



BLAINE COUNTY HOUSING AUTHORITY

BOARD MEETING AGENDA MEMO

Meeting Date: Staff Member:

Agenda Item:

Recommended Motion:

I move to formally adopt the Accounting Policies and Procedures Manual.

Reasons for Recommendation:

- BCHA received a monitoring visit from the Idaho Housing and Finance Authority (IHFA) as part of our receipt of HOME-ARP funding. IHFA recommended we adopt certain fiscal policies and procedures to comply with HOME-ARP requirements.
- BCHA had previously adopted and relied on the City of Ketchum's fiscal policies, but should formalize other financial policies and clarify that these practices apply to outside bookkeepers or CPAs engaged by BCHA.

Policy Analysis and Background (non-consent items only):

ACTION, GOAL 5: CREATE PROCESS DOCUMENTS FOR RECURRENT PROCESSES

IHFA requested, and staff recommend, adopting standardized fiscal policies. The attached draft policies have been reviewed by IHFA per the HOME-ARP grant, and by BCHA's current CPA on contract.

At the 2023 Board meeting, the Board formally adopted the City of Ketchum's Cash Management, Fund Balance and Procurement Policies. These policies should now be adhered to by any accountant or bookkeeper employed or contracted by BCHA. During the compliance visit, IHFA pointed out that BCHA was lacking policies for:

- Internal controls
- Allowability of cost
- Budget control
- Accounting controls

The City of Ketchum does not have financial management policies for BCHA to adopt that could meet these deficiencies.

IHFA has confirmed that adoption of the attached draft policies will comply with their request.

Attachments:

1. Resolution 2024-20
2. Accounting Policies and Procedures Manual

RESOLUTION 2024-20
BEFORE THE BOARD OF COMMISSIONERS
OF THE BLAINE COUNTY HOUSING AUTHORITY
BLAINE COUNTY, IDAHO

A RESOLUTION OF THE BLAINE COUNTY HOUSING AUTHORITY BOARD OF COMMISSIONERS
AUTHORIZING ADOPTION OF ACCOUNTING POLICIES AND PROCEDURES MANUAL .

WHEREAS, BCHA’s 2024 Action Plan specifies the need to “create process documents for recurrent processes”; and

WHEREAS, the BCHA administrative staff and accountant recognize the need to clarify roles, responsibilities, and procedures around managing BCHA’s finances; and

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Blaine County Housing Authority, Blaine County, Idaho, as follows:

Section 1. The Blaine County Housing Authority Board of Commissioners approves adopting the Accounting Policies and Procedures Manual.

Section 2. The Blaine County Housing Authority Board of Commissioners authorizes the BCHA administrative staff to implement such procedures in tandem with BCHA’s accountant.

DATED this ____ day of _____, 2024

ATTEST:

BLAINE COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS

Executive Director

Chair



**ACCOUNTING
POLICIES AND PROCEDURES
MANUAL**

Adopted _____

I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at the Blaine County Housing Authority (BCHA) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All BCHA staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the BCHA Board of Directors.

II. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

BCHA Board

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Reviews Executive Director's performance annually
4. Board Members will be authorized signers on the bank accounts
5. Reviews and approves all expenditures \$25,000 or more
6. Reviews and advises staff on internal controls and accounting policies and procedures

Board Chair (or Treasurer or Vice Chair)

1. Reviews and approves all non-budgeted expenditures less than \$25,000
2. Reviews and approves biweekly Check Detail Report

Director

1. Reviews and approves all financial reports including cash flow projections
2. Sees that an appropriate budget is developed annually
3. Reviews and signs all issued checks and/or approves check signing procedures
4. Reviews and approves all budgeted expenditures up to \$50,000
5. Reviews and approves all non-budgeted expenditures up to \$25,000
6. Reviews and approves all grant submissions
7. Approves inter-account bank transfers
8. Is on-site signatory for all bank accounts
9. Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
10. Oversees the adherence to all internal controls

Operations Manager

1. Reviews all program expenditures
2. Monitors program budgets
3. Is responsible for all personnel files
4. Reviews and manages cash flow
5. Reviews and approves all reimbursements and fund requests
6. Processes all inter-account bank transfers
7. Assists Director with the development of annual and program budgets
8. Reviews all incoming and outgoing invoices
9. Manages the petty cash fund
10. Monitors and manages all expenses to ensure most effective use of assets
11. Monitors grant reporting and appropriate release of temporarily restricted funds
12. Oversees expense allocations

14. Reviews, revises, and maintains internal accounting controls and procedures
15. Reviews all financial reports
16. Maintains general ledger
17. Prepares monthly reports

Administrative Assistant

1. Overall responsibility for data entry into accounting system and integrity of accounting system data relating to Accounts Receivables
2. Makes bank deposits
3. Assists with monthly and year-end financial reporting
4. Reconciles all bank accounts
5. Maintains Accounts Receivable
6. Overall responsibility for data entry into accounting system and integrity of accounting system data relating to Accounts Payables
7. Processes invoices and prepares checks for signature
8. Mails vendor checks

Program Administrator

1. Enters all checks into a log, stamps all checks “for deposit only,” and makes a copy of each check.

Bookkeeper/Accountant

1. Processes payroll, when BCHA has employees
2. Prepares year-end financial reports
3. Prepares annual financial statements and related notes for the annual audit

III. Chart of Accounts and General Ledger

BCHA has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Director is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the Administrative Assistant with final approval by the Operations Manager.

The Operations Manager should review the general ledger on a periodic basis for any unusual transactions.

IV. Cash Receipts

Cash receipts generally arise from:

1. Contracts and Grants
2. Tenant Leases

The principal steps in the cash receipts process are:

The Administrative Assistant receives incoming mail and opens, date stamps, and distributes it accordingly. The Administrative Assistant enters all checks into a log, stamps all checks “for deposit only,” and makes a copy of each check. The checks are kept in a secure cabinet until handed to the Operations Manager for processing and deposit.

For rent collection, the Program Administrator collects the checks and money orders. The Program Administrator enters all checks into a log, stamps all checks “for deposit only,” and makes a copy of each check. The checks are kept in a secure cabinet until handed to the Administrative Assistant for processing and deposit.

Biweekly (or more often if necessary), the appointed individual submits the endorsed checks and deposit lot to the Administrative Assistant for processing. The Administrative Assistant processes the deposit and takes it to the bank for deposit. A copy of the deposit slip is attached to the deposit. The deposits are filed electronically.

All cash received will be counted, verified, and signed off by the “appointed individual” and the Administrative Assistant. The cash will be posted by the Administrative Assistant using the appropriate allocation. A receipt will be given to the paying party or an internal form for laundry income or similar receipt without a specific paying party, and a copy kept for internal purposes. The cash will be kept in a locked, secure location and deposited with the next weekly deposit.

V. Inter-Account Bank Transfers

The Operations Manager, with assistance from the Accountant and Administrative Assistant, monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account and makes transfers when necessary.

VI. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Staff training and development
3. Memberships and subscriptions
4. Meeting expenses
5. Employee reimbursements
6. Marketing/promotional materials

Checks are processed semi-monthly.

Requests for cash disbursements are submitted in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

The Operations Manager reviews all requests for payment and:

1. Verifies expenditure and amount
2. Sends to Director and authorized Board member via DocuSign for their approval of services rendered
3. Approves for payment if in accordance with budget
4. Provides or verifies appropriate allocation information
5. Provides date of payment taking into account cash flow projections
6. Submits to Administrative Assistant for processing

The Administrative Assistant processes all payments and:

1. Enters them into the Accounts Payable software
2. Submits Unpaid Bills Detail report to Executive Director and authorized Board member for review and approval.
3. Once Unpaid Bills Detail report is approved, prints checks and Check Detail Report.
4. Submits checks, with attached backup documentation, and Check Detail Report electronically to Director and Authorized Board member for approval and signature.
5. Files all backup documentation and copies of check in document retention software.
6. Mails checks and appropriate backup documentation.

VII. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which BCHA receives funds.

The receipts for all credit card charges will be submitted within two (2) weeks of the purchase along with proper documentation. The Operations Manager will review and approve all charges and the Administration Assistant will verify all credit card charges with the monthly statements. Charges will be entered into the payables workflow and processed via the typical payables procedure.

VIII. Accruals

To ensure a timely close of the year-end General Ledger, BCHA may book accrual entries. Some accruals will be made as recurring entries.

Accruals to consider:

1. Accrued interest on money market accounts, certificates of deposits, etc.
2. Recurring expenses, including employee vacation accrual, prepaid corporate insurance, depreciation, etc.

IX. Bank Account Reconciliations

1. At the beginning of each month, the Operations Manager reviews the statements for unusual balances and/or transactions.
2. The Administration Assistant performs timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Administration Assistant will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Administration Assistant will investigate any checks that are outstanding over three months.
5. The reconciliation report will be reviewed, approved, dated, and initialed by the Operations Manager.

X. Fiscal Year-End Close

1. At the end of each fiscal year end, the Operations Manager and Accountant will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
2. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
3. Once the final fiscal year-end financial statements are run, reviewed, and approved by the Operations Manager and Accountant, no more entries or adjustments will be made into that year's ledgers.
4. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

XI. Financial Reports

The Accountant will prepare the annual financial statements and related notes for distribution to the Operations Manager and Director.

Periodic and annual financial reports will be submitted to the BCHA Board for review and approval.

XII. Fiscal Policy Statements

1. All cash accounts owned by BCHA will be held in financial institutions which are insured by the FDIC and the State of Idaho Local Government Investment Pool. No bank account will carry a balance over the FDIC insured amount.
2. All capital expenditures which exceed five thousand dollars (\$5,000) will be capitalized if the useful life is over one year.
3. No salary advances will be made under any circumstances.
4. No travel cash advances will be made except under special conditions and pre-approved by the Director.
5. Reimbursements will be paid upon complete expense reporting and approval using the official BCHA form.
6. Any donated item with a value exceeding (\$50) will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation.
7. All volunteer time shall be recorded as in-kind donations.
8. The Director and designated Board and/or staff members are the signatories on BCHA's bank accounts. All disbursements require a second signature by an authorized board or staff member. Checks over \$50,000 require approval from the Board of Directors.
9. Bank statements will be reconciled monthly.

XIII. Allowability of Cost

Expenditures must be aligned with approved budgeted items. Any changes or variations from the approved budget and grant applications need prior approval from the Board. General cost guidelines that must be considered when determining whether a cost is an allowable expenditure include the following:

1. Be Necessary and Reasonable for performance of BCHA programs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:
 - Whether the cost is a type generally recognized as ordinary and necessary.
 - The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations.
 - Market prices for comparable goods or services for the geographic area.
 - Whether the individual incurring the cost acted with prudence in the circumstances considering responsibilities to BCHA its employees, its clients, and the public at large.

Whether a cost is necessary will be determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the program.
 - Whether the cost is identified in the approved budget or grant application.
 - Whether the cost addresses program goals and objectives and is based on program data.
2. Allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program.
 3. Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of BCHA.
 4. Adequately documented. All expenditures must be properly documented.
 5. Be calculated in accordance with generally accepted accounting principles (GAAP).