

# FISCAL PRACTICES

In order to conduct business activities consistent with the mission of Spring Meadow Resources, it is necessary to maintain financial stability. All fiscal activities will follow generally accepted accounting practices and will meet all legal and contractual requirements. The agency will ensure that an audit of all financial transactions will be conducted annually by an independent party. The audit report will be reviewed annually by the Board of Directors.

## **Signature authority**

The corporation maintains the following signature authority:

1. Checks of \$5,000.00 or less are signed by the Executive Director. This amount may be exceeded in routinely occurring business activities that are part of normal operational expenses, such as insurance payments, retirement fund payments, and/or transfer of personal funds for persons served.
2. Checks of \$2,000.00 or less may be signed, in the absence of the Executive Director, by the Assistant Director or the CFO. Any amount greater than \$2,000.00 that is part of normal operation expenses (as listed above) requires the signatures of both the Assistant Director and the CFO. Any amount outside of normal operation expenses requires the signature of the Assistant Director or the CFO and the President or Treasurer of the Board of Directors.
3. Checks in excess of \$5,000.00 or loans approved by the Board of Directors require the Executive Director's signature and the signature of the President or Treasurer of the Board of Directors.
4. Checks must be signed using the above authority by a person other than the person preparing the check.

## **Social Security Payee Accounts:**

1. Checks are signed by the Group Home Manager/Resource Coordinator for their client caseload.
2. In the absense of the Group Home Manager/Resource Coordinator the CFO or Accounting Specialist will sign.

## **Debit Accounts:**

1. Debit cards are issued for the group home manager in each group home and for the day program manager. Debit card accounts have money deposited into them monthly for the grocery or habilitation needs of each program.

# FINANCIAL PLANNING AND DEVELOPMENT

In order for Spring Meadow Resources to effectively provide services, the corporation must operate with financial stability and integrity. To this end, financial planning will be done no less than annually and financial management will be ongoing with internal reviews conducted by the Executive Director no less than monthly.

The Board of Directors will review the financial status of the agency no less than quarterly, and will approve the projected budget annually.

# CASH MANAGEMENT

In order for Spring Meadow Resources to ensure a safe and accountable means of managing cash for the corporation and people receiving services, the following will occur:

1. All incoming checks will be logged daily and endorsed for the corporation by the Secretary/Receptionist. Incoming cash will be logged daily by the Secretary/Receptionist.
2. All money received by the agency will be deposited in the bank at least once every two weeks.
3. All funds will be disbursed by check only. Spring Meadow Resources requisition form must be completed and approved prior to checks being prepared. Exception: federal payroll taxes will be paid to the Internal Revenue Service through direct withdrawal from Spring Meadow Resources bank account.
4. A separate accounting will be kept for each person served for whom the corporation maintains personal funds. A monthly report of balance for each person will be generated and provided to those staff responsible for tracking this information.
5. All staff and Board of Directors who handle cash (including petty cash belonging to people receiving services), prepare checks, sign checks, and disburse checks will be bonded in the amount required by our contract with the Developmental Disabilities Program.
6. Food stamps for people living in congregate homes will be logged monthly by the office manager.

# PERSONAL FUNDS DISBURSEMENT

Spring Meadow Resources provides assistance to people in services to manage their personal finances. In order to ensure adequate records are maintained that document incomes and expenditures of all social security personal funds, this procedure will be followed. The same procedure may be used for documentation of earned income, if the IP team requires such documentation.

Spring Meadow Resources recognizes that some people receiving services will choose to take full responsibility for the control of their earned income. If a person wishes this to occur, the person's IP team must provide Spring Meadow Resources with a written statement of the person's wishes, and written IP team approval that this procedure may be modified. Written IP approval must include specific modification(s) and a date when the modification(s) will be reviewed.

1. SMR will issue Personal Needs or all payee accounts.
2. All payee accounts will be an interest bearing checking account. SMR will ensure that the total in all bank accounts remain below the \$2000 limit for Medicaid and SSI recipients.
3. All payee checking accounts will use duplicate checks. Duplicate checks are for the convenience of staff only and should not be used as a receipt or documentation of expenses.
4. Signatory authority for all payee accounts will be designated in the policy and procedure manual as approved by the board of directors.
5. Disbursement Forms will be used to record all transactions for payee accounts and earned income accounts in which staff assist the individual. The disbursement form will include:
  - a. Name of person, the name of the financial institution, and the account number.
  - b. Each transaction will be dated and a current balance will be maintained.
  - c. A detailed description of the transaction will be recorded.
    1. A description of the source of income and amount will be recorded.
    2. A description and cost of each purchase will be recorded.
  - d. In the earned income accounts, disbursements are required for all accounts staff assist with unless a variance is granted by the IP team. For purchases over \$10.00 from these accounts, a receipt will be maintained and attached to the disbursement form. Check stubs will be maintained for all individuals who receive payee services from SMR.
  - e. In payee accounts, documentation of income and a receipt/bill for each expense will be attached to the disbursement form. Checks for personal spending money should only be written for the amount on the annual budget sheet as approved by the IP team. A signed receipt from the individual or the cancelled check with the individual's signature on the back will be attached to the disbursement to act as a receipt. All expenditures need to have documentation attached.

- f. An annual budget sheet will be submitted to the fiscal department annually, following it's approval at the IP meeting.
  - g. In the earned income accounts, each person receiving cash for spending money will write a check to themselves, and personally cash the check. Their signature on the cancelled check will serve as a receipt that they received the cash. The staff assisting a person to obtain cash must sign their name on the memo line. If a person can not physically go to the bank, the staff person cashing the check will have the person sign a receipt that indicated that they received the cash.
  - h. It is not recommended that petty cash accounts be kept in the individual congregate homes. However, if petty cash is kept, it may be no more than \$25.00 per individual.
6. a. An inventory of personal possessions and clothing will be kept. Items costing \$75.00 or more will be recorded on the individual's inventory form.
    - b. Inventories will be updated annually, documenting disposal of items.
  7. Within 30 working days of the bank statement ending date, the location supervisor will sign and submit to their administrative supervisor :
    - a. The original disbursement form
    - b. The bank statement for the month correlating to the disbursement form.
    - c. Required receipts: Agency procedure for corrective action will be followed when receipts are missing.
    - d. Required check stubs or other income documentation
    - e. Balance disbursement form with check register
  8. The disbursement forms will be checked by the appropriate administrative supervisor.
  9. Any reconciliation discrepancies will be resolved with the location supervisor and/or with the assistance of the Administration Supervisor.
  10. All records will be maintained in the SMR office in individual files for each person served for seven fiscal years following the year of purchase.

# CONTRIBUTIONS AND DONATIONS

To ensure that contributors know the tax-exempt status of Spring Meadow Resources, Inc. and to establish safeguards, the following procedure will be followed.

When funds are received from a contributor, a cash receipt with our tax-exempt number will be sent to them for contributions over \$25.00

Contributors of material goods shall receive a written receipt stating the type of material contributed, the value, and our tax-exempt number. A copy of the receipt shall be given to CFO for proper inclusion of the contribution into the service location's active inventory.

A monthly accounting of contributions will be provided to the Executive Director.

# ACCOUNTS PAYABLE & PAYROLL

## Accounts Payable

Spring Meadow Resources will pay incoming bills on a weekly basis. Requisitions, receipts, or invoice must be included with all bills for documentation. If one is not attached, a written explanation must document the reason. We will follow the current FY (Fiscal Year) Budget justifications for distribution of expenses. Approval of bill payment will follow established agency procedures.

## Payroll

Approved time sheets will be turned into the Accounting Specialist according to the time lines set forth in the time sheet schedule that is prepared yearly. The Accounting Specialist, or designee, will calculate total hours to be paid to individuals from time sheets. Any time sheets not filled out correctly will be returned to the employee to be corrected. A verification of hours will be made by the employee's supervisor prior to authorization of payment. Any changes needed to employee's records will only be done with proper documentation. All necessary payroll authorization paper work required e.g., change in employment status, wage rates, insurance deductions, etc. need to be forwarded to the CFO the day prior to time sheet submittal date for these changes to be included in the next payroll.

## **FUNDS OF PERSONS RECEIVING SERVICES**

At the time a person enters services with Spring Meadow Resources, the Service Manager will work with the person's case manager to determine what financial benefits he/she will be eligible for. The Habilitation Technician II or Resource Coordinator is responsible for ensuring the financial interests of the individual are protected.

The Service Manager will inform the CFO of the person to receive services and will assist the accounting department to apply for SSI/Social Security and food stamps, as necessary. Those benefits due the individual will be documented on the face sheet of his/her file.

When Spring Meadow Resources serves as a person's payee, the accounting department will record the deposit of SSI/Social Security payments into the corporate payee account. Money will be accounted for individually. The accounting department will disperse money for personal needs monthly.

# PROGRAM BUDGET CATEGORIES

## DEFINITIONS AND PROCEDURES

### **Habilitation and program supplies** (all programs)

This includes items necessary to implement habilitation or support objectives for the people we serve. This includes reinforcers, materials to make checklists or game boards, training notebooks, chore boards, recreation and leisure activity planners, etc. This also covers the staff cost to accompany a person served to an outing that is specified on a support or training objective. This also includes house leisure activities that will be used by the people living in the home, e.g., board games, art supplies, etc.

These items must be requisitioned and approved according to the agency Requisition Procedure.

### **Entertainment** (all programs)

This money is used to cover costs when staff accompany people served on outings that are for entertainment and are not a training or support objective. A limited amount of money is available to assist a person served to participate in entertainment outings when they do not have adequate resources to pay their way. If a meal is replaced (at a restaurant) for the majority of people living in a congregate home, the cost of the meal for staff and persons served is billed to the service location grocery budget. If a meal is delivered to the home, the cost is also billed to the grocery budget.

These items must be requisitioned and approved according to the agency Requisition Procedure.

### **Training supplies** (all programs)

This money is used to cover expenses associated with employee training. This includes, but is not limited to, resource materials, workshop registration fees, reference books and materials, training curricula, etc. These items must be requisitioned and approved according to the agency Requisition Procedure.

### **Staff travel** (all programs)

This includes staff reimbursement for work related travel in an employee's personal vehicle. This also includes transportation costs, lodging and meals for staff traveling out of town to conduct work related business.

Employees submit a travel voucher to their supervisor monthly. The supervisor approves the expenses and submits the voucher to the accounting department. Travel checks are issued by the accounting department weekly.

### **Groceries and consumable supplies** (congregate homes only)

Each congregate home is expected to operate within an annual budget when purchasing groceries and household supplies. Procedures are outlined below.

#### **Groceries**

This money is intended to purchase all food consumed by people served living in the home and staff eating while on shift. Menus are developed by the Hab Tech II, the people served and the Health/Environmental Specialist. The menus are then reviewed to ensure nutritional meals are provided. Groceries are purchased according to the menus.

Each group home receives an annual dollar amount to purchase groceries.

The Office Manager tracks expenditures, pays grocery bills, and provides service location Hab Tech IIs information pertaining to the budget.

#### **Consumable supplies**

This money is intended to purchase consumable household supplies in a group home and is combined with the grocery account. Consumable supplies include, but are not limited to, toilet paper, light bulbs, laundry soap, spot remover, dish soap, hand soap, alarm batteries, charcoal, propane for BBQs, sewing notions, shoe polish, bird or fish food, etc.

Note: Cleaning supplies and paper towels for the dispensers are purchased in bulk by Spring Meadow Resources and are dispensed from Motor Home. Cleaning supply orders should be placed by phone with the Motor Home Hab Tech II.

Note: People receiving services buy their own personal toiletries and grooming supplies, i.e., shampoo, deodorant, toothpaste, toothbrush, etc.

### **Household supplies** (congregate home only)

Items that are household fixtures or appliances are not considered consumable supplies, i.e., lamps, microwaves, BBQs, towel racks, curtains, pictures., pots, pans, dishes, glassware, silverware, etc.

These items are NOT part of the group home grocery/consumable supply budget and must be requisitioned and approved according to the agency Requisition Procedure.

# REQUISITION OF SUPPLIES, MATERIALS AND EQUIPMENT

In order to meet its fiscal responsibilities and to provide adequate property management, the following requisition procedure has been established.

## PURCHASING AUTHORITY

- Cumulative and/or single item purchases exceeding \$5,000.00 require Board of Directors' approval, as stipulated in the Fiscal Practices Policy.
- Cumulative purchases and/or single item purchase exceeding \$500.00 require Executive Director approval.
- Cumulative and/or single item purchases exceeding \$100.00 required approval of the Assistant Director or Executive Director.
- Cumulative purchases and/or single item purchases exceeding \$25.00 require Habilitation Specialist or Assistant Director approval.
- Cumulative purchases and/or single item purchase not exceeding \$25.00 require Hab Tech II/Resource Coordinator and Hab Specialist approval.

### Exceptions:

Groceries and consumable supplies are budgeted annually for each group home. As long as a service area is operating within budget, the Hab Tech II can make purchases without further approval. A requisition form is not required to obtain a purchase order for food purchases or consumable supplies by the Hab Tech II. If the budget is overexpended, a requisition form needs to be submitted for approval to the Hab Specialist .

## THE REQUISITION FORM

- The completion, approval and accounting process requires that planning be accomplished. Allow two (2) to three (3) business days for the approval and accounting process to be completed.
- The requisition form is be completed in duplicate. Both parts are used in the accounting process.
- After the requisition form has been completed, submit it for approval as described in the Purchasing Authority sections above. The approved requisition form will be submitted by the approving person to the accounting department.
- One supplier per requisition form, please.
- All forms submitted incompletely or incorrectly will be returned to the service area for correction/completion before a purchase order or check will be issued.

### **Completing the form requires:**

*Legibility is a must!*

1. Requested by: Enter the name of the person completing the request. If a requisition is completed by a Hab Tech I or Hab Aide II, the requisition must contain the initials of the approving Hab Tech II or Resource Coordinator.
2. Service Area: The work site is listed here.
3. Date Needed: Enter the date you need the check or purchase order.
4. Date: Enter the date you are submitting the request.
5. Item Description: Enter the name of the item or a description that will describe the needed purchase, e.g., standing lamp, serving bowls, silverware service for ten people.
6. Quantity: Enter the number needed per item.
7. Price/Each: Enter the single unit price e.g. QTY-10 Price/Each \$.59.
8. Totals: Enter the total amount per item (example: if you want 10 widgets at \$.59 each, enter \$5.90.)
9. Approved By: Signatures as required under Purchasing Authority sections.
10. Budget Category: Enter the category of the budget this will be charged to, i.e., habilitation and program supplies, household supplies, client entertainment, etc.
11. Postage and Handling: Enter the necessary amount according to the catalog shipping requirement.
12. Total Cost: Enter the total amount of this purchase, by totaling all amounts in this column.
13. Supplier/Catalog: Enter the name of the business you expect to use to make the purchase or place a catalog order.

### **These areas will be completed by the accounting department.**

14. Check No: Date:  
Purchase Order # Date:  
By:
15. Received: Signature of staff person receiving the check or purchase order.  
Signature will occur when the purchase order or check is picked up from the accounting department.

## **Timelines for Purchase Order and/or Check Use**

- Any purchase order or check not picked up for use from accounting within five (5) days of the issue date will be voided.
- All purchase orders and/or checks must be used for the purpose indicated on the requisition.
- Purchase orders must be used in the calendar month issued, e.g.. all purchase orders issued in July must be used in July.
- After a purchase is made using a check or purchase order, documentation of the purchase must be submitted to the accounting department. Documentation includes the yellow copy of the requisition form and receipt. If the purchase was made with a purchase order, the yellow copy of the purchase order should also be included.
- Documentation of all purchases must be submitted to the accounting department by the fifth (5th) day of the month following the purchase.

# PROCUREMENT

In order to provide for the procurement of supplies, equipment and real property purchased with federal and state funds, Spring Meadow Resources establishes the following policy and procedures.

## **Conflict of Interest**

No employee, officer, or agent shall participate in the selection, award or administration of a procurement contract supported by federal funds, if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

The officers, employees, and agents of Spring Meadow Resources shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements.

Any employee, officer, or agent found in violation of this conflict of interest policy will be subject to disciplinary action up to and including suspension and/or termination.

## **Competition**

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

Spring Meadow Resources shall be alert to organizational conflict of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bid and/or requests for proposals shall be excluded, as far as practical, from competing for such procurements.

Awards shall be made to the bidder or offerer whose bid or offer is responsive to the solicitation and is most advantageous to Spring Meadow Resources. Price, quality and other factors will be considered. Solicitations shall clearly set forth all requirements the bidder or offerer shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in Spring Meadow Resources' interest to do so.

## **General Procurement Procedures**

Where appropriate, an analysis will be made of lease and purchase alternatives to determine the most economical and practical option. Preference will be given to goods and services produced in Montana.

Solicitations for goods and services will provide the following:

1. A clear and accurate description of the technical requirement for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
2. Requirements which the bidder/offerer must fulfill and all other factors to be used in evaluating bids or proposals.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics of minimum acceptable standards.
4. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.

“Cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods of contracting will not be used.

Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, record of past performance, financial and technical resources and accessibility to other necessary resources.

## **Cost and Price Analysis**

Spring Meadow Resources will make, where appropriate, a cost or price analysis in connection with every procurement action. This analysis will include a review and an evaluation to whether the procurement is reasonable, and allowable according to existing contract regulations. Review and evaluation will be completed by the person requesting the procurement, and approved in accordance with Spring Meadow Resources’ purchase requisition policy.

Cost and price analysis for items used by Spring Meadow Resources on a regular, ongoing basis, such as office supplies and stock professional supplies, will be conducted by the staff person responsible for purchasing and stocking those supplies at least annually. Analysis will include at least ten of the most used supplies, and compare costs from at least three suppliers. The decision on which supplier to use will be made based on factors which include cost, delivery service if needed, and availability. Documentation of this price analysis will be kept by the responsible staff person.

The Executive Director and/or the Accounting Department will be responsible for cost and price analysis for other procurement items, and items above the small purchase threshold of \$25,000. Documentation will be kept in a separate procurement file and include at a minimum, the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price.

### **Contract Provisions**

Each contract will include provisions to define a sound and complete agreement. Each contract and subcontract will also include the following:

- For contracts in excess of \$25, 000, provisions, or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
- For contracts in excess of \$25,000, provisions for termination by Spring Meadow Resources, including the manner in which termination will be effected, and the basis for settlement. Such contracts shall also describe conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- For contracts or subcontracts for construction or facility improvements less than \$25,000, the Spring Meadow Resources Board of Directors will decide if it wants a bid guarantee, performance bond or payment bond, on a contract by contract basis. For contracts or subcontracts in excess of \$25,000, the Spring Meadow Resources' Board of Directors will recommend a bonding requirement.
- All negotiated contracts will include a provision to the effect that Spring Meadow Resources or State or Federal representatives shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

All contracts awarded by Spring Meadow Resources, including small purchases, shall require compliance with applicable state and federal laws.

## **ACCOUNTS RECEIVABLE**

Spring Meadow Resources owns and manages numerous living facilities and directs living arrangements in those facilities. When Spring Meadow Resources is payee for the individual, payments for bills related to living expenses are withheld monthly from payments received through direct deposit. Other persons served and persons from the general public also rent living facilities from the agency. Rent on apartments are due without demand on the first of each month. Any account delinquent after the 15th of the month will be charged a late fee of \$25.00.



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