

Chapter 5

Organizational Finance

5.1: Fiscal year

The KCDD fiscal year will be the first day of Oct. to the last day of Sept.

Adopted: _____ 8/11/2012 _____ Last revise _____ 8/11/2012 _____

5.2: Financial management

Financial resources of KCDD are the responsibility of the board of directors. The board will:

- have a clear plan for acquisition of financial resources to pay for the programs and services provided by KCDD.
- provide guidelines for management and allocation of financial resources which will produce optimum benefit for those we serve.
- monitor and evaluate the financial plans and guidelines of KCDD to ensure the financial integrity of KCDD.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 8/11/2012 _____

5.3: Budgeting

An annual operating budget will be prepared by the Executive Director and Children and Families (DCF) to be presented to the board for approval prior to the beginning of the next fiscal year. The budget will reflect the cost of carrying out the programs and services of KCDD for the next fiscal year, and anticipated revenues of KCDD.

The budget will be viewed by the board as their financial plan for KCDD, and approval of the budget by the board will be authority for the executive director to manage KCDD's finances according to the plan without seeking further approval of the board. However, the executive will keep the board well informed of the ongoing status of the financial plan, and will not make expenditures outside of the budget plan without seeking board approval to amend the budget. Amendments to the budget will be presented to the board for approval for any of the following reasons:

- KCDD enters into grants or contracts that were not included in the approved budget.

- management proposes a major expenditure that was not included in the approved budget.
- significant unanticipated revenues are received or cost overruns occur.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 6/21/2019 _____

5.4: Accounting

The accounting system used by KCDD will be provided by the Department of Children and Families as the Designated State Agency.

The accounting practices and procedures used by KCDD will allow for adequate management of KCDD’s revenues and expenses, and will provide adequate systems of monitoring by the board of directors as well as outside auditors.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 6/21/2019 _____

5.5: Whistleblower protection

It is the responsibility of all directors, officers and employees of KCDD to report suspected fraud or financial malfeasance. No director, officer or employee who, in good faith, reports suspected fraud or financial malfeasance, shall suffer employment consequences, harassment or any other type of retaliation for reporting.

Anyone who makes an unsubstantiated report of fraud or financial malfeasance, while knowing that the report is false, will be subject to disciplinary action.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 8/11/2012 _____

5.6: Financial reports and audits

Department of Children and Families will prepare Quarterly Reports reflecting the financial condition of KCDD and forward to KCDD Executive Director who will present them to the board. The Council may request additional reports as needed.

Reports reflecting the financial condition of KCDD will be presented to the board quarterly. These financial reports will include:

- status of expenditures on major capital projects.

- revenue and expense statement for the quarter and year-to date with comparison to the budget.

KCDD Finance Committee will review financial reports & any audits twice a year.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 6/21/2019 _____

5.7: Use of credit cards

Monthly reports of credit card billings will be provided to the board or the KCDD Budget Finance Committee.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 6/21/2019 _____

5.8: Purchase orders

Staff purchases of supplies and materials will be made only with a properly authorized purchase order signed by the executive director or a member of the management staff authorized by the executive to sign purchase orders.

Adopted: _____ 8/11/2012 _____ Last revised: _____ 6/21/2019 _____

5.9: Executive limitation

The executive director may not risk financial losses to KCDD beyond those that may occur in the normal course of business. The executive will:

- the best of his/her ability protect KCDD's resources against embezzlement, casualty losses and against liability losses (to board members, organizations or staff) beyond the minimally acceptable prudent level
- ensure that proper policies and procedures are in place to protect KCDD's financial resources from loss
- ensure that facilities and equipment are properly maintained.
- limit exposure of KCDD, the board or staff to claims of liability.
- disburse funds only under controls sufficient to meet the auditor's standards.

- ensure off-site backup of all computers and other financial records necessary for uninterrupted operation of KCDD.

Adopted: 8/11/2012 Last revised: 6/21/2019

5.10: Spending authorizations

The executive director may make expenditures consistent with the board-approved budget without further board approval. However, expenditures that are not within the board-approved budget must be formally approved by the board of directors.

A list of anticipated major capital expenditures should be included with the annual budget that is submitted to the board for approval.

Unbudgeted emergency repairs to the physical plant or equipment that must be completed immediately, and cannot be practically submitted to the board for approval, may be authorized by the executive director. The board of directors will be informed of the expenditures as soon as possible.

Adopted: 8/11/2012 Last revised: 8/11/2012

5.11: Delegation of spending authority

The board of directors is recognized as the ultimate spending authority for KCDD. To more efficiently conduct KCDD business, the executive director will authorize expenditures.

The use of a signature stamp for authorizing signatures is prohibited.

No employee shall approve a transaction which will result in personal gain, or which is executed personally. Approval must be at the next highest level of authority.

Approval of travel and personal expenses will always be at the next highest level of authority for every employee. Executive director expenses will be approved by the board chair. Board member expenses will be approved by the Executive Director. The Board Chair travel expenses will be approved by the Executive Director and the Chair of the Finance Committee or one of the Finance Committee members if the chair is not available.

In the absent of the Executive Director, two staff may sign official documents. They will notify the Executive Director on his/her return.

No employee shall approve a transaction in which a conflict of interest exists.

If there is any doubt about the propriety of expenditure, the employee should not approve the expenditure, but rather refer approval from a higher authority.

Adopted: 8/11/2012 Last revised: 6/21/2019

5.12: Charitable donations by KCDD

Because of the nature of the mission of this organization, KCDD does not make charitable contributions.

Adopted: 8/11/2012 Last revised: 8/11/2012

5.13: Council determines the fiscal controls and fund accounting issues

Pursuant to Kansas law, KSA 74-5505, the Council decides what policies and procedures it will promulgate and follow regarding the fiscal control and fund accounting of all Council resources, including the entirety of the federal DD Council grant. Kansas law specifically states that the “State Plan” of the Kansas DD Council provides for theses “fiscal controls” and “fund accounting” mechanisms. Therefore, any policy and procedure dealing with “fiscal control” and “fund accounting” of the DD Council will also be included in the DD Council’s State Plan, in the proper section as chosen by the Executive Director. This will ensure the Council is including such policies and procedures in the proper document, as required by Kansas law.

Adopted 06/21/2019 Last revised 6/21/2019