

“Chef Collaboratives, Inc.”
Financial Policies and Procedures

“Chef Collaboratives” has developed financial policies and procedures in accordance with 24 CFR Part 84, OMB Circular A-122 and OMB Circular A-133.

Approved by Board of Directors: Stephen Paprocki (President),

Date: February 17, 2018

I. Internal Control System and Budget Controls

“Chef Collaboratives” internal control system consists of the following clearly defined fiscal responsibilities of their governing board, organizational structure of the Chef Collaboratives, separation of duties, hiring policies, staff qualifications, control over assets and documents and reconciliation of records.

A. Governing Board

1. The governing board (Board) is responsible for the financial oversight of the “Chef Collaboratives” (Chef Collaboratives) including approving the annual operating budget as recommended by the Executive Director (CEO) and reviewing and approving monthly financial reports.
2. Expenditures of funds beyond those approved in the budget are subject to prior Board approval.
3. Financial policies will be reviewed and approved annually by the Board of Directors.

B. Organizational Structure

1. The organizational structure of “Chef Collaboratives” defines the Executive Director as the final approving authority for financial and administrative management of the Chef Collaboratives.
2. All employees are provided the Chef Collaboratives’s policy for the chain of command including authorization and supervision.
3. All employees involved in financial transactions and/or purchases will receive and abide by the Chef Collaboratives’s financial policies and procedures.
4. An organizational chart with job duties is provided to all employees upon employment.
5. All Chef Collaboratives staff qualifications will be consistent with the job descriptions for that position.
6. Chef Collaboratives will maintain documentation in personnel files that the employee certifies they have read and understood the financial policies.

February 17, 2018

C. Control Over Assets and/or Documents, Separation of Duties and Reconciliation of Records

1. The Board has the responsibility for all assets of the Chef Collaboratives.
2. Chef Collaboratives by-laws provide the CEO with the authority to execute financial transactions.
3. All financial transactions will be reviewed and approved through a three-tiered process involving the Accounting Clerk, Claims Representative and the Director of Administrative Services to ensure that no one person has total control over a financial transaction.
4. The Accounting Clerk has the responsibility for the following financial transactions including:
 - a. Accounts payable and accounts receivable;
 - b. Receiving cash and checks from the mail and/or staff;
 - c. Depositing funds in the bank;
 - d. Purchasing equipment, furnishing and supplies, as needed, and if an approved line item in the budget;
 - e. Maintaining and annually updating inventory records;
 - f. This position requires a fidelity bond.
5. The Claims Representative prepares all checks for payment with the exception of payroll.
6. The Director of Administrative Services reviews all financial transactions to ensure compliance with approved budgets including:
 - a. Accounts payable and receivable;
 - b. Audits petty cash accounts monthly;
 - c. Reconciles monthly bank statements;
 - d. Maintains accounting records;
 - e. Produces monthly financial statements; and
 - f. Reviews payroll records, makes necessary changes prior to submitting to outside contract Chef Collaboratives for processing and payment.
7. Chef Collaboratives will maintain an inventory record listing the item description, serial number or other identifying number, date purchased, purchase price, source of funds, program and location of the item. If the item is no longer in service, date the item was disposed of and whether it was discarded or given to another Chef Collaboratives with a similar mission. Approval by CEO is required prior to disposal.

D. LOCCS

1. The CEO and the Director of Administrative Services will have LOCCS access and authorization to draw funds. Other Chef Collaboratives staff may be authorized for LOCCS as the discretion of the CEO.
2. The Director of Administrative Services will prepare the LOCCS draw including all documentation and submit to the CEO for review and approval prior to making the draw.

3. Documentation will include but not be limited to timesheets, purchase order requests, receipts from vendors, leasing spreadsheet for rents paid with SHP funds, and general ledger spreadsheets detailing expenses for payroll and fringe benefits. Only documentation for SHP eligible expenses will be attached to the draw form.
4. All draw forms will be complete, accurate and signed/dated.

II. Procurement Policies

Chef Collaboratives has the following procurement policies and standards in place addressing the process for purchasing eligible equipment and supplies, capital items, subcontracting, travel and mileage policies, storage and safekeeping of all financial records, blank checks and credit cards and separation of duties.

A. Purchasing Process

1. The employee will submit a purchase request form to the Accounting Clerk detailing the item to be purchased, the vendor, why the item is necessary, the category for the expense (Supportive Services, Operations or Admin) and the grant associated with the purchase.
2. Purchase request forms will be sequentially numbered and reconciled monthly by the Director of Administrative Services.
3. The Accounting Clerk will review the request for accuracy, determine if the purchase is an eligible approved budget cost, is consistent with market value, is not being charged to another funding source and verify that the accounting code associated with the specific funding source for this item is on the purchase request and is accurate.
4. The Director of Administrative Services or the CEO verifies the information and either approves or denies the request. If the request is denied, it is returned to the employee with an explanation of why it was denied.
5. Upon approval, the employee or appropriate staff person purchases the item, staples the purchase request to the receipt and forwards to the Accounting Clerk for payment.
6. Acceptable forms of documentation are original dated receipts and invoices that have been signed and dated by the vendor.
7. The Accounting Clerk will identify and separate all receipts by funding source.
8. The Accounting Clerk will maintain a usage log for Chef Collaboratives credit cards.
9. The log will contain the dates the credit card was signed out and signed in; staff name, the vendor, the purpose of the purchase and the grant and category.
10. Credit cards will be identified in the log by a code number rather than the actual credit card number. A list of credit cards and the assigned code number will be maintained in a secure location with limited access by the CEO and Director of Administrative Services only.

11. Staff is prohibited from using personal credit cards for Chef Collaboratives purchases and will not be reimbursed for such charges.

B. Procurement

1. All vendors utilized to purchase items, not subject to the competitive bidding requirements, will be reviewed annually and documented in the procurement file to ensure the Chef Collaboratives is obtaining the best possible price for the items. The Director of Administrative Services and the Account Clerk will manage the annual procurement review process.
2. Competitive sealed bids will be required for any item costing \$5,000 or more. The Director of Administrative Services will manage the bidding process.
3. All capital items will be properly identified in the inventory records and reconciled with accounting records.
4. The competitive sealed bid process will consist of an open and fair process for soliciting bids including advertising or invitations to bid, complete and accurate project specifications. The bids will be opened publically and awarded to the lowest responsible bidder.
5. To the greatest extent feasible, Chef Collaboratives will use small minority-owned and/or woman-owned businesses.
6. Checks for purchases of \$5,000 or more require two signatures (the CEO and Director of Administrative Services or a Board member).

C. Subcontractors

1. All subcontractors will have a signed agreement with Chef Collaboratives identifying the scope of work, the source and amount of payment, timeframe for completion of work and applicable rules and regulations.
2. Subcontractors with Chef Collaboratives must adhere to the same rules, laws and guidelines that govern the original contracting agreement under which the subcontract is issued.
3. Subcontractors are subject to monitoring by the Chef Collaboratives or the funding source as a condition of their agreement with Chef Collaboratives.
4. All subcontractor agreements will be reviewed by the Director of Administrative Services and approved by the CEO.

D. Travel Costs and Mileage

1. Travel costs attributed to the Chef Collaboratives's programs including transportation, lodging, meals and related items will be reviewed by the Director of Administrative Services for eligibility and pre-approved by the CEO.
2. Reimbursement will be for actual expenses approved within the funding source budget.
3. Employees will complete a travel reimbursement form, attach original receipts and obtain their supervisor's approval prior to submitting the request to the Accounting office for reimbursement.

4. All reimbursement for travel will be reviewed and approved by the Director of Administrative Services prior to reimbursement.

E. Mileage

1. Mileage will be reimbursed according to the current IRS rate.
2. Mileage logs will contain the date of the trip, beginning and ending mileage, purpose of the trip, client or program associated with the trip, and be signed and dated by the employee and supervisor.
3. Mileage will be reimbursement on a monthly basis.

F. Limited Access to Assets and Records

1. All accounting records including blank checks, credit cards, bank statements and any other financial information will be secured in locked file cabinets with access by the Accounting Clerk, Director of Administrative Services and the CEO.
2. Computers containing financial records will be password protected.
3. The master list of passwords will be kept in a secure location with access by the CEO and Director of Administrative Services only.

III. Accounting System

The Chef Collaboratives's accounting system includes cash procedures, management of receivables and payables, petty cash fund, donated services and goods and billing within the accounting structure of Chef Collaboratives. The accounting structure will include a chart of accounts, cash receipts journal, cash disbursement journal, payroll journal, and general ledger.

Accounting records will track the sources and uses of funds to ensure that program costs are incurred for the proper period of time, expended on eligible items in the approved budget, expended from the appropriate grant and approved by the CEO or Director for Administrative Service and the Board of Directors.

A. Accounts Receivable - Cash Procedures

1. Chef Collaboratives will identify where funds were initially collected, recorded and deposited in order to reconcile to the Cash Receipts journal.
2. Funds from the Medication Clinic, donations and/or fundraisers will be transmitted immediately or the next business day to the Accounting office.
3. Receipts will be logged in a three part pre-numbered receipt book issued and controlled by the Accounting office.
 - a. The original receipt is given to the payer and the first copy is attached to the cash receipts transmittal form and sent to the Accounting office for deposit.
 - b. The second copy is retained in the receipt book. If a receipt must be voided, the original and first copy will be submitted.

4. When complete, receipt books are to be returned to the Accounting office for audit and storage.
5. Cash receipts will be stored in a secure location until deposited in the bank.
6. Cash-on-hand for change on cash payments will be reconciled daily and logged.
7. Use of cash receipts to cash personal checks or to make loans is prohibited.
8. At a minimum the following information is required on all cash receipts:
 - a. Received from;
 - b. Type of payment
 - c. For (account distribution)
 - d. Total amount received
 - e. Received by (staff name).

All cash receipts will be signed and dated by the staff person receiving the cash.

B. Accounts Receivable – Checks & Contract Billings

1. Contract billings, checks and reimbursable costs will be recorded when earned or received.
2. A master list of billings will be kept and checked off to ensure all contract billings and reimbursable costs are billed in a timely manner.
3. An aged receivable list will be reviewed monthly by Director of Administrative Services. Delinquent accounts will be reviewed to determine the most appropriate action to be taken.
4. Checks will be stamped with the restrictive endorsement “for deposit only”, copies will be made of all checks along with supporting documentation that is received with the check and the check will be entered into the general ledger with the proper accounting codes.
5. Chef Collaboratives will draw funds on a reimbursement basis and/or will expend all HUD funds within three days of receipt of funds.

C. Accounts Receivable – Donated Goods

1. Upon receipt, donated items will be physically inspected by staff and recorded on appropriate forms.
2. The totals of donated items will be recorded monthly in the accounting records of the programs that received the donations.
3. Value of donated goods will be determined by the donor on the donation form.
4. Volunteer hours will be recorded at the federal rate except for professional services which are recorded at the local market rate.
5. A timesheet will be maintained for each person donating or volunteering time to Chef Collaboratives.
6. The volunteer timesheet will contain the date the services were provided, volunteer name, description of services provided, hours worked, signature of the volunteer and signature of program supervisor or authorized staff.

D. Accounts Payable

1. Purchases will be based valid approved requests, properly executed as to price, quantity, quality and vendor.
2. Invoices will be accurate, account distribution will be accurate and transactions will be promptly and accurately recorded as to payee, amount and period.
3. Purchases will be summarized and posted to the accounting records.
4. All accruals will be properly recorded and classified in the accounts.
5. A numeric log will be maintained by the Accounting Clerk with the purchase request number, date, program issued for, item requested and amount.
6. The Accounts Payable log will be used to enter information into the Cash Receipts journal.

E. Accounting Structure - Definitions

1. The chart of accounts will contain a classification system for income and expenditures to identify the sources and uses of funds.
2. Cash receipts and cash disbursement will document chronologically when the funds were received and disbursed.
3. Payroll journal will document Chef Collaboratives's expenses for salaries and benefits and will distinguish funding sources and categories.
4. General ledger will summarize chronologically the activity and financial status of all accounts for Chef Collaboratives.

IV. Timesheets

- A. All employees of Chef Collaboratives will maintain and submit bi-monthly time distribution sheets.
1. All work will be supported with a time and activity tracking system.
 2. Timesheets will be an actual after-the-fact record of time spent on working on eligible program activities or with eligible clients and will be supported by activity logs.
 3. Timesheets must be signed and dated by the employee and the supervisor prior to payment.
 4. Timesheets will include:
 - a. The grant or program the hours are being charged to;
 - b. Employee name and position or job title;
 - c. Actual number of hours worked on each program or grant and the category (Supportive Services, Operations, Administration);
 - d. Employee and supervisor signatures
 - e. Applicable pay period.
 5. The Director of Administrative Services will review payroll records, make necessary changes and submit to the payroll requests to an outside contract Chef Collaboratives for processing and payment.

V. Audits

- A. If Chef Collaboratives receives more than \$500,000 in total Federal financial assistance in any given fiscal year, Chef Collaboratives will have an annual audit in accordance OMB A-133.
- B. A copy of the audit will be submitted to all funding sources.
- C. The Executive Director will ensure a timely and appropriate response to all audit findings and recommendations.

VI. Conflict of Interest

- A. No employee, officer, agent, family members, partners of the same will solicit or accept gratuities or anything of value from contractors or parties to sub-agreements.
- B. A person who is an employee, in a decision making position, or has information about decisions made by Chef Collaboratives may not obtain a personal or financial interest or benefit from the organization's activity. The exclusion continues through the employee's tenure and for one year following employment.