

# PEOPLE'S PLACE II, INC.

## Cash Management Policy

Approved By: Board of Directors  
Review/Revision Date: 07/01/2008

### **I. PURPOSE**

To outline the standards and procedures by which the liquid assets of the agency will be managed.

### **II. POLICY STATEMENT**

The Board of Directors and designated staff will manage the assets of the agency in a manner designed to assure financial solvency, provide optimum returns and meet or exceed the standards of record keeping required by funding sources, auditors and state and federal government agencies.

### **III. APPLICATION**

This policy applies to all People's Place II, Inc. employees and board members.

### **IV. DEFINITIONS**

None.

### **V. STANDARDS**

- A. The Treasurer will provide oversight of the agency's finances as described in the Articles of Incorporation and the by-laws.
- B. The Executive Director will oversee the preparation of the annual budget for presentation to the Treasurer at the first board meeting of the fiscal year.
- C. Expenditures that fall within the approved budget will be authorized by the Executive Director or his/her designee as described in the purchasing policy.
- D. Expenditures that are outside the limits of the approved budget or exceed twenty-five thousand dollars (\$25,000.00) will require the approval of the Board of Directors.
- E. The Board of Directors will designate annually, by name and position, individuals who are authorized to sign negotiable instruments for the agency and individuals who are authorized to pledge the agency's credit.
- F. Checks in excess of five thousand dollars (\$5,000.00) will require two signatures. Checks in excess of twenty-five thousand dollars (\$25,000.00) will require the signature of a member of the Board of Directors.

- G. A durable item whose purchase price exceeds two thousand dollars (\$2,000.00) and has an expected life of over one (1) year will be capitalized and depreciated.
- H. Operating funds of the agency will be maintained in accounts at institutions that are federally insured and distributed as widely as is practical to maximize insurance protection.
- I. Cash assets in excess of required operating funds will be invested in instruments approved by the Board of Directors. The treasurer will review the prospectus of potential investment instruments and make recommendations to the full Board.
- J. Petty cash accounts will be maintained as required. Petty cash accounts will be reconciled monthly.
- K. The Director of Finance will develop and maintain an accounting manual that assures that all records are maintained according to generally accepted accounting principles and provide the information required for reporting and audit purposes.
- L. Financial statements will be prepared monthly which detail the agency's cash flow and cash position as of the end of the previous accounting cycle. Statements will be provided to the Treasurer and appropriate management staff.
- M. An independent audit will be obtained annually at the close of the fiscal year. The audit report will be reviewed and approved by the Board of Directors.

**VI. PROCEDURES**

Detailed in Purchasing Policy and Accounting Manual.

**VII. EXHIBIT**

- A. Cash Receipts

**Cash Receipts**

All staff and volunteers of People’s Place II, Inc. will use the following procedure when any funds (cash, checks, or money orders) are received.

| <i><b>Individual Responsible</b></i>              | <i><b>Action</b></i>   |
|---|--|
| Staff member/volunteer accepting cash from public | <ol style="list-style-type: none"> <li>1. Verifies the amount received against the amount due.</li> <li>2. Documents receipt in writing using a numbered, duplicate copy receipt book or other method of documentation approved by the agency auditors. Lists the payee’s name, service rendered, amount due and amount paid. Signs and dates the receipt.</li> <li>3. Places funds in an approved location with appropriate security until they are turned over to the program designee.</li> </ol>   |
| Program designee                                  | <ol style="list-style-type: none"> <li>1. Verifies the amount of money turned in against the agency copy of the receipts.</li> <li>2. Stamps checks and money orders “for deposit only” with agency account number. If donation, forwards copy of donation documentation to Public Relations Coordinator for acknowledgement. All donations require acknowledgement letters.</li> <li>3. Records the amount of payments in the individual client’s payment record as appropriate for the program.</li> <li>4. Forwards approved documentation and money to Director of Finance.</li> </ol> |
| Director of Finance/designee                      | <ol style="list-style-type: none"> <li>1. Verifies the amount of money against documentation provided.</li> <li>2. Logs amount on daily cash receipts form.</li> <li>3. Enters amounts as cash receipts in appropriate accounting software.</li> <li>4. Forwards money with other items for deposit to third administrative party.</li> </ol>  |
| Third administrative party                        | <ol style="list-style-type: none"> <li>1. Rechecks that cash and checks match with documentation.</li> <li>2. Forwards to Director of Finance.</li> </ol>  |
| Director of Finance                               | <ol style="list-style-type: none"> <li>1. Prepares deposit slip(s) and forwards to third administrative party for bank deposit.</li> </ol>   |