directors, or its finance or audit committee including:

- Cash flow report
- Statement comparing budget to actual for the period and Year to Date
- Dashboard report (key asset and operating results)
- Cash flow forecast
- An aging of accounts payable
- An aging of accounts receivable

## Purchasing Policy

### Objectives of the Policy

ACIL's policy has the following objectives:

- Limit purchases to necessary items.
- Minimize the possibility of theft or misuse.
- Control costs while ensuring quality.
- Comply with federal or other regulations where applicable.
- Properly identify the nature and program or supporting service of the purchase.

### *Overview*

It is the policy of ACIL to follow ethical, responsible, and reasonable purchasing procedures. These policies describe the principles and procedures to be followed by all staff in connection with their purchasing responsibilities.

### *Responsibility for Purchasing*

All purchases will be approved by the executive director.

### *Ethical Conduct in Purchasing*

Individuals involved in the purchasing process will discourage the offer of, and decline gifts or gratuities for themselves, their families or friends from potential vendors. They will never discriminate unfairly by dispensing special favors or privileges to anyone whether for remuneration or not.

#### *Conflicts of Interest Prohibited*

Employees and members of the board of directors have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which ACIL will operate. The purpose of these guidelines is to provide general direction for all employees and members of the board of directors. Employees are expected to seek further clarification from their supervisor on issues related to the subject of acceptable standards of operation if any question arises. Board members, as well as any employees involved in the procurement/purchasing process, are expected to disclose any potential conflict of interest and to remove themselves from discussion and decision making in any item of business in which they have a conflict of interest.

#### *Conflict of Interest*

An actual or potential conflict of interest occurs when the employee, officer, or agent, any member of his or her immediate family, his or her life partner, his or her business partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The basic principles that apply are that any potential conflict must be disclosed and the individual who has a potential conflict cannot be involved in decision-making related to the area in which they have a conflict.

No "presumption of guilt" is created by the mere existence of a relationship with an outside firm. However, when the individual has any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to the executive director, or, in the case of a board member or the executive director, to the full board, as soon as possible the existence of any actual or potential conflicts of interest so that safeguards can be implemented to protect all parties. Personal gain is prohibited.

Transactions are prohibited where the individual, partner or relative has significant ownership in a firm with which ACIL does business. Any kickback, bribe, substantial gift, or special consideration to an individual or relative is prohibited as a result of any transaction or business dealings involving ACIL in which the individual has influence.

Any employee found guilty of a conflict will be subject to disciplinary action.

Actual or potential conflicts of interest involving federally funded activities must be reported to the federal awarding agency.

#### *Procurement under State or Federal Awards*

Procurement of goods and services that will be charged to state or federal awards received by ACIL is subject to all of the policies above and also to the following:

- ACIL will purchase only those items necessary for the performance of the duties required by a state or federal award.
- Where appropriate, an analysis will be made of lease versus purchase acquisitions to determine which would be most economical and practical.
- Documentation of the basis for contractor selection shall be retained when competitive bidding is performed; documentation for why competitive bidding was not done shall be retained.

Vendor contracts shall include a written statement that they have not been suspended or disbarred from doing business with any state or federal agency.

Davis-Bacon prevailing wage requirements for construction contracts must be met if required by the state or federal award.

### *General Procurement Standards*

Purchases must be necessary and reasonable for the performance of the federal or other award and shall be properly identified with an award(s). Economical purchase procedures (such as consolidation of purchases), and lease versus purchase, where appropriate shall be considered.

Purchases shall be treated consistently as direct or indirect costs.

Purchases treated as direct or indirect cost cannot also be used to meet cost sharing or matching requirements.

- Costs charged to federal and other awards shall be net of any applicable credits.
- Costs charged to federal and similar awards shall be allowable based on guidance.
- Costs shall be determined in conformity with U.S. generally accepted accounting principles.
- Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals will be excluded from competing for such procurements.
- All solicitations shall include a clear and accurate description of the technical requirements for the material, product, or service to be procured.
- Documentation for purchases will be sufficient for an independent person to determine what was purchased, and for what purpose.
- Documentation for purchases shall be kept for at least 7 years and shall document the rationale for the method of procurement, the selection of the contract type, contractor selection/rejection and basis for the contract price and verification that the contractor is not suspended or debarred.

### *Competition*

Purchases shall be conducted in a manner that facilitates competition.

No action shall be taken to limit competition such as:

- Placing unreasonable requirements on firms in order for them to qualify.
- Requiring unnecessary experience or excessive bonding.
- Specifying a brand name instead of allowing an equal product to be offered.
- Any arbitrary action in the procurement process.
- Purchase solicitation shall identify requirements that are to be fulfilled and shall incorporate a clear and accurate description of the item or service to be procured.

### *Purchase Thresholds*

Requirements vary based on the size of the purchase.

Micro purchases of supplies or services are those that do not exceed \$3,500

Small purchase requirements apply when purchases are between \$3500 and \$150,000

Micro purchases shall be distributed among qualified suppliers but don't generally require competitive quotations.

Small purchases will be made only after price or rate quotations are obtained from an adequate number of qualified sources. Prices can be obtained from published or online price lists.

Purchases in excess of the Simplified Acquisition Threshold, including services, equipment or supplies, purchases, leased or contracted for require a cost or price. These purchases shall be made only after receiving, whenever possible, quotations from at least three vendors. Selections shall be recommended to the Executive Director for approval with quotations attached.

Recommendation and selection shall be based on the following criteria:

- A clear and accurate description of the product or service to be purchased
- Skill and experience of key personnel
- Experience providing products or services to ACIL
- Any specific requirements we have included in our solicitation of bids
- Demonstrated commitment to the nonprofit sector

Information received from vendor references:

- Commitment to our time deadlines
- Cost
- Woman- or minority-owned business or qualified small business
- Preference for products and services that conserve natural resources and protect the environment, to the extent possible

Construction services shall be procured by sealed bids following formal advertising. Contracts shall be awarded to the responsible bidder whose bid conforms to all the material terms and conditions of the request for bids and is the lowest in price.

Vendor contracts shall include a written statement that they have not been suspended or debarred from doing business with any federal agency. Alternatively, the Organization shall check the SAM (System for Award Management) vendor database. Davis-Bacon prevailing wage requirements for construction contracts must be met if required by the federal award.

#### *Exceptions to Competitive Bidding*

Competitive bidding will not be required in certain limited circumstances including:

The item is available only from a single source.

An emergency or urgent need will not permit a delay for competitive selection.

Staff or client health, welfare, or safety does not permit a delay for competitive selection.

After solicitation of a number of sources, competition is deemed to be inadequate.

A written explanation shall be prepared and maintained whenever a normally required competitive selection is not used.

Documentation of the basis for contractor selection shall be retained when competitive bidding is performed. Documentation for why competitive bidding was not done shall be retained.

#### [Program Income](#)

Program income is generated when ACIL receives payments for training, services provided or other similar income. If ACIL receives any program income for programs that are federally funded, the source and application of program income will be tracked to ensure that it is expended only on allocable and allowable costs. Specifically, program income will be added to the funds committed to the project by the federal awarding agency to further eligible project or program objectives or deducted from the total project or program allowable costs in determining

the net allowable costs on which the federal share of cost is based. Program income will be reported on the Federal Financial Reports.

### Property and Equipment

Property and equipment include items such as:

- Office furniture and equipment
- Computer hardware
- Computer software
- Leasehold improvements

It is ACIL's policy to capitalize all items that have a unit cost greater than \$5,000 and a useful life of more than one year. Items purchased with a value or cost less than \$5000 and a useful life not exceeding one year will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

- Computer Hardware 36 months
- Office Equipment 60 months
- Office Furniture 60 months
- Computer Software 36 months
- Leasehold improvements Length of lease

A Fixed Asset Log will be maintained within the accounting system including date of purchase, asset description, purchase/donation information, and cost. The fixed assets are reviewed at least annually and applicable depreciation is recorded.

Annually, a physical inspection and inventory will be taken of all fixed assets, and the accounting system will be updated to reflect any items that are disposed of or are no longer in service.

A control system shall be in effect to ensure adequate safeguards are in place to prevent loss, damage or theft. The executive director shall be informed in writing of items that are missing, have been disposed of, or are no longer in service. Any missing items must be investigated. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

### Reports to Funding Agencies and Organizations

ACIL is required to submit programmatic and financial reports periodically to funders and oversight agencies. In all cases, ACIL will keep a paper or electronic file of documentation supporting financial, unit of service, programmatic, and other information included in the report along with a copy of the report itself.

## Appendix 1 – Sample Forms

Included in this section is:

Employee PAR  
Check Request Form  
Travel Expense Form

### Employee PAR

Personnel Activity Report													
Access Center for Independent Living													
Name: Christopher Ross		This form must reflect each employee's actual activity per funding source, and account for the employee's total activity during the pay period											
	Mon	Tues	Wed	Thurs	Fri	Week Total	Mon	Tues	Wed	Thurs	Fri	Week Total	Pay Period Total
Date													
PTO/Holiday						0.00						0.00	0.00
Fed IL						0.00						0.00	0.00
HOME Choice						0.00						0.00	0.00
Indirect						2.00						0.00	2.00
OOD IL						0.00						0.00	0.00
Public Health						0.00						0.00	0.00
Totals						2.00						0.00	2.00

I certify that this report is an accurate representation of the activities/effort expended during this pay period and that I have full knowledge of those activities.

Employee Signature \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor Signature \_\_\_\_\_ Date: \_\_\_\_\_

**ACCESS CENTER FOR INDEPENDENT LIVING  
CHECK REQUEST**

**Payee:** \_\_\_\_\_

**Amount of Payment:** \_\_\_\_\_

**Line Item:** \_\_\_\_\_

	<b>Percent</b>	<b>Amount</b>
<b>Federal Grant:</b>	_____	_____
<b>HOME Choice:</b>	_____	_____
<b>Public Health</b>	_____	_____
<b>REDI:</b>	_____	_____
<b>Indirect:</b>	_____	_____
_____:	_____	_____

**Check Number:** \_\_\_\_\_

**Date of Check:** \_\_\_\_\_

**Notes:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


\_\_\_\_\_  
**Executive Director**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Secondary Signer**

\_\_\_\_\_  
**Date**

## Travel Expense Form

Travel Expense Report										
Name _____ Department _____ Period _____ Per Mile _____ Reimbursement 0.55 Total Reimbursement Due _____							Date Submitted _____ Authorized by _____			
										
Date	Description of Expense	Airfare	Lodging	Ground Transportation (Gas, Rental Car, Taxi)	Meals & Tips	Conferences and Seminars	Miles (Personal Car Only)	Mileage Reimbursement	Miscellaneous	U.S. \$
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
								\$0.00		\$0.00
Total Mileage Reimbursement:								\$0.00	Total Reimburse	\$0.00
Signature _____		Date _____								
Supervisor Signature _____		Date _____								

## Appendix 2 – Compliance with Uniform Guidance and HHS Regulations

Centers for independent living are required to comply with Uniform Guidance, HHS, and other regulations. Centers should ensure policy manuals address the following requirements.

### Supporting Documentation

It is the responsibility of the board and staff of the organization to ensure ACIL maintains adequate supporting documentation for all expenditures. Expenditures that lack adequate supporting documentation may be disallowed.

### Allowability of Costs (based on Uniform Guidance 200.403)

To be allowable under an award, costs must meet the following general criteria:

- 1) Be reasonable for the performance of the award and be allocable thereto under these principles.
- 2) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- 3) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.
- 4) Be accorded consistent treatment.
- 5) Be determined in accordance with generally accepted accounting principles (GAAP).
- 6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- 7) Be adequately documented.

#### Reasonable Costs (based on Uniform Guidance 200.404)

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining the reasonableness of a given cost, consideration shall be given to the following:

- 1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- 2) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, and other laws and regulations; and terms and conditions of the federal award.
- 3) Market prices for comparable goods or services for the geographic area.
- 4) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government
- 5) Whether the non-federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

#### Allocable Costs (based on Uniform Guidance 200.405)

(a) A cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the federal award;
- (2) Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the non-federal entity and is assignable in part to the federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the non-federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-federal entity or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the federal awards, or for other reasons. However, this prohibition would not preclude the non-federal entity from shifting costs that are allowable under two or more federal awards in accordance with existing federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a federal award, the costs are assignable to the federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. Also see Uniform Guidance §200.310 Insurance coverage through §200.316 Property trust relationship and §200.439 Equipment and other capital expenditures.

## Appendix 3 – Indirect Cost Rate Proposal

Uniform Guidance Appendix IX Indirect Cost Identification and Assignment and Rate Determination for Nonprofit Organizations establishes the principles for determining costs of grants, contracts and other agreements with the federal government. The guidance addresses direct and indirect allocation methods. The Direct Allocation Method treats all costs as direct costs except general administration and general expense. Direct costs are those that can be identified specifically with a single or multiple final cost objective(s). Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Indirect Cost Rate Proposals must be approved by the “cognizant agency” prior to implementation. In the case of centers for independent living, this agency is the U.S. Department of Health and Human Services.

## Appendix 4 – Record Retention Policy

ACIL will follow these guidelines for the retention of records but will also comply with any longer retention requirements of funders.

If ACIL has any active, pending or threatened litigation, audit findings or monitoring findings, records will be retained until all issues are fully resolved as determined by the board of directors.

Financial and programmatic records (including consumer service records) and supporting documents related to federal funding, compliance or performance shall be retained for a minimum of five years from the date in which the corresponding annual reports are submitted to RSA or HHS.

Paper and electronic records are subject to the same requirements.

This policy will be modified to accommodate any special requirements of funders or regulators.

At the end of the retention time frame, paper and electronic records will be destroyed. A log of records that are purged and destroyed will be maintained.

ITEM	USEFUL LIFE
Accounts payable ledgers & schedules	4 years
Accounts receivable schedules	4 years
Bank reconciliations	4 years
Bank statements	4 years
Checks	5 years
Contracts, mortgages, notes and leases; Expired Still in effect	7 years Permanent
Correspondence	2 years
Deeds, mortgages and bills of sale	Permanent
Depreciation schedules	Permanent

Duplicate deposit slips	2 years
Employment applications	3 years
Employee personnel records (after termination)	3 years
Expense analyses/ expense distribution schedules	7 years
Financial statements: Year End	Permanent
Other	Optional
Garnishments	7 years
General ledgers	5 years
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanent
Vouchers for reimbursement	5 years
Invoices from vendors	5 years
Journals (receipts and disbursements)	5 years
Minute books, including bylaws and charter	Permanent
Notes receivable ledgers and schedules	7 years
Payroll records and summaries	7 years
Personnel records (terminated)	7 years
Petty cash vouchers	4 years
Property appraisals by outside appraisers	Permanent
Property records, including costs, depreciation reserves, end of year trial balances, depreciation schedules, blueprints and plans	Permanent
Sales records	4 years
Subsidiary ledgers	5 years
Annual filings	Permanent
Time sheet/ cards/ books	7 years
Vouchers for payments to vendors, employees, etc.	5 years
Withholding tax statements	7 years
Applications, letters of intent, and resumes for employment	1 year

## Personnel Records

All personnel files will contain the following documents:

- An application and/or resume
- Date of employment
- Position and pay rate
- Job description
- A completed mandatory background check for all employees, board members and volunteers
- Performance evaluations
- Authorization of payroll deductions
- W-4 withholding authorization
- Termination data where applicable
- A signed confidentiality agreement
- A signed acknowledgement of receipt of Employee Handbook including the organization's whistleblower, drug-free workplace, lobbying, and conflict of interest policies
- An emergency contact form

- Other forms as deemed appropriate by the executive director
- All employees will fill out an Employment Eligibility Verification (I-9) and submit the specified allowable forms of identification to the executive director.
- The completed I-9 forms will be kept in a secure location separate from the personnel files.

All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel, as assigned by the executive director.

#### *Data Privacy & Data Retention*

- Printed documents containing personally identifiable information must be retrieved immediately from the printer. Any documents left at the end of the day, the receptionist will collect and deliver to a supervisor.
- All staff will lock their computers when they are away from their desk.
- Information, including emails, no longer required for business purposes and no longer required for legal or regulatory requirements must be properly disposed of.
- Staff are trained annually on HIPAA rulings and sign a confidentiality agreement at the time of new-hire orientation.

#### *Email & Document Retention*

Unless otherwise indicated by law or funders, emails will not be retained for longer than six months. If an email must be retained, create a folder in Outlook mail and move that email into the folder.

All CSR documents should be uploaded to CIL's First; however, in those instances where ancillary information needs to be stored physically, this information should be placed in a physical CSR folder, stored in a locked fire-proof cabinet. CSR documents should be held in physical form for a minimum of 7 years after its close date. Additionally, employees should review and purge all emails and documents no longer in use, at least every six months, including those that have been previously stored. If staff believe an email or document may be evidence in a dispute, or the employee is so instructed by legal counsel, they are asked to contact their supervisor immediately for guidance on proper retention.

#### *Shared Drive:*

Only the most up-to-date forms, policies and procedures will be kept on the Shared Drive. In order to ensure staff are using the most up-to-date forms, policies and procedures, staff are asked not to download them to their U drive with the exception of PAR and Reimbursement forms. Master forms, policies and procedures will be kept in the shared Leadership Drive. The Executive Director retains the right to assign specific staff to keep working files on their computers as forms, policies and procedures are in the process of change. A master paper file will be retained by the Office Coordinator or other delegated staff for HR, Finance, and operational forms, policies and procedures no longer in use. The Executive Director will retain a master file of Board documents. These files will be kept in accordance with legal and funder requirements.

## Appendix 5 – Federal Compliance Audits

The U.S. Office of Management and Budget (OMB) provides guidance on compliance audits for recipients of federal program funds. Nonprofits that spend more than \$750,000 of federal monies in a fiscal year are subject to audit requirements of Uniform Guidance. These audits incorporate the following:

Regular financial statement audits

Governmental Auditing Standards (the Yellow Book)

Additional requirements and controls for the preparation of financial statements

Compliance with laws, regulations, contracts and grants

Auditors must test whether the organization complied with the terms of federal awards, and whether they have proper controls over that compliance such as training of staff involved with compliance and internal verification to assure compliance. Compliance includes whether individuals being served are eligible for that service, whether services are performed during the time frame required by the grant, and whether cash management requirements are in place and followed.