



Hope for the Homeless

Burlington Area Homeless Shelter

Accounting Policies and Procedures Manual

**Burlington Area Homeless Shelter
123 N. Marshall St.
Burlington, Iowa 52601**

**Board Approved
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Mission

The mission of the Burlington Area Homeless Shelter is to provide shelter and support to those who have become in need of temporary housing in Burlington and the surrounding area while maintaining the dignity and respect of these persons.

Accounting Policies and Procedures, Division of Duties

The following is a list of personnel who have responsibilities within the agency:

Board Treasurer:

1. Reviews all vouchers and invoices for those checks which require BAHS signatures.
2. Generates the bank statements online, sends them to the accountant and executive board.
3. Reviews bank card and gift card receipts monthly to ensure items are legitimate.
4. Reviews all deposit slips.
5. Reviews bank statements and reconciliations with Accountant.
6. Reviews and approves all financial reports.
7. Contact person to the Accountant.
8. When President is gone, reviews the payroll vender log.
9. In conjunction with the President and Executive Director develops the annual budget.
10. Transfers funds when needed from the checking to debit account.

Board President:

1. Reviews and approves all financial reports.
2. Reviews and approves annual budget.
3. Reviews single item purchases over \$500 and provides written authorization for disbursement.
4. Takes requests for single item purchases over \$1,000 to the board for approval.
5. Reviews all grants and presents to board for approval.

6. Approves all vouchers, invoices and signs checks as one of two required check signers.
7. In conjunction with the Treasurer and Executive Director develops the annual budget.
8. Reviews the payroll summary for the correct payee, hours worked, and check amount.

Homeless Shelter Executive Director:

1. Receives and opens all incoming mail.
2. Reviews all vouchers and invoices and submits to Treasurer.
3. Fills out deposit slips and deposits for the bank.
4. In conjunction with the President and Treasurer develops the annual budget.
5. Reviews all financial reports.
6. Can make purchases by debit card up to \$500.

Accountant:

1. Processes all receipts and disbursements.
2. Maintains and reconciles the general ledger monthly.
3. Double checks all reimbursement requests against receipts provided.
4. Prepares all financial reports, including requests for reimbursement.
5. Reconciles bank statements with Treasurer.

Board of Directors:

1. Reviews all financial statements and financial reports.
2. Approves single item purchases over \$1,000.
3. Reviews financial policies and procedures.
4. Approves annual budget.

Payroll Vender:

1. Processes the payroll.
2. Processes necessary tax documents, including tax returns for the shelter.

Cash Receipts Procedures

1. The Executive Director receives all incoming mail and donations daily.
2. All checks received are to be stamped "For Deposit Only".
3. Cash donations will be provided to the Executive Director with a note of donor, date, amount, and employee's name who received the donation.
4. A copy of the cash receipt and check receipts documentation will be given to the Treasurer.
5. The Executive Director copies all checks and cash receipts, prepares a deposit slip and deposits the funds into the checking account, noting general ledger account assignment.
6. Cash will be deposited the day it is received.
7. Checks will be deposited when the amount of checks received totals \$500 or a deposit will be done at a minimum of once a week. All deposits must be in by the end of the month.
8. A validated deposit slip should be attached to the cash deposit documentation and filed.
9. All deposit slips should be given to the accountant.

Deposits should be locked in the Executive Director's locked files until taken to the bank.

No single banking account should contain an amount over which the FDIC will insure.

Inter-Fund Transfers

The Burlington Area Homeless Shelter debit card account should not exceed \$500 at any time. It will be necessary to transfer funds from the checking account into the debit card account. In order to transfer funds from the checking into the debit card account, the following procedures should be followed:

1. The Treasurer should monitor the checking account and determine if there are adequate funds to pay daily expenses.
2. The Executive Director may request for the Treasurer to transfer the necessary amounts from the checking account to the debit card account, as long as the remaining balance does not exceed \$500.

Reconciliations

Cash Flow

Burlington Area Homeless Shelter is to maintain a minimum of ten percent (10%) of the operating budget between its operating accounts at all times. In the event that balances fall below the amount, the Board President and Treasurer should be notified immediately.

Bank Reconciliations:

1. Bank statements are generated online by the Treasurer, sent to the executive board, and to the Accountant who reconciles the bank accounts.
2. The person charged with this responsibility (Accountant) should reconcile each account upon receipt of the bank statements.
3. When reconciling the bank accounts, the following items should be included in the procedures:
 - A. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
 - B. A comparison of inter-organizational bank transfers to be certain that both sides of the transactions have been recorded on the books.
 - C. An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - D. A comparison of canceled checks with the disbursement journal as to check number, payee, and amount.
 - E. An accounting for the sequence of checks both from month to month and within the month.
 - F. An examination of canceled checks for authorized signatures, irregular endorsements and alterations.
 - G. Investigation and write off checks which have been outstanding for more than six months.
4. Completed bank statements and reconciliations should be reviewed by the Treasurer who should review the statement contents for inconsistent check numbers, signatures, cash balances, payees, endorsements, review the reconciliation for any adjustments, and the preparer's signoff.
 - a. After this review is conducted, the Treasurer should initial and date the bottom right hand corner of the first page of each bank statement reviewed. The reviewed bank statement should be provided to the Executive Director for filing.

Reconciliation of other General Ledger Accounts:

1. Each month the Treasurer and the Board President should review the ending balance shown on the balance sheet accounts such as the cash accounts, petty cash, and accounts receivable, accounts payable and deferred revenue. The Treasurer and the Board President should review the bank reconciliations schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet.
2. Assets - These accounts will include the debit card account, prepaid expenses, property, equipment and fixtures, security deposits, and intangible assets.
 - A. The debit card-The balance of this account should always equal the maximum amount of all debit card cash funds. The maximum amount on the debit card is currently \$500.
 - B. Prepaid expenses-the amounts in these accounts should equal advance payments paid to vendors at the end of the accounting period.
 - C. Security Deposits-The balance in this account should equal amounts paid in escrow to landlords and lessors and should not change frequently, but should be updated as applicable.
3. Liabilities - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgage payable, and amounts due to others.
 - A. Accounts Payable-The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.
 - B. Payroll Tax Liabilities-The amount in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period, which has not been remitted to the government authorities.
 - C. Due to Others-If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.
5. Income - These accounts are described as income from contracts, grants or contributions.
 - A. Income-The amounts charged to the various cash accounts should be reconciled with funding request, funders reports, draw down schedules, etc.
4. Expenses - such as salaries, consulting fees, etc
 - A. Gross Salary Accounts-The balances in the gross salary accounts should be added together and reconciled with the amounts reported on quarterly payroll returns.
 - B. Consulting-The amounts charged should be reconciled to the contracts.

Debit Card Accounts

1. The debit card account should never exceed \$500.
2. The Executive Director is the custodian of the agency debit card.
3. If the Executive Director signs out the debit card to a staff member they will sign that they checked out the card and returned it. They will turn in and sign the receipt noting they were the one to make those purchases.
4. The debit card account shall be operated on an as needed basis. This means that when it is time to replenish the debit card, the bookkeeper shall total out the expenses made and identify those expenses by general ledger account number. When the check request is submitted for payment it should indicate the total amount needed to bring the fund up to-\$500.
5. When a request for debit card reimbursement is made to the Treasurer, the item will be listed on the Debit Card reconciliation sheet. A description of the item charged should be received by

- the bookkeeper for the amount of the request in order for the request to be approved.
6. The paid receipts from the debit card account should be attached to the accounts sheet. The account sheet is done each month. All paid information should remain in the Executive Director's locked file cabinet or drawer. Receipts will be available for review by the Treasurer or Board President.

Purchases

Procurement Policy:

1. The following policy has been established to guide Burlington Area Homeless Shelter procurement of supplies, equipment and services. All items and services will be purchased with consideration of these priorities:
 - A. Features and quality that meets the technical standard of our work.
 - B. Competitive price.
 - C. Willingness and ability to meet billing, delivery, and service needs of our agency.
2. Comparison of features, quality and price can be made by visit, telephone, internet contact or by consulting catalogues and advertisements. Written authorization (when required) and sales receipts along with any pertinent registration and or warranty information will be kept on file in accordance with capital expenditure policy and procedures.
3. Any single item purchase over \$500.00 but less than \$1,000 requires the written authorization of the Board President.
4. Any single item purchase over \$1,000.00 requires board approval.

To Prompt a Purchase:

1. When the normal cash disbursement procedures of invoice, etc. is not appropriate, (i.e., postage, debit card account) a check request should be completed and forwarded with an order form or other documentation to the Treasurer or Board President for approval. If the check is made out to the Executive Director, approval must be sought from the Board President.
2. Approved check requests should be sent to the Treasurer for payment.
3. In the absence of backup materials, receipts for the purchase must be provided to the Treasurer within two weeks from the check date.

Gift Cards

Process:

1. Gift cards will be tracked in the monetary donation file.
2. Received cards will be documented on a spreadsheet and then reported to the accountant.
3. Their use will be tracked, documented, and noted when expended.
4. Employees who use a gift card for the shelter will write their name on the receipt.
5. Receipts are put in an envelope, when the card reaches a zero balance the spreadsheet is printed to go along with the receipts, sent to the accountant, and filed.
6. Treasurer will review receipts monthly.