

SER JOBS FOR PROGRESS, INC.
FINANCIAL POLICIES & PROCEDURES
Policy # 5 Cash Management

Policy # 5 CASH MANAGEMENT

PURPOSE

This policy is issued to provide uniform guidance to SER, Jobs for Progress, Inc. (SER) staff relating to the management of currency. This policy addresses the request for/receipt and deposit of cash, the draw down of federal, state and other funds and accountability requirements.

APPLICABLE REGULATIONS

The federal funds managed by SER under grant agreements with Federal or State entities must comply with the Uniform Requirements for Grants and Cooperative Agreements to state and local governments (OMB Common Rule). Each federal source of funding has specific requirements published in the “Federal Agency Implementation of the Common Rule” which indicates any statutorily necessitated deviations from the Common Rule. It is the responsibility of the Finance Director to ensure all regulations governing grant management are adhered to.

DEPOSIT OF CASH OR CHECKS RECEIVED

All cash, checks, or warrants received by SER-Finance Office must be deposited in the Fiscal Agent bank account within 24 hours of receipt by the Main Office in Santa Fe. Under no circumstances should employees receiving cash on behalf of SER retain cash or checks in their possession beyond this period.

All cash or checks received by employees must be given to Finance Office staff as soon as practical. The authorized Finance employee(s) must complete a deposit slip and make deposits to the Fiscal Agent bank within 24 hours of receipt. All cash, checks, or warrants must be kept locked. Deposit slips must balance with deposit receipts. A copy of the deposit slip must be supplied by the finance staff depositor to the Finance Director for immediate entry into the accounting system. This insures that cash is always accurately reflected in the general ledger and that revenues are always accurate and current, a requirement of generally accepted accounting principles. This is important to insuring sufficient cash to meet cash outlay requirements for payroll, participant payments and vendor payments.

CASH RECEIPTS JOURNAL

The Finance Office must maintain a cash receipts journal containing documentation supporting all entries to the general ledger cash account. All deposits must include a copy of the “Revenue Receipts Posted Transaction Register” and attached documentation identifying the source of funds e.g., voucher, copy of warrant, claim for reimbursement, or other similar documents supporting the transaction. Manual checks

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(individual checks generated outside of normal biweekly batch processing) and voided checks are maintained with supporting documentation for each transaction in a separate binder entitled “Manual Disbursements and Voided Checks”.

DRAWDOWN PROCEDURES

Draw down (wherever possible) of federal revenues is made by the financial specialist and posted to the general ledger by the Senior Accountant to ensure a separation of duties for internal control purposes. This responsibility may be reversed, as necessary. The draw down of funds is initiated after processing vendor cash disbursements and payroll disbursements, but prior to issuing checks. The amount requested is based on financial reports by comparing total expenditures to date against funds drawn to date. A draw down worksheet with the financial statement is attached to the draw down form. A draw down form, with a financial statement attached, is approved by the Senior Accountant prior to initiating a cash draw down. The amount requested should equal the difference between recorded expenditures by fund and revenues drawn to date, by fund.

WIA Youth (NALWDB), WIA One-Stop and Department of Workforce Solutions (DWS)) Training Grants

New Mexico Department of Workforce Solutions (NMDWS) and WIA Adult, Dislocated Worker, and Youth, Northern Area Local Workforce Development Board (NALWDB) and Workforce Connection of Central New Mexico (WCCNM) funds are directly deposited in our Fiscal Agent bank account or reimbursed by check amount are based on draw down requests made by SER and approved by the grantor. Funds, regardless of funding origin, are based on recorded expenditure reports compared with recorded cash (revenue) draws to date. A “cash book” for each fund is maintained in the Finance Office in a cash receipts journal. This record identifies draw date, draw amount, accumulated funds drawn to date and supporting expenditure reports. The amount drawn is limited to recorded expenditures. The above general procedures apply to all funding sources. Draws are made by faxing or emailing a completed draw down form for each fund to the WCCNM, DWS or NALWDB. This fax or email must be followed up by mailing an original copy of the draw down form, approved by the SER, Senior Accountant, or designated representative in his absence, to the DWS, WCCNM, or NALWDB staff.

Cost Reimbursement Grants (City of Santa Fe, Santa Fe Public Schools, etc.)

SER manages a number of grants requiring a request for reimbursement procedure. Each grant contains unique procedures, as determined by the grant. Unless stipulated otherwise in the applicable grant procedures, reimbursement for incurred costs for all cost reimbursement grants must be performed on a monthly basis to insure cash availability. The Finance staff must produce appropriate financial detail and control reports and work with program staff to secure information necessary to file for the

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reimbursement of expenditures. As cash is reimbursed it must be deposited in the Fiscal Agent bank account within 24 hours of receipt. Based on a deposit slip and attached information from the grantor an entry to the accounting system must be made to ensure accuracy of records. The Finance employee depositing the money in the bank account may not also make general ledger entries to recognize the deposit.

BANK RECONCILIATIONS

SER bank accounts must be reconciled monthly. This is accomplished by printing a month end cash transaction report for the month to be reconciled and comparing deposits, checks outstanding and cleared and journal voucher adjustments to the bank statement. SER's monthly bank account reconciliation must be performed by a financial specialist. Because the Finance Director is authorized to sign vouchers and checks it is not proper for the Finance Director to reconcile bank accounts on an on-going basis. The Finance Director may reconcile the bank accounts only in the event that there is no other alternative source for performing the reconciliation.

APPROVAL

Policy Issuance # 5, Cash Management, approved by the SER, Jobs for Progress, Inc. Board of Directors on February 4, 2000.