

**CASA Board of Directors Meeting  
January 21, 2010  
3:45 PM  
5<sup>th</sup> Floor Conference Room  
200 East Main Street**

**3:45 pm Call to Order: Joe Schuler, President**

**Welcome & Introductions**

**Consent Agenda**

- **Director's report**
- **Finance Committee Report**
- **Development Committee Report**

**Discussion/Action items**

1. Personnel/Procedure Policy- Access to files (Debi King)
2. Financial Review & 990 (Carolyn Loof)
3. Financial Operations Policy (Carolyn/Joe)
4. Other

**Adjourn**

**Report for CASA Board Meeting  
Submitted by Debra King, Director  
January 15, 2010**

**Updates of Projects:**

National CASA Self Assessment of Standards: Our compliance plan to bring has been submitted with the modified evidence documents that the Board has been approving such as the modification of our conflict of interest policies, our succession plan for personnel, etc. As mandated, the financial review was completed by Fister, Williams, and Oberlander PLLC and a copy of this was submitted with the packet of information.

Volunteer advocacy: 44 volunteers served 66 children in November. We accepted cases on 5 new children. No cases were closed out that month and no volunteer were discharged. The total hours of services volunteered were 148. In December, 214 hours of services were delivered to 73 children by 44 volunteers. 7 new children were served and 1 closed out. No volunteers were discharged. 7 new volunteers were sworn in bringing our current count of volunteers to 51.

Volunteer Retention: We have had no volunteers leave the program for the last three months. We are continuing to use the planned 2 month "leave" once a volunteer's case closes out to provide them a rest before assigning a new case.

Volunteer Training: The fall session was completed with 8 of the enrolled 10 new trainees completing the course. One trainee did not complete the class and one was not accepted into the program. The rejected applicant received this news graciously when I met with her.

Angel Tree/Holiday gathering: Our annual Angel Tree was set up in the Crowne Plaza. At the deadline, we still had children remaining on the tree not sponsored. An alert was put out concerning our need for sponsors which we did secure including one law firm at which one of our volunteers husband works. That firm, McBrayer, McGinnis, Leslie & Kirkland sponsored 19 of the remaining children. Gifts were secured for 85 children which include 6 children who were ordered to us but not assigned to a specific CASA yet and thus do not appear in the above count of children.

Judge Wise conducted a swearing in at the party for the 7 new volunteers mentioned above. One new volunteer was unable to attend and will be privately sworn in.

The annual party was held on December the 8<sup>th</sup> at the Picadome Club House. On behalf of the volunteers and the staff, I wish to thank the Board for the wonderful food prepared and brought provided. A Herald Leader photographer and reporter attended which resulted in the follow up article which ran in the paper in early

January. The article was delayed as Judge Wise invited the reporter, Ashlee Clarke, to attend a session of court when a CASA case was being heard so that Ms. Clarke could gain a better understanding of the work we do.

Child Abuse Prevention Month: Plans are underway for our annual Candlelight Vigil and other events which we participate in with community partners for the month of April. If anyone has any suggestions concerning a key note speaker for the vigil, please inform me. There are no funds to pay a speaker though I have requested funds to pay for a small gift of appreciation in my grant proposal (pays for expenses of putting on the Vigil each year) to Friends of Children. That grant proposal will be voted upon at the 01-21-10 FOC meeting. I am also looking for child performers to this event. Thus far, we have a fifteen year old pianist who has agreed to play and I have asked the 5<sup>th</sup> grade singers from Maxwell Elementary but have not secured a commitment from that group as of this date.

Newsletter: Winter edition under construction-if any board member has suggestions or would like to submit something for newsletter please contact the office

Public appearances: Channel 36 morning show to promote Casino Night. Channel 27-interview on site at the Crowne Plaza to promote Angel Tree. Keeneland Health Fair.

Reports submitted:

NCASA Annual Survey, Final Outcomes Report for Jewelers Grant, Quarterly grant report for Bridge Grant, Financial reports for Bridge Grant, Crusade for Children Grant, & Jewelers Grant, DYS monthly reports November & December, Financial report to NCASA re: Jewelers for Children grant and Bridge Grant monthly financial report, quarterly report on program statistics to NCASA, & monthly reports to Youth Services/LFUCG

**Grants/Donation requests:**

1. NCASA Sustainability Grant for \$13,538. effective Jan. 1-awards announced on November 20<sup>th</sup>. Award not received.
2. Crusade for Children for \$31,064. effective September 1.-awards to be announced in July.
3. Friends of Children-\$901.50 to pay Vigil expenses.
4. Emergency Funds from NCASA-\$10,000. -we are awaiting word on whether or not they can award this due to our program already receiving the Bridge Grant due to supplanting issues of federal funds.
5. Humana Foundation: In process of writing.

**Reminder-** Goodsearch-use this engine at [www.goodsearch.com](http://www.goodsearch.com) to search and to shop, listing CASA of Lexington as your designated charity and a portion of proceeds are donated if engine is used to the designated amount. We recently received a very small check from them-this amount could grow if everyone were to use this site.



**Report to the Board of Directors  
from the Development Committee  
January 21, 2010**

Plans continue for our casas for CASA event. We need to get a few more playhouses built, and will need a marquee event at which to display the houses and sell tickets. Contact has been made with a group that may be able to build for us, and supply their own materials.

Plans for our 3<sup>rd</sup> annual 10K race are underway. Fall scheduling is proving difficult due to WEG and home football games. Input regarding a Sunday race is needed.

We are looking into a polo tournament as a potential fundraiser. One of our current volunteers is working on this for us.

Help and/or input regarding any of the above events would be greatly appreciated.

In December, we held a gaming night at the Red Mile. Thanks to those board members and friends who came out to help that night. While net proceeds from this night were only \$2,000, we feel that it has the potential to become a bigger event for us in the future. An initial meeting for a 2010 event has already taken place.

Respectfully submitted,

Committee Chair

# **CASA of Lexington**

## **Operating Policies and Procedures Manual**

## **INTRODUCTION**

The following manual is intended to provide an overview of the operating policies and procedures applicable to the CASA of Lexington, which shall be referred to as “CASA” or “the Organization” throughout this manual. CASA is incorporated in the state of Kentucky. CASA is exempt from federal income taxes under IRC Section 501(c)(3) as a non-profit corporation.

This manual shall document the operations of the Organization. Its primary purpose is to formalize policies and procedures.

All CASA staff are bound by the policies herein, and any deviation from established policy without prior written approval from the President is prohibited. Any amendments to this Operating Policies and Procedures Manual must be presented to the Finance Committee for their review with approval by the CASA Board of Directors.

## **BUSINESS CONDUCT**

### **Practice of Ethical Behavior**

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of CASA depend to a very large extent on the following considerations. Each employee must apply her/his 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.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with CASA policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action. Each director, manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors and committee members must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

### **Conflicts of Interest**

In addition, no employee, officer, board member or agent of CASA shall participate in the selection, award, or administration of a contract involving CASA if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, board member, or agent, or any member of her or his 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.

### **Compliance With Laws, Regulations and Organization Policies**

CASA 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 CASA 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 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 director, manager or supervisor 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**

### **Scope**

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

### **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 for the purpose of inducing another to act upon it to his or her injury. 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 Treasurer or, alternatively, to the President, 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 CASA
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 CASA
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 CASA. Exception: gifts less than a nominal value (\$50 or less).
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 President. If there is a question as to whether an action constitutes fraud, contact the President or Treasurer for guidance.

### **Investigation Responsibilities**

The President has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The president may utilize whatever internal and/or external resources he/she considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the president will issue reports to appropriate designated personnel and, if appropriate, to the CASA Board of Directors, Executive Committee, and/or the Finance Committee. 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 the Executive Committee, as will final dispositions of the case. If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal, state, or local government funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the organization. It is the policy of CASA to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in grant award documents.

### **Confidentiality**

The president and senior management shall treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the president or other member of the Executive Committee 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, to the extent permitted by law. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect CASA from potential civil liability.

### **Authority for Investigation of Suspected Fraud**

The president or their designee will have:

1. Free and unrestricted access to all CASA 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 or 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. An employee who discovers or suspects fraudulent activity will contact the Director or President immediately. The employee or other complainant may remain anonymous. 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 president 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 CASA legal counsel or the president.

### **Changes to the Chart of Accounts**

Additions to, deletions from, or any other changes to CASA's standard chart of accounts shall only be done with the approval of the Treasurer.

### **Fiscal Year of Organization**

CASA shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the organization must be ratified by majority vote of CASA's Board of Directors.

## **Journal Entries**

All general ledgers entries that do not originate from a subsidiary ledger shall be supported by documentation, 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

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accretion of discounts on promises to give
4. Accruals of recurring expenses
5. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or other supporting documentation. It is the policy of CASA that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the Treasurer by initialing or signing the entries.

## **POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS**

### **REVENUE**

#### **Revenue Recognition Policies**

CASA receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of CASA in the following manner: **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income). Immaterial categories of revenue may be recorded on the cash basis of accounting as deemed necessary

### **CONTRIBUTIONS RECEIVED**

#### **Definitions**

The following definitions shall apply with respect to the policies described in this section:

**Contribution** - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

**Condition** - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Organization or releases the promisor from its obligation to transfer its assets.

**Restriction** - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in CASA's articles of incorporation and bylaws. Restrictions on CASA's use of an asset may be temporary or permanent.

**Non-reciprocal Transfer** - A transaction in which an entity incurs a liability or transfers assets to CASA without directly receiving value from CASA in exchange.

**Promise to Give** - A written or oral agreement to contribute cash or other assets to CASA.

**Exchange Transaction** - A reciprocal transaction in which CASA and another entity each receive and sacrifice something of approximately equal value.

### **Distinguishing Contributions from Exchange Transactions**

CASA receives income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. CASA shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. CASA's intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to CASA (i.e. does the resource provider state its intent is to support CASA's programs or that it anticipates specified benefits in exchange?);
3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of CASA (contribution);
4. Whether payment received by CASA is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by CASA, or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by CASA to individuals or organizations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organizations closely connected to the resource provider.

### **Accounting for Contributions**

CASA shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions. Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of CASA in the period that CASA receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by the finance committee. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to CASA at the time the Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded. When it receives support in the form of volunteer labor, CASA shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
  - a. It is the type of service that would typically need to be purchased by CASA if it had not been contributed,
  - b. It requires specialized skills (i.e. formal training in a trade or profession), and
  - c. It is provided by an individual possessing those specialized skills.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

### **Receipts and Disclosures**

CASA and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, CASA shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by CASA, it shall provide a receipt to the donor. The receipt shall be prepared by the CASA Director or designee. All receipts prepared by CASA shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received;

2. A statement of whether CASA provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and

3. If any goods or services were provided to the donor by CASA, a description and good faith estimate of the value of those goods or services. When CASA receives cash in excess of \$75, or non-cash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which CASA receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by CASA is less than the value of cash or property provided by the donor). In such instances, CASA shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by CASA may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by CASA. IRS rules provide for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions. As such, CASA shall not provide receipts when it receives cash or property in excess of \$75 in any of the following circumstances:

1. The goods provided to the donor bear CASA name or logo and have an aggregate cost of \$7.60 or less;
2. The goods provided to the donor have a fair market value equal to no more than 2% of the contribution or \$76, whichever is less; or
3. The gift received by CASA resulted from the Organization's fundraising appeal that included articles worth no more than \$7.60, as well as a request for contributions and a statement that the recipient may keep the article even if a contribution is not made. The preceding thresholds are adjusted for inflation by the IRS on an annual basis.

Inflation adjustments subsequent to 2009 are incorporated into this policy manual by reference. All estimates of the fair market value of goods or services provided by CASA shall be prepared by the Treasurer with the help of the Finance Committee if necessary. It is the policy of CASA to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

## **CASH RECEIPTS**

### **Overview**

Cash (including checks payable to the organization) is the most liquid asset an organization has. Therefore, it is the objective of CASA 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 directly at CASA, cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

Mail is opened in the presence of the the Program Director and an additional staff member.

### **Endorsement of Checks**

It is the policy of CASA that all checks received that are payable to the Organization shall immediately be restrictively endorsed by the Program Director. The restrictive endorsement shall be a stamp that includes the following information:

1. For Deposit Only
2. The organization name
3. The bank name
4. The bank account number of the organization

### **Timeliness of Bank Deposits**

It is the policy of CASA that bank deposits will be made on a timely basis by an employee designated by the Treasurer that is not involved in the accounts receivable or accounts payable process.

## **POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS**

### **PURCHASING POLICIES AND PROCEDURES**

#### **Overview**

It is the policy of CASA 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 President and Program Director shall have the authority to initiate purchases on behalf of CASA, within the guidelines described in this policies manual. The Treasurer shall maintain a current list of all authorized purchasers of CASA. The Program Director shall be responsible for processing purchase orders. The Treasurer has approval authority over all purchases and contractual commitments as defined in this policy. The Treasurer shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

#### **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 CASA 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.

### **Use of Purchase Orders**

It is the policy of CASA to utilize a purchase order system. A properly completed purchase order shall be required for each purchase decision (i.e. total amount of goods and services purchased, not unit cost) in excess of \$500, with the exception of payroll transactions. A properly completed Purchase Order shall contain the following information, at a minimum:

1. Specifications or statement of services required
2. Vendor name, address, point of contact and phone number
3. Source of funding (if applicable)
4. Delivery or performance schedules
5. Delivery, packing and transportation requirements
6. Special conditions (if applicable)
7. Net price per unit, less discount, if any
8. Total amount of order
9. Authorized signature
10. Date PO prepared

Purchase orders shall be pre-numbered, kept in a secure area in the Financial Division, and issued upon request from an authorized purchaser.

All purchase orders shall be recorded in a purchase order log. At the end of each accounting period, an aged outstanding purchase order report shall be prepared and distributed to each purchasing representative and the Treasurer.

### **Authorizations and Purchasing Limits**

All completed purchase orders must be signed by the preparer and approved by the Program Director. Purchasing limits and primary and secondary signature requirements are as follows:

### **Vendor Files and Required Documentation**

Upon making the initial purchase from any vendor (regardless of whether a contract is involved), the Financial Division shall mail or E-mail a blank Form W-9 to that vendor, along with a request for the vendor to complete and sign the W-9 or provide equivalent, substitute information and return it by Email, fax or by mail. Completed, signed Forms

W-9 or substitute documentation shall be filed electronically in a W-9 folder. Vendors who do not return a completed, signed Form W-9 or provide equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on “Government Returns.” 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 program and Board of Directors 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 might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. Gifts to the Organization, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations.

### **Conflicts of Interest Prohibited**

No officer, board member, employee, or agent of CASA 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 CASA shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value of \$25 or less may be accepted.

### **Receipt and Acceptance of Goods**

The Program Director or a designated assistant 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
7. Remove the packing slip from each box/container
8. Compare the description and quantity of goods per the purchase order to the packing slip

9. Examine goods for physical damage
10. Count or weigh items, if appropriate
11. Record an indication of counts on the purchase order

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

## **TRAVEL AND BUSINESS ENTERTAINMENT**

### **Employee and Director Business Travel**

At the conclusion of a CASA business trip, an employee or member of the Board of Directors that has incurred business-related expenses should complete an Expense Report in accordance with the following policies:

1. Identify each separately incurred business expense (i.e. do not group all expenses associated with one trip together)
2. With the exception of tips, tolls, reimbursed mileage and meals and incidental per diem, all business expenses must be supported with invoices/receipts.
3. For all lodging and any expenditure other than meals, vendor receipts/invoices must be submitted. Credit card charge slips do not represent adequate supporting documentation – a hotel receipt must be obtained to substantiate all lodging expenditures.
4. For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
5. Mileage may be reimbursed at the standard federal rates currently in effect, as published each year by the IRS.
6. Meals and incidentals are reimbursed at the federal per diem rates currently in effect, as published each year by the IRS.
7. The business purpose of each trip must be adequately explained on each report.
8. Project/function codes must be identified for all expenditures.
9. For all meals and other business expenditures, the following must be clearly identified:
  - a. Names, titles, organizations, and business relationships of all persons entertained
  - b. The business purpose of the meal or other business event (topics discussed, etc.)
10. All expense reports must be signed and dated by the employee.
11. All expense reports must be approved by the employee's supervisor. In the case of the Program Director, the expense report shall be approved by the President or designee.
12. An employee will not be reimbursed for expense reports not meeting the preceding criteria.

### **Reasonableness of Travel Costs**

CASA shall reimburse travelers only for those business-related costs that are reasonably

incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed unless approved by the President; Travelers should stay in standard rooms
2. When utilizing rental cars, travelers should rent midsize or smaller vehicles; Share rental cars whenever possible
3. Business-related long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum; Expense reports should explain long-distance charges
4. Personal long-distance calls while away on business are reimbursable if kept to a minimum, such as one nightly call home to family; Personal calls in excess of this shall not be reimbursed
5. Whenever possible, travelers should utilize business mobile phone when placing calls while away on domestic travel; Avoid using the hotel's long-distance service if possible
6. Reasonable tips for baggage handling shall be reimbursed; No receipts are required

### **Special Rules Pertaining to Air Travel**

The following additional rules apply to air travel:

1. Air travel should be at coach class unless approved by the President; Business class travel may be approved for non-stop travel exceeding 8 hours
2. Memberships in airline flight clubs is not reimbursable
3. Cost of flight insurance is not reimbursable
4. When airfare is \$1,000 or more, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report
5. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons
6. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e. CASA will not reimburse for the personal legs of a trip)

### **Spouse/Partner Travel and Entertainment**

It is the policy of CASA not to reimburse any employee or board member for separate travel, meals or entertainment costs (meals, air fare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner or other travel companion for purposes of this policy.

## **CASH DISBURSEMENTS (CHECK-WRITING) POLICIES**

## **Check Preparation**

It is the policy of CASA to print vendor checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

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

1. Expenditures must be supported in conformity with the purchasing and accounts payable policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. 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
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked cabinet)
7. Checks shall never be made payable to “bearer” or “cash”
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

## **Check Signing**

It is the policy of CASA that each check shall be signed by two individuals. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks). Authorized check signers are as follows:

- Treasurer
- President
- Vice President
- Program Director

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

## **Mailing of Checks**

After dual signatures, checks are sent to the Program Director or designee, who then mails checks immediately.

## **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 with our financial institution's online banking software. A journal entry is made to record the stop payment and any related bank fees.

## **Record-Keeping Associated with Independent Contractors**

CASA 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.

## **PAYROLL AND RELATED POLICIES**

### **Classification of Workers as Independent Contractors or Employees**

It is the policy of CASA to consider all relevant facts and circumstances regarding the relationship between CASA 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 CASA 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
4. Facts associated with each of these categories that will be considered by CASA in making employee/contractor determinations shall include:
5. Behavioral control:
  - a. Instructions given by CASA to the worker that indicate control over the worker (suggesting an employee relationship), such as:
    - (1) When and where to work
    - (2) What tools or equipment to use
    - (3) What workers to hire or to assist with the work
    - (4) Where to purchase supplies and services
    - (5) What work must be performed by a specified individual
    - (6) What order or sequence to follow
  - b. Training provided by CASA to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
6. 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)

- b. The extent of the worker's investment in the facilities/assets used in performing services for CASA (greater investment associated with contractors)
  - c. The extent to which the worker makes services available to the relevant market
  - d. How CASA 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.
10. Type of Relationship:
- a. Written contracts describing the relationship that CASA and the individual intend to create
  - b. Whether CASA provides the worker with employee-type benefits, such as insurance, paid leave, etc.
11. The permanency of the relationship
- a. The extent to which services performed by the worker are a key aspect of the regular business of CASA
  - f. If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the CASA personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.
  - g. 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.
  - h. These guidelines for independent contractors allow us to maintain fair and equitable treatment of contractors while setting clear expectations for reporting, invoicing and expense reimbursement.
    - 1) It is assumed that CASA or a subsidiary of CASA is the primary client for all of our contractors. As such, additional client engagements should be disclosed and approved in advance by the President. Contractors should provide CASA or a subsidiary of CASA with a current list of all other clients and update the client list as changes occur.
    - 2) Work/projects that will result in billable hours must be pre-approved by the President.
    - 3) Invoices should include the date of service, a brief description of the work performed, hours worked per task, an hourly billing rate, and the total amount invoiced. CASA's Treasurer can provide a template for billing purposes if the contractor so desires.
    - 4) Contractors shall respond to internal and external inquiries in a timely and professional manner. External responses must be approved by the Director.
    - 5) CASA reserves the right to terminate the client/contractor relationship at any time without prior written notice unless otherwise governed by a formal executed contract.

## **Payroll Administration**

CASA operates on a semi-monthly payroll. For all CASA employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in CASA's Personnel Manual. The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

1. Resume, cover letter, reference page and/or letters
2. CASA's Employment Application
3. Position Description
4. Employment Agreement or Offer Letter (includes job title & starting salary)
5. Form I-9 Employment Eligibility Verification and applicable documentation
6. Policy Manual Acknowledgment Form
7. Form W-4 Employee Federal Withholding Certificate
8. Form K-4 State Withholding Certificate
9. Employees Certification of Residency Form
10. Copy of driver's license
11. Copy of Social Security card issued by the Social Security Administration
12. Starting date and scheduled hours
13. Authorization for direct deposit of paycheck, along with a voided check or deposit slip
14. Employee Confidentiality Agreement
15. Criminal Background check form
16. Staff emergency contact form

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.

### **Changes in Payroll Data**

It is the policy of CASA that all of the following changes in payroll data are to be documented in writing and signed by the employees' immediate supervisor:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized by the Board of Directors or Executive Committee. Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee. Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

### **Payroll Taxes**

The Treasurer, with the assistance of the finance committee, is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. It is the policy of CASA to obtain an updated Form W-4 and K-4 from each employee in January of each year. Withholding of federal and state income taxes shall be based on the most current Form W-4 and K-4 prepared by each employee.

### **Review of Payroll**

Upon preparation of payroll, the Treasurer reviews payroll prior to electronic processing .

## **CASH AND CASH MANAGEMENT**

### **Cash Accounts**

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

The primary operating account provides for routine business check disbursements. All cash deposits are made to this account. Cash transfers are done on an as needed basis to cover disbursements. Excess funds in this account are transferred into short-term investments or higher interest-bearing cash equivalents.

#### **Gaming Checking Account:**

The operating account for charitable gaming activities. Only income and expenses directly related to charitable gaming, as defined by the Kentucky Department of

Charitable Gaming. After reconciliation of the account, funds can be transferred into the General Checking Account to be used for non-gaming expenses.

### **Bank Reconciliations**

Bank account statements are received each month and are reviewed and initialed by the Director, then forwarded to the Treasurer. 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 President. After this review is complete, a reconciliation between the bank balance and general ledger balance is prepared by the Treasurer. It is the policy of CASA to complete the bank reconciliation process within one week of receipt of each bank statement. All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the President 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 following accounts are subject to reconciliation by the Treasurer and review by the President:

1. All Bank accounts with a financial institution
2. Paypal account for accepting online contributions
3. Petty Cash

## **FIXED ASSET MANAGEMENT**

### **Capitalization Policy**

Physical assets acquired with unit costs in excess of \$500 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.

### **Contributed Assets**

Assets with fair market values in excess of \$500 (per unit) that are contributed to CASA shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed. Capitalized contributed assets are accounted for at their market value at the time of donation 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
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by CASA. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Treasurer.

### **Depreciation and Useful Lives**

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 Financial Division in conjunction with the division 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:

- Automobiles 3 – 5 yrs
- Furniture and fixtures 7 yrs
- General office equipment 5 yrs
- Computer hardware and peripherals 3 yrs
- Computer software 2 yrs
- Leased assets life of lease
- Leasehold Improvements remaining lease term

Alternatively, at the direction of the Treasurer, 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. For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

### **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.

### **Write-Offs of Fixed Assets**

The Treasurer 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 Treasurer. If not located, this property will be written off the books with the proper notation specifying the reason.

## **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.

The basic financial statements of CASA that are maintained on 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 support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)
3. **Statement of Cash Flows** - reports the cash inflows and outflows of the organization in three categories: operating activities, investing activities, and financing activities
4. **Statement of Functional Expenses** – presents the expenses of the organization in both a natural, or objective, format and by function (i.e. which program or supporting service was served)

#### **Frequency of Preparation**

The objective of the Organization is to prepare accurate financial statements for management purposes and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A management set of financial statements shall be produced on a monthly basis, by the 15<sup>th</sup> of each

month. The management set of financial statements may be supplemented by the following schedules:

1. Individual statements of activities on a business unit and/or functional basis (and/or program/grant basis)
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

### **Review and Distribution**

All financial statements and supporting schedules shall be reviewed and approved by the Treasurer prior to being provided to the Finance Committee. Financial statements may include an additional supplemental schedule prepared or compiled by the Treasurer. The purpose of this schedule is to provide known explanations for material budget variances in accordance with CASA's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

### **Monthly Distribution**

On a monthly basis, a complete set of CASA financial statements and supplemental schedules shall be distributed to the entire Finance Committee.

Monthly financial statements distributed to the board shall include an additional supplemental schedule prepared or compiled by the Treasurer. The purpose of this schedule is to provide explanations for material budget variances in accordance with CASA's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

### **Annual Financial Statements**

The annual financial statements shall be presented to the full Board of Directors as soon as practical. Directors will vote to accept or reject the annual financial statements.

## **GOVERNMENT RETURNS**

### **Overview**

To legitimately conduct business, CASA 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 CASA include, but are not limited to, filing annual information returns with IRS, annual reporting of compensation paid, and payroll tax withholding tax returns.

### **Filing of Returns**

It is the policy of CASA to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Treasurer shall be responsible for identifying all filing requirements and assuring that CASA is in compliance with all such

requirements. It is also the policy of CASA to file complete and accurate returns with all authorities. CASA shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by CASA include, but are not limited to, the following returns:

**Form 990** - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for CASA 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.

**Form 990-T** - Annual tax return to report CASA's unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.

**Annual Report** - Filed with the State of Kentucky to report officers of the corporation. CASA's annual report is due August 31.

**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.

**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 calendar quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

**Form K-1** - Semi-monthly payroll tax return filed with State of Kentucky to report wages paid to employees and Kentucky income tax withheld. Form K-1 is due by the 10<sup>th</sup> and 25<sup>th</sup> day of each month.

**Form UI-3** - Quarterly unemployment tax return filed with the Kentucky Unemployment Insurance Fund to report wages paid and unemployment tax payable. Form UI-3 is due by the end of the month following the end of each calendar quarter.

**City Employee Withholding Form** - Monthly payroll tax return filed with the LFUCG to report wages paid and City tax withheld. The City Employee Withholding Form is due by the end of the month following the end of each month.

**Local Occupational Tax Return** - Quarterly payroll tax returns are filed with various local agencies to report wages paid and local tax withheld. These various occupational tax returns are due by the end of the month following the end of each calendar quarter. CASA's fiscal and tax year-end is June 30. All annual tax and information returns of CASA (Form 990, Form 990-T) are filed on the cash basis of reporting. Federal and all applicable state payroll tax returns are prepared by the Organization's Treasurer. It is the

policy of CASA to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each CASA employee.

### **Public Access to Information Returns**

Under regulations that became effective in 1999, CASA 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), excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
2. CASA's original application for recognition of its tax-exempt status Form 1023, filed with IRS, and all accompanying schedules and attachments.

It is the policy of CASA 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 CASA during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Treasurer shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. For all written requests for copies of forms received by CASA, the Organization shall require prepayment of all copying and shipping charges. For requests for copies that are received without pre-payment, CASA 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 CASA for providing copies of requested forms shall be \$0.10 for each page. All copies shall be shipped to requesters via UPS, FedEx, or Priority Mail, thus, shipping charges will vary based upon weight and mailing method.
4. After payment is received by CASA, all requested copies shall be shipped to requesters within a reasonable time frame. Making of all copies and shipping shall be the responsibility of the Treasurer.
5. CASA shall accept certified checks, money orders or personal checks as payment for copies of forms.

## **UNRELATED BUSINESS ACTIVITIES**

### **Identification and Classification**

It is the policy of CASA to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of CASA in order to facilitate tracking and accumulation of unrelated trade or business activities.

### **Reporting**

It is the Policy of CASA to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of CASA not to distribute copies of Form 990-T to anyone other than management of the Organization.

## **POLICIES RELATED TO FINANCIAL MANAGEMENT**

### **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**

It is the policy of CASA to prepare an annual budget on the cash basis of accounting. To prepare the Organization's budget, the Treasurer shall gather proposed budget information from all projects and prepare the first draft of the budget. The first draft will be sent to members of the Finance Committee and approved after appropriate revisions. The revised draft is then submitted to the Board of Directors for adoption. It is the policy of CASA to adopt a final budget at least 30 days before the beginning of the Organization's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Treasurer to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

#### **Monitoring Performance**

It is the intent of CASA to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced with a written explanation of all budget variances in excess of ten percent by the Treasurer and distributed to the members of the Finance Committee

#### **Budget Modifications**

After a budget has been approved by the Board of Directors and adopted by the Organization, reclassifications of budgeted expense amounts of less than \$200 may be made by the program director, with approval from the Treasurer. Reclassifications in excess of the preceding threshold, and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues shall be made only with approval of the Board of Directors.