

Powhatan Confederacy Financial Policies & Procedures

Powhatan Confederacy Mission

We are a 501(c)3 organization dedicated to cultural, educational, and environmental activities that will revitalize our culture and protect our planet. The Confederacy is NOT a tribe but a community-led organization that builds key public-private partnerships to support our tribal communities and homelands for all residents.

Table of Contents

1.0 PURPOSE..... 3

2.0 ROLES..... 3

3.0 GENERAL ACCOUNTING POLICIES..... 4

4.0 ADMINISTRATION..... 4

5.0 BUDGETS..... 4

6.0 FINANCIAL STATEMENTS..... 5

7.0 AUDIT..... 5

8.0 BANKING..... 5

General..... 5

Deposits..... 5

Check Signing..... 6

9.0 PETTY CASH..... 6

10.0 DISBURSEMENTS..... 6

11.0 REIMBURSEMENTS..... 7

12.0 ACCOUNTS RECEIVABLE..... 7

13.0 ACCOUNT RECONCILIATIONS..... 7

14.0 LARGE PURCHASES..... 7

15.0 CONFLICT OF INTEREST..... 7

16.0 CAPITAL EXPENDITURES..... 8

17.0 DONATIONS..... 8

18.0 PAYROLL..... 8

19.0 BENEFITS..... 8

20.0 INVESTMENTS..... 9

APPENDIX A–PROCEDURES..... 10

Deposits..... 10

Disbursements..... 10

Check signing..... 11

Account Reconciliations..... 11

Payroll..... 11

Benefits..... 11

APPENDIX B–BUSINESS RECORD RETENTION SCHEDULE..... 12

APPENDIX C–DOCUMENT HISTORY..... 13

1.0 Purpose

The policy and procedural guidelines contained in this handbook are designed to:

- protect the assets of Powhatan Confederacy;
- ensure the maintenance of accurate records of Powhatan Confederacy's financial activities;
- provide a framework of operating standards and behavioral expectations; and,
- ensure compliance with federal, state, and local legal and reporting requirements

Exceptions to written policies may only be made with the prior approval of the Finance Committee or the Board of Directors. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years by the Finance Committee or other Board designee.

All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of these policies and guidelines.

2.0 Roles

Treasurer and Finance Committee

The Board Treasurer chairs the Finance Committee, which is composed of members designated by the Board of Directors. The Finance Committee has whatever authority as may be designated by the Board of Directors, including:

- choosing the auditor
- performing regular, in-depth reviews of the organization's financial activity
- overseeing the development of the annual budget
- determining the allocation of investment deposits

Executive Director

The Executive Director has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. The ED has whatever authority as may be designated by the Board of Directors, including:

- making spending decisions within the parameters of the approved budget
- employing and terminating personnel
- determining wage levels
- creating and amending operating procedures and controls
- making decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority
- entering into contractual agreements within board designated parameters

Policies and procedures which are not specifically addressed by this document may be determined by the Executive Director when the financial impact is not over \$1000 for any fiscal year. The Board of Directors must approve any unaddressed policy or procedure with an impact of over \$1000.

3.0 General accounting policies

The accounting system follows general accepted accounting policies (GAAP).

Financial statements are prepared using the **accrual (or cash)** basis of accounting.

The fiscal year is **Jan 1** through **Dec 31**.

4.0 Administration

Financial duties and responsibilities are separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.

The **CPA** has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other staff as designated.

The accounting records are updated regularly and subject to the oversight of the executive director or board of directors or its designate on at least a **monthly** basis.

A filing system accessible to the Executive Director is maintained for all financial records. This filing system may be **electronic ,paper, or both**.

Professional financial service providers are reviewed **annually**. For 2024 these are:

- Accounting software: **Intuit**
- Payroll services: **Paychex**
- Banking: **Wells Fargo**
- Auditors:

5.0 Budgets

The annual budget for the fiscal year is prepared by the Finance Committee or Executive Director working closely with the appropriate staff.

The board of Directors approves the budget annually, before the beginning of the fiscal year, if possible.

The budget is compared to the **monthly** financial statements to monitor the actual results. The budget is reviewed **mid-year** and adjusted as necessary to reflect changing conditions. The Board of Directors approves proposed changes in the budget that **exceed \$1000.00 or 50% of the line item, whichever is greater**.

6.0 Financial Statements

Monthly financial statements are completed and presented to the Finance Committee within **30 days** of the period's close.

A financial overview and Profit & Loss Statement through the end of the previous month are provided to the Board of Directors at each meeting.

7.0 Audit

An annual audit is conducted by an independent CPA after the close of each fiscal year. The audit covers the fiscal year of July 1st through June 30th.

The Treasurer, the Executive Director and the Accountant are involved in the annual **audit/review**. Presentation to the Board of the audit is done by the auditing firm with assistance from the Treasurer and accountant.

Copies of the annual audit are provided to funders in accordance with agreements in effect.

8.0 Banking

General

The Executive Director chooses a financial institution that provides the most appropriate services for the lowest cost. The location of the financial institution is taken into account. Separate bank accounts are maintained for operating, payroll, and savings expenses. No more than \$100,000 shall be on deposit at any financial institution to not exceed FDIC insurance limits.

The operating account maintains sufficient funds to meet all anticipated expenditures. Generally, a balance between **\$5,000 and \$50,000** is sufficient.

The payroll account only has enough funds to cover the **monthly** payroll expense.

Necessary funds are transferred from the operating account to the payroll account just before payday.

The savings account is used to replenish the operating account when necessary and to receive excess funds from the operating account when available.

Deposits

Whenever possible, persons receiving funds are other than those tabulating and preparing the deposits. Also, the person tabulating and preparing the deposits should be different from the person recording the deposits.

In general, deposits are made **weekly**. Amounts greater than **\$5000** are deposited by the **next business day**. Amounts less than **\$250** may remain undeposited.

All funds are deposited in an assigned financial institution, with the exception of petty cash (see 9.0 Petty Cash). The deposit receipt is attached to the Deposit Record.

Check Signing

The Board appoints the check signers. Usually these are the Treasurer, the Executive Director, **and a Program Manager**. The check signer(s) must not be the person who writes checks or who does the bookkeeping.

Blank checks are never signed in advance.

9.0 Petty Cash

A petty cash account is kept at the discretion of the Executive Director. Petty cash is used only when it is necessary to pay for goods or services by someone who cannot take a check, and to provide an adequate amount of change at fund-raising events where cash is accepted. A requisition form is completed for each transaction and a receipt acquired upon payment.

Petty cash disbursements are limited to **\$100.00**.

Total petty cash funds do not exceed **\$200.00**, except where more funds are needed for change at fundraising events. When funds drop below **\$50.00**, the Executive Director may replenish the account by completing a requisition form for a check written to Powhatan Confederacy. Alternatively, petty cash may be replenished by depositing some cash into the petty cash account that would otherwise be deposited into the Powhatan Confederacy bank account. Full documentation for this deposit should be retained.

Petty cash can be disbursed only with the approval of the ED. Petty cash requisitions are reviewed and coded by the accountant. Actual funds are managed and kept in a locked, fire-resistant box by the accounting assistant.

The petty cash account is reconciled by the accountant prior to replenishment and at least monthly.

10.0 Disbursements

Whenever possible, separate persons are responsible for coding, preparing, and authorizing disbursements.

Invoices are paid in a timely manner, generally weekly, and before late penalty charges apply.

Attempts are made to issue checks for client assistance and employee advances as soon as practical, although advance notice of at least two business days is recommended.

Two check signers are required for checks greater than **\$250**.

No checks may be written to "cash" or "bearer."

11.0 Reimbursements

A requisition form is prepared and approved when requesting personal reimbursement for Powhatan Confederacy expenses. Relevant invoices and receipts are attached.

Mileage expenses are reimbursed at the federal rate in effect at the time of the expense.

12.0 Accounts Receivable

Invoices for grants receivable are sent out, either by email or mail, as soon as practical in accordance with the terms of the grant agreement or contract. A copy of each invoice is kept in the appropriate grant A/R file with a notation of the date it was sent. When payment is deposited, a copy of the check stub is attached to the invoice, which is then notated with the date paid and marked "POSTED."

Invoices for other accounts receivable are kept in a general A/R file. When payment is deposited, these invoices are marked "POSTED" and transferred to an A/R received file.

13.0 Account Reconciliations

Bank reconciliations are done monthly. Bank statements are reconciled by someone other than the check signer or writer.

Other balance sheet accounts are reconciled at least **quarterly**.

14.0 Large Purchases

Purchases greater than **\$1000** are approved by the Executive Director.

Purchases greater than **\$2500** are approved by the Board of Directors.

Generally, Powhatan Confederacy seeks three quotations for purchases greater than **\$1000** where at least three suppliers are available for that service or product.

15.0 Conflict of Interest

Purchases of goods or services are not made from any employee or director of the organization. Members of the Board of Directors declare any conflict of interest with regard to financial terms.

Purchase of personal items for employees or directors is not made.

16.0 Capital Expenditures

Tangible assets exceeding **\$1000** and expected to last longer than a year are classified as capital assets and included in an inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations.

A depreciation schedule is prepared annually by the auditing firm.

17.0 Donations

Donated capital assets are recorded at fair market value if it can be reasonably estimated.

The nature and amount of the donated capital assets is disclosed.

The value of donated materials and services is recorded at a reasonable estimate. The value does not exceed the value at which the organization could have purchased those materials and services.

18.0 Payroll

All personnel salary and wage rates are authorized by the Executive Director or the Board of Directors. All changes in employment are likewise authorized by the Executive Director or the Board of Directors.

Employees are paid on a **monthly** basis. Payments to staff for salary advances, bonuses, and translations outside of normal hours are processed as part of wages.

All employees (hourly and salaried) are responsible for submitting complete time sheets on a **weekly** basis, with final time sheets due on each employee's **last working day of the month**. All time sheets must be signed and dated by employees and their supervisors.

[Computerized time sheets are used for efficiency and accuracy.] Incomplete time sheets are returned to employees for correction.

Personnel records are kept at Powhatan Confederacy for all current staff.

19.0 Benefits

(See the Employee Handbook for the full policy regarding employee benefits.)

Regular employees working at least 20 hours per week are entitled to benefits after a 90-day introductory period.

Insurance benefits enrollment begins the first of the month following the end of the introductory period. Insurance benefits available include medical, vision, dental, life and AD&D insurance. Dental, life and AD&D insurance premiums are paid in full by Powhatan Confederacy for all eligible employees. Medical and vision insurance premiums are paid in part by Powhatan Confederacy, subject to the terms of our contracts with the insurance provider. For all types of insurance, the premiums for spouses and dependents are paid by the employee.

Other employee benefits include Paid Time Off (PTO), holidays, a retirement plan, family leave and bereavement time.

20.0 Investments

The investment objectives of Powhatan Confederacy, in order of importance, are the safety of principal, liquidity, and a competitive rate of return. Investment restrictions may, at the discretion of the Board of Directors, include such issues as quality, diversification requirements, or social issues.

The Finance Committee has primary responsibility for advising the Board on investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s).

APPENDIX A—Procedures**Deposits**

All checks and cash received are recorded on a daily log, listing the date received, payer, purpose, and amount received. All checks are stamped “for Deposit only” immediately upon receipt.

All funds received are sent daily with the daily log to the accounting department for processing. Total funds are compared to daily log totals to ensure an accurate total of cash received. A receipt is provided by the accounting department for all funds received, with receipt copies attached to the daily log. All funds are placed in a locked box until preparing the deposit.

A Deposit Record is prepared listing the source account, source description, date received, amount received, and amount deposited for each line item, and a total of all funds received and deposited. *None of these funds is used to pay for expenses of any kind.* Notes are added for any discrepancies. Daily logs are attached to the Deposit Record. The Deposit Record is initialed by the preparer. A bank deposit slip is prepared and a copy attached to the Deposit Record.

After the deposit is made, the Deposit Record with attached daily logs, deposit slip, and deposit receipt is turned in to the accountant. All deposit papers are reviewed, confirmed, and recorded. Recorded deposits are marked “POSTED.”

Copies of all checks or vouchers for grants and contracts are placed in their source files.

Disbursements

All payments, except petty cash, are made by pre-numbered checks and are accompanied by substantiating documentation. Documentation may be an invoice (bill) or requisition form.

All invoices are marked with the date received and are directed to the accounting department.

Invoices are reviewed to ensure that the goods were received or services rendered. Each invoice is attached to a requisition form or marked with the Powhatan Confederacy Payment Approval stamp. The proper account(s), funding source, and program are identified and coded for each invoice. The requisition form or marked invoice is approved by the appropriate manager and the Executive Director. If the Executive Director is not available, the ED’s designate or the Board Treasurer may approve an invoice for payment.

After approval, invoices are passed to the accounting assistant for entering a bill into Accounts Payable. Entered bills are passed to the staff accountant for review and printing of checks. Printed checks are attached to the requisition forms and passed to the Executive Director for signing.

Signed checks are passed to the accounting assistant for mailing or distribution.

Once payment is made the requisition form is be filed with the check voucher in the monthly A/P folder. The check number is written on the requisition form or invoice.

Check signing

A relevant invoice or back-up document accompanies each check for the check signers to review.

The check voucher is used to ensure a record of the check is maintained.

Sequentially numbered organizational checks are used to maintain a proper control over the checks. Voided checks are kept and clearly marked VOID. The signature are of voided checks is cut out and discarded to prevent misuse.

Account Reconciliations

Bank accounts are reconciled monthly against the account statement. Other balance sheet accounts are reconciled quarterly using the Powhatan Confederacy Reconciliation Statement. Supporting documentation is either attached (as for Petty Cash) or the location is referenced (as for Grants Receivables files). Individual documentation, such as the number of a check or journal entry, may be referenced in the Details Column of the Reconciliation Statement.

APPENDIX B—Business Record Retention Schedule

Accident Reports and Claims (settled cases)	7 years
Accounts Payable Records	7 years
Accounts Receivable Records	7 years
Audit Reports	Permanently
Articles of Incorporation	Permanently
Annual Audit Reports	Permanently
Bank Statements and Reconciliations	3 years
Budgets	10 years
Bylaws	Permanently
Cash Receipt Records	7 years
Checks (cancelled)	7 years
Checks for important payments such as taxes, special contracts, etc. should be filed with the papers pertaining to the transaction and kept	Permanently
Contracts & Leases (expired)	7 years
Contracts & Leases (active)	Permanently
Corporation Reports	Permanently
Correspondence with vendors	1 year
Correspondence (general)	3 years
Correspondence (legal)	Permanently
Disbursement Requests	7 years
Deposit Slip Duplicates	2 years
Employee Records (after termination)	Permanently
Employment Applications	3 years
Financial Statements	Permanently
Fixed Assets Records	Permanently
Grant Award Letters	10 years
Insurance Records, Accident Reports, Claims, Policies, Certificates	Permanently
Invoices	7 years
Leases (after expiration)	6 years
Journals	Permanently
Minutes	Permanently
Payroll Records	6 years
Property Records	Permanently
Purchase Orders	7 years
Tax-exempt status documents and all documents and correspondence dealing with the IRS	Permanently

APPENDIX C—Document History

01/01/2024. Adopted by the Powhatan Confederacy Board of Directors.