



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 staff/contractors need clear policies and procedures for onboarding and maintaining standards of practice.
- 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 Accountants/Bookkeepers, contractors, Board Members, or CPAs engaged by BCHA.

Policy Analysis and Background:

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 accountant on contract.

At a 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 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 policies will comply with their request. This document will also serve as guidance for staff, contractors and Board Members.

This document has been thoroughly vetted by BCHA's Accountant, Director, and new Board Member and former Director of Finance and Controller.

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/contractors 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/contractors to implement such procedures in tandem with BCHA’s accountant.

DATED this ____ day of _____, 2024

ATTEST:

BLAINE COUNTY HOUSING AUTHORITY BOARD OF
COMMISSIONERS

BCHA Executive Director

Chair



ACCOUNTING POLICIES AND PROCEDURES MANUAL

Adopted August 14, 2024

I. Introduction

The purpose of this manual is to describe all accounting policies and procedures adopted by 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, contractors, and Board Members 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 Operations Manager and approved by the BCHA Board of Directors.

II. Division of Responsibilities

The following is a list of staff, contractors, and Board members who have fiscal and accounting responsibilities:

BCHA Board Members

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and supplemental information
3. Reviews and approves all non-budgeted expenditures \$25,000 or more
4. Reviews and advises staff, contractors, and others on internal controls and accounting policies and procedures

BCHA Board Chair (or Treasurer or Vice Chair)

1. Reviews and approves all non-budgeted expenditures up to \$25,000
2. Reviews and approves semi-monthly Unpaid Bill Report
3. Acts as a secondary signatory for all bank accounts

Housing Director ("Director")

1. Reviews and approves annual and periodic financial statements and supplemental information, including cash flow projections
2. Prepare annual budget for Board review
3. Reviews and signs all checks and/or delegates check signing procedures for absences
4. Reviews and approves all budgeted expenditures, prior to semi-monthly check run
5. Reviews and approves all non-budgeted expenditures up to \$25,000
6. Reviews and approves all grant applications
7. Approves inter-account bank transfers
8. Is on-site primary signatory for all bank accounts

9. Oversees the adherence to all internal controls, accounting policies and procedures, grant requirements and budgeting guidelines

Operations Manager

1. Reviews all requests for payment, prior to Unpaid Bill Report
2. Monitors expenditures compared to actual
3. Reviews and manages cashflow. Provides cash flow projections to Director for review and approval
4. Reviews credit card statements and receipts, approves all charges, and codes
5. Manage development and submission of all grant applications and grant draw requests
6. Reviews and approves all cash disbursement requests
7. Processes all inter-account bank transfers with Director approval
8. Assists Director with the development of annual and program budgets
9. Reviews all incoming invoices (for payment) and outgoing invoices (for billing)
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 and coding for general ledger accounting
13. Reviews, revises, and maintains internal accounting controls and procedures on an annual basis or more frequently if determined necessary by Director and Board
14. Reviews and approves annual and periodic financial statements and supplemental information, including cash flow projections
15. Maintains general ledger chart of accounts and revises as necessary
16. Opens all bank statements, reviews for any irregularities and reviews completed monthly bank reconciliations

Administrative Assistant

1. Assists with monthly and year-end financial reporting
2. Mails vendor checks
3. Receives incoming mail, opens, date stamps, and distributes all mail appropriately
4. Enters all non-rent checks into a log and sign the check log, stamps all checks "for deposit only," and makes a copy of each check
5. Places all received checks (including those received from Program Administrator), in locked cabinet for Accountant/Bookkeeper
6. Collects credit card receipts and compares to credit card statement

Program Administrator

1. Enters all rent checks into a log, stamps all checks "for deposit only," makes a copy of each check, and delivers to Administrative Assistant.

BCHA Accountant/Bookkeeper

1. Processes payroll, when BCHA has employees
2. Processes invoices and prepares checks for signature semi-monthly
3. Prepares year-end, monthly, and as-needed financial reports, including supplement information
4. Prepares semi-monthly Unpaid Bills Report for approval by Director and Board Chair or delegate.
5. Prepares annual financial statements and related notes for the annual external audit
6. Reconciles all bank accounts
7. Reviews check log against the checks/payments, signs the log, enters checks/payments into the system and makes bank deposits
8. Assists CPA with year-end close and audit preparation
9. Works with Director and BCHA Treasurer on accounting process and improvements

BCHA Certified Public Accountant (Contracted)

1. Performs functions related to annual year-end close
2. Prepares depreciation schedule
3. Prepares annual financial statements and related notes for the annual external audit
4. Coordinate with Accountant/Bookkeeper and Director as needed

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 Operations Manager 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 Accountant/Bookkeeper with final review performed by the Operations Manager. Access is granted to the Operations Manager, Program Administrator and the Accountant.

IV. Cash and Check Receipts

Cash receipts generally arise from laundry income. Program Administrator brings laundry income to a bank in exchange for a cashier's check, then processes alongside rent checks.

For rent collection the Program Administrator collects the checks and money orders. The Program Administrator enters all checks – including cashier's check for laundry income - 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 Accountant/Bookkeeper for data entry and deposit.

The Administrative Assistant receives incoming mail and opens, date stamps, and distributes it appropriately. 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 deposited.

The Accountant/Bookkeeper processes the deposits bi-weekly or more often if necessary. The Accountant/Bookkeeper takes deposit to bank. A copy of the deposit slip is attached to the deposit. The deposits are filed electronically.

V. Inter-Account Bank Transfers

The Operations Manager, with assistance from the Accountant/Bookkeeper 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. Training and development for staff, contractors and Board members
3. Memberships and subscriptions
4. Meeting expenses
5. Employee reimbursements
6. Marketing/promotional materials

Checks are processed a minimum of 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

The Operations Manager reviews all requests for cash disbursements and:

1. Verifies expenditure and amount
2. For non-recurring invoices, verifies with person who ordered the work if invoiced project is completed and invoice/bill is approved to be paid
3. Approves for payment if in accordance with budget
4. Provides or verifies appropriate allocation information and provides coding for data entry

5. Provides date of payment considering cash flow projections
6. Submits to Accountant/Bookkeeper for data entry and processing

The Accountant:

1. Enters them into the Accounts Payable software and creates Unpaid Bills report of all bills to be paid.
2. Submits Unpaid Bills Report to Director and authorized Board member for review and approval.
3. Once Unpaid Bills Detail report is approved, prints checks
4. Submits checks to Director and Authorized Board member for approval and signature
5. Manages accounts payable reconciliation

The Administrative Assistant:

1. Once checks are signed by the Director and Board Chair, Administrative Assistant will scan copies of all checks.
2. Files all backup documentation and copies of check in document retention software.
3. Mails checks to vendors with appropriate backup documentation.

VII. Credit Card Policy and Charges

All staff, contractors, and Board 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 must be submitted within two (2) weeks of the purchase along with proper documentation. The Administration Assistant will verify all credit card charges and their receipts with the monthly statements. The Operations Manager will review, approve all charges, and code. Charges will be entered into the payables workflow by the Accountant/Bookkeeper and processed via the typical payables procedure.

VIII. Accruals

To ensure a timely close of the year-end and periodic financial statements, BCHA may book accrual entries. Some accruals will be made as recurring entries. Accruals are prepared by the CPA.

Accruals to consider:

1. Accrued interest on money market accounts, certificates of deposits, etc.
2. Recurring expenses, including employee vacation accrual (if BCHA has employees), prepaid corporate insurance, depreciation, real estate taxes, etc.

3. Grant revenue that is earned

IX. Bank Account Reconciliations

1. When a bank statement is received, the Operations Manager reviews the statements for unusual balances and/or transactions.
2. The Accountant/Bookkeeper performs timely reconciliations of bank statements including: 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 Accountant/Bookkeeper will verify that voided checks, if returned, are appropriately defaced, filed and recorded appropriately in AP system.
4. The Accountant/Bookkeeper 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. The fiscal year end of BCHA is September 30.
2. At the end of each fiscal year end, the Operations Manager, Accountant/Bookkeeper, and CPA 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.
3. The income and expense accounts review will include reconciliation to amounts received and expended. Verification that payroll expenses match the payroll reports including federal and state payroll tax filings, if BCHA has employees.
4. Once the final fiscal year-end financial statements are run, reviewed, and approved by the Board, the Director, the Operations Manager, Accountant/Bookkeeper, and CPA, no more entries or adjustments will be made into that year's ledgers.
5. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed by the Operations Manager with the appropriate agency.

XI. Financial Reports

The Accountant/Bookkeeper will prepare the periodic and annual financial statements, including budget to actual information and related notes for distribution to the Operations Manager and Director.

Periodic and annual financial reports, including supplemental information, 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, if BCHA has employees.
4. No travel cash advances will be made except under special conditions and pre-approved by the Director and Board Chair or delegate
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 by the Operations Manager and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation
7. The Director and designated Board member are the signatories on BCHA's bank accounts. All disbursements require two signatures. Checks over \$25,000 for unbudgeted expenses require approval from the Board of Directors
8. 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).