



THE
FORT MONROE AUTHORITY
FMA-F-001

Financial Policies and
Procedures
Government Funds

Approved by:

Chairman, Fort Monroe Authority Board of Trustees

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EFFECTIVE DATE:

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SECTION 1 - OVERVIEW

1.1 PURPOSE

The purpose of this manual is to describe the financial accounting policies and procedures of the Fort Monroe Authority (Authority or FMA) for the Government. The manual also details the internal controls and specific methods to safeguard FMA's assets, check the accuracy and reliability of recorded accounting data and promote efficiency in the accounting operations.

1.2 BASIC PRINCIPLES

It is the Authority's policy to maintain good accounting records based on Generally Accepted Accounting Principles (GAAP) for governmental and non-profit organizations, subject to different agency guidelines including Governmental Accounting Standards Board (GASB), the Office of Management and Budget (OMB), and other applicable regulatory agencies. Financial records are maintained and reports are prepared on a cash basis (except at year-end), with the capability to prepare reports on an accrual basis.

Accurate accounting and financial reporting within FMA are integral to providing the necessary information for budgeting, planning and management responsibilities. To achieve this accuracy, the Authority's financial management and reporting systems are constructed so that:

- Each funding source is identified and individual expenses are coded in a manner to ensure that the expense is charged to the correct funding source
- Costs are treated consistently with FMA's written policies and procedures and are applied uniformly between federal and non-federal funds
- Payments are based on fully supporting documentation
- Financial records are supported by source documentation
- Access to the Accounting Drive, is limited to Finance personnel and select senior management
- Within the Accounting Drive, there is a secure folder which is limited to the Deputy Director of Finance, the Accountant, the Deputy Executive Director and select senior management
- Only reasonable and necessary costs for the performance of an award are charged to that award
- Reports can compare actual expenditures with planned expenditures

Within FMA's financial management and reporting system, a number of checks and balances have been established. To the greatest extent possible, the FMA staff will strive to provide a complete separation of duties and responsibilities given the size of the Finance Department. However, through the combination of a sound accounting system, daily attention by staff,

regular oversight by management, and independent activities, such as an annual financial audit, FMA can achieve appropriate separation of duties and responsibilities.

SECTION 2- CHART OF ACCOUNTS

2.1 POLICY

The Authority's accounting system shall ensure that all expenditures are properly recorded and assigned to the appropriate fund. For each grant and/or contract, expenditures shall be tracked, at a minimum, according to the Authority's Chart of Accounts (personnel, fringe benefits, travel, equipment, supplies, contractual, construction, fixed assets, and other).

2.2 PROCEDURE

The chart of accounts is maintained in the financial software system, Intuit QuickBooks Enterprise Solutions (Accountant's Version). Only the Deputy Director of Finance, the Accountant or the Deputy Executive Director may set up a new general ledger account. The Finance Department has access to all updates to the chart of accounts directly through QuickBooks.

A chart of accounts is a listing of the names of the accounts that a company has identified and made available for recording transactions in its general ledger. FMA has the flexibility to tailor its chart of accounts to best suit its needs, including adding accounts as needed. The beginning numbers will start with one of the numbers below to provide information as to what type of account it is.

Asset Accounts = 1
Liabilities Accounts = 2
Equity Accounts = 3
Revenue Accounts = 4
Expense Accounts = 5, 6, 7, 8, etc.

SECTION 3- CASH MANAGEMENT

3.1 CASH

A. Cash and checks are promptly deposited upon receipt, unless extenuating circumstances exist, whereby cash and checks are secured in a locked drawer in which only the Deputy Director of Finance and the Deputy Executive Director has access to and deposited as soon as is practicable.

B. CASH DISBURSEMENTS

Payments are made via check, ACH (Automated Clearing House), or FMA credit/debit card. Any payment terms requiring payment less than thirty (30) days will be regarded as requiring payment thirty (30) days after invoice receipt or delivery, whichever occurs last. Payments shall be disbursed in compliance with Virginia's Prompt Payment Act (Code of Virginia, Title 2.2 Administration of Government, Subtitle II Administration of State Government, Part B Transaction of Public Business, CHAPTER 43 Virginia Public Procurement Act, Article 4 Prompt Payment, § 2.2-4347 through § 2.2-4356).

C. PETTY CASH

FMA maintains a government petty cash fund with a maximum of \$300. Petty cash is maintained by the Accounts Payable/Receivable Clerk, held in a locked drawer and is reconciled monthly/replenished as needed. Access to petty cash is limited to the Accounts Payable/Receivable Clerk, the Deputy Director of Finance, and the Deputy Executive Director. Petty Cash purchases will comply with the FMA Procurement Policies and Procedures, Section 6 Small Purchase Procedures. The use of petty cash may simplify the reimbursement process for FMA staff for small expenses that do not exceed \$50. The splitting of an expense to avoid exceeding the \$50 reimbursement is prohibited.

The Casemate Museum maintains a petty cash fund with a maximum of \$200. Petty cash is maintained by the Operations/Cultural Resources Manager, held in a locked drawer and is reconciled monthly/replenished as needed. Access to petty cash is limited to the Operations/Cultural Resources Manager, the Director of the Casemate Museum, the Authority's Deputy Director of Finance, and the Authority's Deputy Executive Director. Petty Cash purchases will comply with the FMA Procurement Policies and Procedures, Section 6 Small Purchase Procedures. The use of petty cash may simplify the reimbursement process for the Casemate Museum staff for small expenses that do not exceed \$50. The splitting of an expense to avoid exceeding the \$50 reimbursement is prohibited.

Petty cash should not be used when billing can be arranged (by Procurement) and/or where the purchase can be paid for through FMA's normal payment process. Employees are encouraged to arrange for bills/invoices to be submitted directly to the Finance Department for processing, or when appropriate, to use a FMA sponsored credit/debit card.

D. ELECTRONIC PAYMENTS

Electronic payments are entered in the financial records by a journal entry. Bank account reconciliations include these journal entries. Notification of electronic payment is usually received via email during the month by the Deputy Director of Finance.

3.2 BANK ACCOUNTS

A separate general ledger account is maintained for each bank account. A separate bank account is maintained for payroll activity, restricted funds and others as deemed necessary by management.

All FMA accounts, are required to be secured in pursuant to the Virginia Security for Public Deposits Act, and are maintained at qualified public depositories. Bank accounts are normally maintained in interest bearing accounts, unless specific requirements dictate otherwise.

Bank Statements are printed directly from the banks website by the Deputy Director of Finance and forwarded to the Accountant. Financial statements for the Board of Trustees are prepared on a cash basis and cannot be completed until all bank statements have been reconciled. After reconciliation, all reports are printed for each account and maintained in the Bank Reconciliation Book for each fiscal year.

The Deputy Director of Finance is responsible for cash collection and banking deposits. The Accounts Payable/Receivable Clerk prepares the bank deposit paperwork if the bank deposits are not processed via remote bank deposit. The Accountant prepares bank reconciliations and posts journal entries to financial records. The Deputy Director of Finance reviews all journal entries and the Deputy Executive Director reviews all final financial statements prior to distribution.

3.3 CASH RECEIPTS

Electronic deposits are recorded to the general ledger from the bank statement or other documents received by email to the Deputy Director of Finance.

Paper checks are processed in accordance with section 3.1. Deposits are posted to the General Ledger whenever made. For checks that represent payment to FMA for a FMA-sponsored workshop, conference, or training, the Deputy Director of Finance will identify the grant or project associated with the payment. For a federally funded project, the payment shall be treated as program income.

3.4 INVESTMENT ACTIVITY

FMA's current investment activities include purchase of Certificates of Deposit (CD's). Initially, the bank which issued the Authority's first credit cards required that certificates be maintained for the maximum credit limit available minus the \$5,000 credit limit on the first card issued. Information on this cash restriction is included in the annual Audit Book. Since 2013, the bank no longer requires FMA to purchase CD's for additional credit cards.

Any additional investments other than the CD's mentioned above, require the approval of the Deputy Executive Director and the Executive Director.

SECTION 4 – CHECK PROCESSING

4.1 CHECK PROCESSING

Each check to be signed must be accompanied by original supporting documentation. The Deputy Director of Finance shall ensure that the original supporting documents, including invoices, are maintained in the finance file.

Checks presented for payment (i.e., to be signed), are to be signed as expeditiously as practicable.

Checks will not be made payable to “bearer,” “cash,” or other unidentifiable entity. Blank checks will not be signed and left blank to be filled in later by a third party. Signed checks should be returned directly to the Accounts Payable/Receivable Clerk for mailing. It is FMA’s policy to mail checks as expeditiously as practicable after they are signed.

A. POSITIVE PAY

- Positive Pay is a fraud prevention tool provided by the Authority’s bank Old Point National Bank. The service reduces fraud exposure on checking accounts and identifies checks that are mismatched against the company’s check issued files. Checks are reviewed both at the teller line and as they are presented in the banks nightly process to ensure every check that is paid from the business’s accounts match the check issue files that have been uploaded.

B. SIGNATURE AUTHORITY

- Transactions over \$5,000 require authorization by two (2) signatories. The two (2) signatories may be any combination of the Deputy Director of Finance, the Deputy Executive Director or the Executive Director.
- Transactions under \$5,000 require authorization by a single signatory. The single signatory may be the Deputy Director of Finance, the Deputy Executive Director or the Executive Director.

4.2 PAYMENT PROCEDURES

Payments are made via check, ACH, or FMA credit/debit card. Any payment terms requiring payment less than thirty (30) days will be regarded as requiring payment thirty (30) days after invoice receipt or delivery, whichever occurs last. Payments shall be disbursed in compliance with Virginia’s Prompt Payment Act (Code of Virginia, Title 2.2 Administration of Government,

Subtitle II Administration of State Government, Part B Transaction of Public Business, CHAPTER 43 Virginia Public Procurement Act, Article 4 Prompt Payment, § 2.2-4347 through § 2.2-4356). Payments are processed via an original invoice, an electronic copy and/or a faxed copy of an invoice. Vendor payments will not be paid from a vendor statement.

The vendor's tax ID numbers and a completed W-9 Form should be obtained before payments are made to a vendor.

Invoices and expense reimbursement amounts are verified prior to payment.

4.3 SUPPORTING DOCUMENTATION FOR PAYMENTS

For project-related expenditures, supporting documentation will be approved by the Department Director or designated Contract Manager prior to payment.

4.4 INTERNALLY REPORTING EXPENDITURES

A. INVOICES

Invoices are received by the Finance Department, date stamped, initialed and forwarded to the Accounts Payable/Receivable Clerk for processing. Prior to processing payment for contractors, invoices receive approval by the applicable Department Director or designated Contract Manager. After approval, the Accounts Payable/Receivable Clerk prepares an Accounting Transmittal Form (ATF) including the fund and account numbers, contract amount, balance expended, and available balance and submits it to the Deputy Director of Finance for approval.

B. DEBIT CARD TRANSACTIONS

Currently, the Deputy Director of Finance and the Procurement Manager are the only FMA employees authorized to use Debit Cards. All receipts, authorizations and supporting documentation are submitted to the Deputy Director of Finance for approval as required. Once approved, the Accounts Payable/Receivable Clerk processes each debit card transaction through the financial system (the same signature authorizations apply as in section 4.1.B).

C. CREDIT CARD TRANSACTIONS

The Authority may issue credit cards to FMA employees, when approved by the Executive Director for company purchases. Online credit card statements are retrieved from the banks website and distributed monthly to credit card holders. The card holder prepares a monthly Credit Card Log and submits it, along with detailed receipts, authorizations, and supporting documentation, to the Deputy Director of Finance for approval. After approval, the Credit Card Logs and supporting documentation are

submitted to the Deputy Executive Director for review and approval if the total exceeds \$5,000 (the same signature authorizations apply as in section 4.1.B). After all approvals have been received, the Accounts Payable/Receivable Clerk enters the information into the financial accounting software.

D. REIMBURSEMENT REQUESTS

Employee expense reimbursements shall include a copy of the approved Travel Request Form, if applicable, and detailed receipts. Reimbursement requests shall be authorized by the employee's supervisor prior to submitting to finance for processing. Expense reimbursements should be submitted within thirty (30) calendar days of the conclusion of the business trip. Additionally, a completed Trip Calculation form is required if the request includes mileage reimbursement. For examples of Reimbursable and Non-reimbursable expenses refer to Section 1 – Business Travel Policy in the FMA Policies and Procedures FMA-F-001 Travel.

Employees who cannot produce documentation showing proof of purchase may be held responsible for payment. The Executive Director may establish waivers at his discretion from this policy.

Expense reimbursement requests are submitted to the Deputy Director of Finance for review, date stamped and forwarded to Accounts Payable/Receivable Clerk for processing.

SECTION 5 – BANK ACCOUNT MANAGEMENT

5.1 BANK STATEMENT AND RECONCILIATION

Currently, Bank Statements are printed directly from the bank website by the Deputy Director of Finance. The bank reconciliation is performed on a monthly basis. Bank reconciliations should be completed no later than ten (10) business days following receipt of the bank statement. Bank statements are reconciled using the financial accounting system to the GL accounts.

The Finance Department will review all outstanding checks on a monthly basis. For those outstanding more than two (2) months, the Finance Department shall call the payee to ascertain the status of the payment.

Checks that are still outstanding at fiscal year-end are considered unclaimed property. In accordance with the Code of Virginia, Uniform Disposition of Unclaimed Property Act (Chapter 11.1 §§ 55-210.1 – 55-210.30), property becomes unclaimed when the holder has not had contact with the owner of the property for a specified period of time. After the passage of the dormancy period, if there has been no activity generated by the owner, the property is then presumed abandoned.

The Authority will remit (by November 1st each year) any unclaimed property on the Annual Report of Unclaimed Property due to the Commonwealth of Virginia Department of Treasury, Division of Unclaimed Property per the Code of Virginia. This report is prepared by the Accounts Payable/Receivable Clerk, a check is cut to the Treasurer of Virginia and submitted to the Deputy Director of Finance for review and signature prior to mailing.

5.2 CHECK CONTROL

The Authority's printed checks are pre-numbered and the sequence is regularly accounted for. The Accounts Payable/Receivable Clerk regularly verifies number sequence prior to printing checks.

Unissued checks are controlled and kept in a locked drawer. Access is limited to the Deputy Director of Finance and the Deputy Executive Director.

The check stub is attached to the ATF and invoice with the supporting documentation for printed checks to be mailed, prior to filing.

Debit card checks are printed for debit/electronic payments and the invoice is stamped to include the account number, funding source and amount debited from the bank account. The supporting documentation is attached to the check and filed. Debit card checks are not mailed.

5.3 VOID CHECK REGISTER

A check will be voided when it has been found that the check was issued in error (e.g., wrong amount or wrong vendor).

The void check register is maintained in the Bank Reconciliation Book with the voided checks attached.

5.4 RESTRICTED FUNDS

Restricted cash consists of payroll deductions held for disbursement (i.e. Flex Spending Deductions) and any funds which have been committed by the Finance Committee/Board of Trustees for special projects. These are labelled Restricted Cash on financial statement.

The Finance Committee can approve the designation of reserved funds to be transferred to a restricted account.

SECTION 6 – CREDIT/DEBIT CARD USE

6.1 CREDIT CARDS

The Authority may issue credit cards to FMA employees, when approved by the Executive Director for company purchases. Online credit card statements are retrieved from the banks website and distributed monthly to credit card holders. The card holder prepares a monthly Credit Card Log and submits, along with receipts, authorizations, and supporting documentation, to the Deputy Director of Finance for approval. After approval, the Credit Card Logs and supporting documentation are submitted to the Deputy Executive Director for review and approval if the total exceeds \$5,000 (the same signature authorizations apply as in section 4.1.B). After all approvals have been received, the Accounts Payable/Receivable Clerk enters the information into the financial accounting software.

Credit limits are dependent on job title and can be altered at any time upon approval of the Executive Director. Additionally, the Authority can discontinue an employee's credit card privileges at any time.

Use of the credit card for personal items, cash advances or unauthorized expenses relating to business travel is prohibited.

Employees who cannot produce documentation showing proof of purchase may be held responsible for payment. The Executive Director may establish waivers at his discretion from this policy.

Credit cards have a maximum of a \$5,000 credit limit. Debit cards have a maximum daily limit of \$3,000.

- A. Credit/Debit card users may order products or services directly from participating suppliers.
- B. Credit/Debit card users shall record the purchase/receipt onto the credit card log form including the appropriate details, i.e. who, when, what, where and why.
- C. The credit card company issues a monthly report for each credit card detailing all expenditures.
- D. Each employee that has a company issued credit card is responsible for reconciling their monthly report and returning the information to the Finance Office with itemized receipts for meals, hotels and any other supporting documentation.

6.2 DEBIT CARDS

Currently, the Deputy Director of Finance and the Procurement Manager are the only FMA employees authorized to make purchases using Debit Cards. Credit limits are dependent on job title and can be altered at any time upon the approval of the Executive Director. Additionally, the Authority can discontinue an employee’s debit card privileges at any time.

6.3 CREDIT LIMIT GUIDELINES

Credit Card

Executive Director	\$5,000/month
Deputy Executive Director	\$3,000/month
Deputy Director of Finance	\$3,000/month
Procurement Manager	\$3,000/month
Directors/Managers	\$2,000/month

Debit Card

Deputy Director of Finance	\$3,000/month
Procurement Manager	\$3,000/month

SECTION 7 - CLOSE-OUT

7.1 MONTHLY

Prior to month end close-out, all accounting transactions are posted. All journal entries will be processed in accordance with internal controls section herein. The Accountant has a template for recurring monthly Journal Entries (payroll, monthly fees, etc.). The Finance Department will close-out on a monthly basis. After the bank reconciliations are completed by the Accountant, a scan of all monthly activity in the General Ledger is made to determine that account and funds have been posted correctly. The Accountant then prepares financial statements which may include Budget vs Actual Reports balanced to the Financials for the Finance Committee and the Board Meetings. A monthly Journal Entry report is printed for the Deputy Director of Finance for review. In addition reimbursement requests for various grants are prepared.

7.2 YEAR END

Year-end financial statements will be used by the external audit firm for the annual audit of FMA records including a single-audit of any federal grants. The Accountant prepares year-end financial statements together with an Audit Book showing the reconciliation of accrual-based Statement of Net Position & Statement of Activities accounts to the supporting detail. The Audit Book concentrates on assets, liabilities and various information required for disclosure as required by both the GAAP and GASB standards.

FMA prepares cash basis financials for Board presentations and accrual basis financials for the annual audit. Budget vs. actual report is prepared for the FMA Finance Committee and FMA Directors.

SECTION 8 - AUDIT

The Virginia Auditor of Public Accounts (APA) engages a qualified accounting firm to conduct an annual financial audit for all the books and records. The audit will be performed according to the Generally Accepted Government Auditing Standards (GAGAS) and Generally Accepted Auditing Standards (GAAS). Findings and recommendations from the audit are presented to the Finance Committee, the Executive Director and the FMA Board of Trustees. Issuance of audited financial statements by the external auditing firm is scheduled by contractual agreement with the APA which are due by mid-October or earlier if possible. The audit will include any Single-Audit required by government guidelines for federal grants.

FMA and the external audit firm send copies of the audit report and related documentation to the appropriate federal and state authorities.

SECTION 9 – FIXED ASSETS

9.1 DEFINITIONS

A. REAL PROPERTY

Real property is land, including land improvements, structures, and appurtenances thereto. Also included is land and structures affixed to the land as well as rights and interests attached to the property.

B. PERSONAL PROPERTY

Personal property is any kind of property that is movable and not affixed to the real property.

C. FIXED ASSET

A fixed asset is a tangible or intangible item with a cost of \$5,000 or more and a life expectancy of more than one (1) year. All costs directly related to the acquisition of the fixed asset (i.e. freight or installation) shall be included in the computation of the total cost.

A fixed asset cost for buildings and infrastructures is \$50,000. Buildings and infrastructures are owned by the Commonwealth of Virginia and maintained by FMA. All capital activities on buildings and infrastructure are recorded as construction in progress on the FMA books; and included in the state's financial consolidated financial report at year end.

9.2 RECORDING OF FULLY DEPRECIATED ASSETS

Fully depreciated assets must remain on the property records with the related accumulated depreciation as long as the property is still in use.

SECTION 10 - PAYROLL

10.1 GENERAL

The Deputy Director of Finance shall maintain payroll records. FMA shall scan all applicable documents (i.e. tax forms, health benefit enrollment or change forms) onto Evolution for use to determine payroll deductions and/or additions.

The Human Resources Manager shall notify the Deputy Director of Finance, via an Employee Change Form for Supervisors, of any changes in employment - additions and/or terminations, salary and wage rates, and payroll deduction amounts and any other information necessary to process payroll.

10.2 TIMEKEEPING

FMA pays on a bi-monthly basis (e.g., twice per month), and uses a bi-monthly time card to record each employee's time. Each employee shall complete their bi-monthly time card, have it signed by their immediate supervisor, and submit it to the Deputy Director of Finance 24 hours after the close of the pay period. The Accounts Payable/Receivable Clerk is responsible for verifying lost time and maintaining a spreadsheet of all employees available time, accrued leave, sick, personal, flex, compensatory etc. and also for reconciling all leave time request forms with actual time cards. There is a Timesheet Schedule prepared annually and posted on the companies shared drive to assist employees.

10.3 PAYROLL PROCESSING

FMA employs a payroll service to assist in preparing payroll. The Deputy Director of Finance will work with the payroll service to process the payroll on a bi-monthly basis.

It is the policy of the FMA that the Deputy Executive Director shall process payroll for a minimum of one pay period per year.

10.4 PAYMENT

Each employee will be paid by automatic deposit on the 1ST and 16th of each month. If the scheduled pay date falls on a non-work day or holiday, employees will be paid the business day before.

FMA's payroll provider processes and remits all required payroll tax reports on FMA's behalf. The Commonwealth of Virginia requires that health insurance and optional life insurance are remitted on a monthly basis. Deferred compensation are remitted after each pay date within a reasonable time frame. Monthly Virginia Retirement System (VRS) remittances are processed through myVRS online within ten (10) days after the end of the prior month.

SECTION 11 – INTERNAL CONTROL AND RECORD KEEPING

11.1 GENERAL

It is FMA’s policy to have a system of checks and balances in all of its operations. Basic controls and check and balances are incorporated throughout each of FMA’s policies and procedure manuals.

Internal control is a major part of managing the FMA. The FMA internal control program comprises the plans, methods, and objectives and supports performance-based management. The internal control program also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. In short, good internal controls helps the FMA’s financial managers achieve desired results through effective stewardship of public resources.

Systematic measures (such as reviews, checks and balances, methods and procedures) have been instituted by the FMA to (1) conduct its business in an orderly and efficient manner, (2) safeguard its assets and resources, (3) deter and detect errors, fraud, and theft, (4) ensure accuracy and completeness of its accounting data, (5) produce reliable and timely financial and management information, and (6) ensure adherence to its policies and plans.

Budgetary control is essential at FMA. All divisions will prepare and submit a budget request each fiscal year to include projected income and expenditure levels for goods and services and capital projects. The divisional requests are consolidated by the Finance Department into the FMA budget. The budget will be reviewed by the Executive Director and presented to the Finance Committee for review. The budget is reviewed and either approved or revised. Once approved, the budget is then presented to the Board of Trustees for final approval.

11.2 PROCEDURE

- A. The FMA accounting records reflect the “expenditure” of funds after the invoice is paid to monitor subsequent purchases do not result in an over-expenditure of the budget.
- B. Any contracts with insufficient funds remaining to pay the invoice will require a contract modification prepared by the Procurement Manager and signed by the Deputy Executive Director, the Executive Director and the contractor; or will require the approval of the Executive Director and Deputy Executive Director prior to payment if the shortfall in the contract fund is less than 10% of the contract amount.

11.3 NON-FINANCIAL INTERNAL CONTROLS

To safeguard FMA’s assets, check the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations, the following non-financial internal controls have been instituted:

- All Travel Request Forms, FMA-TR-02, must be signed by the Executive Director or Department Director, the Deputy Director of Finance and the

employee prior to making any travel arrangements in accordance with FMA's Travel Policies and Procedures Manual.

- Paid overtime to a non-exempt employee must be approved in advance by employee's supervisor, in accordance with the Employee Handbook.
- There are different thresholds for authority to initiate procurement actions, Procurement/Change request forms must be signed by the appropriate authorizer in accordance with FMA's Procurement Policies and Procedures.

11.4 FINANCIAL INTERNAL CONTROLS

To safeguard FMA's assets, check the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations, the following financial internal controls have been instituted:

A. ADJUSTMENTS

Adjustments and journal entries are recorded with supporting documents or calculations noted on the forms. The Accountant prepare journal entries, posts to the financial records and files in appropriate journal entry file/book with supporting documentation. The Deputy Director of Finance reviews and approves the Journal Entry Report on a monthly basis.

B. SUBSIDIARY RECORDS

Subsidiary records are reconciled to the control ledgers regularly throughout the year. Sub-ledgers are reconciled to the General Ledger and reconciling reports are included in the Audit Book prepared annually for the external audit.

Reports are prepared as needed for various grants for reimbursement purposes as well as for Available Funds Report.

C. SYSTEM CLOSEOUT

System closeout provides a clear audit trail from financial statement to fund detail. The Accountant prepares financial statements on cash basis and budget vs. actual reports (with totals balanced to the financial statements). The Deputy Director of Finance and the Deputy Executive Director review and approve the financial statements, prior to presentation to the Finance Committee and Board of Trustees. The Deputy Executive Director reviews the budget vs. actual reports with the Chair of Finance Committee and others. Final Financial Statements are posted on the accounting drive.

D. PROCUREMENT

Please reference FMA-P-001, Procurement Policies and Procedures.

Upon signing the Employees Handbook Acknowledgement Form, employees agree to abide by the FMA Policies and Procedures and that any purchases will

be within FMA guidelines and subject to approval of the Executive Director. Utilizing this policy, most often expenditures are not pre-approved for credit or debit card transactions. The Procurement Manager maintains records of bids, contracts and other documents to demonstrate compliance with applicable procurement laws and regulations.

F. GRANTS

Grantors receive regular reports of expenditures for comparison with the grant awards. Financial statements and budget vs. actual reports for Department Directors and Board of Trustees are issued regularly. Grant Reimbursement Requests are prepared as needed to meet grant requirements. Grant administrators are required to comply with periodic grant reporting requirements. All reports are available to the Deputy Director of Finance, the Deputy Executive Director and the Executive Director.

G. Information Technology: Data Protection and Backup

Passwords and Account Lockout Settings: All authorized QuickBooks users are required to change their password every ninety (90) days. After three (3) unsuccessful attempts to enter the username/password combination, QuickBooks locks out the user and users are required to contact the QuickBooks administrator (Deputy Director of Finance or the Deputy Executive Director) to have their password reset.

Physical Controls: The network and financial servers are located in a separate building on the property and are protected by physical access from unauthorized personnel. The servers are housed in a locked, environmentally controlled server room. Access to the servers are controlled by two locked doors. The keys are to be kept in the commercial management office in a locked box. Instructions have been given to the commercial management office to refuse access to the server rooms unless access is authorized by the Executive Director, Deputy Executive Director, or Procurement Manager.

SECTION 12 - FUNDS CONTROL

A basic element of project accounting is funds control (i.e. written commitments such as contracts and grant documents when project funds are available). This is an integral part of FMA's internal controls and funds control. Consequently, the Procurement Manager shall work closely with the Finance Department to verify that funds are available to cover the costs of procurement. As demonstrated by FMA's Procurement Policies and Procedures, Procurement Table, in some cases approval from the Executive Director is required prior to pursuing the purchase of goods and services on behalf of the FMA.

SECTION 13 - BUDGETS

13.1 ANNUAL BUDGET

The Deputy Executive Director shall prepare an operating budget for the following fiscal year by funding source and present it to the Finance Committee and Board of Trustees for their review and approval.

13.2 PROJECT BUDGETS

The Deputy Executive Director shall prepare at the beginning of a new project (and for each subsequent year) a budget of annual, planned expenditures for each funding source. The Finance Department will track planned versus actual expenditures by fund.

APPENDIX A – ACCOUNTING TRANSMITTAL FORM

FMFADA-ATF-02 (Nov 2009)

ACCOUNTING TRANSMITTAL FORM

INTERNAL DOCUMENT

AGENCY NAME/DELIVERY ADDRESS

REMIT TO: NAME, ADDRESS & ZIP CODE

PHONE

FAX

INVOICE TO ADDRESS

DATE RCVD	DATE PREPARED	FUND DESCRIPTION
NEED BY DATE	INVOICE DATE	PO TERMS

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO

ACCOUNTS PAYABLE CLERK Erika Scott
 TELEPHONE 757-251-2758
 FAX 757-637-7776

Contract End Date

CONTRACT AMOUNT	REMAINING BALANCE
0.00	-
0.00	-

FUND	ACCT CODE	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
					\$0.00	\$0.00
					\$0.00	\$0.00
					\$0.00	\$0.00
					\$0.00	\$0.00
					\$0.00	\$0.00
					\$0.00	\$0.00
						\$0.00

PURCHASE AUTHORIZED BY:

TITLE *FMA Executive Director* DATE

PURCHASE AUTHORIZED BY:

TITLE *FMA Deputy Executive Director* DATE

PURCHASE AUTHORIZED BY:

TITLE *FMA Deputy Director of Finance* DATE

AGENCY	FUND DESCRIPTION	FUND	FY	ACCT CODE	AMOUNT	CUSTOMER JOB NUMBER
0	0	0	0	0.000	\$0.00	
DUE DATE		VENDOR		INVOICE DATE	INVOICE NUMBER	DATE POSTED IN QB
DESCRIPTION				SUBMISSION NUMBER	CHECK	CREDIT CARD (last 4)
				SX		CONFIRMATION

I CERTIFY THAT THE ABOVE LISTED GOOD OR SERVICE WAS RECEIVED ON THE DATE INDICATED IN GOOD CONDITION, WITH EXCEPTIONS AS NOTED HEREON.

PARTIAL

COMPLETE

DATE _____

PREPARED BY: _____

TITLE ACCOUNTS PAYABLE CLERK

DATE _____

APPENDIX C – REIMBURSEMENT REQUEST

FMFADA-TE-02
TRAVEL EXPENSE REIMBURSEMENT VOUCHER

September 2009

VOUCHER NUMBER	DATE
----------------	------

PRINT WITH INK. USE ADDITIONAL SHEETS WHEN NECESSARY

NAME/ Co. Name		
ADDRESS		
CITY	STATE	ZIP
PHONE	FAX	

FMA USE ONLY

<input type="checkbox"/> PERSONAL VEHICLE cost beneficial to FM Authority Personal mileage rate \$0.00 PER MILE	<input type="checkbox"/> RENTAL CAR
--	-------------------------------------

I hereby certify that expenses listed below were incurred by me on official business of the FM Authority and include only such expenses as were necessary in the conduct of business.

FMA EMPLOYEE? YES NO

TRAVELER'S SIGNATURE _____ TITLE _____ DATE _____

I hereby certify that the travel undertaken in this reimbursement voucher has been reviewed and approved as necessary for the conduct of business of the FM Authority.

TRAVELER'S SUPERVISOR _____ DATE _____

ALL APPROPRIATE RECEIPTS MUST BE ATTACHED TO FORM

(1) DATE	(2) LOCATION EXPENSE INCURRED, POINTS BETWEEN WHICH TRAVEL WAS NECESSARY, METHOD OF TRANS. USED & MILEAGE RATE ALLOWED. EACH DAY MUST BE SHOW SEPARATELY.	(3) MILES TRAVELED	(4) MILEAGE formula	(5) AUTO EXPENSE ITEMIZE IN (2)	(6) MEALS AMOUNT	(7) LODGING	(8) OTHER	(9) TOTAL
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
I certify all computations are correct and that all necessary and required receipts are attached. Initial: _____			TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

ATTACH FMFADA-TR-02 (TRAVEL REQUEST FORM) OR DESCRIBE PURPOSE OF TRIP AND ATTACH AN AGENDA OR BROCHURE DESCRIBING CONFERENCE OR MEETING. USE SEPARATE SHEET IF REQD.

PLEASE REMEMBER TO ATTACH YOUR "TRIP CAL" & "THE MAP" INFORMATION TO YOUR REIMBURSEMENT VOUCHER PRIOR TO SUBMITTING. THE TRIP CAL WILL ASSIST IN DETERMINING IF YOU ARE REIMBURSED AT THE CURRENT IRS RATE (0.56) OR THE CONVENIENCE RATE (0.246). IF ALL OF THE REQUIRED INFORMATION IS NOT PROVIDED, THE REIMBURSEMENT WILL NOT BE PROCESSED.

TOTAL SHEET 2	\$0.00
GRAND TOTAL	\$0.00
AMOUNT ADVANCED	\$0.00
Amount Charged to FMA credit card	\$0.00
Payment due to Traveler	\$0.00

AUTHORIZED BY: _____
FM AUTHORITY EXECUTIVE DIRECTOR _____ DATE _____

_____ DATE _____
FM AUTHORITY DEPUTY EXECUTIVE DIRECTOR OR DEPUTY DIR OF FINANCE

AGENCY	FUND DESCRIPTION	FUND	FY	ACCT CODE	AMOUNT	CUSTOMER JOB NUMBER
91						
DUE DATE		VENDOR		INVOICE DATE	INVOICE NUMBER	DATE POSTED IN QB
DESCRIPTION				SUBMISSION NUMBER		CHECK
						CREDIT CARD (last 4)
						CONFIRMATION

APPENDIX C – REIMBURSEMENT REQUEST PAGE 2

FMFADA-TE-02
 TRAVEL EXPENSE REIMBURSEMENT VOUCHER

September 2009

Personal mileage rate \$0.00 PER MILE									
(1) DATE	(2) LOCATION EXPENSE INCURRED, POINTS BETWEEN WHICH TRAVEL WAS NECESSARY, METHOD OF TRANS. USED & MILEAGE RATE ALLOWED. EACH DAY MUST BE SHOW SEPERATELY.	(3) MILES TRAVELED	(4) MILEAGE formula	(5) AUTO EXPENSE ITEMIZE IN (2)	(6) MEALS AMOUNT	(7) LODGING	(8) OTHER	(9) TOTAL	
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
I certify all computations are correct and that all necessary and required receipts are attached. Initial:		TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00