

Citrus Administrative Committee

Internal Control Policies for the 2015-16 Season

I. ABOUT THE POLICIES

- a. These internal Control Policies are approved by the Citrus Administrative Committee (Committee), implemented by the Manager and presented to all applicable staff.

II. ACCOUNTING PRINCIPLES

- a. A General Ledger is maintained on the accrual basis of accounting.
- b. Program cost allocations are posted to the ledger.
- c. Fund Accounting principles are followed when required.

III. INVOICING & CASH RECEIPTS

- a. The Bookkeeper is involved in the receipts functions with over sight of the Manager. The Bookkeeper logs in the mail and prepares deposits, delivers the deposit and reconciles the account.
- b. Checks are restrictively endorsed (“for deposit only”) immediately upon receipt.
- c. Checks on hand are kept in a secure location.
- d. Checks are deposited within 5 working days.
- e. Committee employees are bonded at all times.
- f. Invoices and vouchers are issued in a timely manner.
- g. Handler delinquencies are followed up as outlined in the Citrus Administrative Committee Compliance Plan.
- h. A signed cash receipt slip, along with other supporting documents, is kept for each item in a bank deposit.

IV. PURCHASING & CASH DISBURSEMENTS

- a. Two staff employees shall be involved in the purchasing process: authorization, ordering, receiving; recording; payment; and bank reconciliation. Currently, the Manager approves bills, a check is issued by the Bookkeeper and the Manager co-signs the checks.
- b. Two authorized signers sign each check before it is disbursed.
- c. Each employee is assigned a individual password and/or user ID by the bank and each employee must sign in using their bank issued password and/or user ID prior to issuing any checks.
- d. Each bill has a supporting document (office voucher), which includes a description of the bill, the check number, date and is audited by the Bookkeeper and approved by the Manager.
- e. Blank checks may not be pre-signed.
- f. Checks are restricted from being made payable to “Cash”.

- g. Signers are restricted from signing their own checks, except in the case of preauthorized payroll and minor reimbursement checks.
- h. Bills are checked for accuracy, and to make sure sales tax is not charged.
- i. Three bids are required on purchases over \$5,000.
- j. An office voucher is kept for each check that is disbursed.
- k. The signature area is removed from each voided check.
- l. The Bank Signature Cards and the Committee minutes that authorize the check signers are kept up-to-date and in agreement.
- m. The committee has an established policy for credit card use by employees.
- n. A member of the Executive Committee will review and approve the CAC Manager's travel monthly.
- o. The committee has an established written travel expense policy.

V. PETTY CASH

- a. There shall be no petty cash fund. Cash outlays are handled on a reimbursement basis.

VI. PAYROLL

- a. The Committee contracts with SunTrust Banks, Inc. to provide all functions associated with payroll
- b. Vacations, holidays and sick days are tracked and the Manager monitors time usage.
- c. Calendar year-end Form 1099's are issued to each non-incorporated subcontractor receiving over \$600 in compensation.

VII. FIXED ASSETS

- a. Fixed Assets are defined as items with at least 1-year life, costing over \$500.
- b. Acquisitions are posted to Fixed Asset account on the balance sheet, rather than as a current expense.
- c. Items of lesser value or shorter life are accounted for as consumable and reported as current expenses.

VIII. FILE STORAGE

- a. There is a consistent, clearly labeled system of filing paid bills that the auditor can easily understand.
- b. Accounting and Audit files are maintained for seven years.
- c. Legal contracts are maintained for seven years after their expiration.
- d. Fixed Asset records are kept for the useful life of the property.
- e. Retain files electronically with proper backup.

IX. AUDITS

- a. The Committee hires an independent auditor.
- b. A draft financial statement, comparative to the prior year, is provided to the CPA for auditing.
- c. Every effort will be made to provide the records necessary to prevent having the CPA perform tasks at the bookkeeping level.

- d. Upon completion of the audit, the internal General Ledger accounting will be adjusted to agree with the audited figures. These balances will be maintained permanently as the final balances for the year and the opening balances of the subsequent year.
- e. The auditor annually reports to the Committee.
- f. The auditor will issue a management letter summarizing the audit and any findings and the management letter shall express whether any material weaknesses or significant deficiencies are found.
- g. All prior audit findings are monitored by the Committee

X. GENERAL

- a. Staff and Committee responsibilities regarding the financial system are to be written into their job descriptions and kept up to date.
- b. All financial items received must be presented to the Manager.
- c. Journals and ledgers shall be up to date at all times.
- d. The bank statement will be reconciled within 30 days of receipt of each monthly bank statement.

XI. COMMITTEE FINANCIAL RESPONSIBILITIES

- a. The Manager shall prepare a financial report quarterly and post the report on the committee's website and maintain a copy on file.
- b. Each Committee member is responsible for understanding the financial reports.
- c. The Committee is responsible for monitoring compliance with the above internal controls. This shall include, at a minimum:
 - a. Establish an annual budget.
 - b. Reviewing budget vs. actual reports quarterly.
 - c. Following up on any significant variances.
 - d. Engaging an independent auditor annually.