

## 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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