


Category:	Financial	<p style="text-align: center;">INCA Community Services Financial Procedure</p> 
Effective Date:		
Reviewed Date:	3/22, 3/23, 3/24, 3/25	
Forms:		
Responsible:	Board of Directors, Executive Director, Accounting Department	

Checks, Ledgers, and Bank Procedures

Purpose/ Introduction

The Accounting Department will prepare all expense checks for the agency once a week. All bills for payment must be submitted to the accounting department by Friday of one week for payment the following week. The only exception to this will be assistance type payments that are deemed to be emergency situations that cannot wait until the day checks are normally processed.

Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business expense policies described in the financial manual.

Responsible Parties

When the Accounting Department is ready to pay bills:

- Add any new vendors, or make any vendor changes in the accounting software.
- Code receiving reports to the appropriate general ledger codes and enter accounts payable.
- Select the checks for payment and print checks.
- The Accounting Department will be responsible for all blank checks. All blank checks will be stored in a locked cabinet.
- Checks shall be utilized in numerical order (unused checks are stored in a locked area in the accounting department)
- Post the sessions to accounting.
- Get required signatures.
- Once the checks are signed, the accounting department will do the following: a) tear the checks apart and attach each one to the corresponding receiving report with supporting documents attached; b) stamp the attached invoices paid; c) take the checks to the authorized signers for signature.
- Checks are signed by the Board appointed authorized signers for the agency. All checks require two signatures.

Distribution of Checks

Once the proper signatures have been obtained checks are returned to the accounting department for distribution of the checks. The Accounting Department will apply the postage for mail and include all vendor return receipts/slips in the envelopes. After distribution, the Accounting Department will attach the copy of the check to the front of the receiving report, invoices are stamp dated, and then filed by the vendor.

Voided Checks and Stop Payments

Checks may be voided due processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID" All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with the authority. A journal entry is made to record the stop payment any related bank fees.

In no event will the following be done:

- Checks prepared unless these procedures are followed.
- Checks prepared from monthly statements without individual invoices.
- Checks used other than in chronological order.
- Checks prepared or signed in advance.
- Checks made out to "cash", "bearer", "petty cash", etc.
- Checks prepared on verbal authorization.

Signature Stamps

- The Board of Directors must approve the issuance of all signature stamps.
- All checks require two signatures.
- Authorized check signers are bonded.
- The Board of Directors approves the authorized signers on all INCA bank accounts.
- All signature stamps are properly safeguarded in the administrative office to ensure that only authorized persons have access.

Bank Reconciliations

Bank statements will be received unopened by the Accounting Department who will examine paid checks for the date, name, cancellation, and endorsements. The Fiscal Consultant will then prepare bank reconciliation for each bank account. The balance will be reconciled to the cash balance on the general ledger for accuracy.

The Accounting Department will be conscious of all checks outstanding over 90 days and take appropriate action on these checks.

Journal Entries

The Accounting Department will prepare all journal entries.

General Ledgers/Financial Statements

The general ledgers will be maintained by the Accounting Department. The Accounting Department will complete a chart of accounts for each program according to the budget.

Entries will be made in the general ledger on an as needed basis. At month end, the financial statements will be printed for each program by the Accounting Department. The Accounting Department will be responsible for distributing a copy of the financial statements to the Executive Director, Program Directors, Board of Directors and Policy Council on a monthly basis. Each will review these reports for proper postings and accuracy and notify the Accounting Department immediately if any discrepancies are found.

Financial Reports

The Accounting Department will prepare monthly and quarterly reports to funding sources. If the reports are prepared by the Accounting Department, the Executive Director will approve them. The Fiscal Consultant is authorized to sign and submit the Federal Cash Transaction Reports and the RSVP Program's Federal Financial Report (SF 425). The reports will always be reconcilable to the agency's general ledgers. After they have been submitted, a copy of the reports will be given to the Accounting Department where they will be filed by each program's grant year. The Accounting Department will be responsible for maintaining a current listing of reports and due dates to ensure current filing.

Dissemination of Policy

The policy will be made available to all employees through the agency's website. The agency will educate and train employees and supervisors regarding the policy and any conduct that could constitute a violation of the policy.