

1. Receipts:

- 1.1 All receipts will be processed within 5 working days of receipt, they will be stamped deposit only. No checks will be cashed without first being deposited in to the bank account. An accounts receivable log will be kept for all deposits. This log will include a copy of all checks deposited any back up detail that was issued with the check and an accounts receivable ledger reflecting the deposit.

2. Bank Accounts

- 5.1 OPTIONS will maintain bank accounts utilizing sound accounting principles. There will always be a system of checks and balances with all financial transactions.
- 5.2 All bank accounts will be reconciled at least monthly.
- 5.3 All checking accounts will require dual signatures for amounts over \$500.00. All payroll checks will also require dual signatures.
- 5.4 All expenditures will be classified under the OPTIONS Chart of Accounts at least once each month.
- 5.5 The current balance of each account will be determined after each deposit or withdrawal is made
- 5.6 In all cases where a check is being written that involves one of the signers (such as a payroll check, reimbursement for expenses, etc.) there will always be two signatures on the check. If the check is an electronic transfer (such as payroll) at least two signatures on a copy of the check will be documented.

3. Payroll:

- 3.1 Payroll is to be processed by the accounting specialist and then reviewed by the CFO and the CEO or COO. All payroll checks require 2 signatures from any two people on the signature card for that account. A record will be kept of all payroll disbursements.
- 3.2 Employees will be paid bi-weekly, for a total of 26 payroll periods per year.

4. Donations:

- 4.1 A record will be kept of the cash value and description of any item or cash amount donated to OPTIONS. A receipt will be issued to the person or organization making the donation

5. P&I Funds:

- 5.1 Funds received for supported persons personal and incidental (P&I) expenses will be deposited into the General checking account or to individual program checking accounts. All P&I checks that are deposited in the General account will be dispersed immediately to the individual cash funds which are kept in separate cash boxes for each individual residential site. The cash boxes will remain at each respective location. A ledger showing cash deposits and withdrawals will be maintained for all P&I accounts. A control account for all receipts and expenditures with supporting vouchers and receipts will be maintained. The Program Manager will audit all P&I accounts at the end of each month. Each residential supervisor will maintain individual P&I accounts for the program that they supervise. Individual P&I accounts will not be co-mingled or combined in any way.

6. Financial Statements:

- 6.1 Monthly financial statements will be generated for OPTIONS's accounting operations. These statements will be calculated on an accrual basis and will include current assets, liabilities and fund balance.
- 6.2 A monthly income and expense statement will be generated for each of OPTIONS's departments. This report will compare actual expenses to the current budget and will also show a year-to-date total for each line item expense. These statements will be distributed on a monthly basis for review by each department head.

7. Annual Independent Audits:

- 7.1 There is one independent audit required per year to verify accuracy of billing, accounts receivable, accounts payable, and to verify the accuracy of the financial statements. This audit will be conducted by a certified public accountant not otherwise associated with OPTIONS and will be chosen by the board appointed audit committee.

8. Budget Development

- 8.1 It is the intent of OPTIONS to develop an annual budget in a timely manner with the input of all departments. The following procedure is designed to ensure that the annual budget is accurate and reflects the interest of OPTIONS personnel.
- 8.2 The budget will be developed by OPTIONS CFO by April 15 each year and distributed to all department managers for review and input. All adjustments will be reviewed and amended as needed. This budget will be presented to the OPTIONS Board for their approval by the next regularly scheduled meeting after May 15th.

8.3 The budget will be modified after the approval of a new state budget in order to accommodate any changes to rate and presented at the next scheduled board meeting.

9. Audits of Accounts Receivable

9.1 Quarterly audits of the accounts receivable billing process will be performed by the accounting specialist. These audits are to ensure that dates & hours billed are consistent with attendance information provided by the programs. They will be conducted on a spot check basis that will include 10 to 20 different bills sampled.

Adopted: March 2006

Revised: August 2007

March 2008