Accounting Requirements Policy

POLICY: Accounting Requirements			
POLICY NUMBER:	500.01.01	**CUSTODIAN:**	Director of Finance
APV'D DATE:	2-11-20		
EFFECTIVE DATE:	2-11-20	**REVIEW DATE:**	2-11-20
REFERENCES: Generally accepted accounting principles (GAAP), Code of Federal Regulations (CFR)			

Part 1. Policy Background and Purpose.
General accounting concepts need to be followed throughout WETCC's operations.

Part 2. Definitions.
Accounting guidelines for WETCC operations in the Business Office. All books of accounting record are to be maintained in accordance with generally accepted accounting principles (GAAP).

Generally accepted accounting principles (GAAP) are a common set of accounting principles, standards and procedures that companies must follow when they compile their financial statements.

The code of federal regulations (CFR) is a codification (arrangement of) the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.

Business office is any staff of the following: Bookstore Clerk, Finance Assistant, Finance Supervisor, and Director of Finance.

Part 3. Responsibility.
Business Office staff are responsible to retain supporting documents in an orderly fashion. This includes journals, ledgers, subsidiary records, and unissued checks that are to be properly safeguarded by the Business Office and locked up after business hours. Records acquired prior to the current period are to be retained in WETCC's storage room.

The bank reconciliations shall be performed by the Director of Finance and verified by the President.

Any employee of the Business Office is qualified to take payments and offer receipts.

A chart of accounts shall be established and maintained by the Director of Finance.

The Director of Finance shall coordinate the annual audit.

Part 4. Policy

Fiscal Year

The accounting records of WETCC shall be maintained on the fiscal year of October 1 to September 30. Additional records may be maintained for programs with funding agencies that mandate the observation of a period differing from WETCC's fiscal year.

Documentation

Adequate documentation in accordance with the Code of Federal Regulations is to be maintained to support all financial transactions recorded in the accounting records. Approved expense disallowed under contracts are to be identified and paid from non-contracted funds.

Supporting documents shall be retained in an orderly fashion. Journals, ledgers, subsidiary records, and unissued checks are to be properly safeguarded by the Business Office and locked up after business hours.

Matching Funds

When funds are needed for matching requirements, the source of these funds shall be identified to leave an audit trail. Included in this identification shall be the pertinent portion of regulations that allow the funds to be used for such purposes. In all instances, a clear explanation of the transaction shall be given; for instance, if the matching funds have not arrived on a timely basis, this shall be recorded.

Accounting Records

A double entry bookkeeping system is to be used. The books are to be kept current and shall provide for the consistent identification of all costs.

Journal Entries

WETCC shall maintain an accurate system for making journal entries. The system shall have the following features:

A distinct number shall be assigned to each entry

The journal entry shall be made in the accounting software and printed, documentation supporting the journal entry shall be attached

Preparer will sign the entry and shall be approved by supervisor

Annual Audit

An annual audit is to be performed by a certified public accountant. The audit report shall serve as a final report to the funding agencies and as a management tool for the COT and its designees.

Segregation of Duties

Proper segregation of duties shall be maintained. In the case the Director of Finance is unable to perform the bank reconciliations, business office staff not involved with recording deposits shall perform the reconciliation for verification.

Loans/Letters of Credit

Any loans and/or letters of credit require approval from the COT.

Authorized Check Signers

Authorized check signers shall consist of the Chairperson of the COT, the Treasurer of the COT, the president, and 2 Cabinet members. No employee below the Cabinet level shall be check signers.

Depository Requirements

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the government that protects the funds depositors place in banks and savings associations. The standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category. For access funds above the $250,000 per account threshold, adequate insurance (also known as pledged collateral) is required.