

Organizational Fiscal Policies and Procedures

Suggested Table of Contents

Fiscal policies and procedures are intended to outline, in a user-friendly way, how Head Start organizations implement fiscal systems. The policies and procedures also describe day-to-day processes that ensure how the organization safeguards assets, checks the accuracy and reliability of its accounting data, and promotes efficient operations. The following list of broad topics should be covered within an organization's fiscal policies and procedures:

Contents

Organizational Structure

- Role of Governing Body
- Committee Structure
- Accounting Department Structure

Business Conduct

- Practice of Ethical Behavior
- Conflicts of Interest
- Fraud Risk Assessment, Monitoring, and Self-assessment
- Internal Controls
- Security

General Ledger and Chart of Accounts

- Accounts Overview
- Fiscal Year of Organization
- Journal Entries

Revenues and Cash Receipts

- Revenue Recognition
- Cash Receipts
- Billing/Invoicing
- Gift Acceptance
- Cash Management/Bank Reconciliations
- Accounts Receivable Management

Expenditures and Disbursements

- Procurement and Purchasing
- Charging Costs to Federal Awards (allowable/unallowable costs; reasonable, allowable, allocable criteria)

Functional Expense Allocation (direct vs. indirect, cost allocation)
Accounts Payable Management
Credit Cards
Cash Disbursement
Payroll
Leases

Budgeting

Development and Approval
Monitoring
Modifications and Revisions

Property and Inventory Management

Capitalization Policy
Inventory Control

Financial and Tax Reporting

Financial Statements (preparation, distribution, and review)
Federal Tax Return (IRS 990, 5500)
State and Local Property, Sales, Use, and Income Taxes
State Charity Registration
Funder reports (SF-425, payment management cash reconciliation)

Annual Audit

Selecting Auditor
Preparation of Audit
Audit Presentation

Insurances

Coverages

Record Retention

Policy and Exceptions

Investments

Objectives
Allowable Investments and Risk Tolerance
Monitoring and Reporting

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