

## **CHILDREN'S ADVOCACY CENTERS OF ILLINOIS (CACI)**

### **Financial Policies and Procedures**

The fiscal year for the Children's Advocacy Center begins July 01 of each year and ends June 30. The Board of Directors shall annually, approve an operating budget for the following year.

#### **The following financial policies shall govern the organization:**

- All financial resources must be accounted for using generally accepted accounting principles.
- Grants and contributions, direct or pass-through, must be accounted for in accordance with the requirements of the grantor, or if there are no specific requirements, in accordance with generally accepted accounting principles.
- The CAC of Illinois Board of Directors is responsible for authorizing all bank accounts.
- An annual audit must be conducted by a qualified outside auditor and presented to the Board of Directors for approval.

#### **Banks**

- Financial institutions where grant accounts are maintained are notified on an annual basis of any changes on check signers, following the transition of officers or changes in staff with check signing responsibilities.
- Dual signatures are required for all payroll checks; with the exception of payroll checks that are directly deposited. This includes the Executive Director and another designated board member. All checks in excess of \$2,000 require two signatures; with the exception of EFTPS.
- Financial oversight will be done off site through an accounting firm.

#### **Financial Reports**

- Financial reports shall be presented to the Treasurer of the CAC of Illinois Board of Directors for review on a quarterly basis and presented at board meetings.
- The Financial Reports will consist of the Balance sheet, Income and Expense report (include all budget categories) for the period and Annual Budget.

#### **Cash Receipts**

- Incoming checks must be restrictively endorsed "for deposit only" when received.
- Cash receipts must be counted, initialed, and deposited immediately.

- Cash/check collection documentation totals must be compared and reconciled to bank deposit receipts on a regular basis.
- Bank deposits receipts must be compared to the original bank deposit slips.
- Adequate physical controls must be maintained over cash receipts (checks/cash) from the time of receipt to deposit in the bank.

### **Cash Disbursements**

- The Executive Director must approve all disbursements based upon approved budget.
- All disbursements must be made by check or by credit card with receipt given to office manager for audit purposes (excluding petty cash disbursements).
  - Signature stamps will never be used to sign checks.
  - Supporting documentation must accompany checks when presented for signature.
  - To prevent duplicate payment the authorized staff check signer will write check number, date and his/her initial on each invoice or other supporting documentation or use some other check and balance strategy.
  - Checks must be made payable to specific payees, based upon appropriate supporting documentation, and never to cash.
  - Only pre-numbered checks shall be used.
  - Only persons authorized to prepare checks may have access to blank checks and adequate controls will be maintained over blank check stock.
  - Checks must be prepared from vendor statement only after compared to vendor invoices/receipts.
  - All check numbers must be accounted for.
  - Any voided/spoiled checks must be marked “Void”, mutilated with the signature Portion removed, and retained in a secure place.
  - Employees must maintain and submit a detailed expense record, with supporting documentation, in order to be reimbursed for expenses. Expense records must be reviewed and initialed for approval by the Executive Director prior to payment.
  - Signing of blank checks is strictly prohibited.

- Checks outstanding over 90 days must be periodically investigated, with payment stopped and entry made restoring such items to cash if appropriate.

### **Disbursements – Credit Cards**

- Personal use of CAC of Illinois credit card is strictly prohibited.

### **Purchasing**

- All purchased items must be checked against order forms at time of delivery.

### **Petty Cash**

- A small amount of petty cash maybe kept on hand at the CACI office.
- Receipts must be provided and all change returned to the petty cash box.

### **Investments**

- Investments of excess cash balances for the CAC of Illinois shall be managed to maximize income. Such investments shall be made in a manner consistent with prudent investment practices, optimum safety of amounts invested and the ability to convert such investments back into cash within a reasonable period of time in order to meet funding requirements of the CAC of Illinois.
- Investments will be approved by the Board of Directors. All investment income must be properly accounted for and used in the manner designated by the board of directors or donor.

The policy (approved) by the CACI Board of Directors on November 17, 2010