

Greater Opportunities for Broome and Chenango, Inc.

Fiscal Policies and Procedures Manual

APPROVALS

CFO

CEO

Finance Committee:

Board of Directors

INFORMANTS:

Policy Council

Accounting Staff:

All Staff Memo sent:

Copy in board room:

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INTRODUCTION

SECTION 1000

INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to Greater Opportunities, Inc. agency, which shall be referred to as “Greater Opportunities, Inc.” or “the Agency” throughout this manual.

Greater Opportunities, Inc. is incorporated in the state of New York. Greater Opportunities, Inc. is exempt from federal income taxes under IRC Section [501(c)(3)] as a nonprofit corporation. Greater Opportunities, Inc.’s tax-exempt mission is committed to supporting families and individuals to:

- Recognize their strengths
- Set realistic goals
- Make responsible choices
- Become successful, self-sufficient members of our community

This manual shall document the financial operations of the Agency. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Agency by the Board of Directors and Policy Council. All Greater Opportunities, Inc. staff is bound by the policies herein, and any deviation from established policy is prohibited.

The Agency allows an individual’s supervisor to give approval of certain actions/duties in an individual’s absence when the absent individual is included in a policy or procedure that requires an approval. For example, policies documenting approvals or reviews to be completed by the **CFO** can be performed by the **Senior Staff Accountant** in the **CFO’s** absence.

1001. Effective Date(s) of Accounting Policies (1/27/2021)

The effective date of all accounting policies described in this manual is January 27, 2021 a policy is added or modified subsequent to this date, the effective date of the new or revised policy will be indicated parenthetically immediately following the policy heading. Changes due to grammar correction will not be highlighted.

Revisions to this manual are presented to the Board of Directors. Revisions will be presented to the Director’s Advisory and Senior Leadership, who will in turn forward to their staff. Human Resources will distribute the current manual at orientations.

1002. Fiscal Year of Organization

Greater Opportunities Inc. shall operate on a fiscal year that begins on January 1st and ends on December 31. Any changes to the fiscal year of the Organization must be ratified by majority vote of Greater Opportunities, Inc.’s Board of Directors.

1003. Basis of Accounting

Greater Opportunities, Inc.’s year-end financial statements are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Consequently,

revenue, other than contributions, is recognized when earned and expenses are recognized when the obligation is incurred.

Accounting transactions will be processed and reports produced on **FundEZ** Accounting Software

1004. GLOSSARY OF TERMS

Program Director – used in this manual to designate the staff person responsible for the mentioned grant or project. The staff person may or may not have the word “Director” in their title.

GENERAL POLICIES **SECTION 2000**

AGENCY STRUCTURE

2001. The Role of the Board of Directors

Greater Opportunities, Inc. is governed by its Board of Directors, which is responsible for the oversight of the agency by:

1. Planning for the future
2. Approving board policies, including financial and personnel policies and procedures
3. Reviewing and approving the annual audit
4. Reviewing financial information
5. Assisting in interpreting the Organization’s mission to the public
6. Soliciting prospective contributors
7. Hiring, evaluating, and working with the CEO
8. Authorizing establishment of all bank accounts and check signers.

The CEO shall be responsible for the day-to-day oversight and management of the agency.

A board member can serve for 3 consecutive years and then must re-apply at the end of their 3rd year in order to be reappointed to the board.

2002. Committee Structure

The board of directors shall form committees in order to assist the board in fulfilling its responsibilities. These committees represent vehicles for parceling out the board’s work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board’s consideration. Standing board-level committees of Greater Opportunities, Inc. consist of the following:

1. Executive Committee
2. Finance Committee

Specific guidelines regarding the composition and election of the board of directors and committees are described in the Agency’s by-laws. However, roles of committees with direct responsibilities for the financial affairs of the Agency are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Periodically the Board of Directors will receive training on fiduciary responsibilities, focusing on regulations pertaining to the safeguarding of the federal funds.

2003. Finance Committee Responsibilities.

The Finance Committee is responsible for direction and oversight regarding the overall financial management of Greater Opportunities, Inc. The Finance Committee includes the Treasurer who is the “Chief Financial Officer” of the Governing Body. The Functions of the Finance Committee include:

1. Review and recommendation of the Agency’s annual budget (prepared by the CFO) for final approval by the full board
2. Long-term financial planning (more than one year)
3. Establishment of investment policy and monitoring investment performance
4. Evaluation and approval of facilities decisions (i.e. leasing, purchasing property)
5. Monitoring actual vs. budgeted financial performance
6. Oversight of reserve funds
7. Recommend external auditors to Board for approval
8. Review of internal controls and written policies (periodically)
9. Approve financial policies

The review of the Agency’s financial statements shall not be limited to the finance committee, but shall involve the entire board of directors.

2004. The Roles of the CEO and Staff

The Board of Directors hires the CEO, who reports directly to the Board of Directors. The CEO is responsible for hiring and evaluating department directors for each of the Agency’s departments. Each department director reports directly or indirectly to the CEO.

All staff has the authority to sign on behalf of staff they supervise when appropriate. Any position title identified with a task in this manual also refers to any assigned “backup” staff member.

Within each department, department directors are responsible for hiring, with approval from the CEO, employees to work in that department. All employees within a department shall report directly or indirectly to that department’s director, who shall be responsible for managing and evaluating directly or indirectly all employees within the department.

Cross training of responsibilities is encouraged to ensure continuity of business practices. All references to job titles within this manual also refer to the position’s backup when needed.

2005. Staff Communication

Staff communication to:

Board - As a matter of good practice, the Director’s Advisory and Senior Leadership may contact the Board on non-personal issues with the CEO’s permission. Also, please refer to Accounting and Financial Policies and Procedures Manual section 18, which addresses our Fraud Policy.

Funding Sources – All staff including the fiscal department are to inform the Program Director when they wish to contact a member of the Grantor/Funder’s office with the nature of the question or contact. This will keep the Program Director up to date with the grant.

Media – All staff is to contact the CEO in any matters concerning the media, before any action is taken with the media.

ACCOUNTING DEPARTMENT OVERVIEW
SECTION 2100

2101. Agency

The accounting department consists of 6 staff that manages and process financial information for Greater Opportunities, Inc. The positions comprising the accounting department of Greater Opportunities, Inc. are:

- Chief Financial Officer (CFO)
- Assurance Manager
- Senior Staff Accountant
- PO Agent/Staff Accountant
- Accounting Clerk (2)

Other officers and employees of Greater Opportunities, Inc. who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows:

- Chief Executive Officer (CEO)
- Treasurer – Board-Level (TR)
- Finance Committee
- Full Board of Directors
- Program Directors
- Human Resources Director (HR)
- Department Directors
- Executive Committee – Board level

2102. Department Responsibilities

The primary responsibilities of the accounting department consist of:

- General Ledger
- Budgeting
- Cash Management & Investment
- Asset Management
- Purchasing
- Accounts Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll
- Financial Statement Processing & Reporting to BOD, Service Area Leaders
- External Reporting of Financial Information
- Bank Reconciliation
- Reconciliation of Sub-Ledgers
- Compliance with Government Fiscal Reporting Requirements
- Financial Audits
- Grants and contracts – fiscal administration
- Leases
- Insurance

BUSINESS CONDUCT
SECTION 2200

2201. Practice of Ethical Behavior

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Greater Opportunities, Inc. depend to a very large extent on the following considerations.

Each employee & Board Member must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Greater Opportunities, Inc. policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Agency or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee & Board Member should be able to answer "yes" to all of these questions before taking action.

Each Director, Manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

No Board member, staff member, or corporate officer shall receive a benefit because of the agency doing business with a contractor.

Personal use of any corporate contractor accounts, credit cards, member cards or similar items is prohibited. This would include Greater Opportunities, Inc. used in the name of the account in any way. No one is to obtain personal- contractor accounts, credit cards, member cards or similar items with the inclusion of Greater Opportunities, Inc. as the holder, or listed in any way on the account. All business contractor accounts, credit cards and member cards are to be opened through the Purchaser.

Noncompliance to this policy can be terms for termination of employment.

2202. Conflicts of Interest

No employee, officer, Board member or agent of Greater Opportunities, Inc. shall participate solely in the selection, award, or administration of a contract involving Greater Opportunities, Inc. if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, agent, or any member of her or his 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. The officers, employees, and agents of Greater Opportunities, Inc. shall neither solicit nor accept gratuities of value over \$25, favors, or anything of monetary value from contractors, or parties to sub-agreements. If there is such a conflict, full disclosure must be made to the CEO, who must sign an authorization, and deem that the financial interest is not substantial. The HR Director will ensure that staff & Board Members discloses any conflicts of interest, and sign a Conflict of Interest Policy statement annually. The Board of Directors and Policy Council Members sign an annual conflict of interest disclosure. Refer to employee hand book.

Violations of this policy will be handled by the CEO, and may constitute termination.

2203. Anti-Nepotism Policy

Refer to Employee hand Book and each individual Board Book for the Policy

2204. Breach of Company Policy

The CEO will notify the Board of Directors of any breach of policy that is deemed appropriate.

2205. Compliance with Laws, Regulations and Agency Policies

Greater Opportunities, Inc. does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Agency tolerate the disregard or circumvention of Greater Opportunities, Inc. policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

1. An annual letter will be issued by the Fiscal office to all staff to inform staff they are to call the Fiscal office immediately if they are aware of any violation or fraud. In a case where it is believed the CFO is not in compliance, the CEO should be notified. If it is believed the CEO is not in compliance, a Board of Directors member should be notified. If required by Federal awarding agencies, Greater Opportunities, Inc. will notify those agencies in writing of any *potential* conflict of interest. (2 CFR Part 200.112, *Conflict of interest*)

2206. Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Agency or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Director, Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

2207. Whistleblower Protection

The agency will consider any reprisal against a reporting individual (staff member, volunteer, etc.) an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a Federal offense. (The preceding statement is a required element of the Sarbanes-Oxley Act of 2002.) This policy and the reporting procedure are included in the employee handbook.

FRAUD & RISK MANAGEMENT POLICY
SECTION 2300

2301. Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, contractors, consultants, contractors, funding sources and/or any other parties with a business relationship with Greater Opportunities, Inc. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with Greater Opportunities, Inc.

2302. Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the CFO, who will report the event immediately to the CEO. If the CFO is unavailable or the CFO is suspected of fraud, contact the CEO directly. If the CEO is suspected of fraud, contact a Board member. Also refer to Disciplinary Action regarding noncompliance with Laws, Regulations and Agency Policies.

2303. Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Greater Opportunities, Inc.
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of Greater Opportunities, Inc.
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, or persons providing goods or services to Greater Opportunities, Inc. (Material value is a value of over \$25.)
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

2304. Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the Program Director and the Human Resources Director.

If there is a question as to whether an action constitutes fraud, consult with the CEO or the CFO for guidance.

2305. Investigation Responsibilities

The Finance Committee, CEO and CFO have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The CEO may utilize whatever internal and/or external resources he considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the CEO will issue reports to appropriate designated personnel and, if appropriate, to the Greater Opportunities, Inc. Board of Directors and/or the Executive Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the Agency. It is the policy of Greater Opportunities, Inc. to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

2306. Confidentiality

The Finance Committee, CEO, Chief Financial Officer and Human Resources Director treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CFO/CEO immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Greater Opportunities, Inc. from potential civil liability.

2307. Authority for Investigation of Suspected Fraud

Members of the Greater Opportunities, Inc. Executive Committee will have:

1. Free and unrestricted access to all Greater Opportunities, Inc. records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody or any such items or facilities when it is within the scope of their investigations.

2308. Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Chief Financial Officer immediately who will notify the CEO. The employee or other complainant may remain anonymous.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Greater Opportunities, Inc. legal counsel or the CEO or Finance Committee.

2309. Risk Assessment & Management Agency

Management at Greater Opportunities, Inc. assesses risk for the Agency and the Program periodically. The CFO quarterly performs a risk assessment on the following components:

1. Receivables
2. Cash
3. The Accounting System
4. Accounts Payable
5. Personnel/ payroll
6. Internal Control Design
7. Overall Entity Information and Overall related risks- environment, regulatory, related parties, direct competitors, indirect competitors, accounting risks, Federal awards risks and other related risks.

The CFO will report overall findings at the regular management meetings. Any concerns will be discussed with the Fiscal Committee and the CEO. Review of each section and tests of each will be done quarterly to determine the internal control design is effective and it's being implemented effectively.

2310. Risk Assessment & Management Program

Management at Greater Opportunities, Inc. is responsible for assessing risk at each program level. Department Directors will determine the objectives of the funding, the strategies to reach the objectives and evaluate the results of all grants. This process is completed before the grant is accepted and when the grant is completed, as well as at times as deemed necessary during the grant. During weekly management meetings, programs risks will be discussed. If determined to be necessary, further risk assessment and management will be done on the specific program, including, but not limited to, departmental meetings, fiscal risk management, population assessments, and other assessments as deemed necessary. If the risks of the program/grant are determined to be unmanageable or a question of if the program risk can be managed is determined, then before beginning the program or grant, the fiscal committee will be informed and approval of the Board of Directors will be required.

For each grant, program directors perform their own risk assessments. The attached procedures per program are reviewed yearly to determine appropriateness and that all requirements are still applicable, as well as new requirements are noted.

The Agency will disclose, in a timely manner, in writing to Federal awarding agencies all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. *(200.113 Mandatory disclosures)*

SECURITY **SECTION 2400**

2401. Accounting Department

The accounting door shall be closed and locked in the evenings and whenever the Accounting Department is vacant. The key/combination to this lock will be provided to appropriate accounting personnel and the CEO. The lock will be changed at the discretion of the CFO when there is a turnover in accounting department staff.

The Greater Opportunities, Inc. corporate seal is locked in the Chief Financial office. The blank check stock shall be stored in a locked file cabinet in the Accounting Department. This cabinet will be locked with a key that is held by the Accounting Clerk. Access to this file cabinet shall be by keys in the possession of the Accounting Clerk, a Senior Staff Accountant and CFO.

Petty cash is stored in a combination locked cash box and kept in a fireproof combination safe in the Accounting Department. The only employees with the combination to this safe will be the CFO, Accounting Clerk, and Senior Staff Accountant.

2402. Access to Electronically Stored Accounting Data

It is the policy of Greater Opportunities, Inc. to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Greater Opportunities, Inc. has intrusion detection software installed. The emails and logs are reviewed by the I.T. security team on a daily basis.

2403. Storage of Back-Up Files and Sensitive Data

It is the policy of Greater Opportunities, Inc. to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by management. The files are backed up and stored electronically by an external provider.

In addition to accounting and financial data stored in the Accounting Department, other sensitive data, including protected personally identifiable information (PII) such as social security numbers of employees and/or clients may be stored in areas other than the Accounting Department. Locations of sensitive data include, but are not limited to:

1. Other Agency departments such as [programs, Human Resources, etc.]
2. Electronic or on-line storage

The Agency's policy is to minimize the storage of sensitive data outside the Accounting Department by shredding documents with such data or deleting the sensitive data from documents that are stored outside the Accounting Department as soon as possible.

2 CFR Part 200 defines "personally identifiable information"(PII) as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings."(2 CFR Part 200.79)

"Protected personally identifiable information" (PPII) is defined as "an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts."

Recipients are required to take as much reasonable effort as possible to limit access to PPII. (2 CFR Part 200.303(e))

2404. General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices of Greater Opportunities, Inc. Keys is issued only to employees of Greater Opportunities, Inc.

2405. Theft

When an employee discovers stolen or missing cash funds or property, the employee is to immediately notify the CFO and their Program Director. The CFO will then notify the CEO, and contact the Program Director.

Please note that this pertains both to cash and property of Greater Opportunities, Inc. and personal property. Greater Opportunities, Inc. is not responsible for personal property, but it would help us to determine if there is a pattern.

2406. Crisis Management

Under conditions of a crisis and employees are unable to get to work or work under normal conditions, the following will be followed:

Payroll processing –

Can be completed by Senior Accountant at home, and be called into Payco if needed. If unable to secure the funds with a normal draw, we can draw on the line of credit with verbal authorization from a line of credit signor to be followed up with appropriate paperwork.

Cash management –

Appropriate bank account signors may call NBT bank for verbal instructions, to be followed up with appropriate paperwork.

TECHNOLOGY AND ELECTRONIC COMMUNICATIONS **SECTION 2500**

2501. Purpose and Scope

The purpose of this policy is to identify guidelines for the use of Greater Opportunities, Inc. technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of the Agency's technologies and communications systems. The Policy, Information Technology & Security, is included in the employee hand book and is signed annually.

The term "user" as used in these policies refers to employees (whether full-time, part-time or limited-term), independent contractors, consultants, and any other user having authorized access to, and using any of, the Agency's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand-alone computers, laptops, printers, fax machines, phones, on-line services, E-mail

systems, bulletin board systems, and all software that is owned, licensed or operated by Greater Opportunities, Inc.

2502. Acceptable Use of Agency Property

Use of the Agency's computers and electronic communications technologies is for programmatic and business activities of Greater Opportunities, Inc. All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. Although incidental and occasional personal use of the Agency's communications systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts and knowledge described, documented or contained in the Agency's electronic systems are the intellectual property of Greater Opportunities, Inc. The copying or use of the Agency's intellectual property for personal use or benefit during or after employment (or period of contract) with Greater Opportunities, Inc. is prohibited unless approved in advance by the CEO.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc) issued by Greater Opportunities, Inc. is the property of the Agency and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report any problems with hardware to the IT Specialist.

2503. Password Security

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Supervisors will have access to employee's files in case of emergency. Users should not leave their computers unattended without logging off or locking their workstation. Staff may not enter another employee's area to use their computer, without supervisor permission.

2504. Confidentiality

All information about individuals or families served by Greater Opportunities, Inc. is confidential. No information may be shared with any person or Agency outside Greater Opportunities, Inc. without the prior written approval of the individual or family and the CEO. Also refer to Employee Personnel Handbook.

2505. Copyrighted Information

Use of Greater Opportunities, Inc. electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

2506. Installation of Software

The installation of new software on the computers of Greater Opportunities, Inc. without the prior approval of IT Specialist is prohibited. If an employee desires to install any new programs onto a Greater Opportunities, Inc. computer, written permission should first be obtained from the IT Specialist.

2507. Other Prohibited Uses

Other prohibited uses of the Agency's communication systems include, but are not limited to:

1. Engaging in any communication that is discriminatory, defamatory, pornographic, obscene, racist, sexist or that evidences religious bias, or is otherwise of a derogatory nature toward any specific person, or toward any race, nationality, gender, marital status, sexual orientation, religion, disability, physical characteristic, or age group.
2. Browsing or downloading and/or forwarding and/or printing pornographic, profane, discriminatory, threatening or otherwise offensive material from any source including, but not limited to, the Internet.
3. Engaging in any communication that is in violation of federal, state or local laws.
4. Proselytizing or promoting any religious belief or tenet.
5. Campaigning for or against any candidate for political office or any ballot proposal or issue.
6. Sending, forwarding, redistributing or replying to "chain letters."
7. Unauthorized use of passwords to gain access to another user's information or communications on Greater Opportunities, Inc. systems or elsewhere.
8. Advertising, solicitation or other commercial, non-programmatic use.
9. Knowingly introducing a computer virus into the Agency's communication system or otherwise knowingly causing damage to the Agency's systems.
10. Using the Agency's systems in a manner that interferes with normal business functions in any way, including but not limited to, stock tickers, installing unauthorized software, etc.
11. Excessive personal use of the Agency's technologies that preempts any business activity or interferes with Agency productivity.
12. Sending E-mail messages under an assumed name or obscuring the origin of an E-mail message sent or received.

2508. Disciplinary Action for Violations

Greater Opportunities, Inc. requires all users to adhere to this policy. Violations of this policy will result in disciplinary action, which could include termination of employment or cancellation of contracts.

2509. Reporting of Suspected Violations

Suspected violations of these policies should be immediately and confidentially reported to your immediate supervisor. If you prefer not to discuss it with your supervisor, you may contact the CEO or IT Specialist.

Greater Opportunities, Inc. reserves the right to install programs that monitor employee use of the Internet and electronic communication systems and to act on any violations of these policies found through use of such programs. Greater Opportunities, Inc. further reserves the right to examine any and all electronic communications sent or received by employees via the Agency's electronic communications systems.

GENERAL LEDGER AND CHART OF ACCOUNTS **SECTION 2600**

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of Greater Opportunities, Inc., and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

2601. Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for Greater Opportunities, Inc.'s accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.

Greater Opportunities, Inc.'s chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses

Each account number shall be in the following format:

XXXXX-XXXXXX-XXXXXX-XXXX

The first five digits represent the account number.

The second six digits represent the program (Can be represented by 2 to 6 digits).

The third six digits represent the funder (Can be 2 to 6 digits – represented with letters, representing various funding sources).

The last four digits represent the location (Can be 2 to 4 digits, represented with letters used for location (Head Start Centers)).

2602. Distribution of Chart of Accounts

All Greater Opportunities, Inc. employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals.

2603. Control of Chart of Accounts

Greater Opportunities, Inc.'s chart of accounts is monitored and controlled by the CFO.

Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the CFO or Senior Staff Accountant, who ensures that the chart of accounts is consistent with the Agency structure of Greater Opportunities, Inc. and meets the needs of each division and department.

2604. Account Definitions

General Ledger

Account Range

10000 - 19999

Category

Assets

Definition

Assets are probable future economic benefits obtained or controlled by the Agency as a result of past transactions or events. Assets of Greater Opportunities, Inc. are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, receivables, and inventories that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the Agency and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, prepaid accounts, property and long-term investments.

20000 – 29999 **Liabilities**

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the Agency to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of Greater Opportunities, Inc. are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

30000 - 39999 **Net Assets**

Net Assets is the difference between total assets and total liabilities. See the next section for Greater Opportunities, Inc.'s policies on classifying net assets.

40000 – 49999 **Revenues**

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an Agency's ongoing major or central operations. Revenues of Greater Opportunities, Inc. include grant revenues, service fee income, fundraising, rental income and direct contributions.

50000 - 99999 **Expenses**

Expenses are outflows or other using up of assets or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute Greater Opportunities, Inc.'s ongoing major or central operations.

2605. Classification of Net Assets

Net assets of the Agency shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Net Assets w/o Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be satisfied through the actions of the Agency and/or the passage of time.

Property Net Assets- Fund Balance of property. Item is a form of unrestricted net assets.

Net assets accumulated by Greater Opportunities, Inc. that are not subject to donor-imposed restrictions, but which the Board of Directors of the Agency has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

2606. Changes to the Chart of Accounts

Additions to, deletions from, or any other changes to Greater Opportunities, Inc.'s standard chart of accounts shall only be done with the approval of the CFO.

2607. Fiscal Year of Agency

Greater Opportunities, Inc. shall operate on a fiscal year that begins on January 1st and ends on December 31st. Any changes to the fiscal year of the Agency must be ratified by majority vote of Greater Opportunities, Inc.'s Board of Directors.

2608. Accounting Estimates

The Agency utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment
2. Fair market value of donated assets
3. Values of contributed services
4. Joint cost allocations
5. Allocations of certain indirect costs
6. Allocations of time/salaries

2609. Journal Entries

All general ledgers entries that do not originate from a subsidiary ledger shall be supported by a journal entry and or cover sheet, all supporting documentation that describes the journal entry and the journal entry batch validation and post reports from the accounting software system. All journal entries should be signed by the originator and approved by the CFO. Journal entries written by the CFO will be reviewed by the CEO. All journal entries will be stored in numerical order in a central location in the accounting department. Access to journal entries is limited to accounting department staff.

2610. Documentation of monthly posting procedures (to ensure items posted timely and correctly)

Monthly posting procedures are to ensure that items are posted to the correct general ledger accounts timely and accurately.

Accounts Payable We post the payable and payments immediately upon issuance of the checks.

Cash Receipts & Wire We have normally a minimum of 2 deposits per week –

Housing deposits for rent and security are prepared weekly, based on what is deemed necessary, but recorded as they come in, into QuickBooks. The deposits are held in a locked safe in the Fiscal Office.

The journal entries are prepared daily, and posted into the general ledger in a timely manner. A few days delay may occur for posting if there is a question concerning the deposit or transfer. For example, the wire draw for Head Start/Early Head Start is posted after the payroll journal entry is posted. However, all entries are posted in the current month.

Payroll We receive the Payco reports, and post a journal entry taken from the Payco reports and incorporate into an excel spreadsheet to allocate the charges. This entry is made within days of the payroll, within the current month.

Adjusting Journal Entries Adjusting journal entries are prepared by Fiscal Department and immediately posted. All journal entries are reviewed and signed by the CFO or CEO. If the journal entry is prepared by the CFO, it is reviewed by the CEO.

All journal entries and adjusting journal entries must have adequate supporting documentation attached to enable the reader to understand the reason for the entry.

2611. Account Reconciliations

All balance sheet accounts are to be reconciled by the Senior Staff Accountant and the Staff Accountant. Reconciliations are submitted to the CFO for review and approval, and then filed in accounting on the F: //drive by month. Major accounts such as operating cash, accounts payable and major asset and liability accounts will be reviewed by the CFO before the current month general ledger is closed.

The reconciliation of grant receivables, deferred revenue and revenue are completed simultaneously. The reconciliations are to be tied to the vouchers as appropriate (example – some grants pay set amounts each month). The CFO is to review and sign all vouchers.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS SECTION 3000

3001. Revenue Recognition Policies

Greater Opportunities, Inc. receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of Greater Opportunities, Inc. in the following manner:

1. Grant income – Recorded according to the grant requirements. This includes cash basis (accruals recorded at year end in another project), accrual basis, fixed price, unit-of-service, and other types.
2. In-Kind Contributions or Non-Federal Share – Recognized as income when received.
3. Program Income – Defined as gross income generated by a supported activity or earned as a result of an award, and is recognized as a reduction in expenditures or a revenue in the period in which it is received.
4. Rent income - Recognized as income when received. (Accruals recorded at the end of the month for nonpayment)
5. Contributions - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the CFO.

CONTRIBUTIONS RECEIVED SECTION 3100

3101. Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution - An unconditional transfer of cash or other assets to the Agency, or a settlement or cancellation of the Agency's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Agency or releases the promisor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Agency, the environment in which it operates, and the purposes specified in Greater Opportunities, Inc.'s articles of incorporation and bylaws. Restrictions on Greater Opportunities, Inc.'s use of an asset may be temporary or permanent.

3102. Accounting for Contributions

Greater Opportunities, Inc. shall recognize contribution income in the period in which the Agency receives restricted or unrestricted assets. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, Greater Opportunities, Inc. shall record contribution income and assets or expenses (inkind) if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service is the type of service that would typically need to be purchased by Greater Opportunities, Inc. if it had not been contributed,

Examples of contributed services received and recorded as income and expense by Greater Opportunities, Inc. include volunteer hours, supplies, buildings and space rented to Greater Opportunities, Inc. at a rate below the FMV rental rate. (The donated portion is the difference between the FMV and the agreed rental amount.)

Contributed services that meet the preceding criteria shall be recorded at the fair market value of the service rendered. As an example, if a physician donates his/her time in their medical capacity, we can use their professional rate. If the same physician donates time to paint a hallway, the rate would be minimum wage.

Greater Opportunities Wage Scale for Use of Volunteer Time

Broome County Rates for In-Kind*	
Professionals	\$80.00/hr.
Policy Council	\$30.00/hr.
Therapists	\$80.00/hr.
Volunteers – Parents/Grandparents	\$13.75/hr.
Volunteers - Janitorial/cleaners	\$13.75hr.
Volunteers – Food distributors	\$13.75/hr.

Chenango County Rates for In-Kind*	
Professionals	\$41.21/hr.
Policy Council/Committee Meetings/CPSE Meetings Professional	\$30.00/hr.
Therapists-Speech/Lang, OT,PT	\$189.00/hr.
Volunteers – Parents	\$14.00/hr.

*Based on prevailing wages in the area

Greater Opportunities, Inc. uses sign-in sheets (times sheets) to document hours contributed to the program. These time sheets follow the same standards of documentation as employee time and attendance records. The sign-in sheets include the following:

- Volunteer's name
- The dates, including year, the volunteer provided services
- The duration of time of services the volunteer provided to the program
- The volunteer's supervisor's signature
- The volunteer's signature
- The volunteer activity
- The rate applied to this activity
- Total valuation for the time period

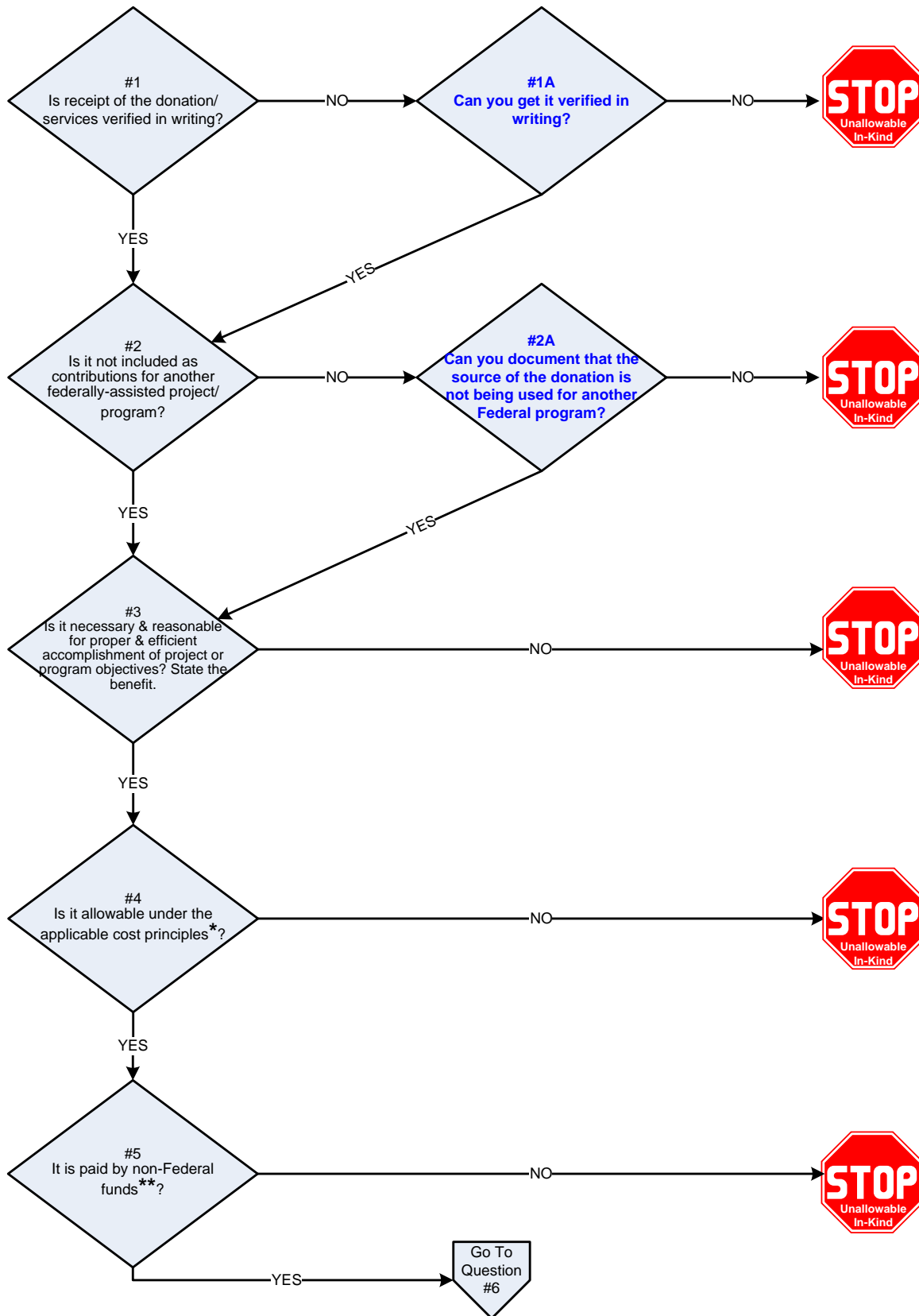
The sign-in sheets are turned in at the end of each month.

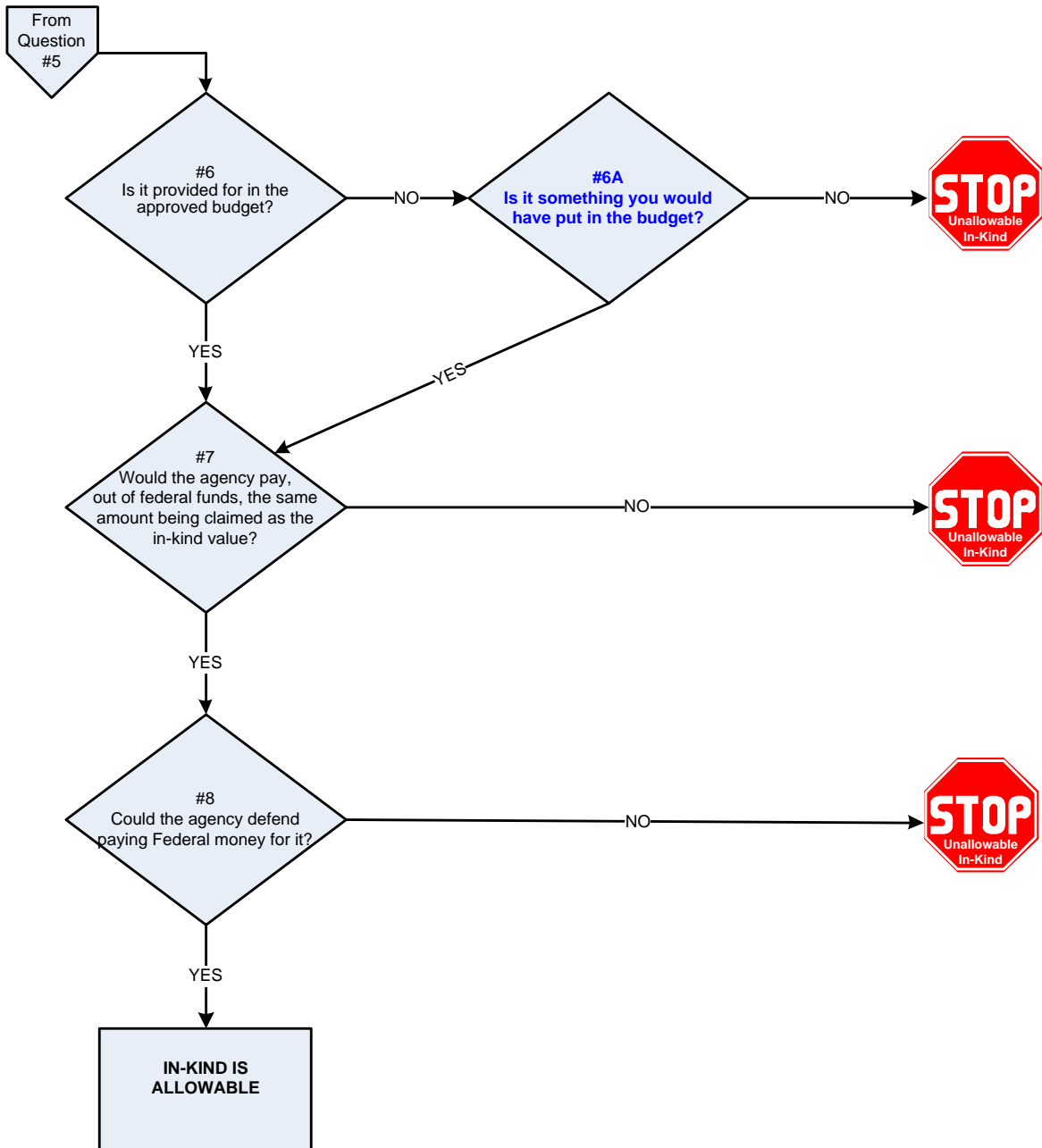
3103. Cost Sharing and Matching (In-Kind) Contributions

We will use a standard method of recording the following types of In-Kind throughout the company. Any In-Kind donation must be approved by the grant. Please note that not everything that donor's want to contribute can be used as In-Kind. One benchmark of whether an item/event is reportable as In-Kind is if Greater Opportunities, Inc. would pay the In-Kind amount to purchase the item or event and that if purchased it would be allowable under the grant. For In-Kind to be acceptable, the following must be met:

- Are verifiable from records
- Are not included as contributions for any other federally-assisted project or program
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowable under the applicable cost principles, 2 CFR Part 200 Subpart E, Cost Principles.
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching
- They are provided for in approved budget when required by the federal awarding agency.
- They conform to all provisions of federal administrative regulations, 2 CFR Part 200 Subpart D, Post Federal Awards Requirements.
- In the case of donated space, (or donated use of space), the space is subject to an independent appraisal performed by a certified appraiser as defined by 2 CFR Part 200.306(i)1) to establish its value.

3104. In-kind Allowability Flowchart





* **2 CFR Part 200** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

** Except where authorized by Federal statute to be used for cost sharing or matching:

Determinations have been made on a case-by-case basis on whether Federal funds from other programs are allowable match for an ACF program. These determinations are based on specific requirements of ACF programs and language in applicable statutes. Specifically:

1. USDA funds are of Federal origin and, therefore, cannot be counted as match.
2. Bureau of Indian Affairs - Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended). The Act authorizes the use of funds for matching purposes as long as the identified use is specifically related to the approved grant activities.
3. Title XX Social Services Block Grant funds are considered to be Federal funds and, therefore, may not be used as match for ACF programs.
4. Expenditure of funds from the Housing and Community Development Act of 1974, P.L. 93-383 may count as allowable match for a Head Start program for renovation of a building. The determination is dependent on whether or not the Head Start grant is included as part of the "Community Development Program," as required by the Housing and Community Development Act. (Grants Administration Manual, Section 3.05.408(b)(1-4))

3105. Type of In-Kind:

- Space
- Volunteer Time and Services – Non-Professional & Professional
- Dental Services
- Items Donated
- Universal Pre-K
- Handicapped Children’s Association
- Welfare to Work
- Low Income Rental Revenue

Space

Space In-Kind will be booked into the general ledger monthly via a journal entry. The support for the journal entry will be valued at the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality. The In-Kind space will be recorded in the current month (for example, April In-Kind space will be booked in April). Space In-Kind should be written into the grant whenever possible. The journal entries will be prepared by the Accounting Clerk, and reviewed by the CFO.

Volunteer Time

We use a form “Volunteer Time Sheet” to be completed and signed by the volunteer. Volunteer indicates hours by day under the appropriate column, and adds to the Grand Total. The volunteer should reflect the time to the closest ¼ hour. Different types of work will be valued at different rates. Use the “Volunteer/In-Kind Hourly Rates” sheet prepared by Human Resources to determine the hourly rate. If the type of work is not included on the “Volunteer/In-Kind Hourly Rates” we must record the rate at the going market rate, which can be the volunteer’s rate in the market place.

Greater Opportunities, Inc. requires volunteers to document and account for their contributed time in a manner similar to the timekeeping system followed by employees. Each program that uses volunteers will provide the volunteers a sign-in sheet which collects the following information:

- Date service was performed
- Volunteer name and address
- Hours donated (time in and out)
- Service provided
- Signature of volunteer

The Greater Opportunities, Inc. representative will forward the completed items to the accounting office:

The Greater Opportunities, Inc. program representative is responsible that all forms are completed correctly. The Accounting Clerk is responsible to add the totals from the individual forms and verify the hours. If there are discrepancies in the sheets the Accounting Clerk will send the form to the Program Manager to be corrected immediately, and then returned to accounting to enter into the general ledger.

Items Donated

The staff person or volunteer at each site taking donated items will have the following:

- Notebook with instructions for documenting the donated items
- Copy of Salvation Army donated items value list

- Supply of “Receipt for Donated Goods” form

A donor will bring the items to be donated to the location or site. The “Receipt for Donated Goods” form is to be completed as follows:

- Donor (person bringing in items) completes the Donor Name/Address and Date. Not required if the donor does not wish to indicate.
- Donor signs the form at the bottom (not required).
- The Greater Opportunities, Inc. representative gives a copy to the Donor. It is the Donor’s responsibility to complete their values for income tax purposes. Do not complete the condition or value for our purposes until after giving the Donor their copy. Greater Opportunities, Inc. is not to value the items for the Donor’s benefit.
- The Greater Opportunities, Inc. representative lists items under Description of Articles and condition (have Donor help complete if Donor is willing – not required that Donor complete). The Greater Opportunities, Inc. representative must be sure it is a list (cannot have “bag of clothes”). List each item separately, with a condition value – poor, good, excellent.

The Greater Opportunities, Inc. representative uses the Salvation Army guide to value the items based on condition. The value must be within the Salvation Army guide. If an item is not listed in the Salvation Army guide, use best judgment (based on guide’s value of similar items). Value the items based on condition between the low value and high value. You can list like items is same condition on one line. In addition, there might be occasions where the internet will be a reference for valuing items that are not listed on the Salvation Army Guide. Print and attach a copy from internet to the “Receipt for Donated Goods” form for Fiscal Office.

If an item is brand new, never been used, it can have a value of the purchase price if one of the following exists. In this case, the Salvation Army guide will not be used. If you have any questions, please call the CFO at 723-6493.

- The tags indicating the purchase price are still on the item – the program representative is to take a photo copy of the item showing the tag affixed to it and attach to the “Receipt for Donated Goods”
- The donor is a retail store, and gives written evidence of the price
- If a staff member has received the goods and removed the affixed tags, the Director must submit a letter indicating they removed the tags, and the items are new. This may occur when we are given a large shipment of new items from a retail store.
- Greater Opportunities, Inc. representative signs the line “Program representative signature” on the “Receipt of Donated Goods” form
- Greater Opportunities, Inc. Program Manager or designee ensures all information is correct (including values used), and signs the “Receipt Donated Goods” form.
- Program Manager/Designee must indicate how these items will be used – for example, Housing, Head Start etc.
- The Program Manager/Designee retains a file for their copies.
- The Program Manager/Designee sends the “Receipt for Donated Goods” to the Fiscal Department by the 10th of the subsequent month attached to all backup.
- Accounting will ensure the “Receipt for Donated Goods” form does reflect the correct total and has the correct forms attached. Accounting will also test check the “Receipt of Donated Goods” forms for accuracy. Accounting will prepare a journal entry for each location for the items donated each month.
- It is the Program Manager/Designee’s responsibility to ensure the sites have an adequate supply of “Receipt of Donated Goods” forms on hand. The Accounting Clerk can provide additional forms.

The accounting clerk will keep a spreadsheet indicating the type of In-Kind and the dollar amount as back up to the journal entry for each month.

An item cannot be processed as In-Kind for a grant if it is not something Greater Opportunities, Inc. would buy for the grant. If there is any question as to whether or not an item is allowable, please contact the Program Director. Written authorization is required for any In-Kind that does not normally qualify under the grant. If the item or service is written into the grant, and the grant is approved as is, this satisfies the written requirement.

Head Start/Early Head Start does not accept clothing, other than for dramatic play. Therefore, if a donor brings clothing to a Head Start site, do not accept the clothing, but refer them to a Family Resource Center to deliver the clothing. This will ensure Head Start/Early Head Start personnel are not involved in Family Resource Center activity, and the families we serve will become acquainted with all that Greater Opportunities, Inc. offers.

Some examples of acceptable items might be (depending on the individual grant):

- Clothing (not allowed on Head Start unless for dramatic play)
- Food
- Educational items/Books/Computer items
- Toys for children
- Furniture/Kitchen Items

Some examples of unacceptable items are:

- Cosmetics
- Garden items
- Knick Knacks (figurines)
- Jewelry

In-Kind reports are the responsibility of the Program Manager.

The Accounting Department shall provide a letter to the donor for every separate contribution received. All letters shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received.
2. A statement of whether Greater Opportunities. provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received.

3106. Gift Acceptance

A gift/contribution is consideration given to the Agency for which the donor receives no direct benefit and requires nothing in exchange (it is nonreciprocal) other than assurance that the intent of the contribution will be honored by Greater Opportunities, Inc. Two broad principles apply to all gifts given to the Agency:

1. A gift shall not be accepted that is not in the charitable interest of the donor, considering the donor's financial situation and philanthropic interests, as well as tax, legal, and other relevant factors.

2. A gift shall not be accepted unless there is a reasonable expectation that acceptance of the gift shall ultimately benefit Greater Opportunities, Inc.

Greater Opportunities will not accept any donations that imply endorsement of businesses, products or services. Donor businesses may not use Greater Opportunities, Inc.'s name for promotion of any product or service.

3107. Categories of Gifts

Gifts to the Agency are classified into two categories, based on the level of risk associated with acceptance of the gift.

Gifts of **marginal risk** include the following:

- Cash and cash equivalents (e.g., certificates of deposit)
- Gifts of securities actively traded on a U.S. public market (e.g., publicly-traded stocks, mutual funds, corporate and government bonds, etc.)
- Personal property with a fair value of less than [\$5,000] (new or used)

Gifts of the preceding three categories shall be considered to be of marginal risk only if they are either unrestricted or restricted to one specific, existing Greater Opportunities program.

Gifts of **greater-than-marginal risk** include the following:

- Any gift requiring the acceptance of a restriction that:
 - is not clearly identifiable with an existing program of Greater Opportunities,
 - would require the addition or modification of a Greater Opportunities program,
 - would not be consistent with the mission of Greater Opportunities,
 - would not be consistent with Greater Opportunities tax-exempt purpose under IRC section 501(c)(3),
 - would require the reclassification of unrestricted net assets to temporarily restricted
 - would violate any federal, state, or local law or regulation, or
 - would result in excessive control to the donor, or anyone designated by the donor, over the subsequent use of the contributed asset
- Any gift from a donor involved in businesses or activities that may be deemed to be inconsistent with the mission of Greater Opportunities
- Personal property with a fair value of [\$5,000] or more (new or used)
- Real property (either an outright gift of property or the donated use of such property)
- Non-publicly-traded securities (e.g., ownership interests in privately-held businesses, partnerships, etc.)
- Charitable remainder trusts
- Charitable lead trusts
- Unusual items or items of questionable value (including works of art, animals, historic artifacts, memorabilia, etc.)
- Life insurance
- Notification of the intent to give noncash assets through a bequest

3108. Gift Acceptance Procedures

Gifts of marginal risk may be accepted by the Department Manager without any further review and approval. Gifts of greater-than-marginal risk may be accepted only after review and approval of the Finance Director, CEO, and the Board. This review and approval shall be documented on a Gift Acceptance form.

It is also the policy of Greater Opportunities to liquidate all gifts of publicly-traded securities within ten days of receipt unless it is determined by the CFO & CEO that holding the securities as an investment of the Agency would be fiscally prudent, appropriate, and consistent with the Agency's investment policies.

3109. Valuation of Noncash Contributions

As stated in the preceding section, all noncash contributions of assets shall be recorded at their fair value as of the date of the gift. Fair values used in accounting for donated assets shall be determined by the Agency, not by the donor, although in some cases a value may have been provided by a donor.

The determination of the fair value of donated assets shall be determined as follows:

1. For contributions of publicly-traded securities, fair value shall be determined by the Finance Director based on a Web-based search www.finance.yahoo.com of the closing price of the security on the date that the security was transferred to Greater Opportunities (in addition, a printout of this Web search shall be retained in the accounting department's records for future reference and substantiation of this procedure).
2. For contributions of personal property, fair value shall be determined by the Senior Staff Accountant, using appropriate public records (price lists for new assets, other guides for used assets) subject to the review and approval of the Finance Director – such valuation documented using a standard form.
3. For contributions of real property, fair value shall be determined by an appraisal performed by an independent appraiser hired by Greater Opportunities (not an appraiser hired by the donor).
4. For contributions of all other assets, fair value shall be determined by the Finance Director.

For contributed services that meet the previously described criteria for recording, the fair value of the services shall be determined by multiplying the hours worked by each volunteer, as documented on the Agency's Volunteer Time Sheet, by an applicable hourly rate. See preceding section or an hourly rate typically charged by external contractors possessing the skills provided by the volunteer.

All determinations of hourly rates used to value contributed services shall be reviewed, documented, and approved by the Finance Director.

3110. IRS Form 8283, Noncash Charitable Contributions

In certain instances, GREATER OPPORTUNITIES, INC. may be requested to sign a Form 8283 (section b, Part IV) by a donor who has made a material contribution (over \$5,000) of noncash assets to the Agency. The signature of an organization official on Form 8283 signifies an acknowledgment of the description of the donated asset and the date of the gift. It does NOT represent any level of certification of, or agreement to, the valuation of the gift that has been assigned by the donor or the donor's appraiser, but it does serve to inform Greater Opportunities of the value intended to be deducted by the donor, which is useful in connection with the subsequent filing of Form 8282. (See the next section for the policies regarding Form 8282.)

Any Form 8283 presented by a donor for signature by Greater Opportunities shall be reviewed, along with the donated asset and any relevant documentation pertaining to the asset's description and condition, by the CFO who shall have final responsibility for agreeing or disagreeing with the donor's description of the asset and for signing the Form 8283.

The CFO shall retain a copy of any Form 8283 that has been signed and shall forward a copy of each Form 8283 to the Senior Staff Accountant for subsequent tracking of the donated asset. (See related policy below.)

3111. IRS Form 8282, Donee Information Return

When Greater Opportunities subsequently sells assets that have been contributed to it, the filing of a Form 8282 may be required. Among the exceptions from filing Form 8282 are subsequent sales of assets contributed to the Agency more than three years before the sale, and sales of assets that when contributed had a fair value of \$5,000 or less, as evidenced by the Form 8283 presented to the Agency by the donor at the time of the gift.

Form 8282 is not required with respect to donated assets that are consumed or distributed in fulfillment of the Agency's tax-exempt mission.

Responsibility for tracking donated assets and determining whether filing Form 8282 is required is assigned to Senior Staff Accountant. It is the policy of Greater Opportunities to file such forms in a timely manner (within 125 days of the sale). Upon completion of a Form 8282 by the Senior Staff Accountant, the form shall be reviewed and signed by the CFO. Delivery of the form to IRS shall be done by mail, performed by the Senior Staff Accountant.

A Form 8282 shall also be prepared and filed if Greater Opportunities transfers a donated asset to another charitable nonprofit organization (subject to the same exceptions as described above). In such cases, the Form 8282 shall be filed with IRS within 125 days of the transfer and a copy of the Form 8282 shall be provided to the successor nonprofit organization within 15 days of filing the Form 8282 with the IRS, along with a copy of the original Form 8283 received from the donor.

3112. Donor Protection

Greater Opportunities will not distribute any information about donors and prospective donors, including but not limited to their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates for purposes other than those of Greater Opportunities and its related entities. All requests by donors for anonymity will be honored, except to the extent that Greater Opportunities is legally required to disclose the identity of donors.

FUND-RAISING EVENTS SECTION 3200

3201. Overview

Greater Opportunities shall maintain a subsidiary record that tracks each special fund-raising event sponsored by the Agency. The Senior Accountant shall be responsible for maintaining this subsidiary record. The following information shall be tracked on an event-by-event basis for purposes of possible disclosure in the Agency's annual Form 990 information return with the IRS:

1. Description and location of the event (including an indication of whether any type of gaming activities took place in connection with the event).
2. Total gross proceeds received in connection with the event.
3. Portion of the proceeds considered to be a contribution (equal to the amount received less the fair value of any benefits provided to donors).
4. Total costs of the event.
5. Portion of the costs attributable to direct donor benefits (i.e., the cost of any benefits provided to donors, such as the cost of green fees or a meal provided to attendees at a fund-raiser).
6. Portion of the total costs associated with:
 - a. Rent or facility costs
 - b. Cash prizes, if any
 - c. Noncash prizes, if any
 - d. Food and beverages
 - e. Entertainment

Registration with NYS is maintained and Char 500 is required annually.

3202. Credit Card donations

For donations or purchases made by credit card through the Agency's website, the following procedures will be followed:

1. Charges will be processed by an outsourced service provider.
2. The service provider will send daily reports to the CFO listing each amount charged for a donation or an item purchased and the contact information of the donor/purchaser.
3. The CFO will send a copy of the notice to the Senior Staff Accountant to be used to reconcile the bank statement.

Recording of the revenue will be done daily into the accounting system with a cash receipts journal.

BILLING/INVOICING POLICIES SECTION 3300

3301. Overview

The following is a list of items billed and/or accrued and received by Greater Opportunities and the frequency with which each is billed:

Monthly, Quarterly & Periodic Billings

1. Grants, service fees and contracts, including rents. (See separate section on “Policies Associated with Federal Awards” for billing policies associated with federal grant agreements)
2. Leases and Subleases

3302. Responsibilities for Billing and Collection

Greater Opportunities, Inc.’s Fiscal Staff is responsible for the invoicing of goods and services receivables as well as the collection of outstanding receivables.

3303. Accounts Receivable Entry Policies

Accounts receivable posting is done in conjunction with the monthly revenue entries prepared by the Fiscal Staff.

Posting of credit memos and other adjustments to customer accounts receivable shall also be performed by the Fiscal Staff.

3304. Classification of Income and Net Assets

All income received by Greater Opportunities, Inc. is classified as "unrestricted", unless specifically noted by the donor.

From time to time, the Greater Opportunities, Inc. Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as “Net Assets with Restrictions”. However, to identify these funds as being set aside for special projects, such set-asides shall be labeled “Net Assets with Restrictions-Board” funds within the unrestricted net assets of Greater Opportunities, Inc., and shall be reported as a separate component of unrestricted net assets on the Greater Opportunities, Inc. financial statements.

CASH RECEIPTS SECTION 3400

3401. Overview

Cash (including checks payable to the Agency) is the most liquid asset an Agency has. Therefore, it is the objective of Greater Opportunities, Inc. to establish and follow the strongest possible internal controls in this area.

3402. Processing of Checks and Cash Received in the Mail

For funds that are received directly at Greater Opportunities, Inc. cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

The mail is opened daily by the Admin Asst/Intake Advocate who will create a log of any checks received and then checks and log is given immediately to the Accounting Clerk. The Accounting Clerk will then stamp any checks she receives "For Deposit Only" on the back of the check. The Accounting Clerk then reviews the checks and prepares the bank deposit slips along with copies of each check. The deposit is made by the Accounting Clerk, and the Senior Staff Accountant will review the log and deposits and enter the cash receipts into the subsidiary ledger. The CFO reviews all deposits. Deposits are made as needed. (at least several times a week) If the cash or check is received after the banking has been completed, the cash or checks will be held overnight in a locked safe in the fiscal department and deposited with the next deposit.

Funds that are received in the form of cash are brought to the accounting department and a pre-numbered cash receipt is written in the receipts book and given to the individual employee who brought in the actual cash, as appropriate.

The bank reconciliations are prepared by a person other than the person making the deposits.

3403. Processing of Other Checks and Cash Received (Including Receipts at Sites)

All cash and checks received at any site (either by mail or not), are to be forwarded to the Accounting Department with explanation of the receipt. We can then deposit the items into the corporate accounts, and account for the receipt through the Subsidiary Ledger.

3404. Endorsement of Checks

It is the policy of Greater Opportunities, Inc. that all checks received that are payable to the Agency shall immediately be restrictively endorsed by the accounting clerk. The restrictive endorsement shall be a rubber stamp or manual endorsement that includes the following information:

1. "For Deposit Only"
2. Greater Opportunities, Inc.

3405. Timeliness of Bank Deposits

It is the policy of Greater Opportunities, Inc. that bank deposits will be made as needed during the week. If for some reason (bank suddenly closed), the deposit cannot be made that day, the CFO must be notified that day. If cash or checks are received after the daily deposit is made, the items will be in a locked safe located in the fiscal department, to be deposited the next deposit.

3406. Reconciliation of Deposits

On a daily basis, the CFO, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the online bank account. Any discrepancies shall be immediately investigated.

ACCOUNTS RECEIVABLE MANAGEMENT SECTION 3500

3501. Monitoring and Reconciliations

Accounts receivable account analysis/reconciliations are prepared by the responsible accounting department personnel to ensure proper balance and reporting. The accounts receivables reconciliations are forwarded to the CFO for review and approval. At this time any old outstanding accounts receivables would be noted for the CFO. The collection of outstanding vouchers would be the responsibility of the Senior Staff Accountant responsible for that particular receivable (unless otherwise instructed by the CFO).

INVESTMENTS SECTION 3600

3601. Investment Policy

Greater Opportunities, Inc. maintains a separate insured cash sweep account with NBT Bank. This ICS is a reciprocal deposit placement service through NBT Bank that places investable funds with other FDIC-insured banks in the United States. Funds are placed into money market deposit accounts in a network of member banks so that all invested funds are always covered by FDIC at each bank. The interest rate yields higher than money market accounts and the accounts are liquid (same day access). No fees are associated with this account. Any deposits and withdrawals from the sweep to the active checking account will be made by the CFO with the approval of the CEO or the Deputy Director in his absence.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS SECTION 4000

Editor's Note: 2 CFR Part 200 has replaced the word "vendor" with the word "contractor". (2 CFR Part 200.23) We use "contractor" in our manual

4001. Overview Purchasing Policies and Procedures

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY GREATER OPPORTUNITIES, INC.

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL AWARDS."

It is the policy of Greater Opportunities, Inc. to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders.

4002. Responsibility for Purchasing

All department and project Directors shall have the authority to initiate purchases on behalf of their department or project, within the guidelines described in this policies manual. In addition, department directors may delegate purchasing authority to responsible individuals within their department.

The accounting department shall be responsible for processing purchase orders. The CEO and/or CFO have approval authority over all purchases, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

4003. Non-Discrimination Policy (3/15/18)

All contractors who are the recipients of Agency funds, or who propose to perform any work or furnish any goods under agreements with Greater Opportunities, Inc. shall agree to these important principles:

1. Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractors.
2. Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

4004. Purchasing Overview

Before committing to a purchase with a new contractor, the staff person responsible for the purchase must confirm with the Purchaser or Accounting Clerk that the contractor is not on the suspension/disbarment list.

We can categorize our disbursements into two types:

- Purchase Orders required – items we will receive an invoice for Require a Purchase Order
- Recurring Payments – leases and contracts and standard payments (example - utilities)

As Greater Opportunities, Inc. is exempt from NYS sales tax, no NYS sales tax is to be included in any disbursement.

4005. Use of Purchase Orders

It is the policy of Greater Opportunities, Inc. to utilize a purchase order system. A properly completed purchase order or Cash Disbursement form shall be required for each purchase decision with the exception of petty cash accounts, recurring payments for the same service/item each time, mileage reimbursement. A properly completed purchase order shall contain the following information, at a minimum:

1. Employee initiating request
2. Date initiated
3. Contractor name and address
4. Ship to
5. Detailed list of items or statement of services required (can be attached)
6. Determine whether allowable, allocable & reasonable under grant and initial
7. Expense account
8. Total Purchase
9. Indicate no sales tax included
10. If item is \$5000 or more and fixed asset, notify Senior Staff Accountant
11. Three quotes, as needed
12. Required signatures

Purchase orders shall be pre-numbered and kept in a secure area in the accounting department, and issued upon request from an authorized purchaser. All purchase orders are logged out by the accounting department when disbursed to Center Directors/program managers.

If the purpose of the purchase is not readily apparent, a description of the nature of the purchase and how it relates to the applicable grant shall be attached.

4006. Authorizations and Purchasing Limits

All completed purchase orders must be signed by the Department Director (or temporary designee), or CFO. In addition, the CFO and CEO must approve all purchases orders \$1,000.00 or more prior to ordering items or service. In addition, the Deputy Director may approve in the absent of the CEO.

The Human Resources Director signs for HR related invoices for example: drug testing, employee background checks, payments for small medical claims and insurance.

All required approval signatures must be obtained prior to placing a purchase order with the contractor.

Only the CEO is authorized to enter into any contract on behalf of Greater Opportunities, Inc.

Amount of Purchase	Required Approvals	Required Solicitation	Required Documentation
< \$9,999 (≤ \$2,000 for purchases subject to Davis-Bacon)	<ul style="list-style-type: none"> • Dept. Director • Executive Dir./or & • Finance Director 	<ul style="list-style-type: none"> • Price must be considered reasonable based on similar purchases in the past • Purchase can be made from a contractor successfully used in the past • If a contractor used in the past cannot be used, at least 2 price quotes are required • As much as possible, micro-purchases should be rotated among qualified suppliers as long as the price is comparable 	<ul style="list-style-type: none"> • Receipt approved by Dept. Director • Evidence of price comparison, if not using past contractor
\$10,000 ≤ \$25,000	<ul style="list-style-type: none"> • Dept. Director • Executive Dir./or & • Finance Director 	3 written bids/quotes (catalogue, Internet, written)	<ul style="list-style-type: none"> • Documentation of bids received • How decision was made • Vendor Justification Form
\$25,001 ≤ \$150,000	<ul style="list-style-type: none"> • Dept. Director • Finance Director • Executive Dir. 	3 written bids (Request for Bids or Request for Proposals)	<ul style="list-style-type: none"> • Copy of RFB or RFP • Proposal scoring grids including who participated in the scoring • Proposal and contract of winning bid • Vendor Justification Form

Amount of Purchase	Required Approvals	Required Solicitation	Required Documentation
> \$150,000	<ul style="list-style-type: none"> • Dept. Director • Dir. of Finance • Executive Dir. • Board of Directors 	3 written bids (Request for Bids or Request for Proposals)	<ul style="list-style-type: none"> • Copy of RFB or RFP • Proposal scoring grids including who participated in the scoring • Proposal and contract of winning bidder • Procurement checklist

This table incorporates the micro-purchase limit of \$9,999 in aggregate (\$2,000 if the purchase is subject to the requirements of Davis Bacon). The limit is applied to purchases in total, not item by item. Micro-purchases may be made without soliciting competitive quotation if the Agency considers the price to be reasonable. Organizations must distribute micro-purchases equitably among qualified suppliers. (2 CFR Part 200.320(a))

4007. Allowable Purchases

It must be determined that a purchase is allowable under the grant. To accomplish this:

- There is a box on the Purchase Order that must be checked and signed by the Program Director that the item is allowable. At times this box may be checked and initialed on the requisition, and attached to the Purchase Order.
- Program Directors and accounting personnel shall be familiar with the allowability of costs provisions 2 CFR Part 200.400 – 475, Cost Principles, particularly:
 - The list of specifically unallowable costs found in 200.421 – 475, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc.
 - Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 CFR Part 200.407, Prior Written Approval, such as participant support costs, equipment purchases, etc.

4007.5 Pre-Qualified Contractors

Uniform Guidance refers to “qualified suppliers” in the micro-purchase regulation (200.320(a)), and to “pre-qualified lists of persons, firms or products.” (200.319(d)) These terms do not mean the same thing:

- **Qualified Suppliers means the non-federal entity has determined that these suppliers can meet their needs for micro-purchases.**
- **Pre-qualified Contractors are identified through a competitive process and used for purchases in excess of the micro-purchase limit.**

Greater Opportunities. encourages departments to develop lists of approved contractors that can be used throughout the year. The process to identify an approved vendor is as follows.

1. Develop a list of similar, commonly-purchased items that can be acquired from a single contractor. Examples are office supplies and classroom supplies.
2. Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary.
3. Obtain 2 or 3 quotes, depending on the level of expected spending for the year
4. Compare the quotes.
5. The contractors with lowest prices, including shipping, will be approved for use during the year.
6. This process could result in multiple approved contractors if the prices are within 5% of each other.

This process should be repeated annually, with the approved list produced by [September 15]. contractors may be added throughout the year, but all contractors will be reevaluated [August 1].

4008. Required Solicitation of Quotations from Contractors

Greater Opportunities, Inc.'s choice of contractors is based on open and free competition. We choose the contractor most responsive to the solicitation and advantageous to the agency. Solicitations for goods and services (requests for proposals or RFPs) should provide for all of the following:

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. Description shall not contain features, which unduly restrict competition. *(2 CFR Part 200.319(c)(1))*
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. (See the next section entitled "Evaluation of Alternative Contractors" for required criteria.) *(2 CFR Part 200.319(c)(2))*
3. Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. *(2 CFR Part 200.319(c)(1))*
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations. *(2 CFR Part 200.319(c)(1))*
5. A description of the proper format, if any, in which proposals must be submitted, including the name of the Greater Opportunities, Inc. person to whom proposals should be sent.
6. The date by which proposals are due.
7. Required delivery or performance dates/schedules.
8. Clear indications of the quantity(ies) requested and unit(s) of measure.

4009. Evaluation of Alternative Contractors for Proposals

Greater Opportunities, Inc.'s choice of contractors is based on open and free competition. We chose the contractor most responsive to the solicitation and advantageous to the agency.

Alternative contractors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Contractor's financial stability
7. Contractor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by contractor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of contractor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative contractors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

4010. Affirmative Consideration of Minority, Small Business, Women-Owned Businesses and Labor Surplus Area Firms (2 CFR Part 200.321)

Positive efforts shall be made by Greater Opportunities, Inc. to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms whenever possible. More specifically, the Agency shall exercise good faith efforts to assist the State of New York in achieving "MWBE" contract participation goals by practicing so-called "fair share" business opportunities and shall expect the same from all contractors, subcontractors, and vendors with which we do business and/or solicit bids. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, women's business enterprises, and labor surplus area firms are used to the fullest extent practicable. (2 CFR Part 200.321)
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, women's business enterprises, and labor surplus area firms. (2 CFR Part 200.321(b)(4))
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises. (2 CFR Part 200.321(b)6))
4. Encourage contracting with consortiums of small businesses, minority owned firms, women's business enterprises, and labor surplus area firms when a contract is too large for one of these

firms to handle individually. (2 CFR Part 200.321(b)(3)) **A list of labor surplus areas can be found at this link www.doleta.gov/programs/lisa.cfm**

5. Use the services and assistance, as appropriate, of such Agencies as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises. (2 CFR Part 200.321(b)(5))

4011. Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed in emergency, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Agency property is involved. These purchases are to be signed by the CEO. There will be contractors listed by purchasing for emergency situations for areas such as plumbing, fencing, electrical.

If an emergency does occur, Fiscal will later review the changes for reasonableness and annual bids. At that time, a contractor could then be identified as reasonable or eliminated from future procurement.

Annual renewal invoices can generate a purchase order or a cash disbursement. This invoice may be dated prior to the Purchase Order date or the director's signature. This is due to the contractor initiating the renewal invoice. We are not obligated to pay this invoice unless we opt to renew.

Single Distributor/Source:

Sole source purchases contractors may be made when one or more of the following conditions applies:

- The item or service is only available from one source;
- The situation is an emergency and will not permit a delay resulting from competitive solicitation;
- The awarding agency expressly authorizes noncompetitive proposals in response to a written request; or
- After solicitation, competition is deemed inadequate (insufficient bidders).

Approval from the awarding agency may be required.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated with Federal Awards."

4012. Contractor Required Documentation

The Accounting Department, Accounting Clerk shall mail a blank Form W-9 to all new contractors, along with a request for the contractor to complete and sign the W-9 or provide equivalent, substitute information and return it to the Agency. Completed, signed Forms W-9 or substitute documentation shall be filed in the Accounting Department. Contractors with a post office (PO) box shall provide a physical location address for the master file. The PO Box number may be used for postal purposes. The contractor name and physical address will be verified by performing an online search, mailing of contractor forms that are required to be returned. Contractors who do not return a completed, signed

Form W-9 or provide equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on "Government Returns." Also, all contracts must be signed by CEO.

4013. Ethical Conduct in Purchasing (2 CFR Part 200.318 (c)(1))

Ethical conduct in managing the Agency's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value (over \$25) in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. If candy, flowers or other items of small value (up to approximately \$25) are delivered unannounced to the office (such as at holidays), the items will be shared with the staff.

4014. Competition (2 CFR Part-200.319)

In order to promote open and full competition, purchasers will:

1. Be alert to any internal potential conflicts of interest
2. Be alert to any noncompetitive practices among contractors that may restrict, eliminate or restrain trade.
3. Not permit contractors who develop specifications, requirements or proposals to bid on such procurements.
4. Award contracts to bidders whose product/service is most advantageous in terms of price, quality and other factors.
5. Issue solicitations that clearly set forth all requirements to be evaluated.
6. Reserve the right to reject any and all bids when it is in the Agency's best interest.
7. Not give preference to state or local geographical areas unless such preference is mandated by Federal statute. (200.319(b))
8. Name brand or equivalent description may be used as a means to define the performance or requirements (200.319(c)(1))

4015. Conflicts of Interest Prohibited

No officer, board member, employee, or agent of Greater Opportunities, Inc. shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved (see below). Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an Agency that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the contractor selected.

In addition, no employee, officer, Board member or agent of Greater Opportunities, Inc. shall participate solely in the selection, award, or administration of a contract involving Greater Opportunities, Inc. if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of her or his 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. The officers, employees, and agents of the O.F.B, Inc. shall neither solicit nor accept gratuities, favors, or anything of monetary value (over \$25) from contractors, or parties to sub-agreements. If there is such

a conflict, full disclosure must be made to the CEO, who must sign an authorization, and deem that the financial interest is not substantial. The Human Resource's office will ensure all staff and Board members sign a conflict of interest disclosure statement.

Officers, board members, employees and agents of Greater Opportunities, Inc. shall neither solicit nor accept gratuities, favors, or anything of monetary value (over \$25) from contractors or parties to sub-agreements.

4016. Receipt and Acceptance of Goods

It is the policy of Greater Opportunities, Inc. that all ordered goods are inspected immediately upon receipt, and the contractor be notified of any discrepancies. Included in the purchase package, a program person must sign their name and date items or service received. This can be handled in a few ways:

- All packing slips, if applicable, should be forwarded to the fiscal department for attachment to the PO and should include a signature and date received.
- In the absence of a packing slip, the yellow copy of the P.O. should be forwarded with a signature and date received.
- If neither is available, the program person is to sign the invoice to indicate receipt, and indicate date received.
- An email confirmation of receipt of goods is also acceptable in the absence of the packing slip.

4017. Excluded Parties

The accounting clerk shall review current contractors annually and any new contractors to ensure they are not listed on the excluded parties list or a U.S. Government Debarment listing.

All credit applications must be forwarded to the Accounting Clerk for completion, and the Accounting Clerk will review the Federal Excluded Parties List and Debarment list.

4018. Corporate Credit Cards/Procurement Cards

Greater Opportunities, Inc. currently has the following credit cards:

1. Weis
 - a. The cards are assigned to various staff including Head Start and various other employees on an "as needed" basis. The cards are not issued in an individual name, but associated with a pin. A card is also locked in the fiscal office in a binder with a sign in/out sheet. The Accounting Clerk maintains a current listing of who holds the Weis cards.
 - b. Purchases on the Weis cards are authorized by the Program Directors of the employees who hold those cards.
 - c. Purchases on the Weis cards are reconciled to a monthly billing statement from Weis by Accounting Clerk.
 - d. The monthly reconciliations are forwarded to the CFO for review and approval.
2. Gas Cards
 - a. The cards are assigned to Head Start, Maintenance & Greater Opportunities vehicles. The cards are kept with the car key and kept in a locked key cabinet. Each card user has an identification number and pin.

- b. The Accounting Clerk maintains a current listing of who holds the Gas Cards.
 - c. Purchases on the Gasoline Service Cards are reconciled to a monthly billing statement from the credit card company by the Accounting Clerk.
 - d. The monthly reconciliations are forwarded to the CFO for review and approval.
3. Lowes Credit Card
- a. (5) cards are housed in the fiscal office (Broome Location) in a binder with a sign in/out sheet. The Field Operations Director carries one. There are (3) cards maintained at the Chenango location by the Admin Assistant and needs to be signed out with an approved PO.
4. Card Member Service Agency Credit Card
- a. The NBT Card Member Service credit card is maintained at the Broome location by the Accounting Clerk and needs to be signed out with an approved PO or travel request forms. There are (8) cards issued with each of Senior Management names on it along with the company name. The NBT Card Member Service credit card is maintained at the Chenango location by the Admin Assistant and needs to be signed out with an approved PO or travel request forms. There are (2) cards issued with each of Senior Management names on it along with the company name.
 - b. Purchases on the Card Member Service credit cards are authorized with the proper completed Purchase Order that has already been approved by the Program Directors.
 - c. Purchases on the Card Member Service Agency credit card are reconciled to a monthly billing statement Card Member Service by the Accounting Clerk.
 - d. The monthly reconciliations are forwarded to the CFO for review and approval

4019. Personal Use of Contractor Accounts, Credit Cards and Member Cards

Personal use of any corporate contractor accounts, credit cards, member cards or similar items is prohibited. This would include Greater Opportunities, Inc. used in the name of the account in any way. No one is to obtain personal contractor accounts, credit cards, member cards or similar items with the inclusion of Greater Opportunities, Inc. as the holder, or listed in any way on the account. All business contractor accounts, credit cards and member cards are to be opened through the Purchaser.

Personal account statements are not to be mailed to a Greater Opportunities, Inc. address.

Noncompliance to this policy may be terms for termination of employment.

4020. Completing the Purchase Order

The process for completing a purchase order is as follows:

Step 1: The employee requesting the expense to be paid completes the following sections of the form:

- 1. Vendor- the name needs to be completed, along with the complete address. If it is a new vendor, and the Fiscal Office does not have a completed W-9 Tax Form on file for the vendor, then the employee or the accounting clerk must request that the W-9 be completed and returned to us. We can provide the vendor with this form, if needed. The purchase order cannot be processed

until this is obtained. Attach the completed W-9 Tax Form to the purchase order.

2. Ship to- If items/supplies are being ordered, the employee must complete the ship to portion so fiscal knows who receives the item ordered and where it is to be shipped. For example: Danelle Nolan, 44 W. Main Street, Norwich, New York 13815.
3. Date- The employee completing the purchase order needs to fill in the current date.
4. Quantity- This section needs to be completed accurately so the employee or Purchasing Agent can order the correct number of items or if the items are to be purchased in a store, only the quantity listed are purchased.
5. Catalog- Note the items model number, skew number, or catalog number, if applicable, so the correct item can be ordered.
6. Description- Provide a brief description of the item to be purchased. Attach supporting documentation for the purchase to the PO. For example: Copy of item from website with item #, copy of catalog page, copy of shopping cart, etc. including price.
7. Unit \$- List the cost per unit per the catalog or website or if the item is to be purchased at a store, list the approximate cost per item.
8. Total \$- For each line, note the total cost per item. Add all amounts in the total \$ column for a total at the bottom of the page.
9. Requested by- The employee requesting the purchase needs to PRINT their name on the purchase order and keep the pink copy for their records. This will help if there is a need to follow up with their department manager or fiscal. They then need to have their department manager approve it (signature). Ample time must be given for their approval. If the Department Manager is absent and there is no one available fulfilling this role while the Department Manager is absent, the CFO/Executive Director can approve the PO.

If an emergency situation arises which requires immediate action, the Fiscal Office staff should be alerted that a copy of the PO will be scanned and emailed to them. In this situation, the original PO needs to be sent to the Fiscal Office with a note written "copy emailed". For example: if immediate or urgent food items need to be purchased for children because water is shut down and the children need drinking water available.

If the purchase is for one purpose and it is impractical to list all items, then a total approximate cost can be listed with a corresponding product description. Examples would include the following, but are not limited to those listed:

1. Groceries for a center. All individual groceries should not be listed, but a max amount to be spent should be. For example: Snack for week of 9/5/2020 – 9/9/2020, Not to Exceed \$100.00.
2. Items needed for a repair. If there are many small items needed for the repair, please note the purpose and maximum cost. For example: Repair damaged drywall in classroom 1, not to exceed \$125.00.
3. Items for a special event/training. Please note the purpose and approximate total cost.
4. Food for meetings. Please list the total amount and approximate tip, if applicable, for the meeting.

It is advisable to allow more to the anticipated cost than to underestimate. For example: If you think that the cost of snack is around \$100.00, then add not to exceed \$125.00 on the PO. Making a purchase for an unapproved amount over the purchase is an unauthorized purchase. If you get to the store and realize that the purchase is going to be a little over the authorized amount, call the Fiscal Director for a verbal approval prior to the purchase.

Step 2: The Department Manager, Fiscal Director or Executive Director reviews the purchase order and completes the following procedures.

1. After reviewing the purchase order for thoroughness, allowableness and reasonableness for the

program per Greater Opportunities fiscal policies and the corresponding grant/program policies the individual signs the purchase order and initials in the sections marked allowable and reasonable.

Step 3: Additional Authorized Signature is completed for either of the two following reasons:

1. If the purchase is over \$1,000 then the department manager needs to bring the purchase order to either the Executive Director/Fiscal Director for additional authorized approval.
2. If the Department Manager completes the purchase order, then the Executive Director or the Fiscal Director needs to sign the purchase order approving the expense because the person requesting the PO should not be the individual approving it.

Step 4: If any item being purchased costs \$100 or more, the item must be listed on an Inventory Addition Form and attached to the purchase order.

Step 5: Once the purchase order is completed, back-up documentation attached and all authorized signatures are obtained, then the purchase order can be sent to the Fiscal Department for processing. No purchases can be made beforehand. See Maintenance & Energy Service Purchasing Policy Appendix A. The purchase order should be in the Fiscal Office at least 5 days prior for any requests that need a check to be mailed out. Checks are usually cut and ready to be mailed on Fridays.

Interoffice mail is picked up at the Chenango Main Office two times each week on Tuesday and Thursday mornings. Place purchase orders in Monica's Mailbox by 8:00 am on these days. If the schedule changes, an email will be mailed to inform everyone.

For purchase order supplies that need to be ordered, the Purchasing Agent can order them in a timely manner and follow up with the requester on the estimated time for delivery.

Step 6: Once the expense is deemed allocable, the Fiscal Director will list the account and program the purchase will be charged to and then give the purchase order to the Accounting Clerk and the Accounting Clerk will email the requester and the authorized department manager to notify them that the purchase was approved. If ordering of items is necessary, the Accounting Clerk will forward the purchase order to the Purchasing Agent on behalf of the requester. The Purchasing Agent will notify the requester when the order is placed. The PO will then be returned to the Accounting Clerk after the order is placed with the back-up.

A PO does not need to be completed with the shipping request for FedEx.

All receipts, invoices, credit card statements, billings, packing slips or other information received on the purchase will be attached to the purchase order.

Once the check is issued for the purchase, the Accounting Clerk will attach the corresponding check stub to the purchase order for future reference.

Step 7: After items are received by the PO Requestor, the requestor will sign any packing slips or receipts, place them in an envelope and forward them to the Business Office within five days of receipt of the items. If there is no packing slip, an email to fiscal is sufficient.

Step 8: Once fiscal receives the packing slips, if necessary inventory tags will be generated by Fiscal and a copy of the Inventory Addition Form will be forwarded to the requestor of the PO. It is expected that the tags will be applied to the items purchased within one week of their receipt.

POLITICAL INTERVENTION & LOBBYING SECTION 4100

4101. Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of Greater Opportunities, Inc. that the Agency shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

4102. Endorsements of Candidates

It is the policy of Greater Opportunities, Inc. not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of Greater Opportunities, Inc., when these individuals are acting on behalf of, or are otherwise representing, the Agency.

4103. Prohibited Use of Agency Assets and Resources

No assets or human resources of the Agency shall be utilized for political activities, as defined above. This prohibition extends to the use of Agency assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of the Agency. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing the Agency), these individuals must at all times be aware that the Agency resources cannot at any time be utilized in support of political activities.

4104. Lobbying

Is a form of advocacy with the intention of influencing decisions made by legislators and officials in the government by individuals, other legislators, constituents, or advocacy groups. A lobbyist is a person who tries to influence legislation on behalf of a special interest or a member of a lobby. Governments often define and regulate organized group lobbying that has become influential.

4105. Lobbying Introduction

Unlike political intervention, described in the preceding section, expenditures by a section 501(c)(3) public charity for lobbying activities are allowable under the Internal Revenue Code. However, **no** lobbying expenditures may be charged directly or indirectly to any Federal award (i.e. the charity must

have a non-Federal source of income to which such lobbying costs can be cited as the source of the activity).

4106. Definition of Lobbying Activities

Lobbying activities conducted by the Agency may be either direct or indirect. Direct lobbying activities consist of attempts to influence legislation through communication with any member or employee of a legislative body (Federal, state, or local levels) or, if the principal purpose of the communication is lobbying, with any government official or employee who may participate in the formulation of the legislation. Direct lobbying occurs when employees of the Agency or paid lobbyists communicate directly in attempts to influence legislation. Lobbying is distinguishable from advocacy activities, which involve efforts to advocate certain positions which may have legislative implications, as long as a nonpartisan analysis of the relevant facts is performed.

Lobbying occurs only when there is a specific piece of legislation or legislative proposal pending that the Agency is attempting to influence. Therefore, lobbying is considered to have taken place only if both of the following elements are present.

1. The communication refers to specific legislation (legislation that has been introduced or a specific legislative proposal that the Agency supports or opposes), and
2. The communication reflects a view on the legislation (supporting or opposing it).

Indirect lobbying involves communications with the general public (rather than directly with legislators, etc) where the communication includes the same two preceding characteristics, plus it encourages the recipient of the communication to take action with respect to the specific legislation (by contacting legislators, etc.).

4107. Segregation of Lobbying Expenditures

Lobbying expenditures are allowable for charities under the Internal Revenue Code. However, lobbying may not represent a substantial portion of the Agency's overall activities. The Agency's tax exemption would be at risk if lobbying becomes a substantial portion of the Agency's activities.

Accordingly, the Agency segregates all direct and indirect lobbying expenditures in a separate section of the chart of accounts in the general ledger. Where appropriate, lobbying expenditures shall also be allocated their fair and reasonable share of employee benefits and other indirect costs in accordance with cost allocation policies described elsewhere in this manual.

4108. Lobbying Reporting

The Senior Staff Accountant will register and report necessary Lobbying.

Lobbyists who reasonably expect to spend or receive more than \$5,000 a year
Fee: \$200 per lobbyist annually. Free for lobbyists who spend or receive less than \$5,000 a year must register with JCOPE.

Separate statement required for each client:

- Lobbyist's name, address, phone;

- If the lobbyist is an organization, names, addresses and phone numbers of any officer or employee of the organization who lobbies;
- Lobbyist's client's name, address and telephone number of the client by whom or on whose behalf the lobbyist is retained, employed or designated;
- Copy of any written agreement of retainer or employment between the lobbyist and the client or a statement of substance if the agreement was oral;
- Description of the general subject or subjects, the legislative bill numbers of any bills and the rule, regulation, and ratemaking numbers of any rules, regulations, or rates or proposed rules, regulations, or rates on which the lobbyist is lobbying or expects to lobby;
- Name of the person, organization, or legislative body before which the lobbyist is lobbying or expects to lobby;
- If the lobbyist is retained, employed or designated by more than one client, a separate statement of registration shall be required for each such client

ACCOUNTS PAYABLE MANAGEMENT SECTION 4200

4201. Overview

Greater Opportunities, Inc. strives to maintain efficient business practices and good cost control. A well managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of Greater Opportunities, Inc. that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the contractor invoice for the related goods or services. The contractor invoice should be supported by an approved purchase order where necessary. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Contractor credit terms and operating cash are managed for maximum benefits

4202. Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be processed in a timely manner.

Accounts payable are processed on a daily basis.

Accounts payable items are posted to the general ledger when invoices are processed.

It is the policy of Greater Opportunities, Inc. that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the contractor records. No contractor statements shall be processed for payment, unless they are used by the contractor as the sole invoice.

4203. Accounts Payable Cut-Off

We currently do not accrue invoices on those projects that are not on cash basis.

4204. Establishment of Control Devices

Control of invoices is established by the Accounting Clerk as soon as invoices are received. Contractors will be instructed to mail all invoices directly to the accounts payable department.

Upon receipt of invoices the invoices are “date received” stamped and matched to the applicable purchase order by the Accounting Clerk. The Accounting Clerk will verify that the invoice amount matches the purchase order amount and if any discrepancies are found, the Accounting Clerk will forward to the appropriate department for approval.

We contact applicable contractors to state our corporate policy that the contractor must receive a PO to authorize purchase.

4205. Head Start Draw Down Procedures

The following procedures will be followed regarding draws for Head Start from the Payment Management System. Greater Opportunities, Inc. will strive to minimize the time between receipt and disbursement of grant funds by issuing payments within 24 hours of receipt of such funds. It is prohibited to use Head Start (DHHS Grant) funds to cover costs of other funding sources and grants, unless approved by grantor.

Payroll – draw set up to be within a reasonable time of the disbursement. For example, a normal pay cycle would have a draw requested on Wednesday, we receive funds on Thursday into our operating account. Payco pulls the payroll and taxes on Thursday of that pay week. The pay checks are dated for that Friday of the Pay week.

Accounts Payable – The checks are cut, and sent to the approved signors for signature. When the checks are signed and returned, a draw is set up to match the disbursement. Checks are released within 24 hours of the draw.

Disbursements from NBT and other journal entries – the draw will be made upon determination of other costs charged to Head Start.

If a draw down is overestimated within a grant year, the actual difference is to be determined, and incorporated to reduce the next draw. If there are overdrawn funds from a previous year, the Agency will issue a check to “U.S. Treasury”, and remit with a letter to the Payment Management System to explain the situation. The grantor fiscal representative will be notified as appropriate.

4206. Payment Discounts

To the extent practical, it is the policy of Greater Opportunities, Inc. to take advantage of all prompt payment discounts offered by contractor. When availability of such discounts is noted, all required documentation in support of payment is available, and the availability of cash permits, payments will be scheduled so as to take full advantage of the discounts.

4207. Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed cash disbursements request form or travel authorization form. All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Cash disbursements request forms will be processed for payment.

If an expense advance is distributed, the responsible accountant will ensure all applicable receipts are subsequently attached.

The CEO's expense reports will be reviewed by the CFO.

No New York State sales tax amounts will be allowable, as Greater Opportunities, Inc. is exempt from New York State sales tax.

4208. Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to contractors per the accounts payable subsidiary ledger shall be reconciled to the total per the account's payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the CFO

Also, on a monthly basis, the Accounting Clerk shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the purchase order file for open purchase orders more than 30 days old and follow up.

TRAVEL AND BUSINESS ENTERTAINMENT SECTION 4300

4301. Travel Advances - Employee & Director Business Travel

Funds will be advanced for upcoming travel only upon receipt of a completed and properly approved travel authorization form. Greater Opportunities will reimburse employees at per diem rates established by the General Services Administration (GSA) for the location to which they travel for the number of days. When the per diem rate is used for travel advances for meals and incidentals, the Agency does not require the return of receipts. In instances where the employee incurs (or has received an advance for) gas, parking or toll expenses they will be reimbursed for these expenses upon return of the actual receipts that specify the dollar amount to be reimbursed. A P.O. will need to be filled out with attached receipts for reimbursement.

Documentation must justify that participation of the traveler is necessary for the Federal award and costs are reasonable and consistent with O.F.B's travel policy. (*2 CFR Part 200.474(b)(1) and (2)*)

Greater Opportunities, Inc. reimbursement rate for mileage is .48 cents a mile. This rate will not be changed without Board Approval.

4302. Entertainment

Costs of amusement, diversion, social activities, ceremonials, and costs relating thereto, such as meals, lodging, rentals, transportation and gratuities are unallowable.

4303. Travel Emergencies (for Weatherization Jobs)

Not Applicable at this time.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES SECTION 4400

4401. Check Preparation

It is the policy of Greater Opportunities, Inc. to print contractor checks and expense reimbursement checks on a weekly basis, as funds permit. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

The check signing sequence of events is as follows:

- The Accounting Clerk prints the checks and matches the checks to the required invoices and support in a stack for review to the CFO.
- The CFO reviews all checks with supporting documentation and forwards checks to the CEO for signature.

All contractor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors, as available funds allow
3. Generally, all contractor shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services, available funds permitting
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the issuance of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer. The CFO initials all check stubs before forwarding, noting the checks are approved by the CFO to be seen and all required documentation is present and attached.
6. Checks shall be utilized in numerical order (unused checks are stored in a locked cabinet in the accounting department)
7. Checks shall never be made payable to "bearer" or "cash"
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, contractor invoices shall immediately be stamped "PAID" to prevent subsequent reuse.
10. Checks are released after being signed. Checks are not to be held, except as stated below. If a problem arises and the check will not be sent out, the check is to be voided. Some checks are held for office personnel or predetermined pick up by payee. The person picking up the check signs a log when pick up is complete.

4402. Check Signing

Checks of \$10,000 or more require two signatures. Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Also, check signers, before signing a check, need to ensure the CFO has initialed the check stub denoting all supporting documentation is present and the disbursement was approved by the CFO.

Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

4403. Mailing of Checks

After signature, checks are returned to the Accounting Clerk, who then prepares the checks for mailing. Checks shall not be mailed by individuals who authorize expenditures.

4404. Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations. All "VOID" checks are to be approved by the CFO.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees. All stop payments are authorized by the CFO.

4405. Record-Keeping Associated with Independent Contractors

Greater Opportunities, Inc. shall obtain a completed Form W-9 or equivalent substitute documentation from all contractors to whom payments are made. A record shall be maintained in the accounting system of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such contractors shall be accumulated over the course of a calendar year.

4406. Policy Council, Policy Committee and Parent Committee Stipends

The program enables low-income members to participate fully in group responsibilities by providing, if necessary, stipends/reimbursements for reasonable expenses incurred by the members.

Parent Committee Reimbursement – The Head Start of Greater Opportunities, Inc. provides childcare, transportation and refreshments for parents attending Parent Meetings. This enables parents to be able to participate in their group responsibilities.

Policy Council Reimbursement Vouchers Procedure – The Head Start program of Greater Opportunities, Inc. offers a stipend to Policy Council members to offset expenses incurred to attend meetings, interviews and training.

If a Policy Council member has attended an event, the member must complete an "Expense Voucher" to receive the stipend.

The requested information must be completed and the member must sign the form to receive their stipend.

The stipend covers the following types of expenses:

- Mileage to and from meetings
- Childcare during meetings

**PAYROLL AND RELATED POLICIES
SECTION 4500**

4501. Wage Comparability Study

Greater Opportunities, Inc. will perform wage comparability studies every two years to ensure the salary and wage structure is similar to other organizations of like size and employee base in our area.

4502. Payroll Administration

Greater Opportunities, Inc. operates bi-weekly payrolls. For all Greater Opportunities, Inc. employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in Greater Opportunities, Inc.'s Employee Handbook.

The following forms, documents and information shall be obtained and maintained in the Human Resources department as listed below:

Document	Where filed
Greater Opportunities, Inc. Employment Application (and resume, if applicable)	HR Personnel file
Applicant references (work & personal); confirmed and written	HR Personnel file
Form W-4 Employee Federal Withholding Certificate	HR Personnel file
Form NY State Withholding Certificate IT-2104	HR Personnel file
Form I-9 Employment Eligibility	HR Personnel file
Copy of signed job description	HR Personnel file
Signed offer letter indicating job title, starting date, salary, scheduled hours, and whether position is exempt or non-exempt.	HR Personnel file
Authorization for direct deposit of paycheck, along with a voided check or deposit slip, if applicable.	HR Personnel file
Status change form, signed by the Program Coordinator and/or Program Director, HR Director, and CEO (<i>Exception: For Centro Drivers, a letter/memo from the Operations manager serves as the authorized copy of any changes. HR generates and signs the Status Change forms and attaches a copy of the letter/memo authorizing the change.</i>)	HR Personnel file
Copy of SCR and background check information (for Head Start staff only)	HR Personnel file
SCR Clearance Letter from Office of Children and Family Services (Head Start staff only)	HR Personnel file
Copies of transcripts and degrees if (applicable for position)	HR Personnel file
Pre-employment physicals (specified positions)	HR Personnel file
Code of Conduct	HR Personnel file
Conflict of Interest form	HR Personnel file
Notice of receipt of handbook	HR Personnel file
Declaration of Criminal History (Head Start staff only)	HR Personnel file
Fingerprint clearance letter from Office of Children & Family Services (Head Start staff as applicable)	HR Personnel file

4503. Changes in Payroll Data

It is the policy of Greater Opportunities, Inc. that all of the following changes in payroll data are to be authorized in writing:

Action	Type of Document	Who Sets Up
1. New hires	Personnel status change form	HR sets up data in payroll system
2. Terminations	Personnel status change form	HR inputs term date in payroll system
3. Changes in salaries, pay rates, departments, and jobs	Personnel status change form	HR inputs data into payroll system
4. Voluntary payroll deductions	Designated Form	HR inputs data into payroll system
5. Changes in income tax withholding status	W-4, IT-2104, or other federally approved form	HR inputs data into payroll system
6. Address changes –	Email, typed, or written correspondence from employee	HR inputs data into payroll system
7. Court-ordered payroll deductions	(* processed in accordance with local, state and federal guidelines) – documents from courts	Payroll sets up data in system. GREATER OPPORTUNITIES, INC. utilizes the Payco wage garnishment service

New hires, terminations, and changes in salaries, pay rates, departments and jobs shall be completed on approved form and signed by the appropriate program director, policy council representative if applicable, CEO and Human Resources Director. (Head Start Policy Council must approve all new Head Start hires and involuntary terminations.)

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in employee's personnel file or separate file kept in Human Resources or Payroll as appropriate.

Court ordered payroll deductions are maintained only in the payroll files.

Changes are processed by the Human Resources Department or Payroll.

4504. Payroll Taxes

The Accounting Department via Payco Services is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Payco processes our payroll tax forms. The Accounting Department may utilize the services of an outside payroll service center for the processing of payroll. The Agency utilizes the services of Payco for payroll processing.

4505. Preparation of Timesheets and Activity Sheets

Each Greater Opportunities, Inc. employee must submit, through Payco, their electronic timecard to their immediate supervisor for approval by the end of business day Friday prior to payroll submission on Monday. The immediate supervisor will review all of their electronic timesheets and approve through the Payco payroll processing. Timesheets shall be prepared in accordance with the following guidelines:

1. Each electronic timesheet should have proper punches in/out for actual time worked.
2. No other employee may clock in/out another employee.
3. Errors shall be corrected by the respective supervisor with proper description of error submitted by the employee.
4. Employees paid through more than one funding source shall identify and record hours worked or % of time based on the nature of the work performed on a Personal Activity Report
5. Compensated absences (ETO, holiday, sick leave from sick bank, etc.) should be clearly identified as such through Payco.

4506. Processing of Timesheets

Processing of timesheets in the accounting department is performed by the Senior Staff Accountant. The HR Director along with the Senior Staff Accountant checks all timesheets for accuracy, then submits payroll to Payco.

The Senior Staff Accountant may not change or correct timesheets without proper documentation. When errors are noted, if a corrected and approved timesheet is not re-submitted in time to the Senior Staff Accountant, the employee may not receive a pay check until the next pay period (or via a manual check if so approved by the CFO). In the event that a corrected timesheet will not reach the Accounting Department in time for payroll processing, the designated supervisor may authorize the necessary corrections via e-mail. The e-mail will be attached to the payroll as back-up for the correction.

Tampering with, altering, or falsifying time records, recording time on another employee's time record or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

4507. Review of Payroll

Upon return of payroll reports and checks from the payroll service center (Payco) the Senior Staff Accountant reviews all reports for completeness before distribution to employees.

4508. Distribution of Payroll

Any employee not electing to have direct deposit, Payco will mail the live paychecks to the Agency's Main Office. The Senior Staff Accountant will mail any employee who receives a live paycheck directly to their home on the Wednesday before payday. Employees with direct deposit will have a Payco account which will provide access to all their payroll information i.e. paycheck stubs, W2's, accrual balances, etc., that can be printed out.

4509. Employee Loans and Payroll Advances

Loan advances and advances in pay are not permitted.

Employees will not be able to “cash in” on their Earned Time Off prior to termination.

4510. Employee Incentive Compensation

Upon the Chief Executive Officer’s approval, discretion and budget parameters, incentive compensation may be made available to attract and retain qualified employees and to serve as a motivator for maintaining high employee performance.

Incentive Compensation is compensation over and above the amount of pay specified as wages or salary.

Incentive compensation may be used by GREATER OPPORTUNITIES, INC. to improve employee morale, motivation, and productivity and it will be used as a thank you to employees who have achieved a significant goal. The significant goal and the amount of the compensation will be approved by the CEO. Compensation is a one-time payment to employees and will not become part of the employees’ base salaries.

Incentive Compensation is discretionary and may include:

- Salaries
- Wages
- Fringe benefits
- Lump Sum Compensation

2 CFR Part 200 (45 CFR §75.430) explains to recipients how and when they will be reimbursed for expenses, including employee salaries and incentive compensation. It authorizes the use of incentive compensation, so long as the employee’s overall compensation is reasonable, the compensation is paid pursuant to a good faith agreement made prior to their rendering or pursuant to an established plan, and the incentive payments are adequately documented.

This Incentive Compensation Policy is designed to provide an effective means to motivate and compensate eligible employees on an annual basis. GREATER OPPORTUNITIES, INC.’s policy gives the executive team the ability to decide on Lump Sum Compensation for all employees.

There are two conditions for this compensation:

- If the executive team determines that there are sufficient funds available due to staff turnover, delays in filling staff vacancies, or other viable sources and determines that the funds are not needed in other areas of the program, Lump Sum Compensation will be considered.
- The Board of Directors and Policy Council must approve the Lump Sum Compensation.

If the above conditions are satisfied, then GREATER OPPORTUNITIES, INC. will give Lump Sum Compensation to employees who:

- Are full-time and ten-month employees on regular status.
- Are employed by our company on the day when the compensation must be paid.
- Have not announced they intend to resign either verbally or in writing.

Tax Treatment and Reporting: Under Internal Revenue Service Regulations, payment of incentive or recognition awards must be included in the employee’s income as wages subject to withholding for

federal and state income taxes and applicable FICA taxes. The payment is reportable on the employee's Form W-2 in the year paid.

An employee who is at or exceeds the maximum rate of the pay range is eligible for a Lump Sum Compensation. The amount of the adjustment is not added to the employee's rate of pay.

4511. Cost of Living Adjustments (COLA)

COLA's are generally awarded through a grant amendment from a funding agency. GREATER OPPORTUNITIES, INC. Senior management will make Cost of Living Adjustments based on funder instructions. To be eligible for a COLA, an employee must be currently employed by GREATER OPPORTUNITIES, INC. at the time the grant amendment is approved and be a regular employee. A COLA shall not allow an employee to be paid past the maximum established compensation for their salary range. When a wage study reveals employees are already at or above comparable market wages, COLA funds may be used for higher operational costs as allowed by the funding source. Once approved by the funding source, wages will be adjusted.

4512. Standards of Documentation for Personnel Expenses

See Policy 8104 Direct Costs

POLICIES PERTAINING TO SPECIFIC ASSET AND LIABILITY ACCOUNTS SECTION 5000

5001. Cash Accounts

General Checking Account (operating account):

There is 1 operating account maintained with NBT Bank for Greater Opportunities. The operating accounts provide for routine business check disbursements. ACH payments from DHHS will be made directly to the NBT Bank Account.

Note: Accounts payable payments for an item that is a combination of Head Start, and other responsibility centers will be made from the NBT Bank account. The draw for Head Start will be based on the direct charges to the grant, including cash disbursements, payroll and journal entries.

If a crisis occurred, we would be able to verbally draw funds on our NBT Bank line of credit, and follow up with appropriate paperwork as soon as possible so we would be able to meet payroll or other immediate needs.

- E-mail is sent electronically from Bank and then Bank Statements will be down loaded from NBT On-line Banking by Senior Staff Accountant & then given to CEO for review and initialed.
- Bank Reconciliations are completed by the Senior Staff Accountant or Staff Accountant. There is no separate payroll account.

The operating account (NBT Bank) will be reviewed daily by the CFO through on - line capabilities to ensure cash is flowing smoothly and timely.

5002. Payroll Account

The Agency does not maintain a separate payroll account. The Agency is normally notified Tuesday of the pay week by the Payco payroll service provider of the amount that will be deducted from the Agency's operating account for that week's payroll. The normal payday is every other Friday. When the payday is a holiday, the sequence of days is backed up for the holiday.

5003. Bank Reconciliations

Bank account statements are received each month by the Accounting Clerk or retrieved electronically by the Senior Staff Accountant. The statements are then reviewed by the CEO. The CFO maintains a daily reconciliation of the NBT Bank operating cash accounts of the Agency via online banking technology.

The bank reconciliations for these accounts will be prepared by the Senior Staff Accountant/Staff Accountant. The reconciliations are forwarded to the CFO for review, signature and filing. These bank reconciliations will be available for review by the Finance Committee at the monthly Finance Committee meetings.

The operating account will be reconciled before the current month closes for financial statements.

To complete the bank reconciliations for the NBT operating account in a timely manner, the following information will be used.

- bank statement
- Copy of the general ledger
- Copy of the Payroll Check Reconciliation Report

The cash reconciliations will be prepared showing ending balance in separate columns for the bank and general ledger. Deposits in transit and outstanding checks will be listed, and each individual reconciling item identified. There will be an indication of the status of the individual reconciling items.

Reconciliation will be completed for the NBT Bank operating account reconciling the bank and general ledger. Copies of the above will be attached to the reconciliation.

Other cash account reconciliations will reconcile the general ledger to the bank statement, with a copy of the bank statement and general ledger attached. These reconciliations are due before the subsequent month closing.

All other bank reconciliations are prepared by the accounting staff, reviewed and signed by the CFO and filed.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

The CFO will ensure that the bank reconciliation reflects the general ledger ending balance.

5004. Cash Flow Management & Cash Forecast

The CFO monitors cash flow needs on a daily basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis under the direction of the CFO with the approval of the CEO or the Deputy Director in his absence.

If Greater Opportunities' account balance in any particular financial institution exceeds the federally-insured threshold (\$250,000), the Agency will utilize the financial institutions Insured Cash Sweep services. This service places the agencies funds with other FDIC insured interest bearing banks to stay within the FDIC limits. This will be monitored by the CFO. Any deposits and withdrawals from the sweep to the active checking account will be made by the CFO with the approval of the CEO or the Deputy Director in his absence.

5005. Stale Checks

It is the policy of Greater Opportunities, Inc. to review checks that are 3 months old that have not cleared the Agency's bank. All outstanding checks listed on the bank reconciliation will be reviewed monthly. Any outstanding checks that are greater than 90 days old, the payee will be conducted to

determine the status of the check. All checks greater than one year old will be voided and reissued upon payee request.

Write-offs will credit the original responsibility center or grant.

Greater Opportunities, will also comply with the NY laws regarding unclaimed property. Accordingly, if uncashed checks are subject to a state reporting and transfer requirement, the Agency shall file all appropriate forms and remit unclaimed property to the appropriate jurisdiction.

5006. Petty Cash

It is the policy of Greater Opportunities, Inc. to provide for petty cash funds only for valid transactions and to periodically replenish these funds up to its authorized balance as previously established by the Accounting Department and Program Managers.

Petty cash is to be maintained in a locked environment, under sole access by the petty cash custodian, and backup, if applicable.

All disbursements from the petty cash fund must be accompanied by adequate receipts. The disbursement may have a limit of \$50.00 per receipt for petty cash funds, excluding the petty cash fund maintained by the Senior Staff Accountant. The petty cash fund maintained by the Senior Staff Accountant can be used upon the direction of the CFO, or CEO. We do not require 3 bids for petty cash disbursements of \$50 or less. We have open and free competition, as a variety of contractors is used.

Petty cash is to be used for expenditures that it appears to be more reasonable to give cash instead of using a check. Examples include parking, tips on food delivery, etc. No purchase orders at the time are required. The Senior Staff Accountant when giving out the petty cash will note who received the funds and how much was received. The employee receiving the petty cash is responsible for returning any excess cash and receipts for the items purchased which will be reconciled by the Senior Staff Accountant.

For Head Start employees working at a Head Start center, petty cash may be requested only by a purchase order, signed by their Programs Director. The employee requesting the petty cash completes the purchase order in detail and brings it to the Center Director. The Center Director should review the purchase order and if it is deemed reasonable, the center director should forward the request to the Programs Director. The Programs Director will sign the purchase order after reviewing it and bring it to fiscal. Once determining the amount is allocable, the Fiscal Department will process the purchase order with the weekly check runs. The account the check will be posted to is the petty cash fund, so that the required receipts and any excess funds can be tracked by the Senior Staff Accountant and reconciled when all other petty cash is reconciled. The check will be issued to the employee, in trust of petty cash. Once the check is signed, all petty cash checks will be gathered together and mailed to the Center Director to hand out. The Center Director needs to ensure the employee receives the check and is responsible for ensuring the employee follows the required petty cash procedures noted above. Head Start petty cash must be requested timely for the current check run and needs to be used within one week. All receipts from Head Start employee purchases from check advances requested are due to fiscal within the week.

The Senior Staff Accountant shall prepare a reconciliation of the petty cash account on a monthly basis. A cash disbursement form for reimbursement of the petty cash account and all supporting receipts are forwarded to the Accounting Clerk to replenish with a check from A/P. The CFO will review the cash disbursement form for accuracy and may also perform periodic surprise cash counts and reconciliations.

There is one Petty Cash account maintained in the Accounting office by the Senior Staff Accountant. The petty cash receipts payable to the Senior Staff Accountant must be signed by another member of the Accounting staff.

5007. Bank Transfers

The CEO or CFO shall be the only Greater Opportunities, Inc. employees authorized to make bank transfers between Greater Opportunities, Inc. bank accounts. Bank Transfers will be done electronically or by phone with approval from the CEO or the Deputy Director in his absence. The Senior Staff Accountant will have access to do bank transfers up to \$1,000.00, with approval from the CFO and CEO.

5008. Line of Credit

The Line of Credit is maintained with NBT Bank. The line of credit is accessed by a written letter signed by the CEO to the bank to draw on the line of credit with supporting documentation to substantiate the request. Board approval is needed to draw down on the line of credit. The repayment on the line is completed with another letter from the CFO to the bank. In an emergency, the line of credit may be accessed verbally by the signors, with appropriate paperwork completed as soon as possible.

5009. Agency Borrowing

Any Agency borrowing is subject to Board Approval.

INVENTORY SECTION 5100

5101. Description of Inventory

Greater Opportunities, Inc. maintains an inventory of goods for future use. Specifically, items that are held in inventory include:

1. Office supplies
2. Housing supplies (ie. Furniture & Fixtures)
3. Maintenance department supplies
4. Vehicles

5102. Physical Counts

It is the policy of Greater Opportunities, Inc. to perform a physical count of inventory on an annual basis. Any inventory items that appear damaged, obsolete or otherwise unable to be sold shall be excluded from the counts, and written off as appropriate. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory and recorded in the inventory software.

FIXED ASSET MANAGEMENT SECTION 5200

5201. Capitalization Policy

Physical assets acquired with a unit cost of \$5,000 or more are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. The acquisition cost is the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which acquired. Company policy is also to include the cost of installation, transportation, any required taxes, duty, in-transit insurance in the acquisition cost amount.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

5202. Contributed Assets

Assets with fair market values of \$5,000 or more (per unit) that are contributed to Greater Opportunities, Inc. shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

5203. Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset: *(2 CFR part 200.313(d)(1))*

1. Date of acquisition
2. Acquisition cost
3. Description
4. Depreciation method
5. Estimated useful life
6. Location
7. Vehicle ID#/Serial #
8. Greater Opportunities, Inc. tag ID#
9. Source of Funds used to purchase the equipment, if applicable
10. Ultimate disposition data including the date of disposal and sale price

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by Greater Opportunities, Inc. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the CFO.

5204. Receipt of Newly-Purchased Equipment and Furniture

At the time of arrival, all newly-purchased equipment and furniture shall be “eyeballed” for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the contractor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the contractor immediately.

The IT Specialist maintains a listing of computers hardware for items under the fixed asset threshold. The IT Specialist will supervise a periodic comparison of the list to physical items (may be accomplished electronically in some cases).

5205. Construction in Progress

Construction in Progress is reconciled to the general ledger monthly by a Senior Staff Accountant. Copies of the invoices and support are to be forwarded to the Senior Staff Accountant by Purchasing, Accounts Payable Specialist or the other Accountants, as soon as it is recognized there is a purchase for Construction in Progress.

The Senior Staff Accountant will list all charges, meet with the originators to determine the estimated time for completion, and indicate such on the reconciliation. When we reach the indicated month of completion, the Senior Staff Accountant should contact the originator and other Accountants involved to determine if the item is ready to move to Fixed Assets or other accounts.

5206. Depreciation and Useful Lives

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

5207. Repairs of Fixed Assets

The program managers responsible for the equipment shall periodically inspect the equipment and ensure there are adequate maintenance procedures to keep the equipment in good condition. They shall maintain controls to prevent loss, damage or theft.

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

5208. Dispositions of Fixed Assets

There are specific procedures that must be followed to dispose or transfer a fixed asset having a fair market value of \$5,000 or more.

We must receive a written statement from the grantor permitting disposal or transfer of a fixed asset with a fair market value of \$5,000 or more. If the item was purchased with grant money, we must report program income.

The Program Manager is to complete a fixed asset disposal form which will identify the funding source and enable accounting to locate the item in the fixed asset records. The fair market value will be determined using the blue book for vehicles.

If the item is sold outside the company, determination will be made for the possible program income. If the item was purchased with grant money, we must report program income. If an item is not scrap, but is disposed, we must receive 3 quotes when applicable to receive the maximum price for the item. If the item is a vehicle, we will obtain the "blue book" value to use as a guide. If the item is scrapped as junk, we will receive either a written receipt at the trash site where disposed, or a written statement signed by the CEO or CFO.

Write off's and dispositions of fixed assets must be approved by the CFO and CEO, with supporting documents attached.

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and again if the money received is more than the book value.

Grantors will be notified of intent to dispose of or transfer use of fixed asset (fair market value \$5,000 or more) purchased with grant funds, for the grantors written permission.

5209. Write-Offs of Fixed Assets

The CFO and CEO approve the disposal of all capitalized fixed assets that may be worn-out, obsolete, lost, damaged or stolen. Property that is discovered to be missing or stolen will be reported immediately to the CFO. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES SECTION 5300

5301. Classification of Leases

It is the policy of Greater Opportunities, Inc. to classify all leases in which the Agency is a lessee as either capital or operating leases. Greater Opportunities, Inc. shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to Greater Opportunities, Inc. at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property; or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of Greater Opportunities, Inc.'s incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

The CFO is to review all new leases. An analysis will be completed by the CFO or designee to determine if a lease is an operating or capital lease.

5302. Reasonableness of Leases

Greater Opportunities, assesses the value of leases according to the requirements of 2 CFR Part 200.465, Rental Costs of Real Property and Equipment, considering the following factors;

- The rate is reasonable when compared to similar property in the same area;
- The rate of any alternatives; and
- The type, life expectancy, condition, and value of the property leased.

Rental arrangements will be reviewed every [3 to 5] years to determine if circumstances have changed and other options are available.

5303. Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses.

All leases that are classified as capital leases shall be treated as fixed asset additions of Greater Opportunities, Inc. As such, upon the inception of a capital lease, Greater Opportunities, Inc. shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

Greater Opportunities, Inc. shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms.

ACCRUED LIABILITIES SECTION 5400

5401. Identification of Liabilities

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of the fiscal year. Some of the expenses that shall be accrued by Greater Opportunities, Inc. at the end of a fiscal year are:

- Salaries and wages
- Payroll taxes and related fringe benefits
- Earned Time Off (ETO) - see policy below
- Rent (if applicable)
- Accrued Invoices

5402. Accrued Leave

See the Agency approved Personnel Handbook for the ETO policy established in December 2013 for details on accrued leave balances and the corresponding criteria to be used by the Accounting Department for fiscal year end vacation accruals.

NOTES PAYABLE SECTION 5500

5501. Record-Keeping

It is the policy of Greater Opportunities, Inc. to maintain an account analysis of all notes payable, mortgage obligations and lines of credit. The account analysis would detail the account principal balance and all related payments made on the obligation and related interest expense.

5502. Accounting and Classification

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due within the next year shall be classified as a current liability in the statement of financial position of Greater Opportunities, Inc. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of the fiscal year.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING SECTION 6000

6001. Standard Financial Statements of the Agency

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Agency. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of Greater Opportunities, Inc. that are maintained on an Agency-wide basis shall include:

1. Statement of Financial Position (Balance Sheet) - reflects assets, liabilities and net assets of the Agency and classifies assets and liabilities as current or non-current/long-term
2. Statement of Activities - presents support, revenues, expenses, and other changes in net assets of the Agency. This presentation will include the approved budget.
3. Summary Grant Financial Status – For each of the grants, the grant period is displayed along with summary revenue and expenses. YTD Head Start Administrative costs, In-Kind totals and CACFP meal counts for 3 months are also shown.
4. Other Supplemental Information – may include items such as Aged Accounts Payables and Receivables, Bank account reconciliation status, Line of Credit balance etc.

Item 3 above is presented to the Finance Committee, Policy Council and the Board of Directors. Item 4 above is presented to the Finance Committee.

6002. Frequency of Preparation

A standard set of financial statements described in the preceding section shall be produced on a monthly basis, delivered and presented to the Finance Committee and Board for each scheduled monthly meeting date. The following information is available at both the Finance Committee and Board meetings.

6003. Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the CFO and CEO prior to being issued to the Finance Committee and Board.

Financial statements may include an additional supplemental schedule prepared or compiled by the CFO. The purpose of this schedule is to provide known explanations for material budget variances in accordance with Greater Opportunities, Inc.'s budget monitoring policies.

The Program Directors have access to their grants and responsibility centers through the CFO. As information is constantly updated in the general ledger, the Program Directors can obtain updates at any time. When a month is closed, the CFO will issue an email to Senior Leadership of such, so they can print/view final copies.

The CFO meets with the Program Directors to review their Budget Summaries (Statement of Activities) and detail. This includes a comparison of budget to actual review to ensure we do not exceed appropriate budgets.

6004. Annual Financial Statements

A formal presentation of the Agency's annual financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Agency's Annual Meeting, at which time the Board of Directors will vote to accept or reject the annual audited financial statements. This presentation will be preceded by a meeting with Greater Opportunities, Inc.'s Finance Committee, at which the Finance Committee will review a draft of the audited financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

GOVERNMENT RETURNS SECTION 6100

6101. Overview

To legitimately conduct business, Greater Opportunities, Inc. must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of Greater Opportunities, Inc. include, but are not limited to, filing annual information returns with the IRS, information returns for retirement plans and payroll tax withholding returns.

6102. Filing of Returns

It is the policy of Greater Opportunities, Inc. to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The CFO shall be responsible for identifying all filing requirements and assuring that Greater Opportunities, Inc. is in compliance with all such requirements.

It is also the policy of Greater Opportunities, Inc. to file complete and accurate returns with all authorities. Greater Opportunities, Inc. shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by Greater Opportunities, Inc. include, but are not limited to, the following returns:

1. **Form 990** - Annual information return of tax-exempt Agencies, filed with IRS. Form 990 for Greater Opportunities, Inc. is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **NYS CHAR 500** - Annual Filing for Charitable Organization, Filed with NYS Charities Bureau. Form CHAR500 for GREATER OPPORTUNITIES, INC. is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form CHAR 500 may be obtained by a submitting a copy of Form 8868 submitted to the IRS. Upon expiration of the first 3-month extension, a second 3-month extension may be requested in writing and accompanied by an IRS Form 8868 approved by the IRS if received.
3. **Form 5500** - Annual return for Greater Opportunities, Inc.'s employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
4. **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.
5. **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each

quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter. (Prepared and filed by Payco).

Greater Opportunities, Inc.'s fiscal and tax year-end is December 31. All annual tax and information returns of Greater Opportunities, Inc. (Form 990) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Agency's external Payroll Administrator (Payco), and reviewed by O.F.B. staff.

It is the policy of Greater Opportunities, Inc. to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each Greater Opportunities, Inc. employee.

6103. Public Access to Information Returns

Under regulations that became effective in 1999, Greater Opportunities, Inc. is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990) and
2. Greater Opportunities, Inc.'s original application for recognition of its tax-exempt status filed with IRS, and all accompanying schedules and attachments.

It is the policy of Greater Opportunities, Inc. to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of Greater Opportunities, Inc. during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The CFO and Receptionist shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. All requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
3. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.

6104. Review of Form 990 by Board of Directors

A draft O.F.B, Inc's, annual Form 990 information return shall be reviewed and approved by the [Board of Directors, Finance Committee, or Audit Committee] prior to being filed with the Internal Revenue Service. This review and approval shall be documented with the signature of the Board Chair or Treasurer.

FINANCIAL MANAGEMENT POLICIES SECTION 7000

7001. Overview

Budgeting is an integral part of managing any Agency in that it is concerned with the translation of Agency goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the Agency's financial and human resources. A budget is a management commitment of a plan for present and future Agency activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Agency's programs and activities simultaneously in light of the available resources.

7002. Preparation and Adoption

It is the policy of Greater Opportunities, Inc. to prepare an annual budget. To prepare the Agency budget, the CFO may gather proposed budget information from all Department Directors (and others with budgetary responsibilities) and prepares the first draft of the budget. Any budgets proposed and submitted by each department should be accompanied by a narrative explaining all material fluctuations in budgeted amounts from prior years. Grant budgets normally based on the most recent approved grant budget. The CFO or accountants may complete the budgets, so the company budget is complete on time. Also, the CFO may highlight significant questioned fluctuations to budget, and the accountants will discuss with the Program Directors.

After appropriate revisions and a compilation of all department budgets by the CFO, a draft of the Agency-wide budget, as well as individual department budgets, is presented to the CEO for discussion, revision, and initial approval.

7003. Monitoring Performance

It is the policy of Greater Opportunities, Inc. to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

FINANCIAL AUDIT SECTION 7100

7101. Arranging for the Annual Audit

It is the policy of Greater Opportunities, Inc. to arrange for an annual audit of the Agency's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by Greater Opportunities will be required to communicate directly with the Organization's Finance Committee upon the completion of their audit. In addition, members of the Finance and Executive Committee are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Finance Committee by the independent accounting firm. After the financial statements have been reviewed and approved by the Finance Committee, the independent accounting firm will present the audited financial statements to the Board of Directors at an annual meeting.

7102. How Often to Review the Selection of the Auditor

Greater Opportunities, Inc. shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. Every 5-7 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years; simply to re-evaluate the selection)

7103. Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by Greater Opportunities, Inc. in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit and federal reporting requirements under 2 CFR Part 200.
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Agency personnel in a professional and congenial manner

Greater Opportunities will prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms. Copies of all proposals shall be forwarded to each member of the Finance Committee and CEO along with the grading sheet. After reviews, the Finance Committee will make the final recommendation to the Board of Directors for Approval.

7104. Preparation for the Annual Audit

Greater Opportunities, Inc. shall be actively involved in planning for and assisting with the Agency's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

Planning - The CFO is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm. The CFO shall arrange and coordinate any and all meetings, interviews, telephone discussions, and conference calls requested by the auditor with Greater Opportunities board members, audit or finance committee members, or employees of Greater Opportunities to facilitate the auditor's work. Prior to any such meetings or discussions, the CFO shall inform each Agency participant of the nature of the discussion or meeting and what, if any, preparations they should do prior to the meeting. The CFO shall communicate to each Greater Opportunities participant in such meetings or discussions the importance of being open, honest, and frank with the auditors with respect to any and all questions posed by the auditors.

Involvement - Agency staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Agency's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Agency staff will do as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of Greater Opportunities, Inc. to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

7105. Concluding the Audit

Upon receipt of a draft of the audited financial statements of Greater Opportunities from its independent auditor, the Finance Director shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of Greater Opportunities.
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Finance Director.

It shall also be the responsibility of the Finance Director to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

7106. Internal Control Deficiencies Noted During the Audit

In accordance with generally accepted auditing standards, at the conclusion of the audit the Agency's independent auditors may provide a written communication of internal control deficiencies noted in connection with their audit. Not all deficiencies in internal control are required to be reported by the auditor. Only the following two types of deficiencies are required to be communicated:

1. **Material weakness** – A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
2. **Significant deficiency** – A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Agency's independent auditors are required to provide written communication to the Finance/Audit Committee of all significant deficiencies and material weaknesses (i.e., only those control deficiencies that rise to the level of materiality at which they qualify under the definitions provided above, in the opinion of the auditor).

It is the Agency's policy that all internal control deficiencies that are communicated by the auditor in writing shall be formally addressed by the Finance /Audit Committee, the CEO, and the Finance Director. The CEO and the Finance Director shall prepare a written response, which shall include a corrective action plan, to each internal control finding and such response shall be presented to the Finance/Audit Committee for its review and approval.

7107. Finance/Audit Committee Communications with the Auditors

Some of the communications that Greater Opportunities' auditors may have with the Agency's Fiscal/Audit Committee include:

1. Planning discussions prior to commencing the audit, such as by inquiring of audit committee members their perception of where the risk of material misstatements in the Agency's financial statements may be greatest, the various risks of fraud, and other inquiries.
2. Planning stage communications informing the audit committee of the planned scope and nature of certain audit procedures that the auditors plan to perform, to aid in the audit committee members having a thorough understanding of the audit.
3. Internal control deficiencies noted during the audit, communicated in writing at the conclusion of the audit.

4. Any material fraud detected by the auditor, or any fraud, regardless of materiality, involving senior management, noted at any time during the audit.
5. Significant problems or other issues that arose during the audit (e.g., disagreements with management and certain other items that the auditors may be required to report to the audit committee).
6. Audit adjustments made by the auditors as a result of their audit.
7. Certain audit differences noted by the auditors that they deemed not material enough to warrant making an adjustment for.

Finance/Audit Committee members should be aware of these communications and engage in active discussions with the auditors whenever it is considered appropriate in the fulfillment of these or their other duties.

INSURANCE SECTION 7200

7201. Overview

It is the policy of Greater Opportunities, Inc. to maintain adequate insurance against general liability and professional liability, flood insurance where applicable, as well as coverage for buildings, contents, computers, fine arts, vehicles, equipment, machinery and other items of value.

Greater Opportunities, shall maintain a detailed listing of all insurance policies in effect.

As a guideline, Greater Opportunities will arrange for the following types and levels of insurance as a minimum:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive Liability	\$1,000,000
Umbrella Liability	\$3,000,000
Automobiles for Employees, Volunteers, or Escorts	\$1,000,000
Employee dishonesty/bonding	\$500,000 for all accounting department employees and the <u>[CEO]</u>
Fire and Water Damage	Coverage for all items with acquisition cost greater than \$1,000

Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost greater than \$1,000
Pension Plan Fidelity Bond	\$500,000
Workers' Compensation	To the extent required by law (or contractual obligations of the Agency)
Accident Insurance for Children And Volunteers.	\$25,000
Flood Insurance for Endicott Head Start	\$500,000
NYS Unemployment Insurance	All employees covered under self-insured plan.

Greater Opportunities shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

1. Description (type of insurance).
2. Policy Number
3. Agent and insurance company.
4. Premium amounts
5. Policy effective dates

7202. Insurance Definitions

Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy except when contract operations are so commingled that it would not be practical to require this coverage.

Comprehensive Liability

This type of coverage may include directors, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

RECORD RETENTION SECTION 7300

7301. Policy

It is the policy of Greater Opportunities, Inc. to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the CFO. The formal records retention policy of Greater Opportunities, Inc. is as follows:

Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Audit reports	Permanently
Bank reconciliations	7 Years
Bank Statements	7 Years
Cancelled Checks	7 Years
Chart of Accounts	3 years
Child Files – Head Start including eligibility files	3 Years
Contracts, mortgages, notes and leases:	
Expired	7 Years
Still in effect	Permanently
Correspondence:	
General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or contractors	2 Years
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 Years
Employment applications	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years
Insurance records (policies, claims, etc.)	Permanently
Internal reports	3 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from contractors)	7 Years
Journals	Permanently
Minute books of directors, bylaws and charters	Permanently
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Property records (incl. depreciation schedules)	Permanently
Retirement and pension records	Permanently
Requisitions	1 Year
Sales records	7 Years
Subsidiary ledgers	7 Years

Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	7 Years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher register and schedules	7 Years
Withholding tax statements	7 Years

The destruction of any documents containing social security numbers or any other “consumer data” as defined under federal laws and regulations shall be done via shredding using an approved shredding service provider.

7302. Electronic Document and Data Destruction

Senior Administration shall create a policy for scheduled electronic data and document destruction. This policy shall include details of what is to be kept, for how long, and the date it will be eligible for destruction. Destruction shall commence as soon as reasonably possible once a document or data has expired. Department managers will be responsible for executing their document and data destruction policies on an annual basis for each program area.

Electronic Records:

When electronic records and documents are to be destroyed, program areas will follow the below procedures. Assistance is available for deleting documents and files that are not easily deleted. Send requests and questions to Penny Brown @ pbrown@greaterops.org.

Email: Delete appropriate messages from folders and then empty the Deleted Items folder in Outlook. Once the Deleted Items folder is purged in Outlook, open the same folder using any and all mobile devices on which email is synced to and purge messages from the mobile device as well.

Network File Shares: Files on network file shares (such as the X: and H: drives) that are past their retention periods should be deleted from the file server. Once files are deleted from the network file shares, they will be purged from the system and not included in future system backups.

Home Directories: Business data should not be generally kept in users’ home directories (H: drive and My Documents). Business data that is stored in home directories is subject to the same retention and purge policies. Files past their retention periods should be deleted in the same manner as those on other network file shares.

Local Hard Drives: Business data should not be kept on users’ local hard drives (such as the C: and G: drives). If business data exists on these drives, it should be moved to appropriate location on a network file share or deleted.

Databases: Contact Penny Brown (pbrown@greaterop.org) for help identifying data in databases and for assistance in purging all records that are past retention. Local database administrators (COPA, HMIS) will also be able to assist in setting up automated mechanisms for review and/or purging of records when retention periods are reached.

7303. Exception for Investigations

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of the Organization's Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

1. All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.
2. The term "records" shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

7304. Protection of Records

GREATER OPPORTUNITIES, INC. prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered violations of the Organization's Code of Ethics and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

FUNCTIONAL EXPENSE ALLOCATIONS SECTION 7400

7401. Overview

As one of its financial management objectives, Greater Opportunities, Inc. strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of Greater Opportunities, Inc. to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible.

Program and supporting service functions of Greater Opportunities, Inc. are:

Programs:

1. Head Start
2. Family and Community Development
3. Low Income Housing
4. Low Income Senior Housing

Supporting Services:

1. Indirect administrative departments including (Executive Dept, Fiscal Department, Human Resources, IT (MIS) Department, and Main Office.

7402. Direct Charging of Costs

Certain internal costs shall be directly charged to the appropriate Greater Opportunities, Inc. function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

<u>Cost</u>	<u>Basis For Charge</u>
Salaries	Timesheets and Personal Activity Reports
Occupancy (facilities) costs	Actual square footage used by each function
Transportation	Actual based on program traveling for
Maintenance	Actual based on timesheets/allocation sheets
Insurance	Based on insurance policy

7403. Allocation of Overhead Costs

On a monthly basis, the Agency's administrative department costs are allocated to the various programs/grants.

7404. Other Cost Allocations

The CFO will maintain cost allocation documentation for items such as: maintenance, transportation, insurance, and salaries and fringe benefits, to be reviewed and updated annually.

7405. Contracts

The following procedures pertain to all legal agreements entered on behalf of Greater Opportunities, Inc.:

TYPE:	Grant Contracts, Agreements, MOU's Proposals, etc.	Contractor Contracts and Agreements
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SIGNOR:	CEO	CEO
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POLICIES PERTAINING TO FEDERAL AWARDS SECTION 8000

8001. Definitions

There are several types of agreements through which Greater Opportunities, Inc. may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the Agency to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the Agency agrees to provide supplies and/or services and the grantor agrees to pay for them.

Cooperative Agreement: A legal agreement where the Agency implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

8002. Preparation and Review of Proposals

The individual departments are responsible for preparing proposals for projects that the department intends to pursue.

However, all proposals shall be reviewed by the CEO, CFO, and Program Director prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the aforementioned individuals.

Any fiscal revisions submitted to the grantor are to be approved by the CEO, CFO, and Program Director prior to submission.

8003. Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Director of Grant Development, Program Director and CFO will meet to review the grant award, including items such as terms, time periods, award amounts and expected expenditures associated with the award and other as appropriate. A *Catalog of Federal Domestic Assistance* (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.

8004. Compliance with Laws, Regulations and Provisions of Awards

Greater Opportunities, Inc. recognizes that as a recipient of Federal funds, the Agency is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. *See section 2205 of this policy.*

8005. Billing and Financial Reporting

Greater Opportunities, Inc. strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

Greater Opportunities, Inc. shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Accountant, subject to review and approval by CFO.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to Greater Opportunities, Inc.:

1. It is the policy of Greater Opportunities, Inc. to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Greater Opportunities will strive to minimize the time between receipt and disbursement of grant funds by issuing payments within [24 business] hours of receipt of such funds. (this only occurs for Payroll)
3. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
4. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts, unless otherwise stated by grantor.

Greater Opportunities, Inc. shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

If a federal award authorizes the payment of cash advances to Greater Opportunities, Inc., the CFO may request that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, Greater Opportunities, Inc. shall reflect a liability equal to the advance.

8006. Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by Greater Opportunities, Inc. are subject to all of the specific Greater Opportunities, Inc. purchasing policies described earlier, under “**Purchasing Policies and Procedures.**” In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. Greater Opportunities, Inc. shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a Federal award. *(2 CFR Part 200.318(d))*
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government. *2 CFR Part 200.318(d)*. This analysis should only be made when both lease and purchase alternatives are available to the program
3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services. *(2 CFR Part 200.318(e))*
4. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. *(2 CFR Part 200.318(f))*
5. Documentation of the cost and price analysis associated with each procurement decision in excess of the simplified acquisition threshold (\$150,000) shall be retained with the purchasing package or in the procurement files pertaining to each Federal award. *(2 CFR Part 200.323)*
6. All pre-qualified lists of persons, firms or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and full competition. *(2 CFR Part 200.319(d))*
7. Greater Opportunities, Inc. will maintain records sufficient to detail the history of procurement, including: *(2 CFR Part 200.318(i))*
 - a. Rationale for the method of procurement;
 - b. Selection of contract type;
 - c. Contractor selection or rejection; and
 - d. The basis for the contract price.
8. Greater Opportunities, Inc. shall make all procurement files available for inspection upon request by a Federal Awarding Agency. *(2 CFR Part 200.324(b))*

All staff members with the authority to approve purchases will receive a copy of, and be familiar with, 2 CFR Part 200.400 – 475, Cost Principles.

If an award is to be made to a contractor who is a relative of a Greater Opportunities, Inc. employee who is involved in the procurement decisions, a letter describing the relationship to the contractor must

be written, approved by the CEO and attached to the purchasing package along with justification showing why we are utilizing this specific contractor such as price, delivery, etc.

8007. Solicitations of Bids from Contractor

All purchases of \$150,000 or more shall be made by obtaining competitive proposals from at least three responsible contractors. Sealed bids shall be utilized when required by the Federal awarding agency.

Greater Opportunities, Inc. shall not utilize the “cost-plus-a-percentage-of-cost” method of contracting with contractor.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of Greater Opportunities, Inc., described in the section of this manual on “Policies Associated with Expenditures and Disbursements.”

8008. Provisions Included in all Contracts (2 CFR Part-200 Appendix II) (3/15/18)

It is the policy of Greater Opportunities, Inc. to consider all of the following provisions, as applicable, in all contracts (including small purchases) with contractor and sub-grants to grantees:

1. **Contracts** for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by [41 U.S.C. 1908](#), must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.
3. **Equal Employment Opportunity:** All contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
4. **Davis-Bacon Act, as amended (40 U.S.C. 3141-3144 and 3146-3148):** When required by Federal program legislation, all construction contracts of more than \$2,000 awarded by Greater Opportunities, Inc. and its sub recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144 and 3146-3148) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”).
5. **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708):** Where applicable All contracts awarded by Greater Opportunities, in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision concerning overtime pay and

working conditions in compliance with (40 U.S.C. 3702-3704), as supplemented by Department of Labor regulations (29 CFR part 5).

6. **Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended:** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. The contracts must also include a provision for compliance with the **Copeland “Anti-Kickback” Act (40 U.S.C. 3145)**, as supplemented by Department of Labor regulations (29 CFR part 3). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.
8. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or subgrants of \$100,000 or more, Greater Opportunities, Inc. shall obtain from the contractor or subgrantee a certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352.
9. **Debarment and Suspension (E.O.s 12549 and 12689):** No contract shall be made to the parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with E.O.’s 12549 and 12689, “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than E.O. 12549.

8009. Equipment and Furniture Purchased with Federal Funds (2 CFR Part 200.313)

Greater Opportunities, Inc. may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to \$5,000 or more.

All purchases of “equipment” with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to Greater Opportunities, Inc. for use in a program shall be marked as such.

2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Greater Opportunities, Inc. shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, Greater Opportunities, Inc. shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs not to exceed \$500 or 10% of the proceeds, whichever ever is less, to the federal agency. (2 CFR Part 200.313(e(2)))

8010. Standards for Financial Management Systems

1. In accordance with 2 CFR Part 200.302(b), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, it is the policy of Greater Opportunities, Inc. to maintain a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.
2. Identification, in all its accounts, of all Federal awards received and expended and the Federal programs under which they were received. (2 CFR Part 200.302(b)(1))
3. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of 2 CFR Parts 200.327, Financial Reporting, and 200.328, Monitoring and Reporting Program Performance, and/or the award.
4. Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be fully supported by source documentation.
5. Effective control over and accountability for all funds, property and other assets. Greater Opportunities, Inc. must adequately safeguard all such assets and assure they are used solely for authorized purposes.
6. Comparison of outlays expenditures with budget amounts for each award.
7. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources. (2 CFR Part 301, Performance Measurement)
8. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by Greater Opportunities. Advance payments must be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements. (2 CFR Part 200.305 Payment) See Greater Opportunities written procedures in the 4205. Head Start Draw Down Procedures section of this manual.
9. Procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the 2 CFR Part 200 Subpart E, cost principles and the terms and conditions of the award. See Greater Opportunities written procedures in the 8100 Charging of Costs to Federal Awards section of this manual.

8011. Budget and Program Revisions

It is the policy of Greater Opportunities, Inc. to request prior approval from Federal awarding agencies for any of the following program or budget revisions: (2 CFR Part 200.308)

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project director, etc.) specified in the application or award document.
3. Disengagement for more than three months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with 2 CFR Part 200.407, Prior written approval.
6. The transfer of funds allotted for participant support costs to other categories of expense.
7. Unless described in the application and funded in the approved awards, the sub award, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).
8. Changes in the amount of the approved cost-sharing or matching provided by the Agency.

8012. Close Out of Federal Awards

Greater Opportunities, Inc. shall follow the close out procedures described in 2 CFR 200.343 – 345, Closeout and in the grant agreements as specified by the granting agency.

Greater Opportunities, Inc. and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement, or according to the grant.

CHARGING OF COSTS TO FEDERAL AWARDS SECTION 8100

8101. Overview

It is the policy of Greater Opportunities, Inc. that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

8102. Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Program managers and Accounting personnel shall be familiar with the allowability of costs provisions of 2 CFR Part 200.400 – 475, Cost Principles, particularly:
 - a. The list of specifically unallowable costs found 200.421 – 475, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc.
 - b. Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 CFR Part 200.407, Prior Written Approval, such as participant support costs, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.400 – 475, Cost Principles.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of Greater Opportunities, Inc. to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

8103. Criteria for Allowability

It is the policy of Greater Opportunities, Inc. that all costs must meet the following criteria from 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:

- a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Agency or the performance of the award;
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - c. Whether the individuals concerned acted with prudence in the circumstances;
 - d. Consistency with established policies and procedures of the Agency, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be "allocable" to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a Federal award;
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Agency, but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
 3. The cost must conform to any limitations or exclusions of 2 CFR Part 200 Subpart E Cost Principles, or the Federal award itself.
 4. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Agency.
 5. Costs must be consistently treated over time.
 6. The cost must be determined in accordance with generally accepted accounting principles. (GAAP)
 7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.
 8. The cost must be adequately documented.

8104. Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal Award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (*2 CFR Part 200.413(a)*). Greater Opportunities, Inc. identifies and charges these cost exclusively to each award or program.

Each Purchase Order/Cash Disbursements Request shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. The account coding is reviewed by the accountants. Invoices are matched to the approved purchase order by the accounting clerk. The account codes are spot checked by the CFO in review of cash disbursements.

Greater Opportunities follows the requirements in 2 CFR Part 200.430(i), Standards for Documentation of Personnel Expenses, Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Greater Opportunities, Inc. utilizes time sheets or personnel activity reports, described earlier (4505), are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. These reports reasonably reflect the total activity for which the employee is compensated. They encompass both federally assisted and all other activities compensated by the Organization on an integrated basis. These reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions and comply with the established accounting and financial practices of Greater Opportunities.

8105. Indirect Costs

Not Applicable.

8106. Shared or Joint Costs

Shared or joint costs are those that have been incurred for common or shared objectives and are not easily identifiable with a particular grant or programs, but are necessary to the operation of these grants or programs. Shared costs will be allocated fairly to all objectives benefiting from the costs as described in Greater Opportunities approved cost allocation plan.

Per federal guidelines, each grant will be charged its fair share of costs. Any costs not reimbursed by a particular funding source will be charged to corporate or other funds that may cover indirect or shared or joint costs after the allocation process is complete.

8107. Accounting for Specific Elements of Cost

Greater Opportunities, Inc. shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs. Allocations are kept in the F: drive under Greater Opportunities allocations:

Salaries and Wages – Salaries and wages shall be charged directly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

Direct costs – The majority of the employees of Greater Opportunities, Inc. charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the Agency.

Earned Time Off (ETO) and holiday pay are considered part of salary costs. The accounting system of Greater Opportunities, Inc. records salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits – Greater Opportunities, Inc. incurs costs for the following statutory and non-statutory employee benefits:

FICA
Unemployment insurance

Worker's compensation
Health insurance
Dental insurance
Life Insurance
Short-term disability insurance
Retirement (401K) contributions

Since the Agency's accounting system tracks employee benefit costs by individual employee, each such benefit cost shall be charged directly and indirectly in the same proportion as each individual's salary.

Occupancy Expenses – Cost allocation for any shared costs between programs for the main offices are allocated based on square footage & employee allocation according to their corresponding program.

Utilities – Utilities costs incurred by Greater Opportunities, Inc. include electricity and water. Such utilities costs shall be charged directly in the same proportion as occupancy costs.

Supplies and Materials – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials.

Travel Costs - Allocated based on purpose of travel. All travel costs (local and out-of-town) are allocated to the program for which the travel was incurred. All travel requests require the individual to indicate the appropriate program.

Outside Services – Greater Opportunities, Inc. incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged directly to the grant or program that required the services. Audit fees will be allocated by a % of program revenues and shared staff development will be allocated by an employee allocation.

Insurance – Insurance needed for a particular program is charged directly to the program requiring the coverage. The Insurance policy provides a breakdown of each item insured. Vehicle Insurance is based on a cost breakdown of the liability of each vehicle insured and allocated to the program that uses the vehicle. Costs that benefit all programs like Directors' and Officers' insurance are charged by an employee allocation.

Below is a more detail list:

Cost Allocation Methodology

Direct program expenses are to be charged directly to the intended program.

Cost allocation for any shared costs between programs for 5 W. State St. and 44 Main St. are allocated based on square footage & employee allocation according to their corresponding program.

Payroll expenses are charged based on department codes, which Payco tracks, and Greater Opportunities can properly charge a program. Employees working in multiple programs are to indicate number of hours spent working in each area on personal activity sheets which are reviewed every pay period. The employee keeps track of their time in calendars. The payroll expense is then based by the percentage on the personal activity sheets. The Human Resource Department Salaries and Fringe will be allocated by number of FTE's in each program.

Health Insurance & Pension are based on who's subscribed and what program they work in. Benefits Allocation follows the employee's payroll allocation on a projected budget.

Workers Comp is based on a percentage of the budgeted employee's salary according to their corresponding program multiplied by the insurance company's cost.

Shared copiers at main offices is allocated based on a program's codes inputted when copies are made.

Postage is charged directly to the program expense by entering the program code directly into the postage machine before running the envelope through. Charges to the program are based on the applicable postage amounts.

Long-Distance telephone charges are posted to the program that each phone relates to, each HS location has their own phone and all expenses are charged to the HS program. For all phones at main office, phone expenses are based on employee allocation according to their corresponding program.

Supplies used for the whole agency not specific to a program are based on an employee allocation.

Administration costs are tracked separately for G&A financial statement presentation, but are coded with applicable program they are for. This coding is helpful in being able to quickly produce reports for Admin costs for any program.