



# **CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**

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## **Accounting and Financial Policies and Procedures Manual**

*Pursuant to WIOA §3(27) and §129(a)*

**Approved and Published: February 2019**

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*The Central Oklahoma Workforce Innovation Board (COWIB) is the policy and guidance board for the Workforce Oklahoma system in Central Oklahoma. We are business leaders with a goal to establish a highly skilled, productive workforce in our 9-county area.*

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<http://www.cowib.org/>



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## Accounting and Financial Policies and Procedures Manual

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## Introduction

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the Central Oklahoma Workforce Investment Board, Inc., which shall be referred to as “Central Oklahoma Workforce Innovation Board (COWIB)” or “the Organization” throughout this manual.

**The Central Oklahoma Workforce Investment Board/dba the Central Oklahoma Workforce Innovation Board** is incorporated in the state of Oklahoma. Central Oklahoma Workforce Innovation Board is exempt from Federal income taxes under IRS Section 501(c)(3) as a nonprofit corporation. Central Oklahoma Workforce Innovation Board’s mission is as follows:

**Improving lives in our communities by building a  
quality workforce through education and creating  
connections between Job Seekers and Businesses**

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The Board approved the contents of this manual as official policy of the Organization. All Central Oklahoma Workforce Innovation Board staff are bound by the policies herein, and any deviation from established policy is prohibited. The CEO has the authority to change the policy as it may be required by federal, state or local regulations or policies.

## General Policies

### Organizational Structure

#### The Role of the Board

The Central Oklahoma Workforce Innovation Board is governed by its Board of Directors, which is responsible for the oversight of the Organization by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the Organization’s mission to the public
5. Contracting for the Chief Executive Officer
6. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants

The Board is responsible for hiring and periodically evaluating the Organization’s Chief Executive Officer, who shall be responsible for the day-to-day oversight and management of Central Oklahoma Workforce

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Innovation Board.

## Committee Structure

The Board shall form committees in order to assist the Board in fulfilling its responsibilities. These committees represent vehicles for parceling out the Board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full Board's consideration. Ad hoc committees that are time and focus limited may be created from time to time to act on specific functions for the organization. Formal Committees of Central Oklahoma Workforce Innovation Board consist of the following:

1. Executive Committee
2. Finance Committee
3. System Partners Committee
4. Youth Council

Specific guidelines regarding the composition and election of the Board and committees are described in the Organization's by-laws. However, roles of committees with direct responsibilities for the financial affairs of the Organization are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

## Finance Committee Responsibilities

The Finance Committee is responsible for direction and oversight regarding the overall financial management of Central Oklahoma Workforce Innovation Board. Functions of the Finance Committee include:

Review program budgets and expenditures, review audit reports, and financial aspects of program monitoring reports, making recommendations as needed.

The Finance Committee is responsible for recommending the hiring of an independent CPA firm. The Controller and Chief Executive Officer are responsible for directly communicating with the CPA firm to fulfill the requirement for an annual audit, as described in the Organization's by-laws. The Finance Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud. The review of the Organization's financial statements shall not be limited to the finance committee, but shall involve the entire Board.

The Finance Committee's role in the annual audit is more fully explained in the section of this manual covering the annual audit.

## The Roles of the Chief Executive Officer and Staff

The Board hires the Chief Executive Officer, who reports directly to the Board. The Chief Executive Officer is responsible for the hiring and annual evaluation of all employees of the agency. The Chief

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Executive Officer may delegate this responsibility to any other employee as needed.

### Chief Operations Officer (COO) and Program Managers' Responsibilities

The COO and Program Managers are responsible for the proper oversight of program expenditures of grant funds incident to their area of responsibility and in accordance with funding source guidelines and Agency fiscal policies. They are further responsible for the management of allocated funds; ensuring funds stay within line items in their budget, and authorizing the proper funding source and category in discharging financial obligations to the Accounting Department. The development of program budgets is the responsibility of the Chief Executive Officer with final approval by the Board and Board of Chief Elected Officials (BCEO). Programmatic records will be retained for a period of three years after the audit and/or resolution of any audit related findings.

### Fiscal Management Responsibilities

The Chief Executive Officer is responsible for establishing and administering procedures necessary to comply with the Fiscal Policies of the Board and the various funding sources. Coordination shall exist between the Chief Executive Officer, Controller, the BCEO and the Officers of the Board. Specific responsibilities include the maintenance of financial records, payment of bills, payrolls and all standard accounting methods. In addition, the processing of monthly financial statements and financial projections for the Chief Executive Officer shall be accomplished by the Controller. Procedures established are directed towards the accountability of all funds received and disbursed on behalf of the agency and its mission.

It shall be the responsibility of the Controller to retain all financial records for a period of three years after the audit and/or resolution of any audit related findings.

### Employees' Responsibilities

All employees of the agency are responsible for the timely and accurate completion of fiscal documents and forms. These should be completed in an efficient, cost effective manner ensuring that public funds are properly expended toward achievement of the mission of the agency.

## Accounting Department Overview

### Organization

The accounting department consists of two (2) staff that manages and processes financial information for Central Oklahoma Workforce Innovation Board, the South Central Oklahoma Workforce Development Board and the Western Oklahoma Workforce Development Board. The positions comprising the accounting department of Central Oklahoma Workforce Innovation Board. are as follows:

- Controller
- Accounting Assistant

Other officers and employees of Central Oklahoma Workforce Innovation Board. who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows:

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- Chief Executive Officer (CEO)
- Chief Operations Officer (COO)
- Executive Committee (EC)
- Finance Committee (FC)

### Responsibilities

The primary responsibilities of the accounting department consist of:

1. General Ledger
2. Cash and Innovation Management
3. Grants and Contracts Administration
4. Accounts Receivable and Billing
5. Accounts Payable
6. Financial Statement Processing
7. External Reporting of Financial Information
8. Reconciliation of Sub-Ledgers
9. Leases
10. Compliance with Government Reporting Requirements
11. Budgeting
12. Asset Management
13. Purchasing
14. Cash Receipts
15. Cash Disbursements
16. Payroll and Benefits
17. Bank Reconciliation
18. Annual Audit
19. Insurance

### Business Conduct

#### Practice of Ethical Behavior

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Central Oklahoma Workforce Innovation Board depend to a very large extent on the following considerations.

Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers. (see employees' code of conduct) Chief Executive Officer is responsible for the ethical business behavior of his/her subordinates and must

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weigh carefully all courses of action suggested in ethical, as well as economic terms, and base his/her final decisions on the guidelines provided by this policy, as well as his/her personal sense of right and wrong.

### Conflicts of Interest

In addition, no employee, officer, agent or member of the board of Central Oklahoma Workforce Innovation Board shall participate in the selection, award, or administration of a contract involving Central Oklahoma Workforce Innovation Board if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of his/her immediate family, his or her partner, or an Organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected. All employees and Board Members are required to sign a conflict of interest form.

### Compliance with Laws, Regulations, and Organization Policies

The Central Oklahoma Workforce Innovation Board does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Organization tolerate the disregard or circumvention of Central Oklahoma Workforce Innovation Board policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents, or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

### Disciplinary Action

Failure to comply with the standards contained in this policy or any other policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

### Fraud Policy

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## Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with Central Oklahoma Workforce Innovation Board. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with Central Oklahoma Workforce Innovation Board.

## Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact, or the intentional perversion of truth in order to induce another to part with something of value. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Chief Executive Officer, Controller or, alternatively, to the Chair of the Central Oklahoma Workforce Innovation Board, who coordinates all investigations.

## Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Central Oklahoma Workforce Innovation Board
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of Central Oklahoma Workforce Innovation Board
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to Central Oklahoma Workforce Innovation Board. Exception: gifts less than a material value.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

## Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management and the Chief Executive Officer.

If there is a question as to whether an action constitutes fraud, contact the Chief Executive Officer or the Board Chair for guidance.

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## Investigation Responsibilities

The Executive Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Executive Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Executive Committee will issue reports to the Central Oklahoma Workforce Innovation Board.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with Federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the Organization. It is the policy of Central Oklahoma Workforce Innovation Board to fully comply with all additional reporting, disclosure, and other requirements pertaining to suspected acts of fraud as described in award documents.

## Confidentiality

The Executive Committee and the Chief Executive Officer shall treat all information received as confidential. Any employee who suspects dishonest or fraudulent activity will notify the Chief Executive Officer or the Board Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedures** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Central Oklahoma Workforce Innovation Board from potential civil liability.

## Authority for Investigation of Suspected Fraud

Members of the Central Oklahoma Workforce Innovation Board Executive Committee will have:

1. Free and unrestricted access to all Central Oklahoma Workforce Innovation Board records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

## Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

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An employee who discovers or suspects fraudulent activity will contact the Chief Executive Officer or the Chair of the Board immediately. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Central Oklahoma Workforce Innovation Board legal counsel or the Executive Committee.

## Security

### Accounting Department

A lock will be maintained on the door leading into the Central Oklahoma Workforce Innovation Board. This door shall be closed and locked in the evenings. The key/combination to this lock will be provided to all Central Oklahoma Workforce Innovation Board. personnel. The lock will be changed whenever any of these individuals leaves the employment and does not turn in their office key for the Central Oklahoma Workforce Innovation Board.

The Central Oklahoma Workforce Innovation Board corporate seals and blank check stock shall be stored within the Controller office in a locked file cabinet. The cabinet will be locked with a key. Access to this office shall be by keys in the possession of the Chief Executive Officer and Controller.

### Access to Electronically Stored Accounting Data

It is the policy of Central Oklahoma Workforce Innovation Board to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities and the CEO will be granted access to the server drive that contains the accounting software.

Accounting personnel are expected to keep their logins to the accounting software secret. Administration of access to the accounting software shall be performed by a responsible individual independent of programming functions. Each drive enables a user to gain access to only those software and data files necessary for each employee's required duties.

### Storage of Back-up Files

It is the policy of Central Oklahoma Workforce Innovation Board to maintain daily and weekly back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by the Chief Executive Officer.



## General Office Security

During normal business hours, all visitors are required to check in. After hours, a security key/combination code is required for access to the offices of Central Oklahoma Workforce Innovation Board. Keys/combination codes are issued only to employees of Central Oklahoma Workforce Innovation Board.

## Technology and Electronic Communications

### Purpose and Scope

The purpose of this policy is to identify guidelines for the use of Central Oklahoma Workforce Innovation Board technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of the Organization's technologies and communications systems.

The term "user", as used in these policies, refers to employees (whether full-time, part-time or limited term), independent contractors, consultants, and any other user having authorized access to, and using any of, the Organization's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand-alone computers, laptops, printers, fax machines, phones, on-line services, E-mail systems, bulletin board systems, and all software that is owned, licensed, or operated by Central Oklahoma Workforce Innovation Board.

### Acceptable Use of Organization Property

Use of the Organization's computers and electronic communications technologies is for programmatic and business activities of Central Oklahoma Workforce Innovation Board. All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. (see computer usage policy) Although incidental and occasional personal use of the Organization's communications systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts, and knowledge described, documented, or contained in the Organization's electronic systems are the intellectual property of Central Oklahoma Workforce Innovation Board. The copying or use of the Organization's intellectual property for personal use or benefit during or after employment (or period of contract) with Central Oklahoma Workforce Innovation Board is prohibited unless approved in advance by the Chief Executive Officer.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc.) issued by Central Oklahoma Workforce Innovation Board is the property of the Organization and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report any problems with hardware to the CEO or COO.

### Password Security

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Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Users should not leave their computers unattended without logging off.

### Confidentiality

All information about individuals, families or organizations served by Central Oklahoma Workforce Innovation Board is confidential. No information may be shared with any person or organization outside Central Oklahoma Workforce Innovation Board without the prior written approval of the individual, family or organization and the Chief Executive Officer.

### Copyrighted Information

Use of Central Oklahoma Workforce Innovation Board electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

### Installation of Software

The installation of new software on the computers of Central Oklahoma Workforce Innovation Board without the prior approval of the Chief Executive Officer, or his designee, is prohibited. If an employee desires to install any new programs onto a Central Oklahoma Workforce Innovation Board's computer, written permission should first be obtained.

### Other Prohibited Uses

Other prohibited uses of the Organization's communication systems include, but are not limited to:

1. Engaging in any communication that is discriminatory, defamatory, pornographic, obscene, racist, sexist or that evidences religious bias, or is otherwise of a derogatory nature toward any specific person, or toward any race, nationality, gender, marital status, sexual orientation, religion, disability, physical characteristic, or age group.
2. Browsing or downloading and/or forwarding and/or printing pornographic, profane, discriminatory, threatening or otherwise offensive material from any source including, but not limited to, the Internet.
3. Engaging in any communication that is in violation of Federal, state or local laws.
4. Proselytizing or promoting any religious belief or tenet.
5. Campaigning for or against any candidate for political office or any ballot proposal or issue.
6. Sending, forwarding, redistributing or replying to "chain letters."
7. Unauthorized use of passwords to gain access to another user's information or communications on Central Oklahoma Workforce Innovation Board systems or elsewhere.
8. Advertising, solicitation or other commercial, non-programmatic use.
9. Knowingly introducing a computer virus into the Organization's communication system or

## COWIB Accounting and Financial Policies and Procedures

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otherwise knowingly causing damage to the Organization's systems.

10. Using the Organization's systems in a manner that interferes with normal business functions in any way, including but not limited to, streaming audio from the Internet during business hours, stock tickers, installing unauthorized software, etc.
11. Excessive personal use of the Organization's technologies that preempts any business activity or interferes with Organizational productivity.
12. Sending E-mail messages under an assumed name or obscuring the origin of an E-mail message sent or received.

### Disciplinary Action for Violations

The Central Oklahoma Workforce Innovation Board requires all users to adhere to this policy. Violations of this policy will result in disciplinary action, which could include termination of employment or cancellation of contracts.

### Reporting of Suspected Violations

Suspected violations of these policies should be immediately and confidentially reported to the Chief Executive Officer. If you prefer not to discuss it with the Chief Executive Officer, you may contact the Board Chairman.

Central Oklahoma Workforce Innovation Board reserves the right to install programs that monitor employee use of the Internet and electronic communication systems and to act on any violations of these policies found through use of such programs. Central Oklahoma Workforce Innovation Board further reserves the right to examine any and all electronic communications sent or received by employees via the Organization's electronic communications systems.

### General Ledger and Chart of Accounts

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of Central Oklahoma Workforce Innovation Board, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

### Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore, the basis for Central Oklahoma Workforce Innovation Board's accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, equity, revenue, expense and gain and loss account.

Central Oklahoma Workforce Innovation Board's chart of accounts is comprised of six (6) types of

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accounts:

1. Assets
2. Liabilities
3. Equity
4. Revenues
5. Expenses
6. In-kind

Each 4-digit account code shall be followed by a two-digit contractor code and then by a two-digit fund code. An additional four code methodology to follow the above eight digits is being developed to coincide with reporting requirements.

## Distribution of Chart of Accounts

All Central Oklahoma Workforce Innovation Board employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals promptly.

## Control of Chart of Accounts

Central Oklahoma Workforce Innovation Board's chart of accounts is monitored and controlled by the Controller. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Controller, who ensures that the chart of accounts is consistent with the organizational structure of Central Oklahoma Workforce Innovation Board and meets the needs of each division and department.

## Account Definitions

General Ledger Account Range	Category	Definition
1000 – 1999	<b>Assets</b>	<u>Assets</u> are probable future economic benefits obtained or

## COWIB Accounting and Financial Policies and Procedures

		<p>controlled by the Organization as a result of past transactions or events. Assets of Central Oklahoma Workforce Innovation Board are classified as current, fixed assets, contra-assets, and other assets.</p> <p><u>Current assets</u> are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary Innovations, and receivables that will be collected within one year of the statement of financial position date.</p> <p><u>Fixed assets</u> are tangible assets with a useful life of more than one year that are acquired for use in the operation of the Organization and are not held for resale.</p> <p><u>Contra-assets</u> are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable</p> <p><u>Other assets</u> include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property, and long-term Innovations.</p>
2000 – 2999	<b>Liabilities</b>	<p><u>Liabilities</u> are probable future sacrifices of economic benefits arising from present obligations of the Organization to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of Central Oklahoma Workforce Innovation Board are classified as current or long-term.</p> <p><u>Current liabilities</u> are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.</p> <p><u>Long-Term Liabilities</u> are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.</p>

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3000 - 3999	<b>Equity</b>	<u>Equity</u> is the difference between total assets and total liabilities. See the next section for Central Oklahoma Workforce Innovation Board's policies on classifying equity.
4000 – 4999	<b>Revenues (Grant)</b>	<u>Revenues</u> are inflows from grants received from government agencies.
5000 – 6999	<b>Expenses</b>	<u>Expenses</u> are outflows or other using up of assets or incurrence of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute Central Oklahoma Workforce Innovation Board's ongoing major or central operations.
7000 – 7999	<b>Revenue (Other)</b>  <b>In-Kind</b>	<u>Revenues</u> are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an Organization's ongoing major or central operations.  <u>In-kind</u> is the recording of donations of space, volunteer time, services, and monies.

### Classification of Equity

Equity of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

1. Unrestricted Equity - Equity that is not subject to donor-imposed stipulations.
2. Temporarily Restricted Equity - Equity subject to donor-imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.
3. Permanently Restricted Equity - Equity subject to donor-imposed stipulations that the Organization permanently maintain certain contributed equity. Generally, donors of such equity permit the Organization to use all or part of the income earned from permanently restricted equity for general operations or for specific purposes.

### Changes to the Chart of Accounts

Additions to, deletions from, or any other changes to Central Oklahoma Workforce Innovation Board's standard chart of accounts shall only be done with the approval of the Controller and Chief Executive Officer

### Fiscal Year of Organization

Central Oklahoma Workforce Innovation Board shall operate on a fiscal year that begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. Any changes to the fiscal year of the Organization must be ratified by majority vote of

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Central Oklahoma Workforce Innovation Board of Directors.

## Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by a General Journal Voucher form (Appendix A), which shall include a reasonable explanation of each such entry.

Examples of such journal entries include:

1. Recording of non-cash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expenses

The general journal form will be completed by the Controller. When the entries are completed they will be signed and dated by the operator. The Controller will maintain a file of completed general journal forms.

## Policies Associated with Revenues and Cash Receipts

### Revenue

#### Revenue Recognition Policies

Central Oklahoma Workforce Innovation Board receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of Central Oklahoma Workforce Innovation Board in the following manner:

1. Grant Income - Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards)
2. Contract Income – Monthly accrual based on incurrence of service/goods provided.
3. Interest Income – Interest earned on bank accounts recorded as received.
4. Assignments Income – Income entered to recognize grant obligations paid directly to a vendor by the funding source on behalf of the agency.
5. In-Kind Income – Donations/contributions acquired and documented (see the next section on donations)
6. Miscellaneous Income - Recognized as income when received.

### Donations Received

Policies of certain funding sources require that various types of donations be acquired and documented. Such "in-kind" donations contribute to the overall effectiveness of our mission and in specific cases, are mandatory to meet Federal guidelines. Donations include space, volunteer time, services, and monies. It is the responsibility of each Program Manager to ensure that donation requirements are met, properly recorded and controlled. No type of donations will be utilized by employees for their personal use.

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## Donations of Space

All Agency facilities for which rent and/or utilities may not be paid qualify as donated space. The number of square feet donated will be included in the space contracts with the fair market rental price per square foot to be determined by the owner of the property or by criteria available to the Organization. Donated space amounts will be maintained on the books of the Organization by the Accounting Department.

In instances where rent is paid for space but at a rate lower than fair market rental price, the difference between the two rates may be counted toward in-kind requirements. Furnished utility costs may be documented with receipts from utility companies or landlords as in-kind services. This is documented by using the form in Appendix B.

## Donations of Volunteer Time and Services

This form of "in-kind" must be documented monthly (Appendix B). Dollar amounts per hour for the donated time or service will be determined by the CEO according to the fair value of the service per hour. In the case of some special services, the amounts to be donated shall be included in a contract with documentation.

Upon certification of volunteer time, the Accounting Department will include the donated time in the books of the Organization.

## Donations of Cash

All donations of cash require the issuance of a receipt. Cash donations will be routed to the Accounting Department for recording and deposit.

## Billing/Invoicing Policies

### Overview

The following is a list of items billed and/or accrued and received by Central Oklahoma Workforce Innovation Board and the frequency with which each is billed:

### Monthly Billings

1. Grants and contracts (See separate section on "**Policies Associated with Federal Awards**" for billing policies associated with Federal grant agreements)
2. Other "as needed" billings

### Responsibilities for Billing and Collection/Request for Funds

The Accounting Department will ensure that an adequate cash flow exists to meet our obligations. Each funding source has established requirements for requesting funds. Requests must be submitted on time. Amounts requested for the next period will be based on the projects cash requirements after recognizing the current cash balance, current liabilities, and the future period expected expenditures.



# COWIB Accounting and Financial Policies and Procedures

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## Accounts Receivable Entry Policies

Posting of customer invoices to the accounts receivable subsidiary ledger shall be performed by individuals independent of the cash receipts function of Central Oklahoma Workforce Innovation Board.

Posting of credit memos and other adjustments to customer accounts receivable shall also be performed by an individual independent of the cash receipts function of Central Oklahoma Workforce Innovation Board and approved by the Controller.

## Classification of Income and Equity

All income received by Central Oklahoma Workforce Innovation Board is classified as "unrestricted", with the exception of the following:

1. Grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted; and
2. Special endowments received from donors requesting that these funds be restricted for specific purposes.

From time to time, Central Oklahoma Workforce Innovation Board may raise other forms of contribution income which carry stipulations that Central Oklahoma Workforce Innovation Board utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds. When this form of contribution income is received, Central Oklahoma Workforce Innovation Board shall classify this income as *Temporarily Restricted* income.

As with all Temporarily Restricted equity, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), Central Oklahoma Workforce Innovation Board will reclassify the related equity from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

## Cash Receipts

### Overview

Cash (including checks payable to the Organization) is the most liquid asset the Organization has. Therefore, it is the objective of Central Oklahoma Workforce Innovation Board to establish and follow the strongest possible internal controls in this area.

### Processing of Checks and Cash Received in the Mail

For funds that are received at Central Oklahoma Workforce Innovation Board cash receipts are immediately forwarded to the Controller to ensure cash is recorded in the cash receipts log and deposited on a timely basis.

Mail is opened and a listing of cash/checks received shall be prepared in an open area, in the presence of other employees, and under the supervision of the Controller. The individual preparing the daily list

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of receipts shall be someone that is involved in the accounts receivable or accounts payable process.

The Controller will prepare and code the duplicate deposit slips from the cash/checks received and compare them to the daily receipts listing for discrepancies. Deposits are prepared and taken to the bank on a daily basis by an individual other than the employee who prepared the daily cash receipts listing.

The Controller will maintain a file of all recorded deposits.

The Controller will prepare a journal entry or cash receipt to record all direct deposits transactions.

### Endorsement of Checks

It is the policy of Central Oklahoma Workforce Innovation Board that all checks received that are payable to the Organization shall immediately be restrictively endorsed by the individual who prepares the daily receipts listing. The restrictive endorsement shall be a rubber stamp that includes the following information:

1. For Deposit Only
2. Central Oklahoma Workforce Innovation Board
3. The bank name

### Timeliness of Bank Deposits

It is the policy of Central Oklahoma Workforce Innovation Board that bank deposits will be made on a daily basis.

### Reconciliation of Deposits

On a periodic basis, the Controller who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated.

***Note: This policy is intended as a supplement to, not a part of, the monthly bank reconciliation process. The intention is to establish an additional periodic reconciliation designed to identify any instances in which funds received and logged in were not deposited in a timely manner to the Organization's bank accounts.***

### Receipts

Receipts must be issued for all incoming cash delivered to the Accounting Department.

## Accounts Receivable Management

### Monitor and Reconciliations

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding invoices by customer) is generated and reconciled to the general ledger by the accounting department. All

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differences are immediately investigated and resolved, and the Controller reviews the reconciliation.

### Collections

Collections are performed on a monthly basis, according to a review of the outstanding items shown on the accounts receivable aging report. This report shows the current month's activity for each customer and prior months' balances outstanding for 30, 60, 90, and 120 days.

### Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include write offs, denials and adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipts function. In addition, all credits shall be authorized by the Controller.

### Accounts Receivable Write-Offs Authorization Procedures

It is the policy of Central Oklahoma Workforce Innovation Board to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. If an account receivable is deemed uncollectible, the Chief Executive Officer must approve before the write-off is processed.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
2. Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

### Reserve for Uncollectible Accounts

It is the policy of Central Oklahoma Workforce Innovation Board. to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding aged accounts receivable
2. Historical collection and bad debt experience
3. Evaluations of specific accounts based on discussions with the department that originated the sale/service resulting in the receivable

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization and by the Controller.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

## Policies Associated with Expenditures and Disbursements

## Purchasing Policies and Procedures

### Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD.

**ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION “POLICIES ASSOCIATED WITH FEDERAL AWARDS.”**

It is the policy of Central Oklahoma Workforce Innovation Board to follow a practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

### Responsibility for Purchasing

The Chief Executive Officer authorizes all purchases.

### Non-Discrimination Policy

All vendors/contractors who are the recipients of Organization funds, or who propose to perform any work or furnish any goods under agreements with Central Oklahoma Workforce Innovation Board shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement, and solicitations placed in accordance with Federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

### Purchases and Invoices

The Accounting Department will not pay an obligation until the original invoice has been received and approved by the CEO. Invoices may be mailed directly to the Accounting Department by the vendor or hand carried by the purchaser directly to the Accounting Department. No financial obligation will be paid without an original invoice approved by the Chief Executive Officer.

### Miscellaneous Reimbursement

To be reimbursed for an approved purchase, the employee must fully complete a Reimbursement

Request/Voucher Form (Appendix D), attach a dated receipt of purchase, obtain the Chief Executive Officer signature, and submit the reimbursement form to the Accounting Department. A reimbursement

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check will be issued to the employees within ten (10) working days after receipt of the form.

### Payment of Contracts

All contracts/agreements are processed by the accounting department and signed by Chief Executive Officer. The accounting section will not affect contractual payments unless an approved contract signed by the Chief Executive Officer is on file. The original signed contract will be maintained on file by the Accounting Department. Before payment, the individual monitoring the contract will, in writing, verify that the work or service has been completed according to the terms of the contract. After submission to the Accounting Department, payment to the contractor will be affected in accordance with the terms of the contract.

Ongoing contracts such as utility payments or contracts space will automatically be paid by the Accounting Department upon such receipt of a valid contract and continue until contract termination or amendment.

### Procedures

All employees

1. **Purchase Requisitions:** All employees requiring supplies to be purchased shall submit a purchase requisition to the Chief Executive Officer for review and approval to ensure viability and programmatic integrity. The purchase requisition will specify:
  - a. item to be purchased
  - b. vendor
  - c. probable price
2. **Purchasing:** The Policy Analyst and/or CEO will verify the purchase follows grantor directives in obtaining best value before placing order. In addition to price, staff may also consider transportation costs, quality, and delivery time in determining supplier.
3. **Receipt of Goods or Services:** On receipt of the shipment or delivery of service, the receiving employee will sign a receiving copy. All disbursements will be made according to the disbursement procedures. The Accounting Department will maintain the original purchase documents on file.

### Other Purchasing Requirements

1. **Contracts:** A contract, letter, or memo authorizing the contract shall be on file. No receiving report for contract is necessary. As evidence of receipt of services, the invoice must be presented to the official responsible for the contract and signed by him/her. The invoice is then given to the Accounting Department who refers to the contract, letter, or memo number when making payment.
2. **Services of Continuing Nature:** In the case of services of a continuing nature, a copy of agreement or contract should be on file. All requests for payment will be verified by an examination of the contract.

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3. **Procurement Records:** The procurement records of purchases in excess of the small purchase threshold will include the following information:
  - a. All solicitation efforts. This can include newspaper clippings, advertisements, or postings. (postings must include date and location.)
  - b. A copy of the specifications and evaluation criteria
  - c. A cost or price analysis, basis for selection, or contractor or vendor.
4. **Sole Source Procedures:** All sole source procurement must be approved in advance and in writing by the Chief Executive Officer and funding source if required. The written request to utilize sole source procurement must include a description of the goods or services be purchased and justification for the sole source procurement.
5. **Contracts and Contractor Administration:** After a contract has been approved, the Controller and Policy Analyst will receive a copy of the terms, conditions and specifications, the contract, or purchase quarterly. The Policy Analyst will evaluate contractor or vendor performance based on the contract terms, conditions, and specifications. This evaluation will be in writing and made a part of the contract files. A copy of this evaluation will be sent to the Chief Executive Officer.

### Payment Authorization

Payment Authorization is given by the Chief Executive Officer when original invoices have been received from the vendors with appropriate documentation. Check register will be given to the Chief Executive Officer for final approval. All checks require one signature. Check numbers will be logged on the journal for accountability. All checks are pre-numbered and must be accounted for. After checks are mailed, payment vouchers (*if any*) and invoices will be stamped paid indicating that payment has been made. This same procedure will be used for contract payments and miscellaneous expense reimbursements.

### Affirmative Consideration of Minority, Small Business and Women Owned Businesses

Positive efforts shall be made by Central Oklahoma Workforce Innovation Board. to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority owned firms, and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in

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the minority-owned firms and women's business enterprises.

### Procurement Standards

Before expenditures are made in which Federal and state funds are used, they must first be examined to determine if the costs are allowable, reasonable, and allocable to the award. This can be done using Uniform Administrative Requirements at 2 CFR Part 200, General Principles as a guide.

The procurement of supplies, equipment, construction, and services shall be obtained in an efficient and economical manner and shall be in compliance with the provisions of applicable Federal and State law, Executive Orders and policy guidance from the Oklahoma Office of Workforce Development.

1. **Code of Conduct:** No Central Oklahoma Workforce Innovation Board employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal, State or local funds if a conflict of interest, real or apparent, would be involved. This would include a Central Oklahoma Workforce Innovation Board employee, officer or agent, any member of their family, or partner having a financial or other interest in the firm selected for award. Central Oklahoma Workforce Innovation Board officers or employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, as pertains to agency Personnel Policies, and sanctions or penalties for officers, agents, or contractors will be determined, by occurrence, by the Central Oklahoma Workforce Innovation Board and permitted by State or local law regulations.
2. **Procurement Policy:** Central Oklahoma Workforce Innovation Board will adhere to the Oklahoma Office of Workforce Development's procurement policies and procedures, as well as those published by the U.S. Department of Labor and the Uniform Administrative Requirements.

### Vendor Files and Required Documentation

The Accounting Department shall create a vendor file for each new vendor from whom Central Oklahoma Workforce Innovation Board purchases goods or services.

Central Oklahoma Workforce Innovation Board shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

See the section on "Payroll and Related Policies" for guidance on determining whether a vendor should be treated as an employee.

### Ethical Conduct in Purchasing

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that

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might influence the purchase of supplies, equipment, and/or services. Staff shall notify the Chief Executive Officer if they are offered such gifts.

### Conflicts of Interest Prohibited

No officer, board member, employee, or agent of Central Oklahoma Workforce Innovation Board shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, board members, employees, and agents of Central Oklahoma Workforce Innovation Board shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. All Board Members and Staff are required to sign a conflict of interest form. (see Personnel Policy)

### Receipt and Acceptance of Goods

A designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point
2. Verify the quantity of boxes/containers with the bill of lading
3. Examine boxes/containers for exterior damage
4. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
5. Sign and date the bill of lading
6. Retain a copy of the bill of lading

It is the policy of Central Oklahoma Workforce Innovation Board to perform the preceding inspection procedures in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

### Political Intervention

#### Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of Central Oklahoma Workforce Innovation Board that the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the Federal, state or local level. Political intervention does not include lobbying activities, defined as the direct or indirect support or opposition for legislation, which is not prohibited under the Internal Revenue Code for Central Oklahoma Workforce Innovation Board. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees



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2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

### Endorsement of Candidates

It is the policy of Central Oklahoma Workforce Innovation Board not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of Central Oklahoma Workforce Innovation Board, when these individuals are acting on behalf of, or are otherwise representing, the Organization.

### Prohibited Use of Organization Assets and Resources

It is the policy of Central Oklahoma Workforce Innovation Board that no assets or human resources of the Organization shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of Central Oklahoma Workforce Innovation Board. While there is no prohibition against these individuals engaging in political activities personally (on their own time and without representing that they are acting on behalf of the Organization), these individuals must at all times be aware that Organization resources cannot at any time be utilized in support of political activities.

## Accounts Payable Management

### Overview

The Central Oklahoma Workforce Innovation Board strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of Central Oklahoma Workforce Innovation Board that an employee independent of ordering and receiving performs the recording of assets or expenses and the related liability. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be reviewed and approved by the Chief Executive Officer prior to being processed for payment. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

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## Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a daily basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

It is the policy of Central Oklahoma Workforce Innovation Board that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

## Preparation of a Voucher

Prior to any account payable being submitted for payment, a payment voucher form/invoice, plus documentation shall be assembled. Each voucher package shall contain the following documents:

1. Vendor invoice (or employee expense report)
2. Packing slip (where appropriate)
3. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
4. Payment Voucher (*if one was prepared prior to receipt of invoice*)
5. Any other supporting documentation deemed appropriate

## Processing of Voucher

The following procedures shall be applied to each voucher and voucher documentation by the Controller:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity, and prices of all items ordered per the vendor invoice to the packing slip and receiving report.
3. Document the general ledger distribution, using the Organization's current chart of accounts.
4. Obtain the review and approval of the Chief Executive Officer (or their designee) associated with the goods or services purchased.

Approvals by Chief Executive Officer indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual.

## Payment Discounts

To the extent practical, it is the policy of Central Oklahoma Workforce Innovation Board to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

# COWIB Accounting and Financial Policies and Procedures

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## Employee Expense Reports

Reimbursements for travel expenses and other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under “Travel and Business Expense”). All receipts must be attached, and a brief description of the business purpose of the trip or meeting must be noted on the form.

## Reconciliation of Accounts Payable Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to vendors per the accounts payable unpaid a/p vouchers file shall be reconciled to the total per the accounts payable general ledger account. All differences are investigated and adjustments made as necessary.

The reconciliation and the results of the investigation of differences are reviewed and approved by the Controller.

Also, on a monthly basis, the Controller shall check all statements received for unprocessed invoices.

## Travel and Business Expense

### General

Travel policies of the Agency will be strictly adhered to. All required documentation must be submitted prior to payment. Local travel is approved by the Chief Executive Officer. Out-of-area travel is defined as travel outside the service area, but within the state and must be approved in advance by the Chief Executive Officer. Out-of-state travel must be approved by the Chair and/or Chief Executive Officer.

### Local Travel and Out-of-Area Travel

Employees will be reimbursed for local travel at the rate approved by the funding source. All local mileage must be authorized and approved by the Chief Executive Officer. Mileage will be documented daily and submitted monthly with the Local Travel Expense Form (Appendix E). Reasonable parking fees will be reimbursed only when necessary to the mission of the Agency. Mileage documentation will be submitted to the Accounting Department signed by the employee and approved by the Chief Executive Officer no later than the 10th day of the month. Late claims will not be processed until the following pay cycle.

Mileage will not be paid from an employee's home to his/her work site. It is the responsibility of each employee to arrive at the work site by his/her own means. In the case of required work or meetings after regular hours, the Agency will pay mileage from the employee's regular work site to the meeting place; or, if the employee's residence is closer to the meeting site than to the work site, the Agency will pay mileage for the Lesser of the two distances. (see travel policy for exceptions connected to travel outside normal work times) At no time will the Agency compensate an employee for mileage used while on personal business; i.e. lunch, personal errands, etc.

1. Employees must update and record travel on the Local Travel Expense form.
2. Travel vouchers must be approved by the Chief Executive Officer or by the Board Chair and

## COWIB Accounting and Financial Policies and Procedures

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submitted to the accounting office on a monthly basis.

3. Reimbursement will be on a set mileage rate as approved by the IRS. The travel voucher must be completely filled out and the required receipts attached.
4. Travel vouchers are due in the accounting office by the 10th of the month. Incomplete travel vouchers will be returned to the employee and processed at a later date.
5. All travel vouchers will be reviewed and approved to pay by the Chief Executive Officer. The CEO's travel claim will be approved by the Board Chair
6. Checks for all travel will be prepared in accordance with the check disbursement procedures.

### Out-of-State Travel

Due to various funding sources, travel policies will differ. The source of funds under which each program operates will determine which out-of-town travel policy is to be followed.

The CEO must approve all out-of-state travel in advance. Upon return, each traveling employee must complete the Request and Authorization of Travel form (Appendix F) using actual travel, lodging, and per diem costs. The Board Chair will approve the CEO's out-of-state travel.

Lodging receipts and mileage travel forms, if appropriate, are required documentation and must be attached to the Travel Claim. Travel arrangements, i.e. plane, bus, train reservations, etc., will be coordinated with the Chief Executive Officer.

1. All out of area travel must be approved by the Chief Executive Officer.
2. Employees must submit to the Chief Executive Officer the dates, destination, length of travel status, method of transportation, and purpose of travel for approval.
3. Request for travel advances must be submitted to the Chief Executive Officer for approval.
4. Travel advance checks will be prepared according to the check disbursement procedures. All travel advances will be recorded as a receivable.
5. When the employee submits the travel voucher for payment the Controller will be responsible for reconciling the travel voucher and the travel advance. The Controller will approve any payment and will prepare the appropriate entries to the receivable account.

### Cash Disbursements (check writing) Policies

#### Check Preparation

It is the policy of Central Oklahoma Workforce Innovation Board to print vendor checks and expense reimbursement checks at least on a weekly basis. Occasionally checks may have to be written more frequently to avoid late fees. Persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers, shall prepare checks.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. All cash disbursements will be made from an approved payment voucher, which includes all the

## COWIB Accounting and Financial Policies and Procedures

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- appropriate documentation. Documentation must include original invoice.
2. All approved payment vouchers will be forwarded to the Accounts Payable. The Accounts Payable will enter the payment into the payable system.
  3. The Controller or Chief Executive Officer will be responsible for assigning payment priority to all payment vouchers and approving payment vouchers for payment. Before assigning payment priority, accounts must be verified for sufficient cash balances.
  4. The checks for payment of vouchers will be signed by the Chief Executive Officer or the Chairperson.
  5. All accounts payable check registers, upon completion of the payment process will be submitted for signature by the Chief Executive Officer. It will be the responsibility of the Controller to maintain the signed accounts payable batch reports.
  6. The Controller will be responsible for keeping all blank checks under lock and key.
  7. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business expense policies described in this manual.
  8. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors and to reduce the chance of late fees.
  9. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
  10. Checks shall be utilized in numerical order (unused checks are stored in a locked area in the Controller office)
  11. Checks shall never be made payable to “bearer” or “cash”.
  12. Checks shall never be signed prior to being prepared.
  13. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

### Mailing of Checks

After printing, checks are mailed immediately. Individuals who authorize expenditures shall not mail checks.

### Voided Checks and Stop Payments

Checks may be voided due to 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 this authority. A journal entry is made to record the stop payment and any related bank fees.

### Payroll and Related Policies

## COWIB Accounting and Financial Policies and Procedures

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Payroll actions will be affected in accordance with Personnel Policies and other Agency policies. All payroll policies and procedures will be administered, recorded, and documented in accordance with general acceptable accounting principles and Federal wage and hour guidelines.

### Classification of Workers as Independent Contractors or Employees

It is the policy of Central Oklahoma Workforce Innovation Board. to consider all relevant facts and circumstances regarding the relationship between Central Oklahoma Workforce Innovation Board and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between Central Oklahoma Workforce Innovation Board and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by Central Oklahoma Workforce Innovation Board in making employee/contractor determinations shall include:

1. Behavioral Control:
  - a. Instructions given by Central Oklahoma Workforce Innovation Board to the worker that indicate control over the worker (suggesting an employee relationship), such as:
    - i. When and where to work
    - ii. What tools or equipment to use
    - iii. What workers to hire or to assist with the work
    - iv. Where to purchase supplies and services
    - v. What work must be performed by a specified individual
    - vi. What order or sequence to follow
  - b. Training provided by Central Oklahoma Workforce Innovation Board to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
2. Financial Control
  - a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)

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- b. The extent of the worker’s Innovation in the facilities/assets used in performing services for Central Oklahoma Workforce Innovation Board (greater Innovation associated with contractors)
  - c. The extent to which the worker makes services available to the relevant market
  - d. How Central Oklahoma Workforce Innovation Board. pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
  - e. The extent to which the worker can realize a profit or loss.
3. Type of Relationship:
- a. Written contracts describing the relationship that Central Oklahoma Workforce Innovation Board. and the individual intend to create
  - b. Whether Central Oklahoma Workforce Innovation Board provides the worker with employee-type benefits, such as insurance, paid leave, etc.
  - c. The permanency of the relationship
  - d. The extent to which services performed by the worker is a key aspect of the regular business of Central Oklahoma Workforce Innovation Board.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from “compensation” are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Central Oklahoma Workforce Innovation Board. personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

### Payroll Administration

Central Oklahoma Workforce Innovation Board operates on a bi-weekly payroll. For all Central Oklahoma Workforce Innovation Board employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in Central Oklahoma Workforce Innovation Board's Personnel Policy.

The following forms, documents, and information shall be obtained and included in the personnel files of all new employees and be maintained by the Controller or Chief Executive Officer or Chief Operations Officer:

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1. Central Oklahoma Workforce Innovation Board employment application (and resume, if applicable)
2. Form W-4 Employee Federal Withholding Certificate
3. Form I-9 Employment Eligibility Verification
4. Job title and description and starting salary
5. Employee Agreement (if applicable)
6. Confidentiality Statement
7. New Employment Orientation
8. Payroll Status Change
9. Background Authorization
10. Applicant references (work & personal, if applicable)
11. Interview questions and notes
12. Form OK State Withholding Certificate
13. Copy of driver's license
14. Copy of Social Security card issued by the Social Security Administration
15. Starting date and PT/FT

For employees without a current, valid driver's license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter's registration card
4. U.S. Military card
5. ID card issued by a Federal, state or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified copy of a birth certificate issued by a state, county or municipal authority
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen ID Card (INS Form I-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form I-179)

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

### New Employees



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1. The Controller will be responsible for seeing that all new employees complete the following items:
  - a. Central Oklahoma Workforce Innovation Board employment application
  - b. Form I-9
  - b. Form W-4
  - c. Employee benefits application forms
2. Oklahoma New Hire Reporting Form
3. An employee hiring is not effective until all the forms listed above are completed.
4. The Chief Executive Officer will complete a personnel action form for the new employee and submit it to the Controller.

### Changes in Payroll Data

The executive assistant should be notified of all changes that affect payroll by completing a Personnel Action Form (see Appendix G). Changes would include a change in salary, hourly rate, withholding tax deductions, or a change in position.

1. A personnel action form will be completed by the Chief Executive Officer on all personnel changes and will be forwarded to the Controller.
2. After receiving notice of a termination, the Chief Executive Officer will generate a Separation from Employment form (Appendix H). This form will be forwarded and finalized by the Controller.

### Lost or Misplaced Payroll Checks

Lost or Misplaced payroll checks should be reported to the payroll department as soon as possible. Upon verification that a lost/misplaced check has not cleared the bank, the employee will be asked to write a letter to document what has occurred.

### Garnishments

Employees are expected to meet their obligations. The Controller must abide by the directions of the court in deducting earned income. Such amount is sent to the place designated by the court. A copy of the garnishment order will be forwarded to the employee.

### Payroll Taxes

The Controller in conjunction with the Accounting Assistant is responsible for ensuring all required tax forms and other required reports are properly completed and submitted, and that all required taxes are withheld and paid. Reports required are:

Title	Due Date	Sent To
941 Report Federal Tax Deposit (FICA & FIT)	30 days after end of quarter	IRS Center Ogden, UT

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Federal Tax Withholding Deposits (FICA & FIT)	15 <sup>th</sup> day of the following month.	Bank
State Tax Withholding (SIT)	15 <sup>th</sup> day of the following month.	Oklahoma Tax Commission
State Unemployment Ins	30 days after end of quarter	Oklahoma Employment Security Commission
State Insurance Fund Workers' Comp Insurance	20 days after end of month	CompSource Oklahoma
Employee W-2 Forms	January 31 <sup>st</sup>	Each Employee of the Agency
Annual Transmittal of Income & Tax Withheld Form W-3	February 28 <sup>th</sup>	SSA Baltimore, MD

The Controller will be responsible for preparing all checks and entering journal entries for payroll taxes and benefits.

### Leave

A record of leave earned/used is to be maintained by the Executive Assistant. Accrued leave information is available by the Accounting Department to determine the amount of leave accrued. Inquiries concerning possible errors will be directed to the Executive Assistant.

1. Employees will submit to their supervisor all leave request prior to the pay period.
2. Pre-approved leave requests must be submitted with timesheets/personnel activity reports and payroll worksheets.

### Processing of Timesheets, Personnel Activity Reports, and Payroll Worksheets

1. Each employee will be responsible for completing a record of hours worked in the electronic time keeping system
2. Completed forms will be signed by the employee and supervisor. The supervisor will forward completed forms to the Controller. Time Sheets/Personnel Activity Reports/Payroll Worksheets will be due in the accounting office according to the posted schedule.
3. Incomplete forms will be returned to the employee and processed at a later date.
4. Pay periods will begin on Saturday and continue for 14 days, ending on Friday. Paychecks are issued bi-weekly.

### Review of Payroll

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1. All approved time sheets/personnel activity reports and/or payroll work sheets will be forwarded to the Controller. Overtime must be approved by the Chief Executive Officer.
2. All payroll batch reports upon completion of the payroll process will be submitted for signature by the Chief Executive Officer. It will be the responsibility of the Controller to maintain the signed payroll batch reports.

### Distribution of Payroll

1. Payroll will be accomplished by direct deposit.

## Policies Pertaining to Specific Asset and Liability Accounts

### Cash and Cash Management

#### General Checking Account (operating account):

The primary operating account provides for routine business and payroll check disbursements. All cash and direct deposits received at the Central Oklahoma Workforce Innovation Board office are made to this account.

#### Bank Reconciliations

Bank account statements are received each month from the bank and given to the Controller unopened. This individual shall open the statement and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. Unusual or unexplained items shall be reported immediately to the Chief Executive Officer.

After this review is complete, the entire bank statement is forwarded to the Controller where reconciliation between the bank balance and general ledger balance is checked.

The Controller will reconcile the bank statement within one week of its arrival. It will be the responsibility of the Controller to identify any differences between book and bank balances. Unusual or unexpected items (deposits, payments, outstanding checks over 90 days) will also be identified for investigation.

The results of the reconciliation will be shared with the CEO for their review. If the reconciliation requires no further accounting action, the CEO will initial the date of his review and then the statement will be filed.

If there are any discrepancies or anomalies, these will be reported to the CEO in a timely fashion. The CEO will review any such issues with the Controller for clarification and proper resolution. If it is determined that an error was made and a correction is required, then the Controller will be responsible for making necessary adjustments.

It is the policy of Central Oklahoma Workforce Innovation Board. to complete the bank reconciliation process, including the resolution of any errors or omissions, within 10 days of receipt of the last bank

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statement for the month.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Controller on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. All canceled checks returned with bank statements shall be filed in numerical order by bank account and month.

The Controller will be notified of all outstanding checks over 90 days. Outstanding checks more than one year old will be reviewed and written off if appropriate. The Controller will notify the Chief Executive Officer of any checks that are to be written off.

### Cash Flow Management

The Controller monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

### Inventory

A fiscal inventory of equipment and fixed assets will be prepared bi-annually. The report will list the equipment and fixed assets and show a total value of the inventory. The material dollar value of equipment to be recorded for inventory purposes is \$5,000 dollars. (see Property p. 55)

### Fixed Asset Management

#### Capitalization Policy

Physical assets acquired with unit costs in excess of \$5,000 dollars are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

#### Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost and source of funds
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method

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### 6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on a bi-annual basis by Central Oklahoma Workforce Innovation Board. This physical inventory shall be reconciled to the property log and adjustments made as necessary. The Chief Executive Officer will approve all adjustments resulting from this reconciliation.

#### Receipt of Newly-Purchased Equipment and Furniture

At the time of arrival, all newly purchased equipment and furniture shall be inspected for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

#### Depreciation of Fixed Assets

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15<sup>th</sup> day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

- |                                      |                      |
|--------------------------------------|----------------------|
| 1. Furniture, and fixtures           | Up to 10 yrs         |
| 2. General office equipment          | 5 yrs                |
| 3. Computer hardware and peripherals | 1-3 yrs              |
| 4. Computer software                 | 2-3 yrs              |
| 5. Leased assets                     | life of lease        |
| 6. Leasehold Improvements            | remaining lease term |

Alternatively, at the direction of the Chief Executive Officer, capitalized assets may be depreciated over useful lives expressed in terms of units of production or hours of service in place of the preceding useful lives expressed in terms of time.

#### Repairs of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially

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add to the value of the property or materially prolong the estimated useful life of the property. Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

### Dispositions of Fixed Assets

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value. In all cases, dispositions will comply with state and federal regulations.

### Write-Offs of Fixed Assets

The Chief Executive Officer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Executive Officer. If not located, this property will be written off the books with the proper notation specifying the reason.

### Accrued Liabilities

#### Identification of Liabilities

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by Central Oklahoma Workforce Innovation Board at the end of an accounting period are:

1. Salaries and wages
2. Payroll taxes
3. Vacation pay (see policy below)

#### Accrued Leave

The maximum amount of vacation leave an employee may accumulate is 240 hours (30 days). When an employee resigns or is dismissed from employment, he/she shall be paid in a lump sum for annual leave not taken. However, payment for annual leave not taken cannot be for an amount greater than the amount of leave the employee could earn in one year. (see Personnel Policy)

When an employee accumulates the maximum amount of vacation leave, vacation time earned from that point shall not be cumulative, and any vacation time earned and not taken within the year earned, will be lost.

Accordingly, it shall be the policy of Central Oklahoma Workforce Innovation Board to record a liability

## COWIB Accounting and Financial Policies and Procedures

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for accrued leave to which employees are entitled.

### Notes Payable

#### Record-Keeping

It is the policy of Central Oklahoma Workforce Innovation Board to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent
10. Contact person at lender

## Policies Associated with Financial and Tax Reporting

### Financial Statements

#### Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Organization. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

Sound financial procedures require that management be furnished with periodic detailed reports containing current information to reflect accurately the financial condition and program performance of the operation funded. Management shall review the reports to see that operations have been properly reflected and to determine whether there is a proper balance between the costs incurred to date and the amount of work accomplished, as well as whether the balance of funds and other resources available is commensurate with the amount of work yet to be accomplished.

The Controller is responsible for the furnishing and distribution of financial statements on a monthly basis.

The basic financial statements of Central Oklahoma Workforce Innovation Board that are maintained on

# COWIB Accounting and Financial Policies and Procedures

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an Organization-wide basis shall include:

1. Statement of Financial Position - reflects assets, liabilities, and net assets of the Organization and classifies assets and liabilities as current or non-current/long-term.
2. Statement of Activities - presents revenues, expenses, and other changes in net income/loss.

## Frequency of Preparation

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

Preparation of financial reports required by funding sources is the responsibility of the Accounting Department. Program Managers will provide assistance as required. All financial reports required by the funding source or internal components will be completed in a timely manner by the responsible Controller.

A standard set of financial statements described in the preceding section shall be produced on a monthly basis, by the 20<sup>th</sup> of each month. The standard set of financial statements described in the preceding section shall depict the following minimum information:

1. Approved budget by line item and object code
2. Applicable budget adjustments
3. Expenditures - past month and cumulative
4. Funds available per line item after expenditures and obligations

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 15<sup>th</sup> of the month, and actual depreciation expense.

## Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the Controller prior to being distributed.

After approval by the Controller, a complete set of monthly financial statements shall be distributed to the following individuals:

1. A copy of all financial statements to the Chief Executive Officer
2. A copy of all financial statements to the Executive and Finance Committee.
3. Financial statements shall be posted on the website.

## Special Quarterly Distribution

The Controller will meet quarterly with the CEO, COO, One-Stop Operator and Service Provider Project Director to review the program financial statements and discuss any changes or errors. At this time,



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discussion of budget variances within each line item of the approved budget will be reviewed. Appropriate action to correct the variances will be identified. A report on how the variances should be addressed will be made to the Executive and Finance Committee with identifying which individual or group should be responsible for any correction.

### Special Bimonthly Distribution

The Executive will meet and review the agency financial statements on a bimonthly basis. The Executive and Finance Committee will also review any budget amendments. The agency Controller will prepare a quarterly budget variance report for the monthly financial statements for the Finance Committee. The narrative will include information on cash flow, program budgets that are not on target, and any information that is material to the monthly financial statements.

### End of Year Financial Statement Close Process

The Controller will be responsible for implementing a formal year-end financial statement close process to address non-routine transactions of COWIB, such as: (a) accruals for costs incurred in one period but not paid until subsequent periods, (b) prepaid assets, (c) accounts receivable, (d) and recording of depreciation of equipment.

*For more information on this process, please see Appendix K, "Guidelines for Formal Year-End Close Process."*

### Annual Financial Statements

A formal presentation of the Organization's audited annual financial statements shall be provided by the Independent Auditor to the full Board.

## Government Returns

### Overview

To legitimately conduct business, Central Oklahoma Workforce Innovation Board must be aware of its tax and information return filing obligations and comply with all such requirements of Federal, state and local jurisdictions. Filing requirements of Central Oklahoma Workforce Innovation Board includes, but are not limited to, and filing annual information returns with IRS.

### Filing of Returns

It is the policy of Central Oklahoma Workforce Innovation Board. to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Controller shall be responsible for identifying all filing requirements and assuring that Central Oklahoma Workforce Innovation Board is in compliance with all such requirements.

It is also the policy of Central Oklahoma Workforce Innovation Board. to file complete and accurate returns with all authorities. The Central Oklahoma Workforce Innovation Board shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by Central Oklahoma Workforce

## COWIB Accounting and Financial Policies and Procedures

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Innovation Board include, but are not limited to, the following returns:

1. Form 990 - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for Central Oklahoma Workforce Innovation Board is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868. It is the practice of the Board to pay the audit firm to file the 990.
2. Form 5500 - Annual return for Central Oklahoma Workforce Innovation Board's employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
3. W-2's and 1099's - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to Federal government by February 28.
4. Form 941 - Quarterly payroll tax return filed with IRS to report wages paid to employees and Federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter. The practice of the Board is to have their payroll company file the required quarterly report

Central Oklahoma Workforce Innovation Board's fiscal and tax year-end is June 30. All annual tax and information returns of Central Oklahoma Workforce Innovation Board (Form 990) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Organization's Payroll Provider.

It is the policy of Central Oklahoma Workforce Innovation Board. to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each Central Oklahoma Workforce Innovation Board employee.

### Public Access to Information Returns

Under regulations that became effective in 1999, the Central Oklahoma Workforce Innovation Board is subject to Federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990), and
2. Central Oklahoma Workforce Innovation Board's original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

It is the policy of Central Oklahoma Workforce Innovation Board to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of Central Oklahoma Workforce Innovation Board during normal working hours making a written request to inspect the forms will be granted

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access to a file copy of the forms. The Controller shall be responsible for maintaining this copy of each form and for making it available to all requesters. (see open meeting and records policy)

2. For all written requests for copies of forms received by Central Oklahoma Workforce Innovation Board, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, Central Oklahoma Workforce Innovation Board will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged by Central Oklahoma Workforce Innovation Board. for providing copies of requested forms is posted as prescribed under state law. All copies shall be shipped to requester via standard mail, thus, standard charges will apply.
4. After payment is received by Central Oklahoma Workforce Innovation Board., all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Controller.
5. Central Oklahoma Workforce Innovation Board shall accept certified checks and money orders for requests for copies made in person. Central Oklahoma Workforce Innovation Board shall accept certified checks or money orders as payment for copies of forms requested in writing.

## Financial Management Policies

### Budgeting

#### Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the Organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Organization's programs and activities simultaneously in light of the available resources.

#### Preparation and Adoption

An agency budget will be prepared each year. The budget period will be from July 1 to June 30th. The agency budget will be reviewed and approved by the Board of Director's Executive Committee and reviewed and approved by the Board and BCEO Board each year. The preparation of the agency budget is the responsibility of the Chief Executive Officer, and the Controller. The agency budget will be reviewed by the Board's Finance Committee on a quarterly basis. Any budget changes will be done on a monthly basis, with approval of the Executive Committee and the Board.

While specific budgets are a program responsibility, with format and guidelines established by the funding source, in-depth coordination with the Accounting Department is required.

Budgeting is a short-term plan that breaks down the first year of a long-range operational plan into

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complete detail by revenue and expense categories. It assigns responsibility for achieving desired results to various programs or projects within the Agency. The length of an operating budget is one year being divided into months. During the year, it is important to plan for major budget revisions as significant operating changes take place. Such action calls for a complete revision of all the affected estimates for the remainder of the program year.

The overall submission of grant applications to include complete documentation compliance and the submission on a timely basis is the responsibility of designated staff in coordination with the Chief Executive Officer. The budget for grant applications must be approved by the Controller, and Chief Executive Officer.

All programs and contracts must submit a budget for approval by the Controller and Chief Executive Officer prior to the first month of operation of the program or contract. All budgets must be by line item.

Final decisions concerning agency grant applications and budgets and program budgets rests with the Chief Executive Officer and the Board

### Monitoring Performance

It is the policy of Central Oklahoma Workforce Innovation Board to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the quarterly financial reporting process described earlier.

### Budget Modifications

All budget amendments must be reviewed and approved by the Chief Executive Officer prior to submitting the budget amendments to the funding source for approval if applicable. The Finance Committee and/or Executive Committee will consider budget amendments when reviewing monthly financial statements.

### Annual Audits

#### Role of the Independent Auditor

It is the policy of Central Oklahoma Workforce Innovation Board. to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by Central Oklahoma Workforce Innovation Board will be required to communicate directly with the CEO upon the completion of their audit. In addition, members of the accounting department are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board following their completion, after the financial statements have been reviewed and approved by the Finance Committee.

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### How Often to Review the Selection of the Auditor

Central Oklahoma Workforce Innovation Board shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. Every 5 years to ensure competitive pricing and a high quality of service

### Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by Central Oklahoma Workforce Innovation Board in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit organizations and Federal reporting requirements under Uniform Administrative Requirements
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

If Central Oklahoma Workforce Innovation Board decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, tax returns, etc.)
4. Identification of meetings requiring their attendance, such as staff or Board meetings
4. Organization chart of Central Oklahoma Workforce Innovation Board.
5. Chart of account information
6. Financial information about the Organization
7. Copy of prior year reports (financial statements, management letters, etc.)
8. Identification of need to perform audit in accordance with Uniform Administrative Requirements
9. Other information considered appropriate
10. Description of proposal and format requirements
11. Due date of proposals
12. Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)
13. Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms shall be:

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1. Firm background
2. Biographical information (resumes) of key firm member who will serve Central Oklahoma Workforce Innovation Board.
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

Copies of all proposals shall be forwarded to each member of the Audit Evaluation Committee. After the reviews and possible interviews of each firm are conducted, the Evaluation Committee will do the final evaluation and will make the final recommendation to the Board for approval.

### Preparation for the Annual Audit

Central Oklahoma Workforce Innovation Board shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

Planning - The Controller is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Throughout the audit process, it shall be the policy of Central Oklahoma Workforce Innovation Board to make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

### Concluding the Audit

Upon receipt of a draft of the audited financial statements of Central Oklahoma Workforce Innovation Board from its independent auditor, the Controller shall perform a detailed review of the draft, consisting of the following procedures:

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1. Carefully read the entire report for typographical errors
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of Central Oklahoma Workforce Innovation Board.
3. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Controller.

It shall also be the responsibility of the Chief Executive Officer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

### Finance Committee Responsibilities

In accordance with the Central Oklahoma Workforce Innovation Board by-laws, there shall be a Finance Committee, the chairman of which will be appointed by the Board Chairman.

The Finance Committee's responsibilities include, but shall not be limited to, the following:

1. Appointment of, and communication with, the Organization's independent auditors
2. Review and approval of the annual, audited financial statements
3. Discussion of internal control matters with the independent auditor
4. Responding to any reported instances of fraud involving Central Oklahoma Workforce Innovation Board or its employees
5. Conducting a quarterly analysis of the Organization's financial statements
6. Making policy and other recommendations to the Central Oklahoma Workforce Innovation Board
7. Board regarding matters arising out of the audit

## Insurance

### Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of Central Oklahoma Workforce Innovation Board.

It is the policy of Central Oklahoma Workforce Innovation Board to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, equipment, machinery, and other items of value.

### Coverage Guidelines

As a guideline, Central Oklahoma Workforce Innovation Board will arrange for the following types of insurance as a minimum:

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## Types of Coverage

1. Comprehensive Liability
2. Automobiles for Employees, Volunteers, or Escorts
3. Employee dishonesty/bonding
4. Fire and Water Damage
5. Directors and Officers
6. Theft
7. Workers' Compensation
8. Professional Grant Writers
9. Cybersecurity

## **Insurance Definitions**

### Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy except when contract operations are so co-mingled that it would not be practical to require this coverage.

### Fidelity Bond

For all personnel handling cash, preparing or signing checks, Central Oklahoma Workforce Innovation Board shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of the Organization will determine the dollar limit of this coverage.

### Comprehensive Liability

This type of coverage may include directors, officers, and employee general liability insurance, buildings, contents, computers, boilers, and machinery.

## **Record Retention**

### **Policy**

It is the policy of Central Oklahoma Workforce Innovation Board to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the Controller, and logged into the Organization's Destroyed Records Log. The formal records retention policy of Central Oklahoma Workforce Innovation Board is as follows: (3 years – after any audit finding is resolved)

Record Type	Retention Period
Accident reports/claims (settled Cases)	3 Years



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<b>Audit reports (after audit resolved)</b>	Permanent
<b>Bank reconciliations</b>	3 Years
<b>Bank Statements</b>	3 Years
<b>Chart of Accounts</b>	Permanent
<b>Cancelled Checks</b>	3 Years
<b>Contracts, mortgages, notes and leases: Expired</b>	3 Years
<b>Contracts, mortgages, notes and leases: Still in effect</b>	Permanent
<b>Correspondence: General</b>	3 Years
<b>Correspondence: Legal and important matters only</b>	Permanent
<b>Deeds, mortgages and bills of sales</b>	Permanent
<b>Depreciation schedules</b>	Permanent
<b>Duplicate deposit slips</b>	3 Years
<b>Employment applications</b>	3 Years
<b>Garnishments</b>	3 Years
<b>Insurance policies (expired)</b>	3 Years
<b>Insurance records (policies, claims, etc.)</b>	Permanent
<b>Inventories of products, materials, and supplies</b>	3 Years
<b>Invoices (to customers, from vendors)</b>	3 Years
<b>Minute books of directors, bylaws, and charters</b>	Permanent
<b>Notes receivable ledgers, and schedules</b>	3 Years
<b>Payroll records and summaries</b>	3 Years
<b>Personnel records (terminated)</b>	3 Years
<b>Property records (incl. depreciation schedules)</b>	Permanent
<b>Retirement and pension records</b>	Permanent
<b>Requisitions</b>	3 Years
<b>Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability</b>	Permanent
<b>Training manuals</b>	Permanent
<b>Withholding tax statements</b>	3 Years

### Functional Expense Allocations

#### Overview

As one of its financial management objectives, Central Oklahoma Workforce Innovation Board strives to determine the actual costs of carrying out each of its program service and supporting activities. In this

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regard, it is the policy of Central Oklahoma Workforce Innovation Board to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible.

### Support Salaries & Wages

Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the Organization. The distribution of salaries and wages to awards must be supported by personnel activity reports. Reports reflecting the distribution of activity of each employee must be maintained for all staff members, professional and non-professional, whose compensation is treated as direct costs or indirect costs. These activity reports must meet the following standards:

1. The reports must reflect an after-the fact determination of the actual activity of each employee.
2. Each report must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the Organization.
3. The reports must be signed by the individual employee and approved by a supervisory official having first-hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.
4. The reports must be prepared at least monthly and must coincide with one or more pay periods.

### Direct Costs

Direct costs include those costs that are incurred specifically for one award or non-Federal function. Central Oklahoma Workforce Innovation Board identifies and charges these cost exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate Program Manager and reviewed by the Controller.

Time sheets and activity sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets and activity sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

Equipment purchased for exclusive use on a Federal award and reimbursed by a Federal agency shall be accounted for as a direct cost of that award (i.e. such equipment shall not be capitalized and depreciated).

### Allocated Costs

Indirect costs are those costs that either benefit more than one award (overhead costs) or non-Federal function or that are necessary for the overall operation of Central Oklahoma Workforce Innovation

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Board. (management and general costs).

### Direct Charging of Costs

Certain internal costs shall be directly charged to the appropriate Central Oklahoma Workforce Innovation Board function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

Cost	Basis for Charge
Salaries	Timesheets (hours) and activity sheets
Long-Distance Telephone	Allocated
Photocopying	Allocated
Postage	Allocated
Supplies	Allocated

### Cost Allocation Plan

This section sets forth the principles for determining the allocation of allowable costs as determined by Uniform Administrative Requirements. Central Oklahoma Workforce Innovation Board costs are allocated to programs administered by Central Oklahoma Workforce Innovation Board that are funded by Federal and State of Oklahoma grants.

The Uniform Administrative Requirements establishes the principles for determining costs of grants, contracts, and other agreements with the Federal Government. Central Oklahoma Workforce Innovation Board Cost Allocation Plan is based on Simplified Allocation Method described in Uniform Administrative Requirements. The Simplified Allocation Method separates total costs by an equitable distribution rate. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual awards.

### Costs to Be Allocated

The items listed below have been identified as costs to may be allocated to various grants.

1. Wages and fringe benefits:
  - a. Chief Executive Officer
  - b. Chief Operations Officer
  - c. Controller
  - d. Youth Programs Manager
  - e. Policy and Compliance Analyst
  - f. Business Services/Communications Manager
  - g. Accounting Assistant
2. Space costs:
  - a. Utilities

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- b. Rent
- c. Telephone
- 3. Office Supplies/Postage/Copy Machines
- 4. Insurance:
  - a. Directors and Officers
  - b. Employee Dishonesty Bond
  - c. General Liability
  - d. Building and Contents
- 5. Building and Capital Improvements
  - a. New Buildings
  - b. Rehabilitation of Existing Buildings
  - c. Capital Improvements
  - d. Major Equipment Purchases

### Cost Distribution Methodology

The following information summarizes the procedures that will be used by Central Oklahoma Workforce Innovation Board.

1. Compensation for Personal Services – Central Oklahoma Workforce Innovation Board utilizes a time distribution system that allows staff to identify time spent on activities attributed to specific grants in hourly increments. Salaries and wages are charged directly to the program in which work has been done. This time distribution system allows the time of staff working on administrative activities that benefit all funding streams, to be charged to an administrative cost pool. Unallowable time is charged directly to local funds. On a monthly basis, compensation costs placed in the administrative cost pool is distributed based on the relative time charges that are identified and charged to specific grant funds.
  - a. Fringe benefits (FICA, Unemployment Compensation, and Worker’s Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life and disability, and other fringe benefit cost are also allocated in the same manner as salaries and wages.
  - b. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

Note – compensation charges must be supported by an after the fact determination of time and effort verified by a person knowledgeable about the actual time and effort expended on specific grants or overall activity.

2. Travel Costs – All travel costs (local and out-of-town) are charged directly to the program(s) for which the travel was incurred. Travel costs which benefit all programs are placed in the cost pool and allocated in the same manner as salaries and wages.
3. Professional Services Costs (such as consultants, accounting, and auditing services) – All professional service costs are charged directly to the program(s) for which the service was

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incurred. Costs that benefit all programs are placed in an indirect cost pool and allocated to grants and programs on a monthly basis based on relative total direct cost (TDC) charges to that grant or program for the current month.

4. Office Expense and Supplies (including photocopier, office supplies, and postage) –Expenses used for a specific program(s) will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit all programs are placed in a cost pool and allocated in the same manner as professional services.
5. Telephone / Communications – Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit all programs will be placed in a cost pool and allocated in the same manner as professional services.
6. Facilities Expenses – Facilities costs, including rent, are placed in a cost pool and allocated in the same manner as professional services.
7. Allocations - Where indirect charges need be to allocated between various broad categories within a funding source, the costs will be allocated by the relative amount of total direct costs (TDC) incurred by each of the broad categories.
8. Unallowable costs – all unallowable costs will be charged to local funds and not allocated via the above cost allocation methodology.
9. Indirect cost limitations – in the event that a grant or programs either does not allow indirect costs to be charged to the grant or program or the budgetary limitation has been reached, the amount of indirect cost that would have been charged to that grant or program will be charged to local funds and not allocated to other grants.

### Documentation

Wages and Fringe benefits - Time Sheets/personnel activity reports will be maintained for each individual whose time is charged to various programs. Percentages of funding amounts, employees, and accounts payable transactions will be reviewed and updated monthly for allocation purposes.

### Cost Distribution Methodology – Review

Every year a review of allocated costs charged to the various program will be completed to determine that a reasonable and equitable amount of indirect costs has been charged to each (all) benefited grants or programs.

## Policies Pertaining to Federal Awards

### Administration of Federal Awards

#### Definitions

There are several types of agreements through which Central Oklahoma Workforce Innovation Board. may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the Organization to carry out its programmatic purpose.

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**Contract:** A mutually binding legal agreement where the Organization agrees to provide supplies or services and the donor agrees to pay for them.

**Cooperative Agreement:** A legal agreement where the Organization implements a program with the direct involvement of the donor.

Throughout this manual, Federal assistance received in any of these forms will be referred to as a Federal “award.”

### Preparation and Review of Proposals

Designated staff is responsible for preparing proposals for projects that the Board intends to pursue. However, all proposals shall be reviewed by the Chief Executive Officer prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the Chief Executive Officer and/or Board.

### Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. The original signed grant or contract will be given to the accounting department where it will be filed. A copy of the grant or contract will then be sent to the Program Manager. Copies of the pages containing the grant specifications and budget amounts will be given to the Chief Executive Officer.
2. Verify the specifications of the grant or contract. The Controller shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A budget shall be entered for the new grant or contract.
3. Gather documentation. A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the copy of the final signed award document, and all reports submitted to the funding sources.

### Billing and Financial Reporting

Central Oklahoma Workforce Innovation Board strives to provide management, staff, and funding sources with timely and accurate financial reports applicable to Federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

Central Oklahoma Workforce Innovation Board shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document.

Preparation of these reports shall be the responsibility of Controller, subject to review and approval by Chief Executive Officer.

The following policies shall apply to the preparation and submission of billings to Federal agencies under awards made to Central Oklahoma Workforce Innovation Board:

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1. It is the policy of Central Oklahoma Workforce Innovation Board to request advance draw based on anticipated expenditures, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that advances are made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Payment advances will be reconciled to reflect actual expenditures which in turn will be adjusted in the general ledger. Actual amounts may be taken from the financials after the month close. The CEO and Controller are responsible for the proper expenditures of grant funds and in accordance with funding source guidelines and Agency fiscal policies.
4. All financial reports required by each Federal award will be prepared and filed on a timely basis. The due dates vary by funding source. Please refer to the contract or manuals of the funding source for the correct due date for submission of financial statements and request for funds. To the extent Central Oklahoma Workforce Innovation Board's year-end audit results in adjustments to amounts previously reported to Federal agencies, revised reports shall be prepared and filed in accordance with the terms of each Federal award.

At the time invoices (cash draws) are prepared, revenue and accounts receivable shall be recorded on the books of Central Oklahoma Workforce Innovation Board by the accounting department.

### Cash Drawdowns Under Letters of Credit

Cash drawdowns under letters of credit from Federal agencies shall be made in conjunction with the accounts payable and payroll schedule, based on need. All Federal funds shall be deposited into an interest-bearing cash account under the cash receipts policies and procedures described in this manual.

### Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to Federal awards received by

Central Oklahoma Workforce Innovation Board are subject to all of the specific Central

Oklahoma Workforce Innovation Board purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. Central Oklahoma Workforce Innovation Board shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the small purchase acquisition threshold (currently \$25,000), procurement records and files shall be maintained that include all of the following:

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- a. The basis for contractor selection
  - b. Justification for lack of competition when competitive bids or offers are not obtained
  - c. The basis for award cost or price
5. Central Oklahoma Workforce Innovation Board shall make all procurement files available for inspection upon request by a Federal Awarding Agency

In addition, no employee, officer, or agent of Central Oklahoma Workforce Innovation Board shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

### Solicitation of Bids from Vendors

All purchases of at least \$2,500 but less than \$25,000 shall be made by either oral or written quotations from at least three responsible vendors unless funding source requirements are more restrictive. If requirements are more restrictive, then the appropriate funding source restrictions will be followed.

All purchases of \$25,000 or more shall be made by obtaining competitive proposals from at least three responsible vendors. Sealed bids shall be utilized when required by the Federal awarding agency. If funding source requirements are more restrictive than this, then the appropriate funding source restrictions will be followed.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of Central Oklahoma Workforce Innovation Board described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

### Provisions Included in all Contracts

It is the policy of Central Oklahoma Workforce Innovation Board. to include all of the following provisions, as applicable, in all contracts (including small purchases) with vendors and sub-grants to grantees:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with 29 CFR § 38.25 and 38.26. The nondiscrimination assurance must state the grant applicant will "comply fully with the nondiscrimination and equal opportunity provisions of the WIOA" (29 CFR Part 38 Preamble) and acknowledge the government's right to seek judicial enforcement of the nondiscrimination assurance
2. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and subgrants in excess of \$2,000 for construction or repair awarded by Central Oklahoma Workforce Innovation Board. and its subrecipients shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in



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Part by Loans or Grants from the United States.” This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of Central Oklahoma Workforce Innovation Board. to report all suspected or reported violations to the Federal awarding agency.

3. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** If included in the Federal agency’s grant program legislation, all construction contracts of more than \$2,000 awarded by Central Oklahoma Workforce Innovation Board. and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Central Oklahoma Workforce Innovation Board to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. Central Oklahoma Workforce Innovation Board shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. Central Oklahoma Workforce Innovation Board shall report all suspected or reported violations to the Federal awarding agency.
4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** [Where applicable] All contracts awarded by Central Oklahoma Workforce Innovation Board. in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Central Oklahoma Workforce Innovation Board in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C.**

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**1251 et seq.), as amended:** Contracts and sub-grants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or sub-grants of \$100,000 or more, Central Oklahoma Workforce Innovation Board. shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Central Oklahoma Workforce Innovation Board. shall provide such certifications in all situations in which it acts as a subrecipient of a sub-grant of \$100,000 or more.
8. **Debarment and Suspension (E.O.s 12549 and 12689):** For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000), Central Oklahoma Workforce Innovation Board. shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs.
9. **Remedies:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
10. **Termination:** All contracts in excess of the small purchase threshold fixed by the Oklahoma Office of Workforce Development (currently \$25,000) shall contain suitable provisions for termination by Central Oklahoma Workforce Innovation Board., including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

### Property

1. Equipment for inventory purposes is defined as all items with a unit cost of \$5,000 or more and a useful life of more than one year.
2. The designated staff will prepare a property record for all equipment and mark all equipment with agency name and asset number.
3. The designated staff will take an inventory of assets every two years. The inventory of assets will indicate condition and location of the equipment and insure that all equipment is properly

marked.

4. The designated staff will reconcile the asset listing with the previous year's asset listing and submit the current asset listing to the Chief Executive Officer for approval.
5. The asset listing will include the following items:
  - a. Item description
  - b. Approximate acquisition date
  - c. Current Value
  - d. Source of funds (including Award number)
  - e. Percentage of Federal funds (method used)
  - f. Location/Date Reported
  - g. Condition/Date Reported
  - h. Identifying number
  - i. Title holder
  - j. Disposition date
  - k. Sale price or method used to determine fair market value

### **Equipment and Furniture Purchased with Federal Funds**

Central Oklahoma Workforce Innovation Board may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by Central Oklahoma Workforce Innovation Board, described under Asset Management.

All purchases of "equipment" with Federal funds shall be approved in advance in writing by the Federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to Federal awards:

1. Any equipment that is owned by the Federal government and given to Central Oklahoma Workforce Innovation Board for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Central Oklahoma Workforce Innovation Board shall retain the equipment without any requirement for notifying the Federal agency. If the remaining per unit fair market value is \$5,000 or more, Central Oklahoma Workforce Innovation Board shall gain a written understanding with the Federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the Federal agency,

## COWIB Accounting and Financial Policies and Procedures

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keeping the equipment and compensating the Federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the Federal agency.

4. The Central Oklahoma Workforce Innovation Board's Chief Executive Officer shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with Federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and Federal reports filed by Central Oklahoma Workforce Innovation Board. COWIB verify the existence, current utilization and continued need for the equipment.

### Standards for Financial Management Systems

In accordance with Uniform Administrative Requirements and the Workforce Innovation and Opportunity Act of 2014, it is the policy of Central Oklahoma Workforce Innovation Board. to maintain a financial management system that provides for the following:

1. Accurate, current, and complete disclosure of the financial results of each Federally sponsored project or program in accordance with the reporting requirements of Uniform Administrative Requirements and/or the award.
2. Records that identify adequately the source and application of funds for federally sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest.
3. Effective control over and accountability for all funds, property, and other assets. Central Oklahoma Workforce Innovation Board shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
5. Written procedures to minimize the time elapsing between the transfer of funds to Central Oklahoma Workforce Innovation Board. from the U.S. Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records that are supported by source documentation.

### Budget and Program Revisions

It is the policy of Central Oklahoma Workforce Innovation Board to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project director, etc.) specified in the application or award document.

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3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Uniform Administrative Requirements
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
8. Unless described in the application and funded in the approved awards, the sub-award, transfer, or contracting out of any work under an award (however, this provision does not apply to purchases of supplies, materials, equipment or general support services).

### Close Out of Federal Awards

Central Oklahoma Workforce Innovation Board shall follow the close out procedures described in Uniform Administrative Requirements and in the grant agreements as specified by the granting agency.

Central Oklahoma Workforce Innovation Board and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

### Charging of Costs to Federal Awards

#### Overview

It is the policy of Central Oklahoma Workforce Innovation Board that only costs that are reasonable, allowable, and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

#### Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each Federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with the allowability of costs provisions of Uniform Administrative Requirements, particularly:
  - a. The list of specifically unallowable costs such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
  - b. Those costs requiring advance approval from Federal agencies in order to be allowable such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be

## COWIB Accounting and Financial Policies and Procedures

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allowable under the terms of the award and/or Uniform Administrative Requirements.

4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of Central Oklahoma Workforce Innovation Board to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

### Criteria for Allowability

It is the policy of Central Oklahoma Workforce Innovation Board that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
  - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Organization or the performance of the award;
  - b. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
  - c. Whether the individuals concerned acted with prudence in the circumstances;
  - d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
  - a. The cost is incurred specifically for a Federal award
  - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received or
  - c. The cost is necessary to the overall operation of the Organization, but, where a direct relationship to any particular program or group of programs cannot be demonstrated
3. The cost must conform to any limitations or exclusions of the Uniform Administrative Requirements or the Federal award itself
4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of the Organization
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles (GAAP)
7. Costs may not be included as a cost of any other federally financed program in the current or prior periods

## COWIB Accounting and Financial Policies and Procedures

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8. The cost must be adequately documented

### Cost Sharing and Matching

It is the policy of Central Oklahoma Workforce Innovation Board to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

Certain Agency programs are required to have a matching share of in-kind services and donated space to meet Federal guidelines. In-kind documentation is furnished to the Accounting Department by the COO and is posted in a ledger on a monthly basis.

Central Oklahoma Workforce Innovation Board shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met

1. They are verifiable from Central Oklahoma Workforce Innovation Board records
2. They are not included as contributions for any other federally assisted project or program
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objective.
4. They are allowable under the Uniform Administrative Requirements
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching
6. They are provided for in the approved budget when required by the Federal awarding agency.
7. They conform to all provisions of Uniform Administrative Requirements
8. In the case of donated space, the space is subject to an independent appraisal to establish its value

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which Central Oklahoma Workforce Innovation Board competes.

It is the policy of Central Oklahoma Workforce Innovation Board to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by Central Oklahoma Workforce Innovation Board employees.

### Equal Opportunity and Nondiscrimination Statement

All Recipients, and Sub-recipients / Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender

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identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

### **Addenda / Revisions**

The COWIB Chief Executive Officer is authorized to issue additional instructions, guidance, approvals, and/or forms to further implement the requirements of policy, without making substantive change to the policy, except in situations when a new or updated state and federal guidance is issued.



**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix A – General Journal Voucher**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix B – Non-Federal Space Form KHS-932-98**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix D – Reimbursement Request/Voucher Form**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix E – Local Travel Expense Form**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix G – Personnel Action Form**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix H – Separation from Employment**

**CENTRAL OKLAHOMA WORKFORCE INNOVATION BOARD**  
**Accounting & Financial Policies and Procedures Manual**  
**Appendix K – Guidelines for Formal Year-End Close Process**

**From:** Janie Kleffner [mailto:jkleffner@smithcarney.com]

**Sent:** Monday, August 06, 2012 11:57 AM

**To:** Ashley Sellers

**Subject:** COWIB year-end close guidelines

Good Morning Mrs. Sellers,

I've been working with Joe Brueggen and Leah Logan to assist COWIB in creating guidelines for a formal year-end close process, per your request. I've attached a document outlining our suggestions based on COWIB's Accounting and Financial Policies and Procedures as well as the month-end close procedures currently performed. The guidelines address procedures relating to Accounts Payable, Accounts Receivable, Prepaid assets, and Depreciation of Equipment.

Hopefully this provides some clarity as to the types of year-end adjustments and entries to be made. If necessary, I would be happy to come out and discuss with Lily the control activities that are typically reviewed related to year-end closing procedures, and go over how each control is addressed to ensure the year-end close process is appropriate.

Please feel free to contact me if you have any additional questions or concerns.

Thank you,

Janie Kleffner  
Smith, Carney & Co., p.c.  
5100 N. Brookline Ave., Suite 1000  
Oklahoma City, OK 73012  
ph.: 405-272-1040, ext. 3119

**Guidelines based on Month-End Journal Entries:**

All year-end closing entries should be identical to the month-end adjustments (below), with the addition of a year-end adjustment for any contract completions throughout the year and at fiscal year-end.

Month-end journal entries/procedures are as follows:

1. Perform your normal monthly allocation spreadsheets to determine reimbursement request for each grant.
2. Make sure that each reimbursement request ties and agrees to the individual grant expenses in the TB.

## COWIB Accounting and Financial Policies and Procedures

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3. Post any allocation entries that were not already made to the expenses.
4. Record Revenue for each grant. The revenue each month for each grant should be equal to the final expenses requested for reimbursement.

Entry Example	Dr	Cr
2100-00-19 Deferred Grant Revenue-Youth	\$XXX	
4000-00-19 Grant Revenue - Youth		\$XXX

5. Print a trial balance and audit trail report for each grant and make sure that the revenues minus expenses = 0. File with request for reimbursement
6. When the request for reimbursement is paid, the entry will be as follows.

1000-00-10	Cash	\$XXX
1250-00-19	Grant Receivable-Youth	\$XXX

### **Additional notes to address year-end close processes such as A/P, A/R, Prepaid assets, and Depreciation:**

#### Accounts Payable and Accounts Receivable:

As long as the revenue and expense accounts for each grant tie to the Trial Balance each month, there should be no need for any year-end adjustments to Accounts Payable or Accounts Receivable.

#### Prepaid Assets:

To our knowledge, there are no prepaid assets related to COWIB, so no year-end adjustment needs to be made.

#### Depreciation:

Per the Policies and Procedures Manual (see excerpt below), Depreciation Expense should be recorded monthly along with prepaid assets (if any), A/R and A/P. In the past, depreciation has been recorded as a lump sum at year-end (6/30/xx adjusting journal entry for annual depreciation amount). If preferred, we can record the annual Depreciation Expense from 7/1/116/30/12 and prospectively record monthly Depreciation Expense in future periods.

Note: Leah Logan (SCC) met with Lily Cao subsequent to FYE 6/30/11 to review closing entries, but depreciation expense was not recorded at that time as COWIB was still waiting to receive a depreciation schedule from a third party and the adjustment amount was unknown.