

CASA Child Advocates of Montgomery County



Governance and Financial Policies

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CONFLICT OF INTEREST POLICY

No director, staff member, volunteer or paid consultant of Child Advocates of Montgomery County, Inc. may participate in any decision-making process when said person or members of her or his immediate family, or any party, group or organization to which said person has allegiance, may have an interest that may be seen as competing with the interests or concerns of Child Advocates of Montgomery County, Inc. Furthermore, no board member, staff member, volunteer or paid consultant may have a direct or indirect financial interest in the assets, leases, business transactions or professional services of Child Advocates of Montgomery County, Inc.

Board and staff members must weigh carefully all circumstances in which there exists the possibility of accusations of competing interest. Board and staff shall make timely disclosure to the board of any possible conflict of interest and any and all relevant information pertaining to the possible conflict and may not participate in any decision-making process related to the matter in which there may be a conflict of interest. Further, board and staff shall excuse themselves from the room when there is any deliberation and decision on the matter of interest.

The minutes of the board and/or committee meetings shall reflect that the conflict of interest was disclosed and the interested person was not present during the deliberation and decision on the matter of interest. In the event of possible conflict of interest in a decision-making process at the staff level or volunteer level, the Executive Director shall report to the board in writing that the conflict of interest was disclosed and the interested person was not in the room and did not participate in the final deliberation and decision on the matter of interest. If a person involved with the conflict fails to disclose the conflict prior to becoming involved in the transaction or decision affected by the conflict, appropriate discipline or dismissal will be implemented.

Nepotism

In compliance with the Uniform Grant Management Standards (UGMS) and the Texas Government Code, Child Advocates of Montgomery County, Inc. will ensure that no officer, employee, or member of its governing body shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person.

Board Members Who Are Advocates

Board members who are also CASA Advocates shall not vote on personnel actions directly related to specific employees. This includes, but is not limited to, individual employee pay raises, individual employee evaluations and individual disciplinary actions. This prohibition does not include voting on general matters, including personnel policies, budgets or any other resolution, motion or action of the Board that may affect the staff, but are not directed at specific individuals.

Note: we are required by Texas CASA (for our grants) to have this specific policy about Board Members who are Advocates not voting on personnel actions. This is non-negotiable.

Signature and Date

Printed Name

BOARD, ADVISORY COUNCIL AND STAFF CONFIDENTIALITY POLICY

It is the policy of Child Advocates of Montgomery County, Inc. that the Board of Directors, Advisory Council and Staff of CASA may not disclose, divulge, or make accessible confidential information belonging to, or obtained through their affiliation with CASA to any person, including relatives, friends, and business and professional associates, other than to persons who have a legitimate need for such information and to whom Child Advocates of Montgomery County, Inc. has authorized disclosure. The Board, Advisory Council and Staff shall use confidential information solely for the purpose of performing services as a trustee, volunteer or Staff of CASA. This policy includes confidential child, Staff, Board, Advisory Council, Volunteer and Donor records. This policy is not intended to prevent disclosure where disclosure is required by law.

The Board, Advisory Council and Staff must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, and public transportation, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, Board, Advisory Council and Staff members should be sensitive to the risk of inadvertent disclosure and should for example, refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speaker phones to discuss confidential information if the conversation could be heard by unauthorized persons.

Confidential Child, Staff, Board, Advisory Council, Volunteer and Donor records will not be put on a thumb drive, or other media which is easily misplaced. Staff laptops will have a password that cannot be easily guessed. A copy of all passwords will be kept in central files administered by the Executive Director.

At the end of a Board, Advisory Council, or Staff members' term in office or upon termination of the relationship with Child Advocates of Montgomery County, Inc., he or she will return, at the request of CASA, all documents, papers, and other materials, regardless of medium, which may contain or be derived from confidential information, in his or her possession.



BOARD, ADVISORY COUNCIL AND STAFF REQUIREMENT TO NOTIFY OF CRIMINAL CHARGES POLICY

Board members, Advisory Council and Staff are required to immediately notify Child Advocates of Montgomery County of any charges of Class B misdemeanor or higher and of any criminal conviction.



WEAPONS POLICY

The possession of firearms, dangerous weapons or explosives on the property of Child Advocates of Montgomery County, Inc., or while engaged in the duties or functions as employee, volunteer or Board member of Child Advocate of Montgomery County, Inc. is prohibited.



DISSOLUTION OF ORGANIZATION AND DISPOSITION OF EQUIPMENT POLICY

Dissolution of Organization

Upon the dissolution of Child Advocates of Montgomery County, Inc., the Board of Directors, after paying or providing for payment of all liabilities, shall dispose of all the assets of Child Advocates of Montgomery County, Inc. exclusively as follows: to organizations qualified for one or more exempt purposes within the meaning of 501(c)(3) of the Internal Revenue Code (or corresponding provision of any future United States internal revenue law) i.e. Texas CASA. Any assets of Child Advocates of Montgomery County, Inc. not so disposed of shall be disposed of by the county court of the county in which the principal office of the organization is located (Montgomery). Exclusively for such purposes or to such organizations as said court shall determine, which are organized and operated exclusively for such purpose.

Disposition of Equipment

When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a federal or state agency, disposition of the equipment will be made as follows:

- (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency. Methods used to determine per-unit fair market value must be documented, kept on file and made available to the awarding agency upon request.
- (2) Items of equipment with a current per-unit fair market value of \$5,000 or more may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment. Methods used to determine per-unit fair market value must be documented, kept on file and made available to the awarding agency upon request.
- (3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.



GRADY SPIKES FUND POLICY

The Grady Spikes Fund is to help children represented by CASA advocates, or their caretakers, with one-time urgent financial needs which cannot be met elsewhere. The fund is not to be committed to use for continuing needs.

Use of the funds may include, but is not limited to the following: furniture, household items, food, clothing, utilities, medical, housing assistance, and children's extracurricular activities, e.g., uniforms, instruments, camps. Before using the Grady Spikes Fund, CASA will look for community resources focused on that particular area of need. Each request will be considered on a case-by-case basis.

Donors may make suggestions of use, however, such suggestions will be considered advisory rather than mandatory in nature. An Advocate/Supervisor who wish to suggest use of the Grady Spikes Fund will submit a request to the Program director and the Executive Director for approval. Gifts over \$1,000 will be approved by either the Chairman of the Board or the Treasurer.



RISK MANAGEMENT POLICY

BASIC POLICY STATEMENT

CASA Child Advocates of Montgomery County, Inc. strives at all times to operate in compliance with local, state, and federal laws and regulations.

CASA Child Advocates of Montgomery County, Inc. adheres to the protocols, policies and standards of Texas and National CASA Associations.

Safety and Risk Management activities are multi-faceted and include:

- Thorough screening, selection, and training of volunteers, staff, and board.
- Creating and enforcing policies, standards, guidelines and procedures
- Maintaining safe and secure facilities
- Establishing procedures to be followed in event of an emergency
- Purchasing Insurance coverage as a financing mechanism for certain risks, but recognizing that insurance is not a substitute for vigilance in planning and implementing a risk management program
- A Fidelity bond is maintained in an amount that covers the combined CVC/VOCA grants.

The Executive Director has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Exceptions to written policies may only be made with the prior approval of the Executive Committee of the Board of Directors. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years.

INVESTMENT POLICY

Prudent Man Rule:

The Board may vote at its discretion to allow other types of investments as long as the Prudent Man Rule is followed.

“Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Delegation of Responsibility

CASA Board Members have the fiduciary responsibility to establish goals and objectives as to the investment strategies, understanding that every asset of a charitable organization is held in trust.

External groups, investment managers, bank custodians and investment consultants will be advisors to the Board.

Determining Mix and Quality of Investments

The Board, in conjunction with appropriate consultants will determine the organization's Risk Tolerance and Risk Preference to assure compatibility with each other to provide for long-term continuity in the investment program. The Board will also establish an investment time horizon.

Investing Priorities

The Board has determined the following priorities:

- CASA Child Advocates of Montgomery County, Inc. will invest first in federally insured securities and will monitor these accounts to insure that the balance(s) do not exceed the limits insured by the FDIC or other federally guaranteed insurance program.
- CASA may invest in Certificates of Deposit and maturity dates will be staggered as necessary to insure that cash flow needs are met.
- CASA may hold equity securities that are donated by individuals or companies to CASA as contributions until it is determined by the Board Treasurer that such securities should be sold.

SAFEGUARDING ASSETS

- The Executive Director shall have the primary responsibility for insuring that proper financial management procedures are maintained and that the policies of the Board are carried out.
- The Finance Committee shall provide fiscal oversight in the safeguarding of the assets of the organization and shall have the primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all the financial records. Backup of computerized data will routinely be performed.
- Actual income and expenditures will be compared to the budget on a monthly basis.
- Bank statements will be promptly reconciled on a monthly basis by a person not performing bookkeeping duties and reviewed by the Board Treasurer. The Board of Directors will authorize all accounts and check-signers.
- Checks in excess of \$1,000 will require 2 signatures.
- Inventory records will contain description, serial numbers, date of purchase or receipt, valuation and the date of valuation.
- Appropriate insurance for all assets will be maintained.



FINANCIAL INTERNAL CONTROLS POLICY

BASIC POLICY STATEMENT

CASA Child Advocates of Montgomery County, Inc. is committed to responsible financial management. The Board of Directors, Executive Director and Staff will work together to make certain that all financial matters of the organization are addressed with care, integrity and in the best interests of CASA Child Advocates of Montgomery County, Inc. Board members, Staff and volunteers are prohibited from having direct or indirect financial interests in the assets leases, business transactions, or professional services of the program.

The Executive Director has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Exceptions to written policies may only be made with the prior approval of the Executive Committee of the Board. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years.

GENERAL

- The Board of Directors is responsible for authorizing all bank accounts and check signers.
- Separate Accounts are maintained for any restricted funds.
- Financial Institutions where CASA program accounts are located will be notified of any changes in check signers, following the transition of officers or changes in staff members who have check signing ability.
- Dual Signatures are required for all checks over \$1,000, usually including two of the following signatures; Board President, Vice President, Secretary, Treasurer, and Executive Director. Handwritten checks under \$1,000 may be written by the Executive Director.
- Financial Reports comparing actual versus budget expenditures and revenues will be presented to the Board of Directors for review on a monthly basis.
- The Board of Directors will be required to secure an independent audit annually.
- In addition to these Policies and Procedures, any other applicable financial and administrative guidelines relating to specific grants shall be followed.
- The Executive Director and Finance Committee are responsible for preparing the Annual Budget and will present to the Board for approval.
- CASA Child Advocates of Montgomery County's fiscal year will be November 1 through October 31.
- The Finance Committee will be required to provide semi-annual budget reviews and annual reviews of the adequacy of insurance coverage.

- Personnel with financial responsibilities will receive orientation to the bookkeeping system and retraining when system changes occur.

RECEIPTS AND REVENUES

- Revenues and Expenses will be recorded promptly and accurately.
- A filing system will be maintained including account records and receipts.
- All mail is opened with two people present.
- One copy of each receipt is kept under deposit file documentation.
- All checks are stamped with "Deposit only" stamp immediately upon receipt.
- All cash receipts are recorded on pre-numbered duplicate receipts.
- In compliance with the Fair and Accurate Credit Transaction Act and Privacy Laws, all credit transactions will be issued truncated receipts processed by Executive Director or designee.
- Only the Executive Director or designee will process credit card commitments.
- All credit transaction information will be kept in a locked, fireproof file on the premises of the organization.
- All written responses (including fax and email) to fundraising solicitations must be sent directly by the donor to the CASA office. The Executive Director or designee will be responsible for depositing checks, processing credit card information and preparing donor invoices, as requested. When copies of commitment forms or response cards are requested by a fundraising event committee, all credit card information must be blacked out before copies are distributed.
- When a fundraising event involves accepting cash, checks and/or credit card commitments the day of the event, a cashiering process must be agreed upon in advance between the event chairperson(s) and the Executive Director, with input from the Board Treasurer as appropriate. The designated Cashier for the event must document the source(s) of the revenues to coincide with event budget categories. At the close of the vent, only the Executive Director or his/her designee may leave the premises with collected cash/checks/credit card information.
- All incoming documents with credit information are required to remain in a locked, fireproof file until processed and then returned, until deemed disposable only by Privacy Policy guidelines.
- The financial services personnel will be responsible for preparing the documentation on receipts for deposits. Deposit slips will be initialed by the Executive Director and either the Bookkeeper or a designee. The Executive Director or designee will be responsible for making deposits.
- Copies of all receipts are given to financial service, who prepares the detailed cash listings to be posted to the general ledger.
- The listing is compared to the cash journal to ensure all postings equal amounts deposited.
- A copy of the deposit slip from the bank is compared and attached to the corresponding receipt copies and cash listing.

DISBURSEMENTS

- All disbursements are required to have the appropriate committee chair or Executive Director approval prior to purchase.
- The Executive Director has expenditure approval up to the limits set by the annual operating budget as approved by the Board.
- All invoices or requests for payments are required to be stamped with the date received.
- The Executive Director or designee approves check requests after reviewing supporting documentation.
- All disbursements except petty cash, are made by check or corporate credit card and are accompanied by substantiating documentation.
- All checks are pre-numbered and accounted for monthly.
- The checks are printed with two stubs:
 - The original is sent for payments
 - One stub is filed by vendor, by Executive Director or designee
- All voided checks must be defaced and retained with the check stub or with cancelled checks.
- Blank check stock will be maintained by the financial services personnel and the Executive Director in a secure, locked file.
- No checks may be written payable to “cash” or “bearer”.
- The financial service is responsible for invoices and check requests once they are marked “Paid”.
- Blank checks may never be signed in advance.
- Disbursements that require special approval of funding sources or the governing board must be properly documented.
- Employees must maintain and submit a detailed expense record, with supporting documentation, in order to be reimbursed for expenses.
- A Petty Cash Fund will be maintained.
 - The Executive Director will act as the custodian of the Petty Cash Fund.
 - Petty cash disbursements are limited to \$100.00 in amount.
 - Any advances from the Petty Cash Fund must be authorized by the Executive Director.
 - Any employee receiving petty cash must sign a cash voucher. The voucher must list the amount received, the purpose for which the cash is needed and the date received. In addition, receipts for goods and services purchased must be attached to the petty cash voucher.
 - The Executive Director must submit a check request for replenishment of the Petty Cash Fund to the financial service personnel. All petty cash vouchers must be attached to the check request as supporting documentation.
 - All checks for replenishment of the Petty Cash Fund must be made payable to the custodian of the petty cash fund.
 - Periodically, the Board Chair and/or Board Treasurer will make counts of the Petty Cash Fund.
 - The Petty Cash Fund will be kept in a fireproof box, located in a locked cabinet.

CAPITAL ASSETS

A capital asset is a piece of property that meets all of the following requirements:

1. The asset is tangible and complete.
2. The asset is used in the operation of the organization's activities.
3. The asset has a useful life longer than the current fiscal year.
4. The asset is of significant value.

Capital assets may be acquired through donations, purchase or may be self-constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value when purchased will be the initial cost plus the trade-in value of any old asset given up; plus all costs related to placing the asset into operation. The cost of self-constructed assets will include all costs of construction.

Expenditures for equipment or furnishings costing \$2,000.00 or more per item and have an estimated life of more than one year will be capitalized.

The "straight line" method of depreciation should be used to depreciate capital assets over the estimated useful lives of the assets.

When capital assets are sold or otherwise disposed of, the inventory of Capital Assets should be relieved of the cost of the asset and the associated accumulated depreciation. Assets will be removed on an annual basis. The appropriate depreciation will be taken for the year of the disposal.

RECONCILIATION

- Bank accounts must be reconciled on a monthly basis by the designated person who does not perform bookkeeping duties and reviewed by the Board Treasurer/Executive Director.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped and an entry made restoring such items to cash if appropriate.

CREDIT CARDS

CASA Child Advocates of Montgomery County will maintain a credit card account to accommodate purchases or goods and services for the organization.

The credit card will be held and maintained by the Executive Director. An additional credit card may be issued to additional members of the management staff at the discretion of the Executive Director with the agreement/signature of the Treasurer.

The credit card account has a total spending limit of \$15,000 and a single expenses limit of \$15,000. Changes in the limit on the account or limits on additional cards will be based on an agreement between the Executive Director and Treasurer.

The Executive Director may, at his/her discretion, let a staff member use the credit card out of the office to make a specific purchase. A receipt will be provided by the staff member immediately upon returning to the office and the credit card will be returned to the Executive Director. The Executive Director will keep a form to track when the credit card is issued to a staff member that includes the name of the staff member who is to use the card, the date the staff member used

the credit card and the reason the staff member needed the card. All staff members other than the Executive Director will have a total expense limit of \$3,000 unless approved by a Board member.

All credit card charges on the monthly statement will be supported with the original receipts received for the purchase.

The outside Bookkeeper, who does not have credit card authorization, will reconcile the monthly credit card statements to ensure all charges are properly recorded and supported by receipts.

If the monthly credit card statement is \$1,000 or over, a second signature will be required on the check to pay the credit card bill. The board officer who provides the second signature on the check (in addition to the Executive Director's signature) will review the credit card statement before signing the check, and will place their initial on the credit card statement to indicate their review of the statement.

The Treasurer will review and initial the monthly credit card statements.

PROCUREMENT

Any expenditure for services or equipment \$2,000 and greater will be bid out to 3 companies (or compared online if practical), in order to insure that CASA is getting the best possible price. The final decision may include factors other than price when appropriate. If a final decision for an expenditure over \$2,000 is not awarded to the lowest bidder, the decision will be approved by a Board member with check signature authority. The decision will be documented and filed with the financial records.



RECORDS RETENTION POLICY

From Texas CASA, based on Copyright 2004 National Council of Nonprofit Associations.

Type of Document	Minimum Requirement
Financial	
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts (still in effect)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Expense analyses/expense distribution schedules	7 years
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Payroll records and summaries	7 years
Tax returns and worksheets	Permanently
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years
Year End Financial Statements	Permanently

Human Resources	
Employment applications	3 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Timesheets	7 years
Volunteer Files	
Volunteer Applications	3 years
Volunteer files (former or terminated volunteers)	7 years
Case Files	
All case file documentation (supervisors and volunteers) for closed cases	7 years
Grant Files	
All VOCA files 3 years and CVC files 4 years after the grant term closing or resolution of all audit findings concerning either grant, whichever is longer.	

Grant Administration Records

CASA Child Advocates of Montgomery County will maintain an appropriate grant administrative system to ensure that grant records are retained in accordance with federal, state and other funding sources specified conditions.