

EL DORADO COUNTY FIRE SAFE COUNCIL

Article III. Accounting Policy, Procedures, System, and Records

Section 3.01 The Board of Directors, as the governing body of the El Dorado County Fire Safe Council (EDCFSC) formulates financial policies and delegates administration of those policies to the executive Coordinator (EC). In the absence of the EC the Board of Directors retains this responsibility.

Section 3.02 Handling of financial matters by EDCFSC contractors, employees, associate councils and the Board of Directors will conform to the highest ethical standards and the EDCFSC's Conflict of Interest Policies. No financial transaction or decision or hiring of employees should result in personal financial gain for an employee or Director, or any spouse, relative of a Director or employee. If there is any question about the propriety of a decision or transaction, or whether there is a potential conflict of interest, it must be thoroughly discussed with, and approved by, the Board of Directors. Failure to conform will constitute grounds for dismissal/removal from office or employment

Section 3.03 A contracted Bookkeeper is responsible to the Treasurer, or Executive Coordinator, and the EDCFSC Board of Directors for all administration of financial operations. In the absence of the Treasurer or EC, the Bookkeeper is responsible to the Board of Directors.

- (a) All financial records of the El Dorado County Fire Safe Council shall be maintained using Quickbooks Pro or Premier.
- (b) All financial records and procedures shall conform to Generally Accepted Accounting Principles. Responsibilities of the Bookkeeper shall include:
 - 1) Maintaining a Chart of Accounts
 - 2) Maintaining a List of Vendors
 - 3) Maintaining a Class List that includes all Programs and Projects as identified by the Treasurer and EC or the EDCFSC Board of Directors.
 - 4) Receiving invoices from the Treasurer, EC, or a designated member of the Executive Board or their designee.
 - 5) Preparing checks for signature.
 - 6) Receive electronic versions of the bank statements.
 - 7) Perform monthly reconciliations
 - 8) Provide portable file copies to the Treasurer, EC and/or Chairperson for the purpose of project/budget monitoring.
 - 9) Promptly report any anomalies such as unexpected bills, invoices or unapproved Requests for Reimbursement.
- (c) Account numbers, Class and splits shall be determined and marked on each invoice by the Treasurer, EC or a member of the Executive Board. Responsibilities of the Treasurer shall include:
 - 1) Maintain a binder (Treasurer's master record) separated by month of all invoices, payments, deposits and related correspondence.
 - 2) Maintaining an electronic file structured in the same manner as the physical binder. This file shall contain copies (.pdf format) of all invoices, payments, checks, deposits and any related correspondence.
 - 3) Perform monthly backup of all electronic files.
 - 4) Review bookkeeper entries for accuracy and completeness.
 - 5) Verify that funding payments and expenditures are in agreement with the original grant budget.

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- (d) Financial reports may be generated as needed from the portable files by the Treasurer, EC or Chairperson, but the Quickbooks master file retained by the Bookkeeper shall be the official financial record. These reports must be available for public inspection upon request.

Section 3.04 Disbursements

- (a) All payments will be reviewed and approved by the EC and Treasurer or Chairperson.
 - 1) Payments for grant funded fuels projects will be reviewed and approved by the project manager / coordinator before submission to the Treasurer or EC.
 - 2) Payments for miscellaneous expenses in excess of \$500 require pre-approval by the Board of Directors.
 - 3) Requests for reimbursement of amounts between \$100 and \$500 must be pre-approved by the Treasurer or Chairperson and shall be submitted to the Treasurer on a Request for Reimbursement form along with all relevant receipts.
 - 4) Requests for Reimbursement of \$100 or less may be approved by the EC, Treasurer or Chairperson, but must be submitted on a Request for Reimbursement form along with all relevant receipts.
 - 5) All Invoices and Requests for Reimbursement must be initialed and dated by the approving party.
- (b) All checks will be signed by two of the three authorized members of the Executive Board.
- (c) All payments will be made in accordance with the following:
 - 1) All payments are contingent on receipt of funds from a grantor.
 - 2) Payment will be monthly on the 10th of each month except for weekends and holidays.
 - 3) Invoices must be received by the 7th of the month.

Section 3.05 Bank Deposits

- 1) Most grant payments are by electronic deposit. The EC, Treasurer or Chairperson will be responsible for assigning deposits to the proper Class/Account and informing the Bookkeeper.
- 2) Over the counter deposits will be documented by the EC, Treasurer or Chairperson. Documentation will consist of a photocopy of the check, deposit slip and the Class/Account to which it should be credited. This document will be presented to the Bookkeeper who will credit it to the proper Class/Account. A copy of this documentation will be retained in the Treasurer's records.

Section 3.06 Separation of Duties

- (a) Separation of Duties is a key concept in insuring integrity of a financial management system. It assists in providing protection from fraud and errors. Ideally each of the following tasks should be performed by different people:
 - 1) Receive mail/Invoices
 - 2) Assign Class/Account and split information to each invoice and deliver to Bookkeeper
 - 3) Write checks
 - 4) Record deposits and checks
 - 5) Review and approve invoices and payments

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- 6) Sign checks
 - 7) Mail payments
- (b) Limitations in the number of available staff/volunteer/Exec Board members may result in these tasks being performed by as few as two members of the Executive Board and the contracted Bookkeeper as long as assigning account/class designations; writing checks, approving payments are performed by different people.
- 1) Authorized Board Members, volunteers or the EC may receive mail and invoices and mail payments and invoices.
 - 2) The Treasurer will assign Class/Accounts to each invoice and deposit.
 - 3) The Bookkeeper will write checks and record checks and deposits.
 - 4) Authorized members of the Executive Board will review and approve invoices and payments and sign checks. The EC may also review invoices and payments.
- (c) At the beginning of each fiscal year and after Board elections it is the responsibility of the Executive Board to develop a list of “functional responsibilities” to ensure an adequate separation of duties.