Southeast Missouri Regional Planning and Economic Development Commission

Internal Control Procedures

Cash Receipts

1. All mail is received and opened by the Secretary/Receptionist.
2. All receipts are recorded daily on an electronic log sheet by the Secretary/Receptionist. An exception is made when receipts are received after the close of banking (2:00 p.m. in most cases). These receipts are normally logged and deposited the following day. The log of daily receipts indicates date received, payor, service provided, invoice number if applicable, the bank upon which the check is written if applicable, check number and amount.
3. Checks are immediately stamped with a restrictive endorsement.
4. The receipts are given to the Executive Assistant and who records them daily on a separate electronic log sheet. This receipt log indicates date received, payor, service provided and invoice number (if applicable), the bank upon which the check is written and its location (city and state), check number, date of deposit and account to which the deposit was made.
5. Copies of any checks or cash, along with invoices as appropriate, are given to the Fiscal Officer by the Executive Assistant. In addition, copies of the invoices marked paid with the date of receipt, along with the check number, cash or electronic transfer as appropriate. Original invoices marked paid in the same manner are routed to file.
6. The Secretary/Receptionist prepares and makes deposits daily unless payments are not received for that day. Deposit slips are then provided to the Executive Assistant to record on the receipts log, after which the deposit slips are initialed by the Executive Assistant and forwarded to the Fiscal Officer.
7. The Secretary/Receptionist compares and verifies the receipt logs on a weekly basis.
8. The cash receipts logs are reviewed by the Fiscal Officer no less than weekly.
9. Bank reconciliations are performed and verified monthly to ensure deposit accuracy.
10. Discrepancies, if any, are investigated immediately.

Note: Authorized signors of all bank accounts do not have access to the general ledger. The authorizing and recording functions are kept separate for internal control purposes.

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Cash Disbursements

1. Purchase Orders:
   * Purchase orders are kept in the administrative department and are not pre-numbered.
   * Purchase orders are available to all staff to fill out for future purchases.
   * Purchase orders are to be filled out for any purchase which is not a standard billing.

* Purchase orders must be filled out by purchaser and marked with a work element and/or account number, then signed and given to the Executive Director for approval prior to the purchase being made.

2. All bills/voucher shall be reviewed by the Fiscal Officer before payment
3. Vouchers must be prepared for every invoice/bill by the fiscal department.
4. All bills requiring a purchase order are matched with the purchase order before payment.
5. Vendor invoices received:
   * All bills are stamped with the date received and given to the employee responsible for purchase, then reviewed and forwarded to the Fiscal Officer. The purchase order must accompany the bill.
   * Any bills received by fax or e-mail by purchaser shall be taken to the Secretary/Receptionist who will mark the date received and forward the bill to the fiscal department for payment
6. The vendor invoice is matched with the purchase order, when appropriate, before the voucher is prepared.
7. Voucher/check numbers are sequential and generated by the accounting software.
8. Voucher/check entry includes:
   * All programs to be charged with a 4-digit program code and type of expenditure is indicated by the 19-digit transaction code.
   * Amount of expense payment and due date.
   * Vendor identification number
   * Payment description.
9. Vouchers/checks are selected for payment in the accounting software and printed on blank laser checks or handwritten manual checks. Manual disbursements follow a similar selection for payment process.
10. The check numbers and date paid are notated on the voucher along with the employee's initials who completed the voucher entry. Checks, in sequential order, are then attached to the appropriate voucher and supportive documentation for signature.
11. Two signatures are required for all checks. Each signatory reviews the documentation provided for accuracy and budget/program eligibility, then sign the checks and the Director signs the purchase order approving payment.
12. Once checks are signed, they are given to the Fiscal Officer to be mailed to the vendor with any required enclosures. Vouchers are then filed in monthly file folders.
13. The Fiscal Officer verifies the vouchers for coding accuracy and ensures the correct contract and checking account paid the voucher.
14. The vouchers are filed alphanumerically by month. All voucher/check registers, accounts payable analysis and check registers are filled by batch number in the month they were prepared.
15. All disbursements are made by check except for small, routine expenses that are paid out of the petty cash fund. The SEMO RP & EDC petty cash fund, totaling $125, is maintained by the Executive Assistant and is available for small purchases of a reasonable amount such as, but not limited to, postage due, maps, meeting supplies or other items. The fiscal department replenishes the fund by

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classifying the petty cash expense and generating an account payable to the Executive Assistant.

Accounts Receivable Processing

1. All direct expenses by contract, including payroll time, travel, office supplies, copywork and postage, are recorded in accounts payable and all indirect expenses are also included in accounts payable. Fundware software distributes all expenses and either direct or indirect to each grant with workable hours and expenses are recorded. These expenses are then recorded in accounts receivable and billings are made to contracts for each month that expenses are accrued.
2. All billings marked "pending," along with time sheet information, are given to the Executive Director for his approval. The Executive Director initials each billing and gives them back to the Fiscal Officer to be posted in Fundware.
3. All invoices are posted, printed and mailed in Fundware. A listing of all "open receivables" can be run and balanced with a listing that the Executive Assistant prepares. A listing of all "open receivables" is provided to the SEMO RP & EDC board for their approval at the monthly meeting.
4. In reviewing receivables monthly, any receivables that are considered to be potential write-offs are flagged for the Executive Director and discussed. All write-offs are made annually and general journal entries are made to reverse revenue from the general ledger and accounts receivable.

Timesheets

1. Timesheets are filled out by the individual employee based on the work performed. Each employee has a complete program work element listing and individual timesheets are filled out on a semi-monthly basis and given to the Fiscal Officer for approval before payment.
2. Timesheets must be approved by the immediate supervisor prior to being submitted to the fiscal department for payroll processing. The supervisor signs the timesheet, verifying the hours worked and the work elements charged are accurate.
3. Prior to data entry, the fiscal department reviews each time sheet for coding errors and accuracy of hours presented for payment.
   * Timesheets are reviewed by the Fiscal Officer for adjustments if needed. If adjustments are needed, the Fiscal Officer makes those changes and returns the timesheet to the appropriate staff for their signature.
   * After all timesheets have been returned, they are given to the Executive Director for his review and signature.
   * If the Executive Director does not approve staff timesheets, changes are made and resubmitted for all signatures.

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Payroll Processing

1. In the Commission's payroll/personnel module, open and select employees folder, then generate salary timesheets.

2. Select group button under timesheets, then the dropdown box for earnings and select salaries
3. Generate hourly timesheets by highlighting staff person with hourly rate and then enter hours.
4. To record holiday, vacation, sick or personal leave:
   * select timesheet folder
   * select employee name
   * select box below earnings item
   * select appropriate data item (vacation, sick leave, holiday or personal leave)
   * tab over and put in hours used and leave rate blank.
   * Select OK after all employee leave has been recorded
5. Verify timesheets:
   * verify all under timesheets
   * report all timesheets
   * select OK
   * open print manager
   * select report PYTCARD.LO2
   * review the report and at bottom, report should read "time cards can be posted," then delete file
6. Post timesheets:
   * select post all timesheets
7. Calculating net pay:
   * select calculate net pay, calculate and screen should show results in the Net Pay Amount column
8. Write Check:
   * select bank
   * verify the check date and starting check number
   * select next
   * select print preliminary check register
   * print PYREG.LO2
   * review vile, if OK, delete
   * verify the check date
9. Log Check Numbers:
   * highlight all timesheet info
   * print checks
   * select form "Payroll Check Template—FSS"
   * select all
   * Print check
   * delete PYCKFIRS.LO2
   * close print control and print manager
   * assign
   * check register under Select Final Register Detail
   * finish
10. Print PYREG.LO2 and three trace reports
11. Close payroll module

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12. After each payroll, an EFTPS—Direct Payments is filled out from Payroll and a phone call is made to EFTPS—Direct Payments to send Social Security, Medicare and federal withholding to the IRS and amounts are taken directly from the checking account.
13. The Fiscal Officers does all quarterly forms needed for the IRS 941 form and state unemployment.
14. Monthly payments for MoWH taxes are made with regular bills in accounts payable.
15. All payroll records are balanced semi-monthly and then again quarterly. W-2 forms are made in January following the calendar year end and given to staff by January 31st.

Travel and Per Diem Expenses

1. All travel sheets are submitted semi-monthly or monthly.
2. The Fiscal Officer checks all travel against timesheets and figures costs at the current mileage rate.
3. All per diem expenses have to be recorded according to receipts for meals, hotel, taxi, parking and/or tips for meals.
4. All per diem expenses are limited by rates approved for metropolitan or local for breakfast, lunch or dinner.
5. When all costs have been verified, the travel sheets are put into accounts payable like any other costs for the Commission.
6. Both the Fiscal Officer and Executive Director verify and sign the travel sheet.

Approved this 9th Day of December, 2008,

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H. Weldon Macke, Chairman

Attest:

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Larry Kennon, Secretary

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H. Weldon Macke, Chairman

Attest:

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Albert Fults, Treasurer

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H. Weldon Macke, Chairman

Attest:

John Singleton, Vice Chairman

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