

Fiscal Guide For Victim Service Providers

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I. Purpose

The purpose of this document is to provide monitoring guidelines for victim service providers that receive funding administered by the DCF Domestic Violence Program. In addition to the Provider's policies and procedures, which must be followed, these guidelines are intended to supplement and help interpret, but not replace or change, applicable federal, state, and local regulations, as well as those of other funding sources. The explanations and descriptions herein do not include every variable and situation that can occur but are to be used as fundamental guiding principles.

The Provider is responsible for the sound financial management of its organization by ensuring proper financial controls are in place and by maintaining current financial documents (F.A.C. 65H-1.013(6)). In addition, the Provider shall protect its organization's assets and maintain sound financial conditions and activities (Administrative Standards, Finance Policies IX and XI and Contract, Section 12(u)). Records shall be current, complete, accurate, and maintained in such form as to permit evaluation (F.A.C. 65H-1.013 (10) and Contract, Section 16 (c-f)).

II. Accounting/Financial System

a. Fund Accounting

Fund accounting is an accounting system for recording resources whose use has been limited by the donor or grantor and emphasizes accountability by using a self-balancing set of accounts for each funding stream. Fund accounting distinguishes between those funds that have an unrestricted use that can be spent for any purpose and those that have a restricted use. Fund accounting does not always mean accounting for every federal or state fund source individually, but rather accounting to accommodate restrictions on fund sources or groups of fund sources.

Providers shall utilize fund accounting to classify all resources and expenditures by fund groups that differentiate the sources of revenue and specific activities (F.A.C. 65H-1.013 (10) (b)).

b. Cost Allocation

The Provider shall follow the cost allocation plan that was submitted and approved in its agency budget with the application, which includes the allocation of administrative, programmatic, or other indirect costs.

c. Financial Reporting and Statements

The Provider's Board of Directors shall approve an annual operating budget. Operating budgets must be delineated by fund source, match, and program expenditure category.

The Provider shall enter the approved operating budget into an accounting software system that accurately implements fund accounting requirements. The system shall produce financial statements that include a budget versus actual comparison. The Provider shall book all match requirements by funding source through its accounting system.

Financial statements (Income/Expense Statements for each fund and Balance Sheet) shall be reviewed by management on a monthly basis and variances between budgeted and actual revenues and expenses shall be analyzed. This review is a means for the Provider to ensure fiscal jeopardy and material deviations from the budget do not occur.

Financial statements for the Board of Directors shall be produced directly from the accounting system. The Income/Expense Statement (Profit and Loss) shall display 1) actual income and expense for the current period and 2) year-to-date budget versus actual with variances to inform the Board of Directors of any fluctuations between budgeted and actual revenues and expenses. The financial statements shall be reviewed by the Board of Directors, minimally, at each regular meeting of the Board of Directors as delineated in the Provider's by-laws or other Provider documents.

III. Internal Controls

Internal controls are crucial in an organization to prevent fraud. The Provider's fiscal procedures shall include, at a minimum, the following internal controls:

- The payroll is approved by upper management who is not responsible for preparation (calculation of wages, taxes, etc.) of the payroll and is outside the payroll department.
- The preparer of the payroll is not the same person who signs the payroll checks.
- Check signing is limited to those authorized by the Board of Directors and whose duties exclude the posting and recording of disbursements.
- The person receiving and opening mail is not the same person involved in posting, deposit preparation, and depositing funds.
- The person depositing funds is different from the person who prepares the deposit.
- The person who enters the payables or generates the checks is not the same person who signs the checks.
- The person receiving and reviewing the monthly bank statement is not the same person responsible for performing the monthly reconciliation of the bank account(s).
- Personnel generating checks are excluded from purchasing, receiving inventory, and entering general ledger functions.
- The bank statements shall be received by the person reconciling the account after they have been reviewed and analyzed for any anomalies such as missing checks and checks with missing signatures.

IV. Fiscal

a. Invoices and Checks

Fiscal documentation shall reflect that:

- The check and invoice amounts agree with one another.
- The checks are accompanied by the original invoice(s)/receipt(s).
- The Provider records appropriate coding on disbursements, which shall match coding in the accounting system.
- Invoices are timely paid by the due date stipulated on the invoice and shall not include late fees.
- Items purchased are reasonable, allowable, and necessary expenditures.
- All invoices and supporting documentation (including receipts) are defaced upon payment.
- All disbursements have documented approval by the appropriate level of management.
- Dual signatures are on checks when required by Provider policy or when the check signer is also the payee.
- Disbursements are allocated based on the approved cost allocation plan for all funds administered by the Domestic Violence Program.
- Purchasing policies were followed, if applicable.
- Voided checks shall be clearly marked "VOID" and documented in the accounting system. The Provider can mark "VOID" over the signature block or remove the signature block. Voided checks shall be retained.
- Disbursements are made in accordance with F.S. 112.061 (if the purchase relates to travel) for all funds administered by the Domestic Violence Program.

Travel expense reports shall include, at a minimum:

- Expenses supported by original receipts.
- A clearly stated business purpose.
- Pre-authorized conference expenses, if applicable.
- A mileage sheet used to calculate and reimburse mileage expenses which includes the purpose of travel and verification of the distance traveled.

b. Bank Accounts

- Checks shall be released and cleared timely.
- Bank accounts shall be maintained properly, so unnecessary fees are not incurred, such as overdraft or insufficient fund charges.

- Bank reconciliations shall be performed monthly, reviewed and approved by the next level of management or as designated in the Provider's relevant policies.

c. Lines of Credit

Providers shall have a Board-approved policy regarding obtaining lines of credit and approval and utilization of such.

d. Credit Cards

Providers must maintain strict policies and controls over credit card usage.

The Provider's policy on credit card usage shall address, at a minimum:

- The employees eligible to obtain a credit card.
- The procedures and approvals that must be in place prior to distributing credit cards to employees which establish credit and spending limits and a process for accurate tracking and reporting of expenses.
- Procedures shall be in place to review, track and pay balances, which include a monthly reconciliation of the credit card statements. Payments shall be made timely by the due date stipulated on the statement and shall not include late fees.
- A requirement for supporting documentation for credit card charges.
- Types of allowable credit card purchases.

e. Payroll

Timesheets or activity reports shall be completed and signed by the employee and approved by the employee's supervisor. Any changes made to the timesheet shall be initialed by the employee and supervisor. Payments to employees shall match their approved pay rate.

The Provider shall remit its Federal Quarterly Payroll Tax Return (Form 941).

The Provider shall remit with payment its Florida Reemployment Tax form (Form RT-6) and supporting documentation for state unemployment compensation.

V. Annual Audit

The Provider's most recent audit shall be reviewed by the Board of Directors as part of its fiscal oversight responsibility. The Provider shall address all recommendations, findings and/or corrective actions identified in the audit.