FISCAL, PROCUREMENT, AND ADMISTRATIVE POLICIES AND PROCEDURES

July 2009

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BACKGROUND

The following policies and procedures have been developed and approved by the agency in accordance with various federal and funding source guidelines. They are to be used to provide direction and guidance relative to the management of financial, administrative and procurement functions of the organization. These policies and procedures are subject to change and revision, based on new issuances of funding source policies and procedures.

A-133 AUDIT REQUIREMENT

An independent auditing firm audits the compliance of the agency with the types of compliance requirements described in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* on an annual basis, generally beginning in August for the fiscal year ending June 30. The audit is conducted in accordance with U.S. generally accepted accounting standards, standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133. Audit reports are submitted to each funding source upon completion and based on grant/contract requirements, but no later than nine (9) months after the end of the applicable fiscal year.

ACCOUNTING SOFTWARE AND FINANCIAL REPORTING

The agency employs Peachtree Complete as its accounting software. This is an automated, integrated system that ties in receipts, disbursements, payroll activity, and journal entries to the general ledger. The agency upgrades and updates this software when deemed necessary. A standardized chart of accounts has been developed to reflect income and expenses by function and within each grant or activity, therefore ensuring grant reporting and administrative oversight by grant and for the agency as a whole. Monthly reports are prepared for the Board of Directors and financial issues are discussed with the Executive Director and pertinent staff on a weekly basis.

ALLOWABLE COSTS AND EXPENDITURES

The organization must comply with various regulations specific to the requirements of its multiple funding sources. Although the Charter School operated by ACYR is exempt from the USFRCS regulations, cost principles contained in the USFRCS provide fiscal guidance and are used to determine allowable costs. ACYR has developed an Allowable Cost Policy for programs funded under the Workforce Investment Act. This policy is included as **Attachment A**.

Additionally, in order to comply with grant reporting and allowability of costs specific to each funding source, contracts are examined and reviewed by staff to ensure compliance with applicable federal, state, and local regulations and policies. The auditing firm retained by the agency reviews the allowability of costs and consults with management staff as needed to ensure compliance.

CHART OF ACCOUNTS

Attachment B summarizes the organization's chart of accounts. **Attachment C** is included to cross reference expense classification with the USFRCS.

CHECK SIGNING AUTHORITY

It is the policy of Arizona Call-A-Teen Youth Resources, Inc. that all checks be signed by two authorized individuals. As of this date, the following individuals are authorized to sign checks on behalf of the agency for agency business:

Pamela L. Smith	Executive Director
Donna Donahue	Executive Assistant
Ralph Weinberg	Director, Technology Services

CHECK WRITING AND DISBURSEMENTS

Checks are normally generated twice a month and are produced so that they pay approved invoices in a timely manner. Invoices/requisitions are approved by the Executive Director/designee and then routed to the Business Manager for payment. Once the checks are written, they are matched up with the approved invoices and given to the Executive Director for signature. All checks require two (2) signatures; an additional signature is obtained after checks are signed by the Executive Director. All invoices are stamped with a "PAID" stamp to ensure that they are not presented for payment more than one time. All cancelled invoices with the third part of the check stub are filed in the Business Manager's office by vendor.

CODE OF CONDUCT/FRAUD AND ABUSE

Employees are not to accept any employment or consulting relationship with any firm that currently does business with ACYR. Employees must disclose any financial interests that they or their immediate family have in any firm that does business with ACYR, or that may do business as a result of a procurement process. Employees or their immediate family are not to accept gifts, except those of nominal value, or any special discounts or loans from any person or firm doing, or seeking to do business with ACYR, and are not to give, offer, or promise directly or indirectly, anything of value to any representative of a firm desiring to do business with the organization. Any conflict or potential of interest must be disclosed to the organization. Failure to do so will result in discipline, up to and including termination. Policies specific to Business/Personal Gifts and Conflict of Interest are included as **Attachments D and E**.

It is the responsibility and duty of any individual employed by ACYR to report to his/her supervisor, the Executive Director, or the Board of Directors, any and all suspicions of fraud and abuse of organizational resources. **Attachment F** outlines the operational procedures for reporting allegations of fraud and abuse for the various programs operated by the agency. The organization is prohibited from any form of retaliation as a result of an employee reporting suspected fraud and abuse.

COST ALLOCATION

ACYR maintains a written cost allocation plan as part of its written accounting procedures. The cost allocation plan is designed to provide an auditor with a clear description of how funds are allocated to grants/contracts benefiting from a single service/cost; when space, equipment,

material, etc., are used to support multiple grants/contracts; or when personnel perform work for more than one funding source. The ACYR cost allocation plan includes general procedures as well as grant-specific methodologies, as appropriate.

DEBT COLLECTION

It is the policy of ACYR to prepare an "aged schedule of accounts receivable" on a monthly basis. The vast majority of funds owing to the agency come from governmental grants and contracts. These funds are "invoiced" monthly via monthly financial reporting forms that are specific to each grant. It is impractical for the agency to send out statements of balances due on grants to the various governmental agencies such as the State of Arizona, Maricopa County, City of Phoenix, or other government entities; however, management reviews any 30/60/90 day and past due balances on a monthly basis and communications are entered into with the various funding sources. Follow-up with the funding sources is commenced either with the Business Manager or, if need be, with the Executive Director and appropriate funding source staff.

All outstanding "grants" or "accounts" receivable are resolved as far as their validity is concerned and appropriate measures are taken to adjust accounts or to collect accounts. Additionally, the agency has access to the services of a local law firm specializing in debt collections.

EMPLOYEE RECORDS

ACYR maintains a permanent, hard-copy record of all employees (i.e., the Employee File). The Employee File contains the employee's ACYR employment application, formal offer of employment (for employees hired after June 30, 2007), signed acknowledgements of receipts of the employee handbook and any corporation-owned equipment, performance reviews, time records, tax withholding forms, employee directives, information pertinent to date of hire, change in status, and separation, and other forms and/or documents required by employment law and corporate policy. Employment eligibility documents, fingerprint clearance cards, and insurance information are maintained in separate folders.

FIXED ASSETS

A fixed asset is defined as a tangible physical product purchased for the conduct of business that has a cost of at least one thousand dollars ($1,000) and a useful life exceeding one (1) year. Examples of these types of expenses include: computers, software, furniture, and other equipment. It should be noted that the $1,000 threshold counts in the aggregate; if 5 chairs are purchased at $300.00 each, the entire purchase is considered a fixed asset subject to depreciation. Specific policies and procedures relating to fixed assets, including purchasing, relocating and disposal, are included as **Attachment G**.

GENERAL LEDGER

Accounts are analyzed and reconciled to the general ledger on a monthly basis. The general ledger has postings from the cash receipts and disbursements journal and is further enhanced by general journal entries to record the payroll and payroll taxes. Each grant that the agency has is segregated into a separate department within the general ledger. Monthly, a general ledger is

produced, delineating revenues and expenses by department. The basis of reporting is reflected in the general ledger. Grants are recorded on an accrual basis.

INTERNAL CONTROL

Incoming mail is delivered to the Office Manager, who opens and distributes to pertinent persons. All checks, cash, invoices, and tax matters are delivered to the Business Manager who records receipt. In the case of revenue, monies are posted to the general ledger by the Business Manager and deposited in the bank by the Office Manager. In the case of invoices for services or supplies, the Office Manager verifies the service or supply invoice against the requisition and/or approved purchase request and routes the invoice to the Business Manager, who posts the invoices in the general ledger and ages them for payment.

Checks are produced on or before the appropriate payable due date and approved invoices/ requisitions are matched up with the checks. The checks and invoices are given to the Executive Director or designee for final review and signature. This process provides for review and approval.

Prior to expenditure, budgets are verified to ascertain that the expenditure:

- Has been authorized in the budget
- Is allowable in nature
- Is within budget limits

To prevent fraudulent activity within the checking account, ACYR subscribes to JP Morgan ACCESS services.

MANAGEMENT OVERSIGHT AND BUDGETARY CONTROLS

On a monthly basis, the Executive Director, Business Manager, and Controller meet to review the prior month's fiscal activity and costs and compare to program budgets to ascertain that expenditure levels are within established limits. On a grant by grant basis, significant variances are noted and analyzed. In the event of over/under expenditures, certain actions are formulated and put into place to correct the situation. In addition to this review, a set of financial statements is presented to the Board of Directors and deviations are noted and, again, analyzed.

Program enrollments and performance are discussed on a regular basis with Program Managers to analyze expenditures in relation to meeting contracted goals. Discussions with funding sources are ongoing and amendments are negotiated as needed.

PAYROLL AND PAYROLL TAXES

The agency uses the services of an outside payroll service. Time sheets are prepared by staff and given to their manager for approval. All time sheets are approved and given to the Supervisor to examine. The approved time sheets are given to the Resources Manager, who calculates and records used/accrued paid time off. Time sheets are then routed to the Business Manager to be entered into the payroll system. This is an automated system that produces files that are sent

electronically to the payroll service. A report is generated entitled "Payroll Prior to Processing," which details all payroll that is to be transmitted.

The payroll is delivered to the agency via messenger where it is given to the Business Manager in a sealed envelop. The Business Manager matches the checks received with the payroll register to ensure accuracy in payroll processing. The checks are given to the appropriate managers for distribution to their staff.

The payroll service impounds all federal and state tax liabilities. They also produce all payroll tax reports on a quarterly basis. The agency is responsible for the following taxes:

- Federal withholding taxes
- FICA and Medicare taxes, both withheld and employer contributed
- State withholding taxes
- State unemployment insurance (staff only, participants are excluded)

Worker's compensation is paid monthly and audited annually. Presently, the State Compensation Fund is the agency's worker's compensation carrier.

As a 501(c)(3) tax exempt organization, Arizona Call-A-Teen is exempt from Federal Unemployment Insurance.

New hires are processed through the Resources Manager who provides the Business Manager with properly completed W-4, A-4, and I-9 forms along with a New Hire Cover Sheet which denotes:

- Name
- Department assignment
- Hourly wage
- Job title
- Start date
- Direct deposit information (if applicable)

PROCUREMENT

ACYR follows the State of Arizona procurement manual. If any conflict occurs between the State and various other funding sources, it is the policy for the agency to reconcile these conflicts for the smooth operation of the procurement process Generally, the most restrictive policies will apply. A log is kept of all bids as well as requests for purchases. **Attachment H** outlines the organization's policy with regard to procurement conflict of interest.

PURCHASE REQUESTS

ACYR maintains procedures to ensure accountability and efficiency when purchasing goods and products. **Attachment I** communicates responsibilities and outlines the puchase request process.

RECEIPT OF CHECKS/CASH

The Business Manager receives checks and cash from the Office Manager. The Business Manager posts the receipts in the Cash Receipts Journal, completes a deposit slip, and gives the transaction to the Office Manager, who ensures that the deposit is made to the Operating Account checking account at JP Morgan Chase Bank located at 7th Avenue and Thomas, Phoenix. This is a non-interest bearing account.

The source of the receipt is entered into the cash receipts journal noting the payee, amount of the receipt, and date received and coded to the grant, funding source, or non-grant related account in compliance with the chart of accounts. Copies of all checks are stapled to the copy of the deposit slip and filed by date. Files are maintained in the Business Manager's office.

All checks received are to be stamped with ACYR's deposit stamp reading "For Deposit Only."

RECEIPT OF INVOICES/BILLS

The Business Manager receives all invoices/bills and records them in the Purchase section of the general ledger, after they are verified for mathematical accuracy and receipt of goods and or services. When appropriate, purchase orders are attached to the invoices by the Office Manager and these purchase orders are matched up to the invoices. The invoices/bills are aged so that vendor terms are conformed with and that discounts are taken when appropriate.

RECORDS RETENTION

All data and other records relating to the operational performance of grants and contracts are to be maintained for a period of five years after the date of completion of the respective grant or contract. All financial records are maintained for a period of seven years after the date of completion of the respective grant/contract. ACYR's policy pertaining to document retention and destruction is included as **Attachment J**.

TRAVEL POLICY

The organization's travel policy is included as in ACYR's policy relative to expense reimbursement (**Attachment K**).

OPERATIONAL POLICY: Allowable Costs – WIA
Effective Date: July 1, 2006

This policy provides guidance regarding general cost principles and allowable costs under the Workforce Investment Act and is intended to ensure compliance with federal requirements regarding the allowability of costs.

The WIA Final Rule, Title 20 CFR 667.200(c) et. seq, provides guidance regarding cost principles and allowable costs. Guidance for nonprofit organizations is included in OMB Circular A-122, which provides general principles and guidance on selected items while identifying allowable and unallowable costs. 48 CFR Part 31 (Contract Cost Principles and Procedures) is also relevant. These guidelines are summarized in Attachment A. It is understood, however, that more restrictive procurement guidelines at the state or local level must take precedence. These more restrictive guidelines are typically referenced in the contracts for services, and supplemented by Guidance Letters or Policy Memos/Directives, which are incorporated by reference in this policy. Additional written communication provided by the LWIA will also provide guidance. Given that ACYR receives WIA funding from two (2) LWIAs, it is the policy of this organization to recognize and adopt the most restrictive policy of either funding source.

In general, ACYR will use the following principles to determine allowable costs for WIA funds:

- Any cost charged to a WIA contract must be necessary and reasonable for proper and efficient performance and administration of the contract. Sound business practices and compliance with OMB Circular A-122 and 48 CFR Part 31 will be used to charge costs.
- Costs must be clearly identifiable as benefiting the specific WIA program and must be incurred specifically for the program being charged and treated consistently with like costs. If the cost of a service or item is shared between WIA programs and/or other programs operated by ACYR, costs will be allocated on the basis of the organization's allocation methodology, which clearly outlines how the share of costs will be determined and charged.
- Costs will be authorized and not prohibited under Federal, State, or local laws and regulations.
- Costs will be treated uniformly across program elements or from year to year.
- Costs will not be used to meet Federal matching requirements of other grants or contracts.
- Costs will be adequately documented and supported by required source documentation such as time and attendance records, bills, invoices and cancelled checks. Lack of documentation may be supportable grounds for disallowing questioned costs.
- Costs will conform to Federal Employment and Training Administration grant exclusions and limitations.
- Costs will be determined in accordance with generally accepted accounting principles.

Expenditures of WIA funds are allowable only for those activities permitted by the WIA guidelines or Federal regulations. Allowable youth program activities include those detailed in Section 129 of the Act and the specific LWIA contract.

ACYR will not purchase property with WIA contract funds in excess of the allowable unit cost designated by the specific LWIA.

WIA funds will not be spent on construction or purchase of facilities.

Original contracts, contract amendments/change orders, records, documentation, and/or information relating to a contract will be filed in a central file. Administrative, management, and program staff may keep a working file.

References:

- One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG), Department of Labor, July 2002, Chapters II-3, Cost Principles and II-4 Allowable Costs
- WIA Sections 117(f)(1), 129(c)(6), 134(d)(2) through (4), 181(d) and (e), and 188(a)(3)
- 20 CFR, Sections 661.310, 667.200(c), and 667.260 through 667.268
- 29 CFR Parts 95.27, 95.48, and 97.22
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- WIA Directive WIAD03-9, Property—Prior Approval, Purchasing, Inventory and Disposal, dated March 25, 2004
- WIA Guidance Letter #09-06
- Contract #113331 and Amendments, City of Phoenix Community Economic Development Department
- Contract #C-22-07-073-1 and Amendments, Maricopa County Human Services Department

COST PRINCIPLES AND ALLOWABLE COSTS – OMB CIRCULAR A-122 AND 48 CFR PART 31

This is only a guide. The WIA, WIA regulations, and OMB Circular A-122 contain definitive guidance and final authority for determining the allowability of costs.

Cost Item	A-122	48 CFR
1. Accounting systems	NT	NT
2. Advertising and public relations	AC/U	AC
3. Advisory councils	NT	NT
4. Alcoholic beverages	U	U
5. Alumni/ae activities	NT	NT
6. Asset valuations resulting business combinations	NT	A
7. Audit services	See A-133	NT
8. Automatic electronic data processing	NT	NT
9. Bad Debts	U	U
10. Bid and proposal costs	#65	#65
11. Bonding costs	A	NT
12. Budgeting	NT	NT
13. Civil defense costs	NT	A/U
14. Commencement and convocation costs	NT	NT
15. Communication costs	A	NT
16. Compensation for personal services	A/U	A/U
17. Contingency provisions	U	U
18. Cost of money (see also item 40)	U	A/C
19. Deans of faculty and graduate schools	NT	NT
20. Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringement	AC/U	U
21. Deferred research and development costs	NT	AC/U
22. Depreciation and use	AC	AC
23. Disbursing service	NT	NT
24. Donations and contributions	U	U
25. Economic planning costs	AC/U	NT/U
26. Employee morale, health and welfare costs and credits	A	U
27. Entertainment costs	U	U
28. Equipment and other capital	AP	AP
29. Executive lobbying costs	U	U
30. Fines and penalties	U	U
31. Fund raising and investment management costs (see also #40)	NT	U
32. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs (see #64)	NT	A
33. General government expenses	NT	NT
34. Goods/services for personal use	U	NT
35. Goodwill	NT	U
36. Housing and personal living expenses	AC/U	NT
37. Idle facilities and capacity	AC/U	AC/U

Cost Item	A-122	48 CFR
38. Independent research and development	Reserved	AC
39. Insurance and indemnification	AC	A
40. Interest, fund-raising and investment management costs	AU	U
41. Labor relations costs	AC	AC
42. Lobbying	U	U
43. Losses on other sponsored agreements/contracts	U	U
44. Maintenance and repair costs	A	A
45. Manufacturing and repair costs	NT	A
46. Manufacturing and product engineering costs	NT	A
47. Material costs	A	A
48. Meetings and conferences	A	See #2
49. Memberships, subscriptions, and professional activity costs	A/U See #2	NT
50. Motor pools	NT	NT
51. Organization costs	AP	U
52. Other business expense	NT	A
53. Overtime, extra-pay shift, and multi-shift premiums	AC	See #16
54. Page charges in professional journals	A	NT
55. Participant support costs	A	NT
56. Patent costs	A/U	A/U
57. Plant protection costs	NT	A
58. Plant reconversion costs (See also item 68)	NT	U
59. Plant security costs	A	NT
60. Pre-Agreement Costs (See also item 61)	NT	NT
61. Pre-award costs	AP	NT
62. Pre-contract costs	NT	AP
63. Professional services costs	A	A
64. Profits and losses on disposition of plant equipment/other capital assets	A	See #32
65. Proposal costs (See also item 10)	Reserved	AP
66. Publication and printing costs	A/U	NT
67. Rearrangement and alteration costs	A	NT
68. Reconversion costs (See also item 58)	A	NT
69. Recruiting costs	A/U	A
70. Relocations costs	AC	A/U
71. Rental costs of buildings and equipment	AC	AC
72. Royalties and other costs for use of patents	A	A
73. Sabbatical leave costs	NT	NT
74. Scholarships and student aid costs	NT	NT
75. Selling and marketing	U	A/U
76. Service and warranty costs	NT	A
77. Severance pay	AC	AC
78. Special tooling and special test equipment costs	NT	A
79. Specialized service facilities	AC	NT

Cost Item	A-122	48 CFR
80. Student activity costs	NT	NT
81. Taxes	AC	AC
82. Termination costs	AC	A/U
83. Trade, business, technical and professional activity costs	AC	AC
84. Training and education costs	AC	AC
85. Transportation	AC	AC
86. Travel costs	AC	AC
87. Termination costs applicable (See also #82)	NT	NT
88. Trustees	AC	NT
89. Under recovery of costs under Federal agreements	U	U

Codes:

A = Allowable
AP = Allowable with prior approval of LWIA
AC = Allowable with conditions
A/U = Some categories within the particular activity are allowable, while some are not
U = Unallowable
NT = Not treated in circular

If the symbols "AC" or "A/U" are the results of a cost item search refer to OMB Circular A-122 and 48 CFR Part 31. Other federal circulars and technical assistance guides may provide the desired information needed. If this effort does not provide the necessary information then staff should contact the appropriate LWIA. The symbol "NT" or "Reserved" will mean that information may not be readily found in the OMB circulars or technical assistance guides. In this event staff should seek other information sources before contacting the appropriate LWIA.

WIA ALLOWABLE TYPES OF EXPENDITURES

Revised August 2006

Personnel	Employees' salaries that relate directly to the proposed service.
Fringe Benefits	These may include, but not be limited to: social security (FICA); unemployment insurance; worker's compensation; health and life insurance; or retirement.
Professional & Outside Services	Professional and subcontractor services that relate directly to the proposed service, but are not provided by agency staff. These may include, but not be limited to: auditing services, payroll services, or accounting services.
Space	-Facilities costs such as: rent, depreciation or use allowance -Building services and utilities such as: fuel, electricity, water, trash removal, maintenance (subcontracted services only such as: landscape and sewer charges) -Minor renovation costs such as: repairs, alternations, partitions, paneling, rejuvenation and redecorating which do not create a major modification of the building structure.
Equipment	-Purchase, rental/lease of equipment costing $250 or more Per WIA Guidance Letter 09-06 dated June 2, 2006 all property purchased with WIA funds that **costs $250 or more must be tracked** by the subcontractor. On an **annual basis** an "Property Report" must submitted to the City that shows the asset number, cost, location, description, serial number, acquisition date and disposition status of WIA assets that cost $250 or more. -Equipment depreciation; -Use allowance; -Equipment maintenance or repair costs
Materials & Supplies	-Equipment purchases costing $250 or less -Consumable supplies such as: general office, cleaning, program supplies -Postage -Reproduction and printing subcontracted services -Actual costs of materials needed for the maintenance/repair of contractor's facilities such as: mops, brooms, paint, window glass, cleaning fluids, etc.
Travel	-Per diem costs (lodging, airfare, taxi, & meals - if not included in conference registration) -Mileage reimbursement for staff-owned vehicles -Maintenance/repair, operating expenses and depreciation for contractor-owned vehicles -Subcontracted travel services -Leased vehicles -Public transportation
Operations	-Telephone/telecommunications costs -Training & Professional Development for contractor's employees -Subscriptions for professional literature -Membership dues for professional organizations -Professional activities such as: clubs and meetings -Advertising for personnel -Fingerprinting costs -Insurance costs
Other	-Need Related Payments & Supportive Services such as: eye glasses, clothing or child care -Summer Participants & Fringe Benefits

ACYR Chart of Accounts
as of 9/30/09

Department #	
M01	General Fund
M03	WIA COP I/S WEX
M04	WIA COP O/S WEX
M05	WIA COP I/S
M06	WIA COP O/S
M07	WIA MC i/S
M08	WIA MC O/S
M10	Charter School
M11	Title 1
M12	ABE State
M13	ABE Federal
M15	Title 2
M15.1	Title 2 D
M16	Title 4
M17	Title 5
M19	Dropout Prevention
M20.11	301 salary
M20.12	301 performance
M20.13	301 other
M23	IDEA Basic
M24	AZ Character Foundation
M25	Youthbuild 12
M27	Youthbuild 10
M30	School Improvment
M42	Scrip
M53	Inst Improvment Fund
M60	Distance Learning
M70	Youth Offenders
M71	CoP Summer Stimulus I/S
M72	CoP Summer Stimulus O/S
M73	MaCo Summer Stimulus I/S
M74	MaCo Summer Stimulus O/S
M75	CoP YR ARRA I/S
M76	CoP YR ARRA O/S
M77	MaCo YR ARRA I/S
M78	MaCo YR ARRAO/S
M80	Youth Offender Summer I/S
M81	Youth Offender Summer O/S
M83	Youth Offender ARRA I/S
M84	Youth Offender ARRA O/S
M90	PCDIC

Account #	
60001	Personnel Costs
60002	Fringe Benefits Gen
60003	Professional Fees
60004	Utilities
60005	Building Depreciation
60006	Custodial Services
60007	Repairs & Maint
60008	Equipment Depr
60009	Equipment Rental
60010	Materials & supplies
60011	Travel
60012	Communications
60013	Insurance
60014	Training/Prof dev
60015	Other Operations
60016	Youth Wages
60017	Needs Related
60018	Incentives
60019	Tuition
60021	Summer Wages
60022	Summer Fringes
60026	Youth Fringes

CHART OF ACCOUNTS AND EXPENSE CLASSIFICATIONS
UNIFORM SYSTEM OF FINANCIAL RECORDS (USFR)

(Further information may be obtained from the Chart of Accounts in the USFR for Arizona School Districts or USFRCS for Arizona Charter Schools)
Contact the appropriate Program Area for classifications pertaining to a specific grant.

OBJECT CODE	OBJECT NAME	INSTRUCTION 1000	SUPPORT SERVICES 2100, 2200, 2600, 2700, 2900	SUPPORT SERVICES ADMINISTRATION 2300, 2400, 2500, 2800	OPERATION OF NON-INSTR. SERVICES 3000	FACILITIES ACQUISITION & CONSTRUCTION 4000	DEBT SERVICE 5000
6100	Salaries	Teacher/Project Director, Teachers, Coaches, Tutors, Substitute Teachers, P. E. Teachers, Speech Teachers, Teacher's Aides, Reading Specialists Classroom Paraprofessional (Para Pros)	Librarians Counselors Audiovisual, Curriculum Consultants, Program Evaluators, Audiologists, Psychologists, Social Workers, Nurses, Attendance Personnel, Record Clerks, Bus Drivers, Maintenance Workers, Security, Speech Pathologists, Instructional Staff Trainers, Janitors, Custodians, Printers/Publishers, Tutors, **Stipends, (for teachers above & beyond teaching)** Monitors Bus	Researchers, Public Relations, Superintendent, Principals, Project Directors, Clerical, Purchasers, Personnel, Governing Board, Accounting, Human Resources, Printers/Publishers, Budgeting, Lobbyists Warehousing, Staff Trainers, Data Processing	Cooks, Bookstore Staff, Dieticians	School Staff doing in-house construction	
6200	Employee Benefits	Benefits Reimbursement of Tuition, Teacher aide education	Benefits	Benefits	Benefits	Benefits	
6300	Purchased Professional Services	Contracted Teachers, Contracted Substitutes (Not an employee)	Contracted- Consultants, Counselors, Therapists, Dentists, Doctors, Instructional Staff Trainers, Tuition, In-service / ADE Training., Conf. Registration., Stipends	Auditors, Lawyers, Accountants, Staff Trainers		Architects, Engineers	
6400	Purchased Property Services	Rental of Instruction Equipment	Utility Services, Cleaning Services, Repair and Maintenance Services, Rentals, Other Property Services	Rental of Equipment and Vehicles, Other Property Services	Rentals	Construction Services	
6500	Other Purchased Services	Miscellaneous Services, Non-Student Travel, Tuition, Communications Telephone & Internet	Advertising, Student Transportation Services, Printing and Binding, Insurance, Misc. Services, Communications, Telephone & Internet, Internet Fees, Student Travel **(includes Field Trip Trans)**, Bus tokens, Student Incentives, Mileage, Per Diem, **Teacher site to site travel**	Other Communications, Travel, Postage	Bookstore Management, Food Service Management, Travel	Travel	
6600	Supplies	General Supplies, Library books, Textbooks, and Periodicals, Instructional Aids (including **Instructional software)** Internet fees-Site license	General Supplies, Energy, Books, Library Books and Periodicals) Testing Materials	General Supplies, Books and Periodicals (including software)	General Supplies, Energy, Food	General Supplies	
6800	Other Expenses	Dues and Fees, Misc., **Field trip entrance fees**	Dues and Fees, non-payroll taxes, Miscellaneous	Misc. Judgments, Dues & Fees	Miscellaneous	Miscellaneous	Interest

Note 1: School Districts and Charter Schools should use Object Code 6910 to record indirect costs for the total project budget excluding capital expenditures.
Note 2: For Charter Schools, the acquisition of Buildings and Equipment by purchase, construction or lease purchase is coded to an asset account – 0180.
School districts should code the acquisition of Land, Land Improvements, Buildings and Equipment to Object Code 6700 under the proper function code.
Note 3: Computers for instructional and non instructional purposes and **"non instructional software"** are considered **"property" 180** or **"capital" 6700**.
Note 4: To be used as a guide only – Refer to Chart of Accounts section III-E-2.1 through III-E-3.9 of the USFR or USFRCS if a charter school.

Corporate Policy – Business or Personal Gifts
October 5, 2009

Purpose

To establish parameters within which an ACYR director, officer, employee or other persons acting on ACYR's behalf may accept a gift from an outside business associate.

Definitions

A. **Government Sponsored Programs.** For purposes of this policy, Government Sponsored Programs includes any program that is funded in whole or part by the federal government or by any state or local government (e.g., U.S. Department of Labor, Arizona Department of Economic Security, City of Phoenix, etc.).

B. **Immediate Family Member.** For purposes of this policy, an Immediate Family Member includes husband or wife; domestic partner; birth, adoptive or step-child.

Policy:

A. This policy applies to any acceptance of business or personal gifts by any of the following:

1. ACYR directors.
2. ACYR officers.
3. ACYR employees.
4. Any person or organization acting on ACYR's behalf in a transaction to which the gift in question may be related.
5. Immediate Family Members of any of these.

B. You may never accept from an outside entity or person any gift that is intended to or does unduly influence business decisions that involve ACYR. Gifts that are offered, given, requested or accepted in exchange for or to induce referrals or other business that may be reimbursed by a Government Sponsored Program may never be accepted. Gifts with "strings attached" may never be accepted.

C. Nothing in this policy should be understood as encouragement to seek or accept gifts from outside entities. Business gifts that benefit you personally may never be solicited.

1. **Fundraisers.** You may solicit from outside entities or persons financial gifts that constitute support of or participation in ACYR sponsored fund raising events for the benefit of ACYR (e.g., Alumni Recognition, Golf Tournament) or for the benefit of the community (e.g., Tax Credits), provided, however, that no promise, express or implied shall be made that ACYR will do business, or continue to do business with a contributor in exchange, in whole or in part, for any such support or participation.

D. You may accept from outside entities or persons a non-monetary gift of nominal value which is a token of respect or friendship and is consistent with the following guidelines:

1. **Nominal Value.** Nominal value means $50 or less for any single gift. All gifts received from the same person or entity shall be considered a single gift for purposes of determining whether nominal value has been exceeded. In other words,

the total value of all gifts accepted from a single person or entity may not exceed $50.

2. **Frequency.** No more than three gifts may be accepted from any single entity or person in a calendar year. Multiple gifts given by different representatives of a single entity shall be considered multiple gifts from a single entity for purposes of assessing frequency.
3. **Cash and Cash Equivalents.** Cash and cash equivalents (e.g., gift certificates or pre-paid gift cards that may be exchanged for unspecified items or services, or that may be converted in whole or in part to cash) may never be accepted. Cash and cash equivalents must either be returned to the gifting person or entity or, in the rare circumstance where this is not possible (e.g., because the giver cannot be identified or is deceased), must be surrendered to ACYR for its unrestricted use.
4. **Political Candidates.** If you are a bona fide candidate for elective public office, you may accept campaign contributions from outside persons or entities, provided, however, that no promise, express or implied, shall be made that ACYR will do business, or continue to do business with the contributor in exchange, in whole or in part, for any such contribution.
5. **Gifts Given to or Shared With a Department.** Gifts may be accepted by a department for use in celebrating occasional events that are significant to the department (e.g., Teacher Appreciation Week). To the limitations specified in this policy for gifts to individuals: they must have only nominal value, be limited in frequency, and they may not be solicited. For gifts that will be maintained in or shared with the department, nominal value will be calculated by dividing the value of the gift by the number of employees in the department. Provided, however, that the total value of any single item given directly to a department may not exceed $150. Gifts given to a department are subject to the frequency limitation established in paragraph 2.
6. **Gifts of Food.** Food items that are intended as gifts (e.g., a fruit basket, a tin of holiday cookies, a bottle of wine) are considered gifts for purposes of this policy.
7. **Gifts of Food Given to or Shared with a Group or Department.** Gifts of food that are given to a department, or are given to an individual, but are shared with a department, will be considered for purposes of calculating nominal value as follows: The value of the gift will be divided by the number of people in the department or group to determine the value received by each individual. Gifts of food given to or shared with a department will not be considered in determining the frequency of gifts given to any individual. However, in the case of gifts of food given to or shared with a department, no more than four gifts may be accepted by the group or department from the same person or organization in any calendar year.

E. **Reasonable Judgment.** This policy does not require inquiry about the actual cost of a gift. Reasonable judgment should be used in determining whether the cost of a gift has exceeded the amount allowed by this policy.

F. **Excessive Gifts.** To the extent that it is reasonably possible, gifts that exceed the limitations established by this policy must be returned to the individual or entity from which they were received or, if this is not possible, must be surrendered to ACYR for their unrestricted use in furthering the organization's mission.

G. **Exceptions.** Gifts that do not meet the requirements of one or more sections of this policy may, nevertheless, be accepted if approval is received in writing from ACYR's Chief Executive Officer and ACYR's Controller. The *written* approval of *both* is required. Approval under this paragraph should only be sought and will only be given for gifts that do not meet the requirements of another section of this policy. Requests for approval should include all relevant information, including but not limited to a description of the gift including a reasonable estimate of its value; the name of the person receiving the gift; the name of the person or entity giving the gift; and a description of the relationship between the giver, ACYR, and the recipient of the gift.

Corporate Policy: Conflict of Interest
May 4, 2009

I. Purpose:

A. The purpose of this policy is to ensure identification and resolution of those instances in which governing body members and other representatives or employees of ACYR may find themselves in circumstances giving rise to a potential or actual Conflict of Interest (as defined below), to protect ACYR's interest in such situations, and to provide for adequate reporting mechanisms.

II. Policy:

A. Requirement of Loyalty and Good Faith. ACYR has a long-standing reputation for honesty, loyalty and community leadership. This reputation was built on years of compliance with high ethical standards. This policy is to assist in providing standards and guidelines to evaluate business and employee decisions and endeavors. The standard of loyalty is not measured on a fixed scale, and the bases for a determination of honesty, good faith and loyal conduct are many and varied. This policy cannot describe all of the situations that may give rise to Conflict of Interest circumstances, nor can it take the place of a personal commitment to do what is right.

A Conflict of Interest can be considered to exist in any instance in which the actions or activities of an individual employed by, or in a position of trust or control with respect to ACYR (e.g., board member, advisory committee member) could be influenced by a desire for personal gain or advantage to the individual or the individual's immediate family and could be unfair or detrimental to ACYR. The possibilities for Conflicts of Interest are limitless, and each possibility may raise a different factual and practical problem. Each situation requires a determination to be made on its own facts whether or not a potential Conflict of Interest exists. The ultimate test is one of reasonableness—whether the interest *might* reasonably be expected to affect one's judgment, and *not* whether it did in fact affect it.

B. Basic Policy. Members of the Board of Directors of ACYR (the "Board"), all employees of ACYR, and all other persons representing ACYR shall exercise good faith in all transactions touching upon ACYR. They shall not use their position or knowledge gained there from in such a way as to obtain personal advantage or financial gain, and all their acts shall be for the best interest of ACYR. Therefore:

1. ACYR should enter not into any transaction or arrangement with any entity in which any officer or member of the Board of ACYR has a Financial Interest (as defined below), unless specific authorization is obtained from the Board pursuant to the procedures set forth below.
2. ACYR should not enter into any transaction or arrangement with any entity in which any officer or member of the governing board of ACYR or any employee of ACYR has a Financial Interest unless such transaction or arrangement is fully disclosed to, and approved by ACYR's Executive Director or, in the case of a board member, the Board President. All such approvals shall be reported to the Board of Directors.
3. No employee shall participate in a corporate decision on behalf of ACYR regarding any outside entity in which such employee has any Financial Interest.
4. No employee of ACYR shall engage in, or shall have a Financial Interest in, any outside business activities which does, or might reasonably be expected to place him/her in conflict or competition with ACYR unless such activities have been approved by the Executive Director (or Board President, if the employee is the Executive Director). All such approvals shall be reported to the Board of Directors.
5. Subject to 4. above, prior approval from the immediate supervisor is required for outside employment including consulting, work as an independent contractor, paid service as a director for another organization, or similar outside engagements. Generally, approval will be granted if the outside employment does not interfere with scheduled ACYR work, impair the employee's effectiveness (physical and mental), result in adverse publicity, or violate the policy in 4. above. Unless otherwise approved by the immediate supervisor, employees must use personal time off for any time spent on any outside employment or engagements during normal work hours. If, with the consent of the immediate supervisor, employees do not use personal time off for time spent on outside employment or engagements, such work will be presumed to be performed on behalf of

ACYR, and all compensation or other remuneration for such work shall be remitted to ACYR. Employees may, however, retain third-party reimbursement of out-of-pocket expenses incurred by the employee for which the employee has not received reimbursement from ACYR.

6. ACYR employees may accept directorships in civic, charitable and service organizations, provided the circumstances are appropriate and no Conflict of Interest is created.

C. Interpretations and Definitions.

1. A person has a "Financial Interest" covered by this Policy if the person has, directly or indirectly, through business, investment or immediate family:
   a. An ownership or investment interest in any entity with which ACYR does business, or
   b. A compensation arrangement with any entity or individual with which ACYR does business, or
   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ACYR is negotiating a transaction or arrangement.
2. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. Financial Interest does not include ownership of less than 2% of the outstanding stock of a publicly held company.
3. Members of the "immediate family" of an individual include the spouse, domestic partner, children, parents, brothers and sisters of the individual, and the spouses of any such child, parent, brother or sister.
4. A person has a "Conflict of Interest" if the actions or activities of an individual having a Financial Interest could, as the result of the Financial Interest, be influenced in his or her actions or conduct by a desire for personal gain (including both monetary and non-monetary gain) or advantage to the individual or the individual's immediate family in a manner that could be unfair or detrimental to ACYR.
5. Nothing in this policy shall be deemed to restrict the compensation paid or given to a director, officer or employee of ACYR, or any immediate family thereof, by the employer of such director, officer or employee, or immediate family thereof; provided, however, that such compensation shall not, directly or indirectly, be paid or given to such director, officer or employee, or immediate family thereof, in consideration of any action or failure to act by such director, officer or employee with respect to any business, transaction or other relationship between such employer and ACYR.

D. Administration. The Executive Committee of the Board shall be responsible for administration of this policy for Board members and the Executive Director of ACYR. The Executive Director shall be responsible for administration of this policy for all other persons covered by this policy.

E. Examples. The following are examples of situations or circumstances which have the potential to create a Conflict of Interest and should be evaluated to determine whether they are prohibited, or should be disclosed and, if required under the policy, approved by the Board, the relevant local or operating board, and appropriate officer/supervisor. They are not exhaustive, but outline the more common areas.

- Financial Interest in an actual or potential purchaser, supplier or vendor to, or competitor of ACYR.
- Employment with a firm that is an actual or potential purchaser from, or supplier or vendor to, or competitor of ACYR.
- Membership on the board of directors of a purchaser from, or supplier or competitor of ACYR.
- Introductions or other access to ACYR personnel given to actual or potential purchaser from, or supplier or vendor to ACYR provided or facilitated by any ACYR officer, director or employee who has a Financial Interest in such purchaser, supplier or vendor.
- Outside employment that affects working efficiency.
- Outside employment or business interest that could benefit from involvement with ACYR (use of position for personal gain).
- Participation in regulatory, civic or professional organizations that might involve divulging confidential data.
- Sale of ACYR's assets (including inventory items) to directors, officers or employees.

- Improvement or maintenance of a director's, officer's or employee's property using the assets of ACYR.
- Association or use of ACYR's name with an outside business or activity not authorized by the appropriate administrator or supervisor, as applicable.
- Running for, and holding public offices (including appointed positions) that may require participation in setting policies that would directly affect ACYR.
- Hiring or supervising a member of immediate family.

III. Procedure/Intervention(s):

A. Duty to Disclose. In connection with any actual or possible conflicts of interest, each member of the Board and the Executive Director of ACYR shall disclose the existence of his or her Financial Interest and all material facts to the Executive Committee of the Board. All other persons shall disclose the existence of his or her Financial Interest to the Executive Director.

B. Procedures for Addressing Financial Interests of ACYR Officers, Directors and the Executive Director.

1. The interested individual may make a presentation at an Executive Committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results, or may result in the possible Conflict of Interest. The Executice Committee (excluding any interested member of the Executive Committee) shall then determine whether a Conflict of Interest exists.
2. If the Executive Committee determines that a Conflict of Interest does not exist, it shall then authorize the proposed transaction or arrangement under this Policy if it determines that there is no reason to believe that the transaction is not fair and reasonable to ACYR. The proposed transaction and arrangement may then proceed, subject to receipt of all other corporate approvals necessary for such transaction or arrangement (including, depending upon the size or nature of the proposed transaction or arrangement, approval by the full Board of Directors).
3. If the Executive Committee determines that a Conflict of Interest exists, then the Executive Committee shall determine:
   a. Whether ACYR can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a Conflict of Interest;
   b. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a Conflict of Interest, whether the transaction is in ACYR's best interest and for its own benefit and whether the transaction is fair and reasonable to ACYR.

   If the Executive Committee makes the requisite determinations, then the transaction or arrangement may proceed, subject to receipt to all other corporate approvals necessary for such transaction or arrangement.
4. The chairperson of the Executive Committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
5. The chairperson of the Executive Committee may make the determinations described in (2) and (3) above on an interim basis between regularly scheduled meetings of the Executive Committee with respect to a disclosed Financial Interest if the amount to be paid under the transaction or arrangement prior to consideration of the matter by the full Executive Committee at the next scheduled Audit Committee meeting is less than $10,000 and if the transaction or arrangement is subject to cancellation by ACYR without penalty or premium if the determinations of the Executive Committee chairperson are not ratified by the Executive Committee at such meeting.
6. If the Executive Committee makes the requisite determinations pursuant to Section III.B.(3) (a-b) above, and the transaction or arrangement is of a nature that it must be approved by the Board of Directors in order to proceed, then the interested individual may make a presentation at the Board meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results, or may result, in the Conflict of Interest.

C. Violations of the Conflicts of Interest Policy.

1. If the Executive Committee has reasonable cause to believe that the Chief Executive Director or a member of the Board has failed to disclose an actual or possible Financial Interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the Executive Committee determines that the individual has in fact failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.
3. Possible violations of the Conflict of Interest Policy by employees shall be investigated by the Executive Director who shall report the finding of such investigation to the appropriate administrator/supervisor and such other more senior employees as the CEO may deem appropriate.

D. Record of Proceedings. The minutes of the Executive Committee shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the decisions and determinations with respect to the proposed transaction or arrangement;
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

E. Disclosure and Annual Survey/Report. All Board members, administrators, and other employees and individuals designated by their supervisors or by the Executive Director or Board President are required to submit disclosures to the Executive Director annually which affirm that the individual completing the survey and disclosure:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy,
4. Understands that ACYR is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes; and
5. Has responded fully, accurately and completely to all questions in the disclosure form.

New disclosures or disclosures covering changed circumstances related to matters previously disclosed must be disclosed in writing when the Board member, Executive Director, or employee becomes aware of the new or changed circumstances. The Executive Director shall report all such disclosures to the Executive Committee of the Board.

IV. Documentation (Documents & Forms):

A. Conflict of Interest Disclosure Form
B. Conflict of Interest Statement

Conflict of Interest Disclosure Form

Purpose

In order to maintain its tax exempt status, one of the primary requirements for a charitable organization (such as ACYR) is to ensure that transactions and activities that the organization participates in are primarily for the benefit of that organization and no single individual. The purpose of this form is to document any situations, transactions or relationships that have the potential for, or could give the appearance of, benefiting an individual. These situations are considered potential conflicts of interest relating to ACYR. Matters that are potential conflicts, or could give the appearance of a conflict of interest, are outlined in the ACYR Conflict of Interest Policy. In addition, ACYR's Business Gifts policy directly relates to questions being asked in this disclosure form and relate to the overall perception of when and where conflicts can occur.

For the purpose of this disclosure: (a) "Financial Interest" means any ownership or investment interest in, or any compensation arrangement with, any entity with which ACYR does business, or any potential ownership or investment interest, or potential compensation arrangement with any entity with which ACYR is negotiating a transaction or arrangement (note: Financial Interest does not include ownership of less than 2% of the outstanding stock of a publicly held company, aggregating all stock held by an individual, any member of an individual's Immediate Family or any entity in which the individual has a Financial Interest) ; and (b) "Immediate Family" means the spouse, domestic partner, children, parents, brothers and sisters of the individual, and the spouses of any such child, parent or sibling.

Disclosures

I have read and understand the ACYR Policy on Conflict of Interest and, in accordance with the policy, I am answering the following questions to the best of my knowledge:

1. Do you, or members of your Immediate Family, have an interest (ownership, work, consulting, contracted agreement, arrangement, affiliation, interest of any fiduciary nature), which creates, or could create, a Financial Interest, a conflict of interest or be in competition with ACYR?

   ☐ YES ☐ NO

   If yes, please provide the following information concerning the situation:

Self or Family Member	Entity Name & Individual's Title	Nature of Relationship or Ownership (%)

2. Are there situations in which you, any members of your Immediate Family, or an entity in which you have a Financial Interest, could be placed in a position of having a conflict of interest or potential conflict of interest?

   ☐ YES ☐ NO

   If yes, please provide the following information concerning the situation:

Self or Family Member	Entity Name & Individual's Title	Nature of Relationship or Ownership (%)	Nature of Situation	Dollar Amount of Situation

3. Members of my Immediate Family are employed, or are candidates for employment, with ACYR. ☐ YES ☐ NO

   If yes, please provide the following information concerning the situation:

Family Member Name	Relationship	Department	Supervisor

4. Have you accepted gifts of a value exceeding $50, or any meals, travel or entertainment with a value exceeding $150 (other then what you have previously reported to the Executive Director)? ☐ YES ☐ NO

If yes, please provide the following information concerning the nature of the gift or hospitality:

Person or Entity	Amount	Nature of Gift/Meal/Travel/Entertainment

5. Have you, any members of your Immediate Family, or an entity in which you have a Financial Interest
   a. Provided services or property to ACYR in the past year?
   b. Purchased services or property from ACYR in the past year?
   c. Had any direct or indirect interest in any business transaction(s) in the past year to which ACYR was or is a party?
   d. Indebted to pay money to ACYR at any time in the past year (other than travel advances or the like)?
   e. Receive, or become entitled to receive, directly or indirectly, any personal benefits from ACYR or as a result of your relationship with ACYR, that were not or will not be compensation directly related to your duties to ACYR?
   f. Party to or have an interest in any pending legal proceedings involving ACYR?
   g. Have a Financial Interest in any entity that is controlled by, or owned in whole or in part, by any person or entity with which ACYR has done business during the past year, or any person who is an officer or director or key employee or owner (in whole or in part) of an entity with which ACYR has done, or may do business? (An example of such a situation would be your ownership of stock in a private company that is controlled by an individual who is, in turn, a director of a company with which ACYR does business.)

   ☐ YES ☐ NO

   If yes, please provide the following information concerning the situation:

Self, Immediate Family, or Entity	Description of Relationship/Transaction

Aside from any specific conflicts indicated above, I have no other potential conflicts of interest, except as noted below:

I hereby confirm that I have read and understand ACYR's conflict of interest policy and that my responses to the questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is not accurate or that I have not complied with this policy, I will notify the Executive Director immediately.

Signed: _____ Date: _____

Conflict of Interest Policy Statement

Arizona Call-A-Teen Youth Resources, Inc. (ACYR) is a tax-exempt charitable organization. In order to qualify for this charitable status ACYR needs to continue to meet its exempt purpose and other legal requirements. One of the primary requirements is that transactions and activities that ACYR participates in need to be primarily for the benefit of ACYR and no single individual. Any situation, transaction, or relationship that has the potential for, or could give the appearance of benefiting an individual could be considered potential conflicts of interest relating to ACYR and could have the potential of jeopardizing its tax exempt status.

The standard of behavior at ACYR is that all staff, volunteers, and board members scrupulously avoid conflicts of interest between the interests of ACYR on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

I understand that the purposes of the Conflict of Interest policy are to protect the integrity of ACYR's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputations of volunteers, staff, and board members. Upon or before election, hiring, or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate, but no less than annually.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as its wording.

Signed: _____ Date:_____

OPERATIONAL PROCEDURES: Incident Reporting - WIA
Effective Date: June 28, 2006
Reference: 20CFR Part 667.505 and 667.630

This operational procedure details the process for reporting incidents, including but not limited to criminal fraud, criminal abuse or other criminal activity and noncriminal complaints, such as waste of funds, mismanagement, and dangers to the public health and safety (Glossary attached).

The WIA regulations, Title 20 CFR Section 667.630, requires that information and complaints involving criminal fraud, waste, abuse or other criminal activity must be reported immediately through DOL's Incident Reporting System to the OIG with a copy simultaneously provided to the Employment and Training Administration (ETA). The Incident Reporting System also processes noncriminal complaints regarding mismanagement and gross waste of funds. As a lower-tier subrecipient (a recipient that does not receive WIA funds directly from the State) ACYR's obligation in this process is to notify the WIA funding entity of any suspected or proven fraud, abuse, or other criminal activity involving WIA-funded activities. When an individual has knowledge or suspicion of a violation of the WIA or its regulations, the individual must take prompt and appropriate action as follows:

Step 1: Notify the Executive Director (the Division/Assistant Director if the Executive Director is unavailable) in person, by e-mail, or by telephone immediately upon identifying or being made aware of any suspected or proven fraud, abuse, or other criminal activity involving WIA-funded activities. If the alleged incident involves the Executive Director, the Division/Assistant Director or Board President should be notified instead. If the individual who has knowledge or suspicion of a violation of the WIA or its regulations has reason to suspect that the Executive Director, Division/Assistant Director and or Board President are involved in fraud, abuse, or other criminal activity involving WIA funds, the individual may directly contact a representative of the appropriate WIA funding source or the U.S. Department of Labor Office of Inspector General as follows:

Diana Shepherd
Maricopa County Human Services Department
Workforce Development Division
234 N. Central Ave., Suite 300
Phoenix, AZ 85003
602.506.7976
Dshepherd@mail.maricopa.gov

Tim Valencia
City of Phoenix Community and Economic Development Department
Workforce Connection Division
200 W. Washington, 19th Floor
Phoenix, AZ 85003
602.495.3915
tim.valencia@phoenix.gov

Office of Inspector General
U. S. Department of Labor
200 Constitution Avenue, N.W., Room S-5506
Washington, D.C. 20210
1.800.347.3756
http://www.oig.dol.gov/hotlinemain.htm

Step 2: The individual notified is to complete a written incident report within one business day of receiving notification of detection or discovery of information alleging fraud, abuse, or other criminal activity involving WIA funds. The report must be submitted on the attached form or similar document containing the requested information and submitted to the appropriate WIA funding source.

Whenever the individual reporting the allegation of an incident believes that immediate action to prevent further financial loss or other damage is necessary, or recovery of funds or property may be impeded if immediate action is not taken, the individual has the responsibility to take any action it deems appropriate, including contacting the local law enforcement agency. Any immediate action taken or planned by the individual must be reported when the incident report is submitted.

Attachments: Glossary of Terms
Incident Report

Glossary of Terms

The federal definitions that follow are provided for use as a guide in the identification of fraud, abuse, and other criminal activity. Since the definitions cannot address every possible activity, questions as to whether an activity is reportable under this policy should be referred to your immediate supervisor for clarification and guidance.

Fraud is any deceitful act or omission, or willful device used with the intent to obtain some unjust advantage for one party, or to cause an inconvenience or loss to another party. Types of fraud include embezzlement, forgery, theft, solicitation and receipt of bribes (kickbacks), and falsification of records and claims regarding trainees (e.g., knowingly enrolling ineligible participants). Criminal fraud is a type of larceny and is punishable under both federal and California law as a felony. Civil fraud is subject to tort actions under civil laws.

Misapplication of Funds is defined as any use of funds, assets, or property not authorized or provided for in the grant or contract. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activity, intentional services to ineligible enrollees, conflict of interest, failure to report income derived from federal funds, violation of contract provisions, maintenance of effort violations, and the use of the Workforce Investment Act (WIA) funds for other than WIA purposes.

Gross Mismanagement is defined as actions, or situations arising out of management ineptitude or oversight, which lead to a major violation of contract provisions and/or which severely hamper accomplishment of program goals. These include situations, which lead to waste of government resources and put into serious jeopardy future support for a particular project. This category includes, but is not limited to, unauditable records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service or the State of Arizona, and the lack of internal control procedures.

Employee/Participant Misconduct should be considered as actions occurring during or outside work hours, that reflect negatively on the program or its purpose, and may include, but are not limited to, conflict of interest involving outside employment, business and professional activities, and the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal property; misuse of official information; and other activities that might adversely affect the confidence of the public regarding the integrity of government.

Standard of Conduct Violations are violations of terms and conditions stipulated in the ACYR Employee Handbook.

INCIDENT REPORT FORM

1. Type of report (check one)	2. Type of incident (check one)
☐ Initial ☐ Supplemental ☐ Final ☐ Other *[specify]*	☐ Conduct violation ☐ Criminal violation ☐ Program violation

3. Allegation against (check one)

☐ Contractor
☐ Program Participant
☐ Other *[(specify), give name and position of employee(s), list telephone number, Social Security Account number, if applicable, and other identifying data.]*

4. Location of incident *[give complete name(s) and addresses of organizations(s) involved]*

5. Date and time of incident/discovery *[date, time]*

6. Source of complaint (check one)

☐ Audit ☐ Contractor Program ☐ Participant Public
☐ Investigative Law Enforcement Agency *[(specify)]*
☐ Other *[(specify), give name and telephone number so additional information can be obtained.]*

7. Contacts with law enforcement agencies *[specify name(s) and agency contacted and results]*

8. Persons who can provide additional information *[(include custodian of records) name, position or job title, employment, local address (street, city and state) or organization, if employed and telephone number]*

9. Details of incident *[describe the incident]*

Report Filed by: _____ Title _____ Date_____
Agency_____ Phone_____ Attachments? Yes No

OPERATIONAL PROCEDURES: Incident Reporting – Non-WIA
Effective Date: June 28, 2006

This operational procedure details the process for reporting incidents, including but not limited to criminal fraud, criminal abuse or other criminal activity and noncriminal complaints, such as waste of funds, mismanagement, and dangers to the public health and safety (Glossary attached). These procedures are specific to programs other than those funded under the Workforce Investment Act (WAI). Separate procedures are available for WIA programs operated by this agency.

Information and complaints involving criminal fraud, waste, abuse or other criminal activity must be reported immediately. When an individual has knowledge or suspicion of a violation of regulations governing a particular grant or contract, the individual must take prompt and appropriate action as follows:

Step 1: Notify the Executive Director (the Division/Assistant Director if the Executive Director is unavailable) in person, by e-mail, or by telephone immediately upon identifying or being made aware of any suspected or proven fraud, abuse, or other criminal activity. If the alleged incident involves the Executive Director, the Division/Assistant Director or Board President should be notified instead. If the individual who has knowledge or suspicion of a violation of governing regulations has reason to suspect that the Executive Director, Division/Assistant Director and or Board President are involved in fraud, abuse, or other criminal activity, the individual may directly contact a representative of the appropriate funding source.

Step 2: The individual notified is to complete a written incident report within one business day of receiving notification of detection or discovery of information alleging fraud, abuse, or other criminal activity involving the specific funds. The report must be submitted on the attached form or similar document containing the requested information and submitted to the appropriate individual or funding source, as described above.

Whenever the individual reporting the allegation of an incident believes that immediate action to prevent further financial loss or other damage is necessary, or recovery of funds or property may be impeded if immediate action is not taken, the individual has the responsibility to take any action it deems appropriate, including contacting the local law enforcement agency. Any immediate action taken or planned by the individual must be reported when the incident report is submitted.

Attachments: Glossary of Terms
Incident Report

Glossary of Terms

The federal definitions that follow are provided for use as a guide in the identification of fraud, abuse, and other criminal activity. Since the definitions cannot address every possible activity, questions as to whether an activity is reportable under this policy should be referred to your immediate supervisor for clarification and guidance.

Fraud is any deceitful act or omission, or willful device used with the intent to obtain some unjust advantage for one party, or to cause an inconvenience or loss to another party. Types of fraud include embezzlement, forgery, theft, solicitation and receipt of bribes (kickbacks), and falsification of records and claims regarding trainees (e.g., knowingly enrolling ineligible participants). Criminal fraud is a type of larceny and is punishable under both federal and California law as a felony. Civil fraud is subject to tort actions under civil laws.

Misapplication of Funds is defined as any use of funds, assets, or property not authorized or provided for in the grant or contract. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activity, intentional services to ineligible enrollees, conflict of interest, failure to report income derived from federal funds, violation of contract provisions, maintenance of effort violations, and the use of the Workforce Investment Act (WIA) funds for other than WIA purposes.

Gross Mismanagement is defined as actions, or situations arising out of management ineptitude or oversight, which lead to a major violation of contract provisions and/or which severely hamper accomplishment of program goals. These include situations, which lead to waste of government resources and put into serious jeopardy future support for a particular project. This category includes, but is not limited to, unauditable records, unsupported costs, highly inaccurate fiscal and/or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service or the State of Arizona, and the lack of internal control procedures.

Employee/Participant Misconduct should be considered as actions occurring during or outside work hours, that reflect negatively on the program or its purpose, and may include, but are not limited to, conflict of interest involving outside employment, business and professional activities, and the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal property; misuse of official information; and other activities that might adversely affect the confidence of the public regarding the integrity of government.

Standard of Conduct Violations are violations of terms and conditions stipulated in the ACYR Employee Handbook.

INCIDENT REPORT FORM

1. Type of report (check one)	2. Type of incident (check one)
☐ Initial ☐ Supplemental ☐ Final ☐ Other *[specify]*	☐ Conduct violation ☐ Criminal violation ☐ Program violation

3. Allegation against (check one)

☐ Contractor
☐ Program Participant
☐ Other *[(specify), give name and position of employee(s), list telephone number, Social Security Account number, if applicable, and other identifying data.]*

4. Location of incident *[give complete name(s) and addresses of organizations(s) involved]*

5. Date and time of incident/discovery *[date, time]*

6. Source of complaint (check one)

☐ Audit ☐ Contractor Program ☐ Participant Public
☐ Investigative Law Enforcement Agency *[(specify)]*
☐ Other *[(specify), give name and telephone number so additional information can be obtained.]*

7. Contacts with law enforcement agencies *[specify name(s) and agency contacted and results]*

8. Persons who can provide additional information *[(include custodian of records) name, position or job title, employment, local address (street, city and state) or organization, if employed and telephone number]*

9. Details of incident *[describe the incident]*

Report Filed by: _____ Title _____ Date_____
Agency_____ Phone_____ Attachments? Yes No

OPERATING POLICY AND PROCEDURES
Fixed Assets

May 9, 2007

GENERAL

The intent of this policy and procedures document is to set forth basic processes for determining, accounting for and use of fixed assets of this organization. In all cases, if there is a difference in the agency's policies and grant/contract-specific policies, ACYR will conform to contractual terms and conditions.

ACYR has, since inception, purchased fixed assets out of general fund dollars and charged depreciation, in accordance with the cost allocation plan, to the various grants/contracts benefiting from their use. It is the responsibility of management and staff to safeguard the fixed assets and to ensure that they are being properly used.

DEFINITIONS AND GUIDANCE

Depreciation: Depreciation is the allowance made in accounting for the decrease in value of property through wear, deteriation, or obsolescence over the life of the asset. ACYR charges depreciation only for the time that an asset is in use. According to federal regulations, a use allowance is permitted to be charged, if depreciation has not already been charged on a specific class of assets (i.e. computers, furniture, etc.). Since ACYR has charged depreciation on all classes of fixed assets in the past, the organization must continue to depreciate these assets. Fully depreciated assets, or assets that cannot be charged to various grants, may be used as match if they are in service in specific grants. Items that are fully depreciated, but still in service are to be included on the listing and shall remain until disposed of.

Disposition: Disposition is the act of retiring a fixed asset due to damage, wear, obsolescence, or loss.

Fixed Asset: A fixed asset is defined as a tangible physical product purchased for the conduct of business that has a cost of at least one thousand dollars ($1,000) and a useful life exceeding one (1) year. Examples of these types of expenses include: computers, software, furniture, and other equipment. It should be noted that the $1,000 threshold counts in the aggregate; if 5 chairs are purchased at $300.00 each, the entire purchase is considered a fixed asset subject to depreciation.

Inventory: An inventory is an itemized list of the organizations fixed assets. A physical inventory is required under federal regulations at least every two years. An asset listing is available and the physical asset should be verified against this listing, any exceptions should be documented. The physical inventory and the asset listing should be reconciled.

Purchase Order: A purchase order is a form used to authorize certain expenses (e.g., property, equipment/supplies/services) for which the organization will be invoiced at a later date. It is often accompanied by an internal purchase request that specifies the grant/contract that will bear the cost and provides justification for the expense of funds.

PROCDURES

Ordering: The purchase of fixed assets is initiated with a purchase request and, if necessary, a purchase order. Purchase requests for fixed assets require authorization by administrative staff. Purchase Orders must be approved by the Executive Director/Designee.

Receipt: Once the physical asset has been received, it is to be tagged with an asset tag, placed on the fixed asset listing, and copies of the documentation given to the Business Manager. Copies of all additions to the fixed asset listing are to be maintained in the central files.

Relocation: Prior to changing the physical location of a fixed asset, staff must complete a fixed asset relocation form (attached) so that the asset item may be tracked. Authorization by the appropriate Program Manager is required. The completed form, with authorization, is to be routed to the Technology Coordinator or Facilities Manager (as appropriate), who will then provide notification in writing to the Business Manager. The Business Manager, in turn, will adjust the asset list accordingly. This will ensure that the cost allocation assumptions are maintained and that the asset is placed in an authorized location.

Off-Site Location: Prior permission is required for any fixed asset to be taken off of the premises. The request shall be made on a form to be completed by the employee and approved by his/her supervisor and administrative staff. In the case of laptop computers, cell phones and other portable assets, a cognition form shall be signed when the asset is given to the staff person (copy attached) and that asset shall be the responsibility of the staff person. The asset is to be used for intended purposes. Any other asset that is to be taken off of the premises shall have written permission prior to that asset being removed.

Disposal: Staff is to be educated that if any fixed asset assigned to them is broken, lost, stolen, or destroyed, they are to report the loss to their supervisor. The Business Manager must then be notified so that appropriate action can occur, such as:

- a police report or a claim against insurance is made;
- the employee is held accountable for replacement costs, if lost/stolen due to negligence;
- a notation made on the fixed asset listing that the asset is no longer in use and the reason for disposition.

A disposition form (attached) is to be completed by the employee to whom the asset is assigned and routed per instructions on the form.

RESPONSIBILITIES AND ASSIGNMENTS

Task	Position Assigned
Ordering	Office Manager
Receiving	Technology Coordinator/Office Manager
Tagging	Technology Coordinator/Resources Manager
Adding to asset listing	Business Manager
Deleting from asset listing	Business Manager

CHARGING GRANTS/CONTRACTS

Grants/contracts shall be charged depreciation expense for fixed assets that benefit from their use in accordance with the ACYR cost allocation plan and in accordance with contract terms. As the organization is multi-funded, the terms of charging depreciation may vary within grants. Again, the contractual terms for charging each grant shall override the agency's policies.

PROPERTY RELOCATION AUTHORIZATION

Date Prepared Date	Activity: Intradepartmental ☐ Interdepartmental ☐ ☐ Movement within Dept ☐ Movement between Dept ☐ Disposal			Does IT need to be involved in Movement? ☐ Yes ☐ No	
Property #	**Property Description**	**Serial #**	**Model #**	**Present Location (Bldg – Rm #)**	**New Location (Bldg – Rm #)**
Date and Reason of Movement Date Reason			**Contact Person(s) for Movement (name and extension)** Name Ext: ### **Contact Person(s) for Movement (name and extension)** Name Ext: ###		

APPROVALS – IT needs to signature the movement. If disposal, needs to be approved by Business Manager before removed.

Disposal	Date
Business Manager Signature	
IT Signature	

OPERATING POLICY: Procurement Conflict of Interest
July 1, 2006

Employees conducting business on behalf of ACYR have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit the organization. The following policies apply:

1. ACYR employees will conduct organizational business ethically and objectively, in compliance with all applicable laws, regulations, and organization policies.

2. Employees must not accept gifts, entertainment, meals, or travel that might directly or indirectly influence the employees' business judgments or decisions, or that might give the appearance of impropriety.

3. The organization intends to avoid any unnecessary costs that are the result of gifts from suppliers given to employees.

4. The organization provides equal opportunity to firms wishing to pursue business relationships.

5. The purchase of goods or services from a business in which an employee or his family has a financial interest, or may directly benefit from such purchase, is a potential conflict of interest. Such situations should be disclosed to the organization's executive director for review prior to the purchase.

6. Any promotional benefits that result from a business transaction will be provided to the organization (or one of its operational units) and not to an individual employee.

7. Employees may not accept any sum from any supplier attempting to "reward" the employees for the decision to do business with the supplier. Any acceptance of such sums, or kickbacks, will result in termination of the employees' employment (and possible legal action); and in the termination of the business relationship with the supplier.

8. In conducting company business, employees may encounter offers of gifts from suppliers. The following guidelines apply:
   - Offers of gifts should generally be refused.
   - While there may be occasion to accept such gifts (for example company promotional trinkets, e.g., pens or note pads), these or other gifts should <u>never</u> be accepted in return for a business favor.
   - Gifts of cash or monetary gifts of any kind or amount may <u>never</u> be accepted by employees.
   - The cumulative value of gifts received from all suppliers in total should not exceed $75 in any 12-month period.
   - Employees should review with their supervisors any offers of gifts.

9. In conducting company business, employees may from time to time be invited by a supplier to attend a sporting event, cultural activity or other entertainment event. It may be appropriate for employees to accept such offers according to the following guidelines:
   - The supplier is in attendance.
   - Business will be conducted at the event.
   - The value of the entertainment is reasonable and not excessive.
   - Employees' business judgments and decisions will not be influenced by the entertainment or by the expense involved in the entertainment.
   - The entertainment offer is from a supplier with whom the company has an existing relationship or contract.
   - The entertainment offer is not made during a time period where proposals or bids are being sought to establish a new contract.
   - Entertainment offers should not be accepted with routine frequency.
   - Employees should review with their supervisors any offers of business entertainment.

10. In conducting company business, employees may from time to time find it appropriate to do so in conjunction with meal times. While employees should not routinely plan business meetings around meal times in order to be the recipient of a "free" meal, it may not be inappropriate for employees to accept such a meal from suppliers. The following guidelines should be observed:
    - Business will be conducted at the meal.
    - Employees' business judgments and decisions will not be influenced by the meal or by the expense involved in the meal.
    - Employees who are so authorized should occasionally, at the University's expense, pay for the meals, including the suppliers' meals.
    - Employees should review with their supervisors any offers of business meals.

11. In conducting company business that requires out-of-town travel, employees may not receive offers from suppliers to pay for transportation, lodging, and meals.

12. Employees who are uncertain about whether or not to accept any offer from a supplier are advised to <u>not</u> accept the offer if there are any doubts at all. Supervisors should be made aware of all offers made to employees. In turn, supervisors should contact the organization's executive director to discuss any questionable offers and any known violations of this policy.

OPERATIONAL PROCEDURES: PURCHASE/REIMBURSEMENT REQUESTS AND PETTY CASH
Effective Date: December 14, 2009

Purpose/Background

In order to maintain effective fiscal controls, comply with appropriate federal/state regulations and contractual requirements regarding expenditure of funds, and ensure an accurate and contemporaneous accounting of funds spent, ACYR has developed an array of fiscal and administrative procedures. These procedures are regularly reviewed and revised to adjust to new regulations/requirements and technologies, as well as to address identified inefficiencies or system inadequacies. Most fiscal and administrative procedures govern functions at the administrative and managerial level. Some, however, directly impact how business is conducted at the program operations level. The procedures outlined in this document delineate operating procedures affecting direct service staff.

ACYR is committed to ensuring an effective and efficient accounting system that ensures that program-related expenses are: a) allowable within the parameters of the grant/contract; b) charged to the appropriate cost center; and c) within the program's line item budget. The *Purchase/Reimbursement Request* and *Petty Cash* processes are the means by which staff members, with approval from the appropriate Program Manager, request program/agency-related expenses that will be charged against specific line items in program budgets or the General Account.

The intent of these procedures is to provide specific direction to all parties involved in the designated processes so that each staff member understands his/her responsibility(ies), expectations regarding quality are defined, and the timelines associated with each procedure are clearly articulated. This will allow the system to operate with maximum efficiency and accountability.

Purchase Requests

To initiate a Purchase Request, the staff member will fully complete the Purchase Request Form and submit it to his/her supervisor/lead authorized to approve the request. The supervisor/lead will review the request, verify funds are available in the appropriate program budget line item, sign the form, and route to the Business Manager. The Business Manager will review the request, validate available funds, and route to the designated support staff for order/purchase. *Failure to fully complete the form will cause a delay in the requested purchase.*

Checks are typically generated on the 1st and 3rd Monday of the month. *A Purchase Request that requires a check outside of the normal check cycle will require that the request be submitted on yellow paper to alert the fiscal section of the immediate need.*

Reimbursement Requests

Reimbursements are expenses incurred out-of-pocket by staff members that are pre-authorized by the appropriate Program Manager/Administrator. ***The reimbursement process is not the preferred method of program-related financial transactions, but recognized as an occasional,***

legitimate means to expedite the purchase of necessary materials or supplies. Circumstances that may lead to authorization for reimbursement rather than the normal purchase request process include:

- Cost savings – the staff member identifies necessary materials/supplies that are on sale at a price significantly lower than prices available through an agency vendor;
- Travel-related – meals and miscellaneous expenses incurred as a result of authorized travel (e.g., ground transportation, airport parking, etc.);
- Direct youth-related expenses of an immediate nature for which the normal purchase request process would cause undue delay or hardship;
- Purchases for materials/supplies necessary for agency-sponsored activities that are not available through regular agency vendors.

All reimbursement requests must be accompanied by original receipts.

It is not the agency's general policy to reimburse students/participants for expenses they incur and which are later determined to qualify as a training or supportive service cost. These expenses should be requested through the regular purchase request process. Realizing that unusual circumstances may occur with individuals who receive services through ACYR, legitimate exceptions to this policy may occur from time to time and will be addressed on a case-by-case basis.

Petty Cash

ACYR maintains a *"Petty Cash"* fund to cover minor ($40.00 or less), unexpected program/ agency expenses of an immediate nature for which the normal purchase request process would cause an undue delay or hardship. It is also used for minor expenses where it is more efficient to pay cash or when a cash transaction is required. ***Petty cash is not to be used to circumvent normal purchase/reimbursement request procedures, or to accommodate a failure to implement a purchase request in a timely manner.***

The Business Manager/designee will maintain a listing of expenses that are typically recognized as petty cash expenses. These expenses, as long as they are under the minor expense limit, will be recognized at the time of the request. The staff person making the petty cash request, with the approval of the appropriate Program Manager, must provide to the Business Manager/designee the amount of the request, the appropriate cost center (program/category) to which the expense is to be allocated, and ensure that a receipt will be submitted within two (2) business days of the expense. The Business Manager/designee will maintain a log for this purpose.

The Business Manager/designee will maintain a balance of not more than $400.00 and not less than $100.00 in the petty cash account. To request additional funds for the petty cash account, s/he must account for all petty cash funds expended.

In recognition that there may be occasions where the $40.00 "minor" amount may be exceeded, the requesting staff member must secure authorization from the Business Manager/designee in addition to his/her Program Manager.

Corporate Policy – Document Retention and Destruction
May 4, 2009

I. Purpose

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention and destruction of documents received or created by Arizona Call-A-Teen Youth Resources, Inc. (ACYR) in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate ACYR's operations by promoting efficiency and freeing up valuable storage space.

II. Document Retention

ACYR follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

Corporate Records	
Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
By-laws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years
Accounting and Corporate Tax Records	
Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
Business Expense Records	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years

Bank Records

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

Payroll and Employment Tax Records

Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax returns	7 years
W-2 Statements	7 years

Employee Records

Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Fingerprint Clearance Cards	7 years after termination
Accident Reports and Worker's Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years

Revenue Generation Records

Donor Records and Acknowledgement Letters	7 years
Grant Applications and Contracts	5 years after completion

Legal, Insurance and Safety Records

Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

School Records

Maintained in accordance with ARS §41-1351 and Arizona State Library, Archives and Public Records Schedule Numbers 000-07-226 through 233. Specific information is available at: http://www.lib.az.us/records/school.cfm.

III. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

IV. Emergency Planning

ACYR's records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping ACYR operating in an emergency will be duplicated or backed up at least every week and maintained off site.

V. Document Destruction

ACYR's Controller and/or Business Manager is responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

VI. Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against ACYR and its employees and possible disciplinary action against responsible individuals. The chief financial officer and finance committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

Corporate Policy – Expense Reimbursement
October 5, 2009

Purpose

It is the policy of ACYR to reimburse its employees, director and officers for reasonable expenses incurred as a result of authorized and/or assigned functions in the conduct of normal business of the organization. This policy delineates expenses considered unreasonable and outlines the types of expenses that may be reimbursed, procedures, reimbursement rates, and necessary documentation for reimbursement.

Non-reasonable Expenses

For purposes of this policy, expenses for the following do not meet the organization's definition of "reasonable":

- First-class or charter travel
- Travel for companions;
- Tax indemnification and gross-up payments;
- Discretionary spending account
- Housing allowance or residence for personal use;
- Payments for business use of personal residence;
- Health or social club dues or initiation fees;
- Personal services

Reimbursable Expenses

Personal Vehicle Usage

ACYR will reimburse employees, officers, and directors using their personal, insured vehicle for business, at the current government rate per mile. In order to be reimbursed, the employee must have a valid Arizona driver's license and current proof of insurance on file, and must submit their mileage claim on an approved Mileage Reimbursement Claim form.

Reimbursement for Meals at Local Workshops/Conferences

Employees who are attending local, full-day workshops or conferences may be reimbursed for lunch-time meals (unless lunch is included) at the current Federal per diem rate (Metropolitan Phoenix area) for lunch. Employees must submit a receipt for the meal along with the reimbursement request.

Out-of-Town Travel

Any business travel outside of Maricopa County for which reimbursement will be requested must be endorsed by the employee's supervisor approved by the Business Manager or Executive Director (Board President for Executive Director or board

member). In certain cases, out-of-county travel by individuals must also be approved by ACYR's funding sources and certain procedures followed (Reference: PWC Guidance Letter 06-004). After written approval has been obtained, all arrangements are to be made through the Office Manager.

Approved travel will be paid or reimbursed when properly documented by the employee and approved by his/her supervisor and the Business Manager. Generally, ACYR will elect to utilize the "per diem option" for out-of-town travel. Reimbursement (or an advance, if necessary) for out-of-town travel expenses is limited to the Federal per diem rates for lodging and meals/incidental expenses (M&IE) for the location to which the employee is traveling. In certain circumstances (e.g., when lodging is arranged at the site of a conference and the cost of the hotel exceeds the Federal per diem rate), approval may be granted to exceed the allowable rate.

If full meals are included as part of an out-of-town conference, the M&IE will be reduced per the per diem schedule at
http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd05d.html
for the appropriate meals.

M&IE may be pro-rated for less than a full day.

Local travel (taxis, shuttles, rental car, etc.) are reimbursed in addition to lodging and M&IE. Receipts for local travel expenses must be submitted with reimbursement requests and/or to balance out any cash advance.

Employees may obtain a cash advance for approved out of town business travel by submitting a written request to their supervisor, who will obtain approval from the Business Manager or Executive Director. All cash advances must be reconciled following the out-of-town travel. Original receipts are required. Cash advances and agency credit cards are agency property, and their use must be properly documented and approved as outlined in the preceding paragraphs.

Arizona Call-A-Teen Youth Resources, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2009	2008
Current assets:		
Cash and cash equivalents	$ 97,850	$ 197,051
Due from government	511,018	238,222
Prepaid expenses	1,961	8,924
Total current assets	610,829	444,197
Property and equipment:		
Land	242,365	242,365
Buildings and improvements	2,128,863	2,115,010
Furniture, fixtures and equipment	974,732	942,140
Less accumulated depreciation	(1,724,078)	(1,647,250)
	1,621,882	1,652,265
Loan origination fees, net of accumulated amortization of $3,170 and $2,536, respectively	2,538	3,172
Total assets	$ 2,235,249	$ 2,099,634

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	$ 2,533	$ 10,153
Accrued payroll and related	399,115	192,032
Accrued vacation	65,772	34,808
Refundable advance	47,246	127,433
Line-of-credit payable	91,403	81,158
Current maturities of notes payable	167,187	90,107
Total current liabilities	773,256	535,691
Notes payable, net of current maturities	813,399	915,377
Total liabilities	1,586,655	1,451,068
Unrestricted net assets	648,594	648,566
Total liabilities and net assets	$ 2,235,249	$ 2,099,634

The accompanying notes are an integral part of these statements.

Arizona Call-A-Teen Youth Resources, Inc.

STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2009	2008
Revenue and support:		
Grants	$ 2,085,090	$ 1,486,383
Charter school grants	418,710	586,278
State Equalization and Classroom Site Funds	850,101	757,261
Summer Youth Employment contracts	154,254	343,622
School-to-Work program		1,576
Community Development Block Grant debt reduction	42,000	42,000
Contributions	17,302	31,370
Miscellaneous	104,724	87,009
Total revenue and support	3,672,181	3,335,499
Expenses:		
Staff salaries and related expenses	2,245,356	2,116,762
Participant salaries and related expenses	574,713	333,495
Travel	32,712	32,358
Insurance	25,180	14,576
Utilities	88,351	93,020
Equipment rental	41,480	41,847
Materials and supplies	63,576	65,055
Repairs and maintenance	68,785	69,120
Training and development	40,613	36,359
Participant assistance	156,120	113,988
Professional fees	64,353	123,946
Student transportation	21,938	16,657
Other expenses	140,869	94,205
Depreciation and amortization	77,462	85,556
Interest	30,645	51,923
Total expenses	3,672,153	3,288,867
Change in net assets	28	46,632
Unrestricted net assets, beginning of year	648,566	601,934
Unrestricted net assets, end of year	$ 648,594	$ 648,566

The accompanying notes are an integral part of these statements.

Arizona Call-A-Teen Youth Resources, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30,

	2009	2008
Cash flows from operating activities:		
Change in net assets	$ 28	$ 46,632
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	77,462	85,556
Community Development Block Grant debt reduction	(42,000)	(42,000)
Changes in:		
Due from government	(272,796)	28,473
Prepaid expenses	6,963	(3,037)
Accounts payable	(7,620)	(7,665)
Accrued payroll and related	207,083	(42,570)
Accrued vacation	30,964	335
Refundable advance	(80,187)	104,768
Net cash (used in) provided by operating activities	(80,103)	170,492
Cash flows from investing activities:		
Purchases of property and equipment	(46,445)	(50,054)
Net cash used in investing activities	(46,445)	(50,054)
Cash flows from financing activities:		
Line-of-credit proceeds	73,387	8,856
Line-of-credit payments	(63,142)	
Proceeds from long-term debt	80,000	
Principal payments on long-term debt	(62,898)	(44,891)
Net cash provided by (used in) financing activities	27,347	(36,035)
Net (decrease) increase in cash and cash equivalents	(99,201)	84,403
Cash and cash equivalents, beginning of year	197,051	112,648
Cash and cash equivalents, end of year	$ 97,850	$ 197,051
Supplemental Disclosure:		
Cash paid during the year for interest	$ 30,645	$ 51,923

The accompanying notes are an integral part of these statements.