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Project Level Accounting Manual

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Iowa Department
of Substance Abuse

PROJECT LEVEL
ACCOUNTING MANUAL

June, 1978

Designed For Use By
Substance Abuse Programs

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PREFACE

Two of the primary objectives of the Department of Substance Abuse are: 1) setting standards for substance abuse programs; and 2) helping programs to meet those standards. Because new state licensing standards for substance abuse treatment programs also contain fiscal management requirements, we hope this manual will help programs to implement some of the guidelines suggested by these standards.

This manual comes as a result of the dedication and efforts of IDSA Accountant Allen VanderLinden, who has been involved for some time in working with local programs in fiscal management procedures. Through his efforts, the Iowa Department of Substance Abuse is able to add a useful fiscal management tool to the field of substance abuse programming.

A primary reason for producing this manual is to help programs to maintain standard accounting systems in accordance with generally accepted accounting principles. Secondly, we hope the manual can be useful for program managers in making wise fiscal and programmatic decisions.

Thirdly, we have designed the manual to be of help for each program in maintaining its own accountability. Through the use of the manual, programs can develop accounting systems to efficiently report their financial status to IDSA and to other funding sources.

Lastly, this manual has been designed to give flexibility to programs using it. It is a guide which we hope programs will adapt to their own systems. By this process, programs can develop fiscal management systems which work both for themselves and for their funding sources.

Gary P. Riedmann, Director
Iowa Department of Substance Abuse

POLICY AND PROCEDURE
PROJECT LEVEL ACCOUNTING

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IOWA DEPARTMENT OF SUBSTANCE ABUSE
PROJECT LEVEL ACCOUNTING MANUAL
INTRODUCTION

Purpose:

The Project Level Accounting Manual (PLAM) is developed by the staff of the Iowa Department of Substance Abuse (IDSA) for the purpose of providing technical assistance in the area of financial management to Iowa substance abuse programs. The manual is designed to be used as a guide by the program in establishing and maintaining a financial management system which will (1) provide a meaningful management tool in the operation of the program and (2) provide a basis for satisfying requirements of funders and regulatory agencies through adequate accountability and proper reporting.

IDSA Policies and Requirements:

State and federal substance funds are contracted by the Iowa Department of Substance Abuse for use by community based substance abuse related programs. These funds are made available to programs through a contract award to the program based on an application submitted and approved by IDSA. Substance abuse programs receiving funds through IDSA must meet certain accounting requirements as stipulated by the contract and state substance abuse licensure standards. Basically, these requirements necessitate the program to establish and maintain a standard accounting system in accordance with generally accepted accounting principles. Systems and procedures must be established to include appropriate internal controls for all phases of the accounting system including planning (budgeting), operations,

and reporting. A record of all funds under contract with IDSA, including matching funds when required, must be maintained on a "fund accounting" system by line item. Payments made to the program by IDSA under contract are based on a "cost reimbursement basis." This means that the contract payments are made only as a reimbursement of actual budgeted costs previously expended by the program.

Although the procedures outlined in the PLAM do address state licensure standards and IDSA contract requirements as they relate to fiscal aspects, the procedures are not an itemization of these requirements. The PLAM is designed to provide a "model" for a system from which programs can tailor a system to meet their particular needs. The format of schedules and journals are included in the plan as examples. They may be duplicated (from the appendix section) and utilized as designed or revised to a format which would be more useful to the particular program.

When needed, technical assistance may be requested from the IDSA staff in setting up an accounting system or in solving special accounting problems.

Program Accounting Policies:

Several accounting policies as referred to in the manual must be established by the program. These policies should be made primarily to respond to the needs of the program in establishing a financial management system which is used as a management tool. As a second consideration, the system should be designed to provide accountability and reporting requirements for funders. These policies will include the following:

1. Cash or accrual basis of accounting -

A strict cash basis of accounting includes the recording of program activity based only on cash transactions.

A strict accrual basis will account for all financial activity that relates to a particular period irrespective of the point in time that cash transactions takes place relative to the activity. The accounting period normally is one month. Alternative bases would include a "modified" accrual basis wherein only certain designated items would be accounted for on an accrual basis and other accrual items would be handled on a cash basis. Another appropriate alternative is carrying the accounting system on a cash basis throughout the year and converting to accrual only at year end. A major difference between cash and accrual basis of accounting at the project level involves the accrual of Accounts Receivable and Accounts Payable. Although cash accounting is less complex, when the receivable or payable balances are of significantly large amounts or significantly varying amounts between accounting periods, an accrual basis of accounting will normally be needed for meaningful reporting.

It is important however that the decision of a cash or accrual accounting be made by the program management based on the needs of that program.

2. Fiscal year -

The fiscal year can begin at any point within the calendar year. It is normally best when the period begins at the beginning of a calendar quarter. Considerations should be made in establishing the fiscal year to concur with contracts of a major funding source or funding sources. It is not, however, a requirement that it relates to any one particular funding source.

3. Establishment of Department (Modality) Breakdown of costs -
A department (referred to as modalities in the PLAM) represents major activities or service areas within the program. The department should have an identifiable manager who can control the costs within the department.

Where funding sources relate specifically to a department or where reporting requirements of a funding source include the separation of costs by specific departments, it would be advantageous to tailor the programs departmental breakdown to satisfy these needs. These departments should primarily relate, however, to the needs of the program in managing costs in these areas. The department breakdown can be further divided into sub-departments where meaningful. This may involve a program which includes both alcohol and drug components. These can be accounted for as separate components and further broken down into departments or modalities. Also, the total substance abuse program may be a department within a much larger organization such as a Mental Health Center.

COMPONENTS OFFINANCIAL MANAGEMENT INFORMATION SYSTEM

PLANNING	OPERATIONS - ACCOUNTING & CONTROL		REPORTING & EVALUATION
	<u>SOURCE (Books of Original Entry)</u>	<u>PERMANENT RECORD</u>	
Goals Budgeting	Cash Receipts- Cash Receipts Journal Cash Disbursements - Voucher Check Register Payroll Petty Cash Non-Cash In-kind Register Journal Entry	General Ledger	Expenditure Report Fund Statement Financial Activity Statement Budget Variance Reports IDSA Contract Reimbursement Request

I. CHART OF ACCOUNTS

A. Purpose

A chart of accounts is a list of standard account names and numbers (line items) to which charges or credits can be made. It provides a guide for properly charging fiscal activity within the accounting system and provides continuity in reporting between one period and another period. Indexing the accounts provides an easy reference in posting activities between journals and ledgers.

B. Procedure

The chart of accounts must include all appropriate general ledger accounts for the project with a number assigned to each account. The account line item names must be established to meet the program needs in describing its activities. The chart of accounts should be detailed enough to enable the management to monitor activities but in not too great a detail to enable the program to use the system as a management tool.

A chart of accounts will include five (5) general sections as follows:

Balance Sheet Accounts

Assets

Liabilities

Reserves

Income Statement Accounts

Income

Expenses

Each section may be divided into categories with the actual account line item being detailed under a category heading. This will allow for an upward summarization of activity.

The line item account number should be a three (3) or four (4) digit number. The first digit of the number should identify the five general ledger sections. The second digit should identify the category within each section with the final digit or digits identifying the line item.

Program modalities (major functions) can be further identified with an additional bank of numbers either preceding or succeeding the line item account number.

A sample chart of accounts is attached. Additional accounts can be added by assigning the next account number in any category.

CHART OF ACCOUNTS

<u>ASSETS</u>		<u>EXPENSES</u>	
100	Cash	500	Salaries
101	Cash - General	501	Administrative
102	Cash - Payroll	502	Clerical
109	Petty Cash	503	Treatment
		504	Intervention & Education
110	Accounts Receivable	505	Maintenance
111	Accts. Receivable-Federal/State	506	Other
112	Accts. Receivable-County		
113	Accts. Receivable-Individual	510	Personnel Benefits
119	Accts. Receivable-Other	511	F.I.C.A. Expense
		512	Workman's Compensation
130	Prepaid Expense	513	Unemployment
		514	Insurance-Health
140	Inventory	515	Retirement
141	Supplies	516	Life Insurance
		517	LTD Insurance
150	Fixed Assets	519	Other
151	Building		
152	Reserve for Depr.-Bldg.	520	Contracted Services
153	Equipment	521	Detox
154	Reserve for Depr.-Equip.	522	Hospital
		523	Accounting
190	Other Assets	524	Medical
		525	Psychological
		526	U.A.'s
<u>LIABILITIES</u>			
200	Accounts Payable-Current	530	Supplies
201	Accounts Payable-Trade	531	Office
202	F.I.C.A. Taxes Payable	532	Medical
203	Federal Taxes Payable	533	Food
204	State Taxes Payable	534	Training
205	Unemployment Taxes Payable	535	Subscriptions & Publications
209	Accounts Payable-Other	539	Other
210	Reserves	540	Telephone & Postage
211	Cash Advances (Received)	541	Telephone
		542	Postage
240	Notes/Mortgages Payable		
241	Notes Payable	550	Occupancy Costs
242	Mortgages Payable	551	Rent
		552	Utilities
290	Other Liabilities	553	Janitorial
		554	Maintenance
		555	Insurance & Taxes
		559	Other
<u>RESERVES</u>			
300	Reserves		
311	Restricted Reserves	560	Travel
312	Unrestricted Reserves	561	In-area
		562	In-state
		563	Out-of-state
<u>INCOME</u>			
400	Revenue	570	Equipment
401		571	Cost
402	Federal	572	Maintenance
403	Title XX		
404	IDSA Treatment	580	Depreciation & Interest
405	City	581	Depreciation
406	United Way	582	Interest
407	County Funds		
408	Purchase Services	590	Other Expenses
409	Private Contributions		
410	In-kind Service		
411	CETA		
412	IDSA - Other		
419	Other Income		

01 - Administration
02 - Residential
03 - Outpatient
04 - Educational

II. BUDGETS

A. Purpose

A well planned program budget is essential to the operation of any program as the basis for a meaningful financial management system.

Through the planning process it provides a basis for determining revenue requirements to meet the program's goals and a basis to adjust those goals to be reasonably certain that the available funds are fully utilized within each funds restrictions, yet not overly committed. In a non-profit organization the budget is the basis for monitoring operations by comparing actual activity to that budgeted for the period. This allows the program to react to unanticipated changes in cost or revenue activity on a current and frequent basis. Other needs for a comprehensive budget are in demonstrating financial requirements and accountability to prospective funders and its requirement in meeting state licensure standards.

B. Procedures

1. Budget Planning

In order to determine what costs will be incurred throughout the year, it must be decided what services the program should provide based on the needs of the community. This should be done through a complete program planning process. Outlining the plans of the total program will provide the needed tool for monitoring and evaluation of progress throughout the period in addition to providing a basis for a budget. A planning process may be handled as follows per example on page 19.

a. Establish Goals - Goals are a statement of generally desirable conditions to be attained over a specific period of time.

This is basically dictated by the needs seen in the community. Goals must be logical and reasonable within the programs general fiscal and physical confines. Long range goals should be established for the total program for a period of approximately five (5) years. Particular goals should be listed in increments of one (1) year periods. Special emphasis should be given to the goals for the following year. They may be further broken down into goals for each specific modality.

b. State Objectives - An objective is a statement of specific desired conditions defined in quantitative terms. There may be more than one objective for each goal.

c. List Action Plans - Action plans include steps to be taken to reach the objectives.

Goals and objectives will normally cover the needs of most general reoccurring budget costs. Action plans will usually point out non-reoccurring costs which may otherwise be missed in the budget preparation.

2. Budget Preparation

A complete annual operating budget must be established at the beginning of each fiscal year. The budget should be prepared on the program's fiscal year irrespective of funders fiscal years or contract periods generating program revenue. The budget planning preparation process should begin early enough prior to the beginning of the fiscal year to allow sufficient time to properly establish goals, objectives, and action plans; obtain data as a basis for projecting budgeted costs; obtain approval from the board of directors, funders or other appropriate individuals or organizations, and solidify, as best as possible, funding for the period. The time require-

ment for this process should be determined by the program management at least three months prior to the beginning of the period. The budget preparation responsibility should be with the fiscal officer and executive director; however, it is very important to involve as many staff people for input as appropriate through the planning process.

The budget will distribute projected revenue and expenditures in the following four (4) ways:

- Line Item
- Modality (program departments performing separate major functions)
- Fiscal Quarter
- Funding Source

This distribution may be done through the completion of the following steps:

a. Budget program costs for the period by Line Item and Quarter. Use the "Operating Budget Worksheet" format per Schedule A, page 20 to facilitate this procedure.

(1) Complete the heading by indicating "Line Item and Quarter" on the "By" line and indicate the beginning and ending dates of the fiscal year on the "period" line.

(2) List each expense account (number and name) from the program chart of accounts in the "Account" section. These should be listed in order as shown on the chart of accounts leaving a subtotal line following each expense category. In the salary category, list each position name in addition to the account's name. Use as many pages as needed.

(3) Under "Estimation Basis," document the computation or basis for projecting the cost for that particular line item.

NOTE: A variety of methods for projecting costs can be used with different methods used for different line items. A management decision must be made in determining the most appropriate method for projecting the cost for each line item individually. Common bases for projecting line item costs include current spending level adjusted for inflation, increase or decrease in program activity, calculated costs for fulfilling program goals and objectives, securing costs from vendors, etc.

Maintaining this documentation is very important in order to evaluate budget variances, in computing budget revisions, and preparing a budget for the following year.

(4) In the following section of the "Operating Budget Worksheet," complete the heading as follows:

QUARTER				
1ST	2ND	3RD	4TH	

Based on the information in the "Estimation Basis" section of the worksheet, compute the budget amounts by quarter (i.e., quarter within the fiscal year, not calendar quarter) for each line item. As best as possible reflect fluctuation of costs in the proper quarter. Subtotal each expense category (salary, personnel benefits, contracted services, etc.).

(5) Total each line across to the "Total Year" column.

(6) On the final page of the Operating Budget Worksheet, indicate the quarter totals and grand total. Verify that the four quarter totals equal the grand total.

b. Distribute the total operating budget by Modality. Using an "Operating Budget Worksheet" format (Schedule A), distribute the budgeted cost between the program modalities. (Example Pg.22)

(1) Complete the heading of the worksheet by indicating "Modality" on the "By" line and the beginning and ending dates of the fiscal year on the "period" line.

(2) List each expense account (number and name) from the program chart of accounts in the "Account" section. These should be listed in order as shown on the chart of accounts leaving a subtotal line following each expense category. In the salary category, list each position name in addition to the account name. Use as many pages as needed.

(3) Indicate the total amount budgeted for each line item in the "Total Year" column (the last column on the form). Post the amounts from the Operating Budget Worksheet for the Line Item/Quarter distribution.

(4) Complete the third section of the form (section heading not preprinted on the form) with the heading "Modality." Complete the subheading in this section with the program modality names. If needed, expand the form to allow a separate column for each modality name.

Distribute the line item budget to the appropriate modality column and subtotal each expense category. Document the basis for

distribution in the "Estimation Basis" column.

NOTE: A determination must be made as to the most reasonable distribution of the budgeted costs that relate to the activities of each modality. For those costs that do not relate directly to one particular modality, a management decision will need to be made as to the most reasonable basis for distributing those line item costs. The basis may include a strict distribution based on time sheets for time spent in the various functions (an estimation based on a test period if there are no time sheets for the total period), number of clients served in each modality, direct labor costs relating to each modality, units of services provided in each modality, etc. A determination of appropriately classified administrative costs will normally need to be done based on a management policy determination. A general guideline may be to consider all costs which can be attributed to any particular client or group of clients (irrespective of the position providing that service) being charged to a direct modality with all other costs being considered as administrative. Administrative costs should normally not exceed 10-15% of the total budget.

It is important to document the basis for this distribution in the "Estimation Basis" column for future references.

(5) Total all columns to the "total" line on the last page of the budget. Be certain that the total of all modalities equal the total budget.

c. Distribute the total budget by Funding Source using a "Funding Source-Operating Budget Worksheet" format per Schedule A-1, page 22. Indicate the name of each of the programs funding

sources in a separate column heading of the "Funding Source" section. If there are several funding sources which carry the same restrictions for the monies provided or if there are several insignificant (in dollars provided) funding sources which carry no restrictions on the funds; these can be grouped under one general heading title. Distribute the budgeted line item costs as follows:

(1) List each expense account from the chart of accounts using only every other line and leave a subtotal line after each category. Also list each salary position in the salary section.

(2) Distribute and budgeted costs by line item as follows:

(a) List the value of in-kind contributions to be received by the program for the year on the proper line in a column headed "In Kind." Total the column to the "Total Budget" line.

(b) Review all contracts and agreements with funding sources to determine any restrictions on funds provided. Complete the funding source columns for those funders carrying restrictions on the funds by line item charging each line item according to the contract (example: IDSA or CETA). Indicate the contract total on the "Total Budget" line.

(c) For those funders not carrying restricted funds by line item, indicate the amount anticipated to be received from each on the "Total Budget" line of the appropriate "Funding Source" column. If matching funds are included in any of the program contracts, these amounts must be charged to the appropriate line item for the funding source eligible to provide those matching funds. For all other funding sources, a management decision must be made as to whether those unrestricted funds could most appropri-

ately be utilized for any specific line item or program modality costs. Some funding sources, although not carrying restrictions by line item, restrict funding to a particular modality. Based on these considerations, complete the funding source columns in an attempt to balance the line item totals to the funding source. In many cases this will be a somewhat arbitrary distribution.

NOTE: Line item costs, or that portion of line item costs, not assigned to a "restricted" funder should be charged completely to one or as few unrestricted sources as possible. This will simplify the process of charging accounting activities throughout the year.

(d) Document the basis for distribution on the line following each line item distribution.

If the total revenue does not equal the total expenses, a management decision will need to be made as to the course that would be more appropriate: to adjust the budgeted expenditures or to adjust the anticipated revenue for the period. First efforts should be to generate additional program revenue or cut program costs with the maintenance of the programs and services originally planned. Only when the budget cannot be balanced through this process should the program consider cutting services to balance the budget. If the differences between revenue and expenditures are not significant, the program management may choose to list excess budgeted expenditures in a separate funding source column labeled "Unidentified Revenue" or excess revenue on an expense line item labeled "Unidentified Revenue." It is emphasized that if these procedures are used, they must be only for an insignificant part of the total budget. The budget; however, is not complete until it is in balance

with revenue equaling expenditures. This unidentified revenue or expense must be dealt with early in the fiscal year by establishing revenue to cover those budgeted costs or solidifying planned program activities to utilize those excess funds. This should be handled by the end of the first or at least second fiscal quarter. If appropriate, however, excess funds may be carried over to the following year if those funds are generated by a source providing unrestricted funds.

(3) Designate matching requirements and sources - Obtain from each funding source contract or agreement the amount, if any, of local matching funds that are required. Also determine what restrictions are placed on the requirement as to the funding source that can be used. Again, a management decision should be made jointly by the director and fiscal officer as to which source of revenue can be used within the confines of the contract to match the funds with this requirement. Across the bottom of the budget indicate the funder name requiring the match, and the total required from that funder. On that same line, indicate the amount under each funding source providing the match money. This amount may need to be computed as follows:

EXAMPLE, per Schedule A-1: The IDSA contract total \$199,650 based on 60% funding (\$119,790) and 40% match (\$79,860). It is decided to use all of the in-kind (\$9,000), all of the city-county funds (\$37,000), all CETA funds (\$14,120) and a portion of the court payments for the balance (\$19,740).

Deduct the amounts designated as match money from the total amount of each funding source and enter the difference in the bottom line of the form entitled "Non-Match." Be certain that none of these

figures are in a negative amount.

e. Complete a Program Operating Budget format of Schedule B, page 23. This is a summary of the Operating Budget Worksheets.

(1) Complete the heading with the beginning and ending month of the fiscal year.

(2) List the account names and salary position names, with category sub-total lines in the "Account" column.

(3) Post the line item Budget Totals from the Budget Worksheet's "Total" column.

(4) Indicate the modality names in the column headings of the modality section. Transfer the line item and total costs from the Modality Worksheet to the appropriate column of the Modality Section.

(5) Transfer the source names and the budgeted line item amounts and total costs by funding source from the Funding Source--Operating Budget Worksheet to the "Source" section.

(6) Post the matching fund information from the Fund Source Worksheet to the matching section of the Program Operating Budget.

f. Following the completion of the budget and complete review by the director and fiscal officer, the budget must be presented to the Board of Directors for approval. This approval must be documented in the board minutes.

ANNUAL GOALS
-Example-

A. Goal

To provide quality substance abuse treatment/rehabilitation services to the citizenry of the service community.

1. Objective

Upgrade counseling skills of all counselors by developing and implementing an ongoing training program for all counselors by January 1, 1979.

Action Steps:

- a. Assess and analyze counselor training needs by October 15, 1978.
- b. Develop training agenda by December 1, 1978.
- c. Contract with needed consultant(s) by December 31, 1978.
- d. Subscribe to two (2) additional professional journals for the clinical staff by January 1, 1979.

2. Objective

Increase community utilization of program by 20% by January 1, 1979.

Action Steps:

- a. Assess current program population impact by August 1, 1978.
- b. Establish target groups which need increased program concentration by September 1, 1978.
- c. Assign outreach responsibilities to counseling staff to impact on selected target populations by September 15, 1978.
- d. Hire one (1) additional full-time counselor to assist in the provision of treatment/rehabilitation services to the increased client load and to perform specific outreach responsibilities by January 1, 1979.

OPERATING BUDGET WORKSHEET

By Line Item and QuarterPERIOD 7-1-78 to 6-30-79

6/78

ACCOUNT		ESTIMATION BASIS	Quarter				TOTAL YEAR
NUMBER	DESCRIPTION		1st	2nd	3rd	4th	
500	Salaries						
501	Administrative						
	Executive Director	Current \$17,500 + 6% incr 1-1-79	4375	4375	4638	4638	18,026
	Accountant	Current \$10,000 to 11,000 7-1-78	2750	2750	2750	2750	11,000
	Clerical						
	Secretary - Recept.	\$6,100 + 6% incr. 8-1	1586	1617	1617	1617	6437
	Clerk	5,900 + 6% incr. 10-1	1475	1564	1564	1564	6167
	Treatment						
	Treatment Director	Current \$14,000 to 15,000 9-1	3583	3750	3750	3750	14833
500	Total Salaries		30,086	32,035	35,570	35,471	133,162
510	Personal Benefits						
511	FICA	6.05% to 17,700 (Director over in 4th)	1820	1938	2152	2126	8036
	Workman's Comp.	Per Insurance Agent quote, due ^{quarter} 8-1	375				375
	Unemployment	2.2% state rate per return to					
	Telephone						
	Local	Current \$12.5 mo & addn. serv. \$20 with each new employ. / billed following mo	250	435	465	660	1810
	Long Distance	Current Ave. \$85/mo add \$15	150	225	225	360	960
	Postage	Current Ave. \$40 mo with Ed. Spec. add \$10 per Ed. Spec.	120	130	150	150	540
TOTAL			49844	52539	59330	59286	220991

OPERATING BUDGET WORKSHEET

By

ModalityPERIOD 7-1-78 to 6-30-79

6/78

ACCOUNT		ESTIMATION BASIS	Modality				TOTAL YEAR
NUMBER	DESCRIPTION		Admini- strative	Residential	Outpatient	Education	
	Salaries						
501	Administrative						
	Executive Director	Per time study - 30% P.R., 25% money raising 25% Supervision client treatment - 20% general Admin. Program distribution based on units of service. Anticipate last 1/2 yr - 1/6 gen Admin to	13,626	2925	1575	900	18,026
	Accountant	30% relates to client billings based on # of clients at utilization. Res 17 (22%)					
	TOTAL SALARIES		22,330 17%	49,169 37%	53,780 40%	7983 6%	133,162
510	Benefits	based on percentage of payroll	3,428	7,460	8065	1210	20,163
	Supplies						
531	Office Supplies	Based on payroll	107	234	253	38	632
532	Food	100% residential		12,100			12,100
533	Client Supplies	100% residential		275			275
534	Education Supplies	100% education				605	605
	Telephone						
541	Local	Per phone log - 30% Admin 60% O.P. 10% res. #30 no. 1st 1/2 for Ed	500	1020	170	120	1810
542	Long Distance	per phone log Admin. 50% O.P. 40%				95	95
	TOTAL		33,470	89,727	86,400	11,394	220,991

OPERATING BUDGET WORKSHEET

SCHEDULE A-1

6/78

ACCOUNT	BUDGET TOTAL	FUNDING SOURCE									
		IDSA Fed. Funds	CITY-COUNTY	CETA	TITLE XX	CLIENT BILLING	DONAT	IDSA State Funds	INKIND	Under-terminated	
Salaries											
Administrative											
Executive Director	18,026	13000	5126				300	600			
\$1000 mo. to nida		12nd 1/2	25-Donations				50	IDSA	/ Bal	City-County	
Accountant	11,000	11,000									
Clerical											
Secretary / Recept.	6,437	6,437									
TOTAL SALARIES	133,162	76,060	21,374	13,000		16,578	3,050	5,100			
Personnel Benefits											
FICA	8,036	4,601	1,293	726		10,38		378			
		(6.05%)	(6.05%)	(6.05%)		(Bal.)		(6.05% - Ed. Spec)			
Unemployment	1673	900		264		372		137			
Telephone											
Local	1,810	1,300	490				30	90			
		100-mo.	Bal.				5.00 mo	1000 mo			
							12st 6 mo	12st 6 mo			
Long Distance	960	600				320		90			
		mo				D		5 mo			
TOTAL BUDGET	220,991	119,790	37,000	14,120	8,160	21,600	3,000	7,500	9,821		
MATCH \$ (IDSA)	79,860		37,000	14,120		19,740			9,821		
IDSA-EDUCATION	2,500						2,500				
NON-MATCH \$	138,631	119,790			8,160	18,600	500	7,500			

PROGRAM OPERATING BUDGET

7-1-78 THROUGH 6-30-79

SCHEDULE B

6/78

ACCOUNT	BUDGET TOTAL	MODALITY				SOURCE							
		ADMIN.	RESID.	O.P.	EDUCATION	IDSA TRMT.	CITY-COUNTY	CETA	TITLE XX	CLIENT BILLINGS	DONATIONS	IDSA EDUCATION	IN-KIND
Salaries -													
Administrative													
Executive Director	18,026	12,626	2,925	1,575	900	12,000	5,126				300	600	
Accountant	14,000	7,700	736	3,524		14,000							
TOTAL SALARIES	133,162	222,300	49,169	53,780	7,983	76,060	21,374	12,000		16,578	2,050	5,100	
Personnel Benefits													
TOTAL BENEFITS	20,163	3,428	7,460	8,065	1,210	14,603	3,402	1,800		2,709		649	
Supplies													
Office Supplies	632	107	234	253	38		594					38	
Food	12,100		12,100			10,207	604		1,289				
Telephone													
Local	1,810	500	10,200	170	120	1,200	490				30	90	
Long Distance	960	435	350	85	90	600			270			90	
TOTAL BUDGET	220,991	33,470	89,727	86,400	11,394	119,790	37,000	14,120	8,160	21,600	3,000	7,500	9,821
		IDSA CONTRACT MATCH \$		79,860		37,000		14,120		18,919		9,821	
		IDSA-EDUCATION		2,500						2,500			
		NON-MATCH \$		138,631		119,790				8,160		2,681	

III. CASH RECEIPTS

A. Purpose

A record of monies received by the program must be maintained on a monthly basis to assure that all potential revenue is received and properly entered into the accounting system for reporting purposes. This record is maintained by the use of a "Cash Receipts Journal." Certain internal controls must be maintained in handling the receipt and recording of these items.

B. Procedure

1. Mail received by the program should, when possible, be opened by an individual other than the bookkeeper (a receptionist, secretary, etc.). This person will prepare and retain a list of receipts giving the date received, name of payer and amount. Payments made to the program in person should also be received by someone other than the bookkeeper. In this case, a prenumbered receipt is to be prepared in duplicate (regardless of the form of payment) with the original being given to the payer. The person accepting the payment will retain the receipt and forward the money to the bookkeeper.

2. The bookkeeper will endorse checks for deposit immediately upon receipt. He/she will maintain a columnar monthly cash receipts journal (per format, Schedule C, page 28), to which he/she will post all payments at the time of receipt. The following information is to be recorded on the journal:

- a. Heading - Indicate the month and year.
- b. Date - The date that payment is received and deposited.
- c. Received from - The agency, company or individual from whom the money was received. If the payment was received for

client services, indicate the individual client number instead of their name (for confidentiality purposes).

d. Description - An explanation of the payment (example: monthly grant payment, contribution, services, etc.). Indicate the date or period that the payment covers if applicable.

e. Account/Number - The appropriate general ledger account to be credited.

f. Account/Amount (credit) - The amount of payment.

g. Daily Deposit (cash debit) - Add the amounts of payments received for the day and indicate the total in this column.

3. The bookkeeper will process a deposit to the bank daily for all monies received. This will be done using a duplicate deposit slip. If the deposit is taken to the bank, the bank teller will validate the deposit slip copy so that it can be brought back to the program office. If the deposit is mailed to the bank, retain a deposit slip copy. Arrange with the bank to have a receipt returned to the program office by mail.

4. At the end of each month, total the last two columns of the cash receipts journal recording these totals on the bottom line of the journal. Verify that the two amounts are equal. Also, total the amounts deposited from the deposit slip copies for the month and verify that this total equals those on the cash receipts journal. Compare these totals to the record of receipts maintained by the person opening or receiving the payment. This person and the bookkeeper should document their agreement on each others records.

5. At the end of each month, use a separate cash receipts journal form to recap the accounts to be credited (per format Schedule C-1, page 29). Mark "Recap" following the schedule title

(Cash Receipts Journal) in the heading. List each general ledger account number utilized on the Cash Receipts Journal (each number only once) in numerical order in the Account/Number column. Following the account number, indicate the total amount charged to each account. Total the amount column and determine that this total equals that of the cash receipts journal.

CASH RECEIPTS PROCEDURE

ITEMS HANDLED	PERSON HANDLING	ACTION TAKEN
1. Incoming Mail	Person other than book-keeper (clerk, secretary, etc.)	<ol style="list-style-type: none"> 1. Open mail, sort out checks. 2. Prepare list of receipts. 3. Give to bookkeeper.
2. Payments made in person.	Person other than book-keeper (clerk, secretary, etc.)	<ol style="list-style-type: none"> 1. Prepare duplicate pre-numbered receipt with original given to payer. 2. Indicate payment on list and file receipt copy. 3. Give money to book-keeper.
3. Money Received	Bookkeeper	<ol style="list-style-type: none"> 1. Endorse checks.
4. Cash Receipts Journal	Bookkeeper	<ol style="list-style-type: none"> 1. Record payments.
5. Money Received	Bookkeeper	<ol style="list-style-type: none"> 1. Prepare deposit daily. 2. Take or mail deposit to the bank daily. 3. Obtain a validated receipt from bank.
<u>AT END OF MONTH</u>		
6. Cash Receipts Journal	Bookkeeper	<ol style="list-style-type: none"> 1. Total journal.
7. Deposit Slip Copies	Bookkeeper	<ol style="list-style-type: none"> 1. Total and verify that it equals total of journal.
8. List of Money Received	Person opening mail and receiving money	<ol style="list-style-type: none"> 1. Total month receipts and verify that they equal validated deposit slips.

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[illegible]

*USE CLIENT NUMBER INSTEAD OF INDIVIDUAL NAME.

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IV. CASH DISBURSEMENTS

A. Policy

All cash disbursements (other than payroll) must be supported by an invoice, billing, or other documentation. They must be approved by the individual responsible for ordering the goods or services and an individual able to verify the receipt of the goods or services. Payments are made by check and recorded on a check register.

B. Procedure

1. As claims for payment (invoices or billings) are received into the office, they should be first given to the bookkeeper.

2. The bookkeeper will review the invoice for reasonableness and make a clerical check by verifying the accuracy of the footings and extensions (multiply number of units by unit price and total each type of good or service down to the total invoice).

It is recommended that a "Voucher Form" (per Schedule D, page 39) be prepared for each payment. Advantages of the voucher include the fact that it clearly summarizes payment information for (1) individuals required to approve the payment, (2) check writing, (3) posting, and (4) later reference. Also, the possibility of neglecting to record the required information on the invoice is reduced. A number of invoices to the same vendor can be included on one voucher. If a voucher is used, it is to be completed with the following information by the bookkeeper upon receipt of the claim for payment:

a. The Project Name - This name can be preprinted on the form.

b. Vendor Name - Name of the company or individual to whom payment is to be made.

c. Vendor's Address - As indicated on the form, it is not necessary to complete this section if the address is indicated on the payment claim.

d. Invoice Date - The date on the invoice or billing.

e. Due Date - Indicate the date that the payment is due based on the invoice date. Especially if the program is incurring cash flow problems, the payment can be held for 30 days from the date of the earliest invoice included in the payment. Exceptions to this are when a cash discount is offered for early payment or special payment arrangements with the vendor have been made. A management policy should be established relating to the timeliness of payments.

NOTE: When establishing a payment schedule policy, those programs receiving payment on a Cash Reimbursement basis should keep in mind that only payments made before the end of the month will be reimbursed in the following month.

f. Payment Date - Indicate the date that the check must be mailed from the office in order to reach the vendor on the due date.

g. Account Number - The general ledger account number(s) and modality number to which charges are to be made. Use as many lines as necessary to properly account for all charges being paid by the voucher. List each account number only once.

h. Description - A brief description of goods or services being charged to each account number.

i. Amount - The amount (net of any available discounts) chargeable to each account number for the invoices being paid. The total of this column will equal the total of the invoices being paid.

j. Clerical Check - After verifying the invoice footings and extensions, the bookkeeper is to sign or initial this line certifying their correctness. All payments must have documented support.

The bookkeeper will attach the payment support to the voucher. If no voucher is used, the bookkeeper will indicate by writing on the payment support his/her verification of footings and extensions.

3. The bookkeeper will route the voucher and/or support to first the individual within the program responsible for the goods or services being ordered. This person must review the billing in detail, verifying that the goods or services were ordered and that the unit costs are correct. He/she will indicate the correctness of these items by signing or initialing the "Purchase Approval" line on the bottom of the voucher. (If no voucher, directly on the payment claim). The voucher will then be routed to the individual in the project able to verify that the goods or services were received. He/she will indicate verification by signing or initialing the "Received" line on the bottom of the voucher (if no voucher, directly on the payment claim).

NOTE: Larger programs may choose to use a "Purchase Order" system to coordinate the approval process. The process involves one individual in the program designated to purchase or approve the purchase of all goods or services. A "Purchase Order Form" must be prepared itemizing the goods and services and individual costs. Appropriate staff must initial their approval of the purchase before the purchase. The Purchase Order is

attached to the voucher at the time of payment in lieu of the purchase approval line being signed on the voucher.

4. The bookkeeper will hold the voucher and/or support until the payment date. They should be held in a tickler file separated by day and reviewed daily for payments due on that day.

5. All disbursements (except a small petty cash fund) must be made from a checking account established at a local bank in the name of the program. The checks are to be prenumbered and used in sequential order. The bookkeeper will write checks to cover all vouchers on the date indicated on the voucher as the due date. One check may be written for all vouchers to the same vendor due on the same day. At the time that the check is written, the check number is to be written in the appropriate space on the voucher. (If there is no voucher, it is written on the invoice). The word PAID must be stamped or plainly written on each item of payment support to eliminate the possibility of subsequent duplicate payment.

If a check is ruined or to be voided, the signature portion of the check is to be cut out and the check held with the checkbook for filing with the bank statement at the end of the month.

6. Each check must be recorded on a "Check Register" (per format of Schedule E, page 40). This may be done with a "Peg Board One Write" accounting system where the information written on the check is carboned to the check register. The system saves time and reduces errors. Most stationery stores handle this equipment and relating forms.

The following information is to be provided on the check register:

a. In the heading, indicate the month that the activity covers.

b. Payee - The person or company to whom the check is written.

c. Description - Brief description of the goods or services purchased.

d. Check Information/Date - The date that the check was written.

e. Check Information/Number - The sequential number printed on the check. All checks must be accounted for in sequential order in this column. If a check is voided, record the number in sequential order and write "void" in the payee column.

f. Check Information/Amount - The amount of the check.

g. Expense/Account Number - The number of the general ledger account or accounts to which the check is to be charged. Copy each account number indicated on the voucher. As many lines as are needed on the check register can be used for one check to record each account number on a separate line. If no voucher is used, charges to account numbers will need to be determined at this time and recorded on the check register.

h. Expense/Amount - The amount charged to each general ledger account.

i. Modality Charges - Indicate the name of each of the modalities in a separate column heading of this section. The expense/account amount must be distributed to these columns. This is done by relating the actual usage of the goods or services to the appropriate modality. Where there must be a distribution to more than one department and the supporting documentation for the payment does not clearly designate that distribution, refer to the program operating budget and support for the determined distribution.

Add each line across to the "Total" column. These amounts must equal the amounts in the cash "Amount" column.

j. At the end of each month, total the "Check Information Amount" column, and each modality column including the total modality column. Verify that the total of the modality columns equals the total column of this section. Also, verify that this total equals the expense/amount column total.

k. Using an additional check register form, prepare a recap of the expenses per Schedule E-1, page 41.

(1) Indicate the word "Recap" following the form heading name and indicate the month name under the heading.

(2) Review the account number column of the check register and list each account number represented (each number only once) in numerical order in the expense/account number column of this "recap" sheet.

(3) Add the total amount charged to each account number on the Check Register and indicate the amount in the expense/amount column following the account number of the "recap" sheet. Total this column to verify that it equals the total on the check register.

(4) Distribute the amount charged to each general ledger account to the appropriate column under the Modality Charges section based on the check register. Total the lines across to verify that they are in agreement with the amounts in the expense column. Total the departmental columns down and the column totals across to the "Total" column. Attach this form behind the check register for the month.

7. After the checks have been recorded on the Check Register, the bookkeeper will:

- a. Prepare an envelope for mailing the check,
- b. remove any remittance advice information attached to the invoice,
- c. clip the check, envelope and any remittance advice information to the front of the voucher and/or invoice and,
- d. give all of these items to the persons responsible for signing the check.

NOTE: If only one or two particular persons can sign checks, the bookkeeper should follow the schedule of these persons closely so as to have any checks falling due when they are out of the office signed before they leave.

8. The person(s) with the responsibility for signing the checks will:

- a. Review the check and support for reasonableness and verification of prior approvals,
- b. sign the check (this is done only when the person intends to send the check to the vendor immediately),
- c. sign or initial the voucher on the payment approval line (on the bill if there is no voucher),
- d. place the check and remittance information in the envelope and seal it,
- e. give the envelope to a person other than the bookkeeper for mailing, and
- f. return the voucher and/or support to the bookkeeper for filing.

9. The paid voucher and/or invoices are to be filed by the bookkeeper in alphabetical order by vendor, or any other orderly manner deemed appropriate for easy reference.

CASH DISBURSEMENTS PROCEDURES AND CONTROL

ITEMS HANDLED	PERSON HANDLING	ACTION TAKEN
1. Bills or Invoices	Bookkeeper	<ol style="list-style-type: none"> 1. Receive in mail. 2. Check reasonableness. 3. Check footings and extensions. 4. Prepare and initial voucher. 5. Attach billings to voucher.
2. Voucher and Bill	Persons ordering and receiving goods or services	<ol style="list-style-type: none"> 1. Review bill for unit cost. 2. Verify ordered and received. 3. Initial voucher.
3. Voucher and Bill	Bookkeeper	<ol style="list-style-type: none"> 1. Hold until due date. 2. Write check. 3. Stamp bills "PAID" 4. Record payment on "Check REgister." 5. Prepare envelope for mailing. 6. Attach check, envelope and remittance advice information to front of voucher.
4. Check, Voucher, Bills and Envelope	Check signer(s)	<ol style="list-style-type: none"> 1. Review voucher and support for reasonableness, proper purchasing, prior approval. 2. Sign check. 3. Initial voucher. 4. Put check and remittance advice in envelope and seal it.
5. Checks in envelopes	Clerk	<ol style="list-style-type: none"> 1. Place in mail.
6. Voucher and Bill	Bookkeeper	<ol style="list-style-type: none"> 1. File.

PROJECT NAME Mid-Indiana Substance Abuse Ctr.

VENDOR NAME Johnson Wholesale Groceries

VENDOR ADDRESS per support
(If not on support)

2344

CHECK NUMBER

11-10-78

INVOICE DATE

12-10-78

DUE DATE

12-5-78

PAYMENT DATE

ACCOUNT NO.	DESCRIPTION	AMOUNT
533-02	Various food supplies	429.72
	TOTAL	429.72

TOTAL	429.72
-------	--------

R. Hall

PAYMENT APPROVED

B. Mills

RECEIVED

B. Miss

PURCHASE APPROV.

K. Jones

CLERICAL CHECK

CHECK REGISTER

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SCHEDULE E

PAYEE/DESCRIPTION	CHECK INFORMATION			EXPENSE		MODALITY CHARGES				
	DATE	NUMBER	AMOUNT (CASH CREDIT)	ACCOUNT NUMBER	AMOUNT (EXPENSE DEBIT)	ADMINIS- TRATIVE	RESIDEN- TIAL	OUT- PATIENT	Ed- UCATION	TOTAL
Smith Realty-Rent	12-1-76	2340	325.00	551	325.00	200.00		125.00		325.00
John R. Davis Enterprises	12-1-76	2341	300.00	551	300.00		300.00			300.00
City Community Hospital - Nov. Consultant Serv.	12-5-76	2342	350.00	521	350.00		150.00	200.00		350.00
check VOID		2343								
Johnson Wholesale Groceries - Food	12-5-76	2344	429.72	533	429.72		429.72			429.72
King Dairy-Milk	12-5-76	2345	76.00	533	76.00		76.00			76.00
Mid-Town Supply - Office Supplies	12-8-76	2346	18.95	531	18.95	8.45	6.00	4.50		18.95
Town Center - Utilities		2347	10.00	5			595	40.00		
U.S. Postmaster-Postage	12-27-76	2389	125.00	531	125.00	75.00	30.00	20.00		125.00
Payroll	12-31-76	2390-2407	4375.50	501	1956.33	789.32	898.50	268.50		1956.33
				502	1849.18	.	1049.18	800.00		1849.18
				503	569.99	231.67	231.66	106.66		569.99
First National Bank-Employer FICA	12-31-76	2408	208.85	511	208.85	44.02	111.78	53.05		208.85
Jones Insurance-Employer Share	12-31-76	2409	273.00	514	273.00	45.00	156.00	75.00		273.00
TOTAL	X	X	16,178.24	X	16,178.24	2,388.38	9,625.63	3,489.48	624.25	16,178.24

—T4—

V. FIXED ASSETS

A. Purpose

Fixed assets are items purchased by the program with significant value which carry a useful life over an extended period of time. A special accounting must be maintained for these items for the purpose of determining the amount of cost relating to the use of that item for the fiscal period and to maintain a record of the actual value of that item at any point of time.

B. Procedure

1. Defining "Fixed Assets" -- An agency policy must be made to establish guidelines for defining purchases as fixed assets. This must relate to both cost of the item and expected life. An example would be to consider items with a life expectancy of three (3) years or more and a cost of \$50.00 or more to be classified as a fixed asset. Items not meeting this criteria would be normally charged to a supply account.

2. Record Fixed Assets Activity

- a. Recording purchases -- Purchase of fixed assets will normally be recorded on the Check Register based on the payment for the item. The exception would be when a loan or mortgage is used for the purchase of the item; a journal entry will need to be made debiting the fixed asset account and crediting the appropriate accounts payable account.

- (1) Cash Basis - Programs on a cash basis or programs on a cash basis throughout the year and converting to accrual only at year end will require an "Equipment" account in the expense section of the Chart of Accounts. Fixed Asset Equipment items will be charged to this account. Programs converting to accrual at year

end will require a journal entry at year end to transfer the cost from expense to asset by crediting the Equipment account in the Expense section of the Chart of Accounts and debit the Equipment account in the Asset section in the Chart of Accounts.

(2) Accrual Basis - Programs on accrual basis accounting will debit the Equipment account in the Asset section of the Chart of Accounts at the time of purchase.

b. Recording Depreciation

(1) Cash Basis - Programs on a strict cash basis will require no depreciation entry. Programs converting to accrual at year end will require entries as programs on accrual basis described in paragraph b (2) except only at year end.

(2) Accrual Basis Accounting - Based on the "Fixed" Asset Record (see schedule F, page 46 and instructions paragraph 3-a below) a monthly portion of the depreciation will be recorded by journal entry debiting "Depreciation Expense" and crediting the Asset account, "Reserve for Depreciation."

c. Recording Sale or Abandonment of Fixed Asset - Programs utilizing accrual basis must identify the asset on the records and a journal entry must be made at the time of disposition of the asset debiting "Reserve for Depreciation" asset account for the amount of accumulated depreciation per the asset records; crediting the "Equipment" account for the original cost of the asset; debiting the "Cash" asset account for the amount received (if any) and a debit or credit, as appropriate, to the "Gain on Sale of Assets," income account for the difference (debit for a loss or credit for a gain) to balance the entry.

3. Records of Fixed Assets

a. Maintain a "Fixed Asset Record" per Schedule F, page 46 to maintain a record of all fixed assets. A separate record must be maintained for each fixed asset item.

(1) Prepare a form and record the following information at the time of purchase:

- (a) description of item purchased,
- (b) source of funds used for purchase of item,
- (c) age of the item when acquired,
- (d) estimated length of life,
- (e) estimated value (salvage value) of the item at the projected date of disposition,
- (f) date purchased,
- (g) vendor's name and address,
- (h) identifying numbers (serial numbers or program assigned number),
- (i) amount paid for the item including tax.

(2) Record the following information annually:

- (a) annual depreciation computed on the expected life,
- (b) accumulated depreciation,
- (c) book value (cost, less accumulated depreciation).

(3) At the time that the item is sold or disposed of, record the following information:

- (a) date sold,
- (b) description of how the item was disposed,
- (c) amount received for the item if any,

(d) amount received over or under the book value,

(e) debit allowed (the amount of accumulated depreciation).

(4) A Lapsing Schedule per format Schedule F-1, page 47 attached is maintained for the purpose of providing a summarized record of Fixed Assets and annual Depreciation. This provides a basis for preparing the depreciation journal entry.

The information as noted is recorded from the Fixed Assets Record at the time of purchase. At each year end the amount of depreciation expense, accumulated depreciation and the book value (net of asset cost and accumulated depreciation) is recorded in the appropriate column. The total of these columns must agree with the general ledger at all times.

FIXED ASSET RECORD

DESCRIPTION: IBM Electric Typewriter

SOURCE OF FUNDS: Federal NIDA

WHEN ACQUIRED: New

ESTIMATED LIFE: 5 yrs.

SALVAGE VALUE (IF ANY): None

COST			DEPRECIATION RECORD				
DATE PURCHASED	VENDOR/DESCRIPTION	AMOUNT	YEAR	RATE	AMOUNT	ACCUM.	BOOK VALUE
5-15-74	Good Office Supply	\$495.00	1975	20%	\$99.00	\$99.00	\$396.00
	615 Main Street		1976	20%	99.00	198.00	297.00
	Allentown, Iowa						
	Serial #R2641938						
SOLD, EXCHANGED, OR DISCARDED							
DATE	DESCRIPTION	AMT.	OVER (UNDER) BOOK VALUE	DEBIT ALLOW.			

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VI. PAYROLL

A. Purpose

Proper payroll records must be maintained to account for employee earnings and withholdings as well as employer payroll taxes and other obligations. Payroll taxes, including those withheld, must be reported and paid to the proper governmental agency in a timely manner.

B. Procedure

1. Accounts must be established with the proper agencies requiring payroll withholding, employer taxes or other employer obligations. Taxes and obligations are as follows:

<u>Tax or Obligation</u>	<u>Information Source</u>	<u>Reporting and Payment</u>
Federal Income Tax Withheld	Internal Revenue Service- Des Moines, Call toll free 1-800-362-2600	Pay to local bank with each pay period. File 941 return quarterly.
FICA Taxes Withheld and Employer Share	Same	Same
State Income Taxes Withheld	State of Iowa Department of Revenue - Phone (515) 281-5311	Deposits to state after each pay period. File return monthly or quarterly (see instruc- tions)
State Unemployment	Iowa Department of Job Service, Des Moines, Phone (515) 281-5801	File return to make payment quarterly.
Workman's Compensation Insurance	State Insurance Department Phone (515) 281-5705 Establish with local insurance agent	Local insurance agent per policy terms

NOTE: Non Profit organizations under IRS Code Section 501(c)3, are normally able to obtain an exemption from federal unemployment tax requirement by completing federal form 1023.

Payment of state unemployment tax is required by all programs. Payment is normally made on a "contributory basis" (wherein payments are made each quarter to a percentage of the total payroll to a determined limit). The percentage and limit is set by the Iowa Department of Job Service based on a minimum plus an experience rating. If under federal exemption, the program may apply for state "reimbursable" status (reimburse full amount of any unemployment claims by a former employee against the program). The "reimbursement" status is not recommended due to the fluctuation of costs which are very difficult to plan and budget.

Accounts can be established by contacting the agency under the "Information Source" column above. After an account is established, all required tax returns and deposit forms are sent to the employer on a regular basis. Specific instructions for withholding, payments, and filing will accompany each return. Further explanations can be obtained by again referring to the "Information Source" column.

2. "Personnel Employment Record" ledger sheet per format of Schedule G, page 58 must be established for each employee indicating the following information.

a. Personal information including (1) name, (2) address, (3) phone number, (4) position, (5) social security number, (6) marital status, (7) number of exemptions from W-4 and (8) date hired.

b. Emergency notification information.

c. Hourly, regular and overtime ($1\frac{1}{2}$ x regular rate) pay rate including the dates of adjustments.

d. Payment information for each pay period including:
(1) last date of pay period, (2) hours worked (regular and overtime),

(3) gross pay (regular, overtime and total), (4) each withholding item, (5) net pay, and (6) check number.

e. Quarterly total and year-to-date total.

3. At the date of employment, a W-4 form indicating the persons tax exemptions and marital status must be obtained and held with employees personnel records. Also, items 2 a-c above of the "Personnel Employment Record" must be completed.

4. A time sheet (example: Schedule H, page 59) must be completed on a daily basis by each employee. Information included on the time sheet is:

a. Employee's name.

b. Each date worked.

c. The time beginning and ending each work day and time leaving and returning from lunch and other work breaks.

d. The total number of hours worked each day. It is suggested that this be rounded to the nearest one-fourth hour.

e. Brief description of work performed broken down by hours.

f. Indication of account number to charge may be done by the employee or bookkeeper.

g. Paid absent hours (holiday, sick, etc.)

h. Division of hours worked each day between regular and overtime. Any hours worked by an employee (not exempt from overtime) over eight hours per day or 40 per week is considered overtime.

i. Total hours (regular and overtime) for each week and pay period.

j. The signature of the employee's immediate supervisor approving the hours worked.

The time sheet must be submitted to the bookkeeper at the end of each pay period as a claim for payment.

5. At the end of each pay period, the time sheets are processed by the bookkeeper as follows:

a. Collect the time sheets and review them for completeness and accuracy. Verify that (1) hours reported worked are consistent with the "beginning and ending" work times reported, (2) the division between regular and overtime hours is correct, (3) the daily hours equal the total hours reported for the period, and (4) the report is signed by the employee and supervisor.

b. As the time sheets are processed singularly, remove the employee's Personnel Employment Record from the file. Determine which quarter schedule (top or bottom of form) is to be used. The top schedule is used for the first quarter (January-March). Drop to the bottom schedule for the second quarter (April-June). Beginning of the third quarter will require a new form using the top schedule for the third quarter and bottom schedule for the fourth quarter.

(1) Indicate the date, month, and year of the last day of the pay period in the first column of the next available line in the appropriate quarter schedule.

(2) Post the regular and overtime hours worked from the time sheets.

(3) For employees not exempt from overtime, compute the regular and overtime gross pay by multiplying the hours by the rates shown above. Total the two amounts to arrive at the total gross pay. For employees exempt from overtime, enter the salaried

amount for the period in the gross pay column.

NOTE: It is suggested that each program consult the Administration Wage and Hour Division, of the local Federal District Office for an interpretation of the standards as they relate to employee classifications of their program for purposes of paying overtime.

(4) Referring to the tax withholding tables provided by the federal and state taxing agencies, compute the federal and state tax and FICA to be withheld covering the employee's (a) gross pay, (b) period covered (weekly, bi-weekly, semi-monthly), (c) marital status and (d) number of exemptions. Enter the amounts on the schedule.

(5) Enter the proper insurance deduction and any other scheduled deductions.

(6) Deduct all withholding amounts from the gross pay amount and record the net in the net pay column.

c. Write a payroll check payable to the employee for the net amount and indicate the check number on the schedule. An attachment or slip of paper must accompany the check to show the (1) dates of the pay period covered, (2) the gross pay, (3) each itemized deduction and amount, and (4) the net amount of the check.

d. Post the payments to the "Payroll Register" per format of Schedule I-1, page 60. (Use Schedule I-1 for the final page for each payroll). A separate check register is used for each pay period. After indicating the date that the pay period ended and the check date in the heading of the form, record the following information obtained from the "Personnel Employment Record:"

- (1) Employee's position
- (2) Employee's name
- (3) Gross pay
- (4) The amount of each withholding item
- (5) The amount of the net pay
- (6) The check number - verify at this time that

the check number is the next in sequential order. For the first check number in the check register, refer to the prior Payroll Check Register or the General Check Register as appropriate. Important - notify the bank immediately issuing a stop payment order on any missing checks.

e. Distribute each charge to the proper account by (1) designating the proper general ledger account number in the expense "Account Number" column and (2) distribute the gross pay to the proper modality (indicate the modality names in the headings). This distribution will be based on time sheet distribution or operating budget documentation.

f. After issuing the payroll check and posting it to both the employee "Personnel Employment Record" and the "Payroll Check Register," the bookkeeper should type the employee's name on envelopes and give the checks and envelopes to the responsible person designated to sign the payroll checks.

g. After the checks are signed, they are placed in the envelope by the person signing the checks and given to an individual other than the bookkeeper for distribution to the employees.

NOTE: Consideration should be given to a "Pegboard accounting system which can effectively handle payroll bookkeeping. The pegboard system generally includes carboned forms whereby the

information written on the check is carboned through to the Personnel Employment Record and the Payroll Register.

For control, confidentiality and check design (for the check to carry an appropriate remittance advice), it is recommended that a separate bank account be established and maintained in the name of the project to handle the payroll. This account would be handled as an imprest account with a minimal balance of \$10 to \$50. One check would be written on the general bank account for the gross amount of the payroll and deposited to the special payroll account at the end of each pay period.

6. Procedures at the end of the pay period are as follows:

a. Total gross pay, withholding, net pay and modality columns of the Payroll Register down to the "Total Payroll" line for verification that they balance. (Gross pay less withholding equals net pay and the modality columns equal the gross pay).

b. Write checks for the amounts withheld (on the payroll account if a separate account is maintained; if not, on the general account) for the following:

(1) A check payable to the local bank for FICA and Federal taxes withheld.

(2) A check payable to the Treasurer, State of Iowa, for the amount of the state withholding.

(3) A check to the insurance agent handling the group insurance if applicable.

(4) Appropriate checks for other withholding items.

c. Record these amounts as negative amounts in the appropriate withholding column, and as positive amounts in the net column of the Payroll Register.

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DES MOINES, IOWA 50319

d. Total all columns from the "Total Payroll" line of the register to the bottom page total line. Each column should net to zero except the gross pay and net pay which should equal.

e. Write a separate check on the general checking account payable to the local bank for the employer's FICA expense (an amount equal to the FICA withheld) and record it charging the proper expense account on the "Check Register."

f. If a separate payroll bank account is used, write a check on the general checking account payable to the project in the amount of the "gross pay" column total of the Payroll Register. Deposit the check into the payroll bank account. Record the checks written on the general "Check Register." Charge the general ledger labor accounts in the amounts of the gross pay based on a recap of the expense accounts in the account distribution section of the Payroll Register. Use a separate line on the register for each account number charged but showing the check number only once.

If no separate payroll bank account is used, record the payroll checks in the general check register in the same manner except for the fact that the series of check numbers used as shown on the payroll check register will be shown. (All on one line - example: 2390 through 2407).

7. Procedures at the end of each quarter include:

a. Total each individual's "Personnel Employment Record" ledger sheet to the "Quarter Total" line. Add any previous year-to-date totals to the quarter total to arrive at the current quarter "Year-To-Date Total." These figures can be added together for all employees and the total recorded on a Personnel Employment Record form used only as a control sheet. Verify that the form foots across

(gross pay less withholdings equal net pay).

b. Based on these Personnel Employment Record totals, complete the following quarterly tax returns:

- (1) State withholding
- (2) Federal withholding and FICA Employer Taxes and withholding (form 941).
- (3) State unemployment

8. At the end of each year, in addition to the quarterly returns being filed, W-2 forms reporting individual employee payroll activity must be issued to each employee. Forms and instructions can be obtained from the Federal Internal Revenue Service Office in Des Moines.

PAYROLL PROCEDURE

ITEMS HANDLED	PERSON HANDLING	ACTION TAKEN
1. Employee Personnel Record	Bookkeeper or new employee supervisor	1. Set up record from application.
2. W-4	Bookkeeper or new employee supervisor	1. Have new employee complete and sign.
3. Time Sheet	Employee	1. Complete daily. 2. End of pay period total and sign.
4. Time Sheet	Employees' Supervisor	1. Verify hours worked and sign.
5. Time Sheet	Bookkeeper	1. Verify accuracy and completeness
6. Time Sheet and Employee Personnel Record	Bookkeeper	1. Compute pay (a) regular, (b) overtime, (c) gross, (d) withholding, (e) net. 2. Record on personnel record.
7. Payroll Check	Bookkeeper	1. Write payroll check for net. 2. Attach an advice of payment. 3. Give to check signer with envelope.
8. Payroll Check	Check Signer	1. Sign check. 2. Put check in envelope and seal it.
9. Payroll Check	Clerk	1. Distribute checks in envelope on payday.
10. Check Register	Bookkeeper	1. Record individual check. 2. Total register and crossfoot. 3. Write and record checks for withholding
11. Check-General Acct.	Bookkeeper	1. Deposit check in payroll account for total payroll.
12. Monthly Tax Deposits	Bookkeeper	1. File, based on check registers.
13. Personnel Employment Record	Bookkeeper	1. Total records to quarter and year-to-date lines.
14. Quarterly Tax Returns	Bookkeeper	1. Complete returns based on master personnel employment record.
15. Federal W-2 and Federal Unemployment Return	Bookkeeper	1. Prepare and file returns with federal and state. 2. Distribute W-2 by January 31st.

PERSONNEL EMPLOYMENT RECORD

SCHEDULE G

NAME Karen Jones
 ADDRESS 1357-12th St. S.E.
Yountown, Iowa 51111
 PHONE (515) 765-4321
 POSITION Clerk
 RATE 2.30 OT RATE 3.45 FROM 9-1-78 TO 3-1-79

S.S. No. 987-65-4321 SIX MONTH PERIOD ENDING 12-31-76
 MARITAL STATUS S IN CASE OF EMERGENCY
 NO. EXEMPTIONS 1 NOTIFY Mary Jones RELATIONSHIP Mother
 DATE HIRED 9-1-78 PHONE 765-1234
 NOTES _____

CIRCLE QUARTER

1ST

3RD

PAY PERIOD ENDED	HOURS WORKED		GROSS PAY			WITHHOLDING						NET PAY	CHECK NO.
	REG	O.T.	REG	O.T.	TOTAL	FICA	FED.	STATE	INS.				
9-15	80		184.00		184.00	10.76	21.70	4.20				147.34	2189
9-30	88	-	202.40		202.40	11.84	23.88	4.65				162.03	2216
QUARTER TOTAL			386.40		386.40	22.60	45.58	8.85				309.37	
YEAR-TO-DATE TOTAL			386.40		386.40	22.60	45.58	8.85				309.37	

CIRCLE QUARTER 2ND

4TH

10-15	80	3.5	184.00	12.08	196.08	12.06	24.32	4.75				154.95	2244
10-31	96	1.00	220.80	3.45	224.25	13.12	26.46	5.15				179.52	2275
11-15	80		184.00		184.00	10.76	21.70	4.20				147.34	2304
11-30	88	4.00	202.40	13.80	216.20	12.65	25.50	5.00				173.05	2339
12-15	80	.50	184.00	1.73	185.73	10.87	21.90	4.30				148.66	2371
12-31	96	5.00	220.80	17.25	238.05	14.63	28.10	5.40				189.92	2404
QUARTER TOTAL			1196.00	48.31	1244.31	74.09	147.98	28.80				903.44	
YEAR TO DATE TOTAL			1582.40	48.31	1630.71	96.69	193.56	37.65				1302.81	

EMPLOYEE TIME SHEET

SCHEDULE 31

Karen Jones

PERIOD ENDING 12-31-78

EMPLOYEE NAME

6/78

DATE	12-16	12-17	12-18	12-19	12-20	12-21	12-22	12-23	12-24	12-25	12-26	12-27	12-28	12-29	12-30	12-31	
DAY	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	
TIME IN		8:00	8:00	8:00		8:00	8:30	8:00	8:00				8:00	8:00	8:00	8:00	
TIME OUT		12:15	12:00	11:00		12:00	12:00	12:00	12:00				12:00	12:00	12:00	12:15	
TIME IN	SICK	1:00	1:00			1:00	1:00	1:00	1:00				1:00	1:00	1:00	1:00	
TIME OUT		5:00	5:00			5:00	5:00	5:30	5:00				5:00	5:00	5:00	5:00	
TIME IN														6:30			
TIME OUT														8:00			
*TOTAL HOURS WORKED	-	8.25	8.00	3.00		8.00	7.50	8.50	8.00	-			8.00	9.50	8.00	8.25	85.00
WORK DESCRIPTION	ACCT.																
Handle mail	502	1.0	1.50	1.00		.75	1.00	1.00	1.00				1.50	1.00	.50	.75	11.00
Title XX	502		4.00	2.00		2.00		1.00					1.00	1.00		7.00	18.00
CODAP	502					4.00		5.00					3.50		7.00		19.50
Reconcile Bank	502		6.25	2.00													8.25
Misc.	502		1.00	.50		1.25	2.50	1.50	1.00				2.00	.50	.50	.50	11.25
Assist Accountant	502						4.00		6.00					7.00			17.00
*TOTAL HOURS WORKED	-	8.25	8.00	3.00		8.00	7.50	8.50	8.00	-			8.00	9.50	8.00	8.25	85.00
NON-WORKED HOURS - VACATION																	
- HOLIDAY									8.00								8.00
- SICK	8.00																8.00
- OTHER																	
TOTAL HOURS ACCOUNTED FOR		8.00	8.25	8.00	3.00		8.00	7.50	8.50	8.00	8.00		8.00	9.50	8.00	8.25	101.00
REGULAR HOURS		8.00	8.00	8.00			8.00	7.50	8.50	8.00	8.00		8.00	8.00	8.00	8.00	96.00
OVERTIME HOURS			.25	3.00										1.50		.25	5.00

REMARKS: _____

Karen Jones
 EMPLOYEE'S SIGNATURE

SUPERVISOR'S SIGNATURE

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PAYROLL REGISTER

PAY PERIOD ENDING 12-31-78

CHECK DATE 12-31-78

SCHEDULE I-1

6/78

POSITION	EMPLOYEE NAME	GROSS PAY	WITHHOLDING						NET PAY	CHECK NO.	ACCOUNT NUMBER	MODALITY			
			FICA	FED.	STATE	INS.						Plan	Ret	NP	Other
Director	Richard Hare	805.50	--	128.92	33.40	29.00			614.18	2390	501	454.50	1800	211.00	
Asst. Dir.	Betty Miles	630.00	36.80	83.40	23.20	29.00			457.54	2391	501		650.00		
Asst.	Ronald Cross	520.83	30.47	70.25	18.40	29.00			372.71	2392	501	204.50	184.37	121.00	
Corr. Dir.	Ruth Harris	410.00	23.99	59.40	13.55	11.00			303.06	2393	503			400.00	
Asst. Dir.	Billy Bennett	390.00	22.82	49.87	10.54				306.77	2394	503			300.00	
(Large diagonal line across the table)															
Asst. Dir.	Barbara Blair	320.60	15.72	48.10	7.40	11.00			234.78	2403	502	450.00	780.00	95.00	
Asst.	Karen Jones	238.05	14.63	28.10	5.40				189.92	2404	502	455.55	74.50	112.00	
(Large diagonal line across the table)															
TOTAL PAYROLL		4375.50	208.85	605.91	162.80	218.00			3179.94			1494.65	1404.87	2152.00	540.00
WITHHOLDING PAYMENTS															
DESC.	PAYEE														
FICA															
FED TAX	First National BANK		(208.85)	(605.91)					814.76	2405					
STATE	TREASURER-STATE IOWA				(162.80)				162.80	2406					
INS.						(218.00)			218.00	2407					
OTHER															
OTHER															
TOTAL		4375.50	-0-	-0-	-0-	-0-			4375.50						

-99-

VII. PETTY CASH

A. Purpose

A petty cash fund may be established to handle disbursements for small non-reoccurring items on a cash basis. This avoids writing checks for insignificant amounts.

B. Procedure

Establishment of the petty cash fund will be handled as follows:

1. Designate an individual who is in the office during most regular working hours as "custodian" of the petty cash fund. This may or may not be the bookkeeper. The individual must be willing to accept responsibility for the cash and account for any over or shortages in the fund.

2. Determine a proper amount needed in the fund with the following guidelines in mind:

- a. The amount should be sufficient to cover required disbursements from the account in a period of at least two weeks but not more than would be required in a month to a month and a half.

- b. The amount should normally be not less than \$10 nor more than \$75.

3. Write a check on the general checking account for the determined amount of the fund. Make the check payable to the custodian of the account indicating "Petty Cash" behind his or her name. (Example: Karen Jones - Petty Cash). Establish a general ledger balance sheet account in the Asset/Cash category of the chart of accounts to cover the account. The disbursement to establish the account will be charged to this account on the check register.

4. The petty cash custodian will take the check to the bank and have it cashed. A reasonable amount of various denominations of cash and change should be obtained to permit payments in exact amounts.

5. The cash should be properly secured in a locked desk or file cabinet and box with the custodian retaining the key. One additional key should be held by a responsible person for emergencies only.

C. Disbursements

Disbursements are made from the account with the following restrictions:

1. Disbursements be made only by the custodian of the fund.
2. Disbursements be made only in return for a proper receipt. This may be in the form of a cash register receipt, invoice marked paid or written verification, by the recipient of the cash, that the goods and services were provided and cash received.

3. That the following information be indicated on the invoice or a small (approximately 3" x 5") Petty Cash voucher (per format of example Schedule J, page 65) may be designed for attachment to the invoice to carry the information:

- a. Date of purchase
- b. Explanation of disbursement
- c. Company, agency or individual from whom the purchase is made
- d. Amount of disbursement
- e. General ledger accounts and amounts to be charged
- f. Signature of the person receiving the cash
- g. Initials of the petty cash custodian

4. That individual disbursements be no more than three dollars. Exceptions to this would be only when the goods or services are needed from a particular company or individual not accepting checks. All disbursements over five dollars should have prior approval of a responsible individual (director or person responsible for signing checks, etc.).

5. That the petty cash custodian be satisfied that the goods or services were received and properly ordered.

6. Employees of the project required to make small purchases on a cash basis may be advanced a reasonable amount of money. A signed receipt must be obtained from the employee specifying the amount of advance. The receipt will be returned when cash or purchase verification is given to the petty cash custodian.

D. Reimbursement

Reimbursements of the petty cash fund are made as needed but should be within one month of the previous reimbursement. This is done as follows:

1. The petty cash custodian will remove all receipts from the petty cash fund and run an adding machine tape of the amounts disbursed. The total of these receipts plus the amount of cash remaining in the fund must equal the amount of the fund. Any variations must be accounted for.

2. The petty cash custodian will recap the expenditures by account number.

a. Prepare a list of general ledger account numbers (listing each account number only once) in numerical order as indicated on the receipts or petty cash voucher form.

b. Indicate the amount charged to each account on all items. Verify that the total chargeable to each account number equals the amount to be reimbursed.

3. The receipts with the account recap is given to the bookkeeper to process for payment.

4. The bookkeeper will process a check in the amount of the total receipts and payable to the petty cash custodian. (Example: Karen Jones - Petty Cash). The accounts and amounts indicated by the custodian are to be charged on the check register.

5. After the check is reviewed and signed, it is given to the petty cash custodian to be cashed at the bank.

PETTY CASH VOUCHER

SCHEDULE +

DATE:

12-14-78

DISBURSEMENT FOR:

2 Furnace Filters

2 @ .85 each \$ 1.70 + tax .05 = 1.75

PAID TO:

William Hardware

AMOUNT:

\$ 1.75

CHARGES

ACCOUNT	AMOUNT
534-01	.87
534-03	.88
TOTAL	\$ 1.75

SIGNED:

RECIPIENT
OF CASH:

Jerry Adams

PETTY CASH
CUSTODIAN:

Karen Jones

VIII. IN-KIND CONTRIBUTIONS

A. Purpose

In order to recognize a total value of services provided by the program, In-Kind contributions should be recorded into the accounting system. Also, in many cases In-Kind contributions are important as matching requirements in obtaining governmental funds.

B. Definition

In-Kind contributions are non-cash contributions made to the program including real property, equipment, and goods and services directly benefiting and specifically identifiable to the program.

C. Procedures

The value of In-Kind contributions must be determined and documented prior to their being recorded in the accounting records. This includes determining the true market value of each good or service to be considered as In-Kind. Volunteer labor recorded as In-Kind should be at a rate consistent with wage rates paid for similar work in the local government or private sector. Value of goods or supplies donated to the program should again be based on true market value. Large contributions of equipment, buildings or land would require an appraisal by a local professional appraiser.

Documentation similar to support for cash payments from the program should be provided for In-Kind contributions. This would include time sheets signed by the volunteer or an itemization of goods and services including rates and total amount signed by the contributor.

Record the In-Kind services into the accounting records using an "In-Kind Register" (per format of Schedule K, page 68) as follows:

1. Indicate the month covered in the heading.
2. Received From - list the volunteer or contributor.
3. Description - provide a brief description of the goods or services provided by the funding source.
4. Expense Account - give the appropriate general ledger expense account to be charged for the services or goods provided. Use a separate line for each account.
5. Amount - indicate the value of the goods or services received from each source. Total this column.

If there are a large number of In-Kind services received, a recap of the expenses should be made at the end of each month on a separate In-Kind Register form. If In-Kind contributions are consistent throughout the year, this register may be photocopied monthly, changing only the month name.

IX. JOURNAL ENTRIES

A. Purpose

A journal Entry Register (may be referred to as a journal voucher) is maintained to handle necessary accounting entries other than those based on cash receipts, cash disbursements or in-kind contributions. Programs on a cash basis accounting will require only a limited number of journal entries being basically corrections or adjustments from prior periods. However, the journal entry provides the basis for entering all accrual activity for those programs on an accrual basis. The program may elect to utilize this accrual accounting system monthly or only at year end.

B. Procedure

1. Journal entry activities - following are typical journal entries made on accrual basis accounting:

a. Record Accounts Payable:

Debit - Appropriate Expense Account

Credit - Accounts Payable

b. Record Accounts Receivable

Debit - Accounts Receivable

Credit - Appropriate Income Account

NOTE: Accounts receivable and accounts payable entries are reversed at the beginning of the following month.

c. Write-off Pre-paid Insurance

Debit - Insurance Expense

Credit - Pre-paid Insurance

Refer to Section V of the PLAM for entries associated with Fixed Assets and Section XVI for year end entries. Other entries will need to be made as appropriate.

2. Recording Journal Entries - utilize a journal entry form (per Schedule L, page 71). These forms can be purchased from stationery stores or may be designed by the program as desired. The journal entry must provide the following information:

- a. The date that the journal entry is made.
- b. An assigned journal number. This can be consecutively assigned by page number beginning with "1" each year or assigned using the numerical month (example: December = 12) to precede the journal entry page number.
- c. The general ledger account name and number to be debited or credited.
- d. A separate column for the amount to be debited and the amount to be credited.
- e. A description line written below the entry explaining the reason the entry was made.
- f. A total line at the bottom of the page for the debit and the credit columns. When the journal entry page is complete it is totaled to verify that these two columns equal.

18-403 FEDERAL LEASER	Account	Account Number	DR	CR
1				
2				
3	Contracted Services - Psychological	521-03	55.00	
4	Contracted Services - Educational	521-03		55.00
5	Correct Nov. charge for Mr. Long			
6	En-Kind services			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

X. GENERAL LEDGER

A. Purpose

A standard General Ledger is maintained to summarize financial activity by classifying it according to an account code structure. It proves accuracy in recording and posting the activities through a double entry system.

B. Procedure

Establish a general ledger made up of separate ledger sheets per format of Schedule M, page 76 (obtainable at most stationery stores) for each account within the chart of accounts. Maintain the ledger in an expandable binder. The ledger sheets will be headed with the account name and number, and provide columns for the following information:

1. Date - indicate the year at the head of the column
2. Description
3. Entry source
4. Amount of charge by modality
5. Total charges for month for all modalities
6. YTD account balances

The ledger will be established with the proper balance sheet account beginning balances.

At the end of each month, the following information will be posted to the general ledger:

1. Cash receipts - refer to the Cash Receipts Journal "Recap" Sheet.
 - a. Post the total cash amount as a debit to the cash account.

b. Post the individual amounts as credits to the account numbers indicated.

c. Indicate the month and last day of the month in the "Date" column and "CR" (cash receipts) in the source column of each line posted to the ledger.

2. Cash Disbursements - refer to the Check Register "Recap" sheets.

a. Post the total cash disbursements amount as a credit to the cash account.

b. Post the individual amounts as debits to the account numbers indicated.

c. Indicate the month and last day of the month in the "Date" column and "CD" (Cash Disbursements) in the source column of each line posted to in the general ledger.

3. In-Kind - refer to the In-Kind Register

a. Post the total to the In-Kind General Ledger Income account as a credit.

b. Post the individual amounts as debits to the appropriate expense account.

c. Indicate the month and last day of the month in the "Date" column and "IK" (In-Kind) in the source column of each line posted to the ledger.

4. Post each line of the journal entry register to the appropriate general ledger account for the debit or credit amount as the case may be. Indicate the month and the last day of the month in the date column. Show "JE" followed by the number indicated at the top of the journal entry register page in the source column of each line posted in the general ledger. Place a checkmark by

the Journal Entry amount to verify that it has been posted.

5. Leaf through the general ledger after posting all sources and add entries to all modalities across to the "Month Total" column and add activity for the month to the previous month end balance. Record this as the new balance. Note credit balances by indicating "CR" after the balance amount or place the amount in brackets.

6. Add all ending balances in the ledger, adding in credit balances as negative amounts, to verify that all debits equal all credits.

GENERAL LEDGER POSTING

<u>SOURCE</u>	<u>DESIGNATION</u>	<u>DEBIT</u>	<u>CREDIT</u>
Cash Receipts Journal	CR	Cash	Individual Accts. per Recap
Check Register	CD	Individual Expenses per Recap	Cash
In-Kind Register	IK	Individual Expense Accounts	In-Kind Income Account
Journal Entry	JE	Designated Account	Designated Account

DEBITS = CREDITS

XI. EXPENDITURE REPORT

A. Purpose

1. A monthly "Expenditure Report" is issued to report all expenditures made for the month. The report will provide information as to the amount of:

- a. Cost charged to each general ledger account
- b. Cost incurred by each department
- c. The source of the funds expended

This will provide information for internal management of funds and a basis for generating other internal and external reports as needed.

B. Procedure

1. Prepare an "Expenditure Report" per format of Schedule N and N-1, page 81. If the program is on an accrual basis of accounting it must be decided whether it would be of more benefit to prepare this report on a cash or accrual basis. In that a basic purpose for the report is for reporting to funders, this may decide the basis for reporting.

NOTE: If major funding is on a cash reimbursement basis such as IDSA, this report on a cash basis would provide the source for reporting. In this case, the information will be obtained from the general ledger following the posting of the cash receipts journal, cash disbursements journal, and the In-Kind register. If the report is on an accrual basis, the information will be obtained from the general ledger following the complete monthly posting including journal entries.

2. Complete the heading of the report with the report title (Expenditure Report) and month covered.

3. Complete the "Account-Line Item" section by listing each expense account number and name. Also include each position title under the salaries category. Provide a sub-total line following each expense category. Use as many pages as needed.

NOTE: These accounts may be included on a pre-printed schedule and photocopied each month. This will avoid the necessity for manually copying the account name and number information.

4. Complete the "Modality Expenditure" section.

a. Indicate the name of each of the program modalities in a separate column heading of this section.

b. Post the monthly activity for the particular department from the general ledger in the "Month" column. (Cash or accrual basis as appropriate).

c. Total the amount in each of the month columns across to the total-month column.

d. Total each month column down to the "Total" line on the last page of the Expenditure Report. Total each month total across to the total column to verify that it balances.

e. Complete the modality Year-To-Date (YTD) column by adding the amount in the month column to the amount shown in the YTD column of previous months report.

f. Add the amounts on each line of the YTD columns across to the YTD total column and each YTD column down to the total line.

g. Add each modalities month column total to the same modalities YTD column on the prior month report and verify that the sum equals the current month YTD column total.

5. Complete the "Funding Source" section of the Expenditure Report. Based on the distribution of costs per the Funding Source - Operating Budget Worksheet, distribute the months charges by line item.

a. Identify those funding sources providing restricted funds. Of these sources determine which sources pay for specific charges to a line item versus only a portion of any cost charged to that line item.

EXAMPLE: In-Kind income is for a specific item as is CETA funding source for certain positions and cost relating to them. Some grants such as many IDSA contracts are restricted in that they are based on a line item budget but may cover a portion of any charges made to that line item rather than specific charges made to it.

6. Based on the monthly expenditures in the "Modality Expenditure" section, list the cost of those items specifically restricted on the expense line and in the appropriate funding column.

7. Based on the documentation for the distribution of costs, distribute the non-restricted costs for each line item or the balance of each line item (after allocating restricted fund expenditures) to the appropriate funding source. This will normally involve a distribution on one of the following basis:

- (1) all to one funding source,
- (2) a portion to two or more funding sources based on a percentage to each,
- (3) a round amount (example: budget is \$1,200 annual so \$100 month) to one or more sources with the balance to

another source.

c. Complete the matching section across the bottom of the Expenditure Report as follows:

(1) Compute the amount of match required for each funding source.

EXAMPLE: IDSA contract is based on 60% funding/40% match. To determine the 40% match required for the 60% funding of the current month expenditures, divide the month expenditures of \$9,291.67 by 60% to arrive at 100% of the contract. This total contract amount times 40% gives the match requirement of \$6,194.45 ($\$9,291.67 \div .60 = \$15,486.12 \times .40 = \$6,194.45$).

(2) Indicate the total month expenditures on the match line for those funding sources where they are totally budgeted as match.

(3) Deduct the matching items arrived at in (2) above from the total matching requirement arrived at in (1) above, and enter the difference in the source column where the total funding is not required as match for the particular funding source.

EXAMPLE: The budget shows all of City-County and CETA funding required as match for IDSA. Month expenditures charged to these sources are \$3,234.90 and \$1,024.50 respectively, totaling \$4,259.40. The remaining \$1,935.05 required to meet IDSA's monthly match of \$6,194.45 is charged to In-Kind (\$653.53) and the balance of \$1,281.52 to client billings in that only a portion of this funding is budgeted to IDSA match.

(4) Deduct the amount of match used for each funding source from the expenditures (total line) and record the difference in the appropriate column of the "Non-Match" line.

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SCHEDULE
PAGE 1

SCHEDULE N-1
PAGE -2

[illegible]

XII. FUND STATEMENT

A. Purpose

The fund statement maintains a record of cash balances for each funding source included in the total cash balance. Also, it provides a report summarizing the cash activity for each funding source on a monthly basis. It may be used as a management tool in ascertaining and projecting funding needs.

B. Procedure

1. Prepare a "Fund Statement" form (per format of Schedule O, page 84), with the statement title (Fund Statement), and month covered in the heading. List column headings to provide the following information:

a. Description - describe the type of activity including:

- (1) Beginning cash balance
- (2) Receipts
- (3) Total funds available for the month
- (4) Cash disbursements
- (5) Cash balance at the end of the month

b. "Total Cash" column.

c. "Fund Source" section - list each funding source for which funds are segregated in the Funding Source section of the Expenditure Report.

2. Record the cash activity as follows:

a. Beginning Cash Balance - once this reporting system has been established, the beginning balances, in total and each funding source, will be obtained directly from the line "Cash Balance End of Month" on the previous month "Funds Statement."

FUND STATEMENT

December 19 78

DESCRIPTION	FUNDING SOURCE									
	TOTAL CASH	IDSA TREATMENT	CITY-COUNTY	CETA	TITLE XX	CLIENT BILLINGS	DONATIONS	IDSA EDUCATION		
CASH BALANCE BEGINNING OF MONTH	5880.05	5487.15	1234.90	<1145.00>	<575.00>	260.50	298.50	318.40		
ADD - RECEIPTS (PER CASH RECEIPTS JOURNAL)	15459.10	9486.00	2000.00	1145.00	575.00	1353.00	281.00	619.10		
TOTAL FUNDS AVAILABLE	21339.15	14973.15	3234.90	- 0 -	- 0 -	1613.50	579.50	937.50		
LESS - DISBURSEMENTS (PER EXPENDITURE REPORT)	16178.24	9291.67	3234.90	1024.50	525.90	1462.27	167.73	471.27		
CASH BALANCE END OF MONTH	5160.91	5682.08	- 0 -	<1024.50>	<525.90>	151.23	411.77	466.23		

XIII. FINANCIAL ACTIVITY STATEMENT

A. Purpose

Monthly and/or Quarterly Financial Reports must be prepared to meet both internal and external needs. Internal needs include reports for staff management and the Board of Directors as well as the accounting department for the purpose of analysis reports in establishing billing rates, etc. External reports must be prepared for funders, the public and governmental agencies. The type and degree of comprehensiveness of the report must relate to the requirements of area of need for which it is being prepared.

A report which commonly meets the needs of a number of these areas, especially that of the Board of Directors, is the Financial Activity Statement. Management decisions can be made from this report by comparing actual and budgeted activities. These include the need for adjusting spending levels (or program activities resulting in spending levels) emphasis on generating program revenue, and the need for budget revisions.

B. Procedure

The report may be completed on either a monthly basis or only at the end of each quarter; depending on the needs of the program.

1. Preparation of form: (see format Schedule P, page 88).

a. In the heading of the form, indicate the form title (Financial Activity Statement) and the month or three months (if quarter) covered.

b. Prepare a description column headed "account." In this column, make two categories or sub-headings.

(1) The first sub-heading is "Revenue". List each General Ledger income account in this section followed by a "Total

Income" line.

(2) The second section in the Account column is headed "Expenses." List each General Ledger Expense Account in this section or as an alternative, use only category totals. This will make the statement more summarized which may be more appropriate for certain purposes such as presentation to Board of Directors.

EXAMPLE: Occupancy line items would include all accounts in that category of rent, utilities, maintenance, etc.

(3) Provide a "Total Expense" line at the end of the section.

(4) Provide a "Net" line at the bottom of the page. It is suggested that the Income and Expense line items be entered on the master form for duplication at the end of each month (or quarter).

c. The next section of the form is the "Activity - Actual." Under this section indicate two columns: "Quarter" or "Month," as appropriate, and "Year-To-Date."

d. The next column will be headed "Budget."

e. The final column on the form will be headed "Percent Actual of Budget."

2. Utilization of Financial Activity Statement

a. At the end of each month (quarter if appropriate) complete the statement as follows.

(1) Post the monthly (or quarterly) activity and account balance from each of the General Ledger income and expense accounts to the appropriate line. Total each section and deduct the total expenses from the total income for both the month (or quarter) and year-to-date. Indicate the difference on the "Net" line. If

the expenses are greater than the income, indicate the difference in brackets.

(2) Copy each budgeted line item amount from the Operating Budget and indicate on the appropriate line in the "Budget" section.

(3) Compute the percentage that the year-to-date actual income and expense is of the total annual budget. Indicate this percentage on the appropriate line. Compute the percentage of the year that has elapsed and indicate that total in the appropriate line at the top of the form above the "Percent Actual of Budget" column.

EXAMPLE: If the Report is at September 30 and the program is on a July-June fiscal year; September is the third month in the year. $3 \div 12$ months (in the year) = 25%.

b. This report can be completed for the total program or by modality as considered appropriate and useful by the program.

c. As an alternative, if the report is being prepared only on a quarterly basis the actual "Quarter to Date" budget amounts can be shown in the Budget column. These amounts would come from the quarterly distribution of the budget. The percentage would be computed as in 1c above except the "Percent of Year Elapsed" section would not be completed.

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FINANCIAL ACTIVITY STATEMENT

October thru Nov 1978

PERCENT OF YEAR

ELAPSED 50%

ACCOUNT	ACTIVITY - ACTUAL		BUDGET	PERCENT ACTUAL OF BUDGET
	QUARTER	YEAR TO DATE		
REVENUE:				
IDSAs Treatment Contract	29,308	64,570	119,790	51
City of Fair Town	5,000	5,000	10,000	50
IDA	3,400	5,735	10,000	41
In-Kind	2,346	4,891	9,821	50
IDSAs-Education	1,875	4,056	7,500	54
Donations	862	1,592	3,000	53
TOTAL REVENUE	49,557	125,308	220,991	48
EXPENSES:				
Salaries:				
Treatment Director	3,896	7,791	14,839	53
Secretary/Receptionist	1,609	3,218	6,437	50
Counselor - Residential #1	2,822	5,643	11,286	50
Counselor - Outpatient #1	1,500	1,500	7,500	20
CONTRACTUAL SERVICES:				
Medical Director	750	1,500	1,920	78
Audit		1,770	1,500	118
SUPPLIES:				
Food		5,445	12,100	
POSTAGE				
	154	294	540	54
OCCUPANCY				
Utilities	1,090	1,316	2,514	52
TOTAL EXPENSES	59,276	100,147	220,991	48

XIV. IDSA REIMBURSEMENT REQUIREMENTS

A. Policy

IDSA contracts with substance abuse programs (originating with either federal or state funds) include a line item budget listing those costs which will be paid by IDSA under the terms of the contract. These costs will be paid by IDSA only in reimbursement of those costs previously being paid by the program. The contract is therefore termed a "Cost Reimbursement" contract. These costs plus costs designated as matching funds under the contract must be reported to IDSA for reimbursement.

B. Procedure

IDSA contracts with local substance abuse programs may or may not require that the program provide local matching funds (relating to IDSA requirements in fulfilling contracts and obtaining these funds from various federal or state governmental agencies). When local matching funds are required, expenditures made with these funds must also be reported to IDSA as a prerequisite for payment.

1. Claims for reimbursement under the IDSA contract are made by completing a "Contract Reimbursement Request" form per Schedule R, page 98 which must be supported by an "IDSA Contract Expenditures Report."

a. Programs with contracts requiring matching funds are required to report the expenditure of those funds as well as IDSA Funds on the IDSA Contract Expenditure Report, Schedule Q-1, see page 96. This report is completed as follows:

(1) Show the report title "IDSA Contract Expenditure Report" and the month of the report in the heading.

(2) In the "Account-Line Item Name" column, list each account name as included in the IDSA contracts. This will normally include an itemization of salary positions and subtotals after each section. Use as many pages as necessary.

(3) Indicate in the appropriate column, Match Cash, Match In-Kind, IDSA, and total in the "Annual Budget section, the budgeted funds per the IDSA contract.

NOTE: Steps (2) and (3) can be entered on the forms master copy and duplicated monthly.

(4) Complete the "Month Expenditure" section by referring to the program Expenditure Report and posting the costs from the Fund Source section on the appropriate line item and column.

(a) IDSA costs will be posted from the IDSA column of the report by line item.

(b) Refer to the "Matching" section of the Funding Source Program Operating Budget. Note those funding sources providing cash match to the IDSA Contract. Total the month's expenditures to the appropriate column and line items of the IDSA Contract Expenditure Report.

(c) Total each column in this section. Note that the IDSA column total dropped to the "Reimbursement Request" line.

(5) Complete the Year-To-Date Expenditure section of the report. Add the amounts for each column and line item from the previous months report to the relating column and line item amount of the Month Expenditure section. Indicate the total in the appropriate column and line item of this section. Total these

columns down and across to verify that they equal.

(6) Compute the percentage information across the bottom of the form.

(a) Percentage of period total - the total column of each section (Annual Budget, Month Expenditures, and Year-To-Date Expenditures) will represent 100%. Enter 100% on this line under the column totals. Compute the percentage that totals in each funding column (Match, Cash, Match In-Kind and IDSA) represents of the total column.

(b) Percentage of budget expended - the total of each fund source column (Match Cash, Match In-Kind and IDSA and total) listed under the Annual Budget section represents 100%. Enter the 100% on the second line under the total of each of these columns. Compute the percentage that the corresponding column total under the "Month Expenditure" and "Year-To-Date Expenditure" section represent of the column total under the "Annual Budget" section.

b. Programs with contracts not requiring matching funds are required to report those monthly expenditures covered by the IDSA contract on the IDSA Contract Expenditure Report Schedule Q-2. (Example, page 97.)

The report is completed as follows:

(1) Complete the heading with the month of the report.

(2) In the "Account-Line Item Name" column, list each account name as included in the IDSA contract. This will normally include an itemization of salary positions and subtotals after each section. Use as many pages as necessary.

The form must be signed by the Director and/or Fiscal Officer.

d. At the end of each month, mail the following reports to IDSA to request reimbursement for expenditures under the IDSA contract:

(1) Contract Reimbursement Request (2 copies with original signatures).

(2) IDAA Contract Financial Report (2 copies).

2. At the end of each fiscal quarter the total program revenue and expenses for that quarter and accumulated revenue and expense activity for the fiscal year must be reported to IDSA per the contract agreement. This requirement is fulfilled with the completion of the "Quarterly Financial Activity Report", IDSA Schedule S, (Example: page 99). This form will be provided by IDSA and completed as follows:

a. Complete the first section of page one (items 1-4) by indicating the program's name, address and telephone number, the beginning and ending date of project fiscal year, and the ending date of the fiscal quarter for which the report is being prepared. The report may be completed on a cash or accrual basis as consistent with the agency records. This indication must be made as item 4 of the report.

b. The second section of the report (item 5) is completed with an indication of the name and signature of the fiscal director, the project executive director, and the chairperson or president of the Board of Directors.

c. The third section (item 6) is a report of the total agency's revenue. The report will carry the names and budgeted amounts of each revenue line item per the grant application for the

date for each class. These totals may most appropriately be obtained from the Personnel Employment Record. Total the quarterly and year-to-date columns and tie these totals to the salary line item of the Expenditure Report (Page 2, Item 7).

The Quarterly Financial Activity Report is due in the IDSA office by the 20th of the month following the end of the quarter.

IDSA CONTRACT EXPENDITURE REPORT

DECEMBER 19 78

SCHEDULE G-1

6/78

ACCOUNT LINE ITEM NAME	ANNUAL BUDGET				MONTH EXPENDITURES				Y.T.D. EXPENDITURES			
	MATCH CASH	MATCH IN-KIND	IDSA	TOTAL	MATCH CASH	MATCH IN-KIND	IDSA	TOTAL	MATCH CASH	MATCH IN-KIND	IDSA	TOTAL
Salaries - Administrative												
Program Director	6,026		12,000	18,026	386.00		1000.00	1386.00	1958.01		6,000.00	7958.01
Residential Director	5,653		9,000	14,653	510.00		750.00	1260.00	2686.68		4,500.00	7,186.68
Janitor	6,000			6,000	500.00			500.00	3000.00			3000.00
Total Salaries	57,102		76,060	133,162	1,695.42		5949.96	7045.38	10,035.00		30,954.00	40,989.00
Personnel Benefits												
FICA	3,435		4,601	8,036	128.04		325.00	447.04	597.10		1,839.10	2,426.10
Workmans Compensation			60	60							60.00	60.00
Unemployment	773		900	1,673					72.00		120.00	192.00
Health Insurance	3,276			3,276	276.00			276.00	1550.00			1550.00
Food			8,400	12,150	202.40		200.00	402.40	1,632.00		4,200.00	5,832.00
Subscriptions & Publications			45	45			5.00	5.00			5.00	5.00
TOTAL	70,039	9,821	119,790	119,650	5540.92	653.53		15486.12	34367.94	4891.00	58,888.41	98,147.35
REIMBURSEMENT REQUEST								7291.67				

PERCENTAGE OF PERIOD TOTAL	35.1	4.9	60.0	100%	35.8%	4.2%	60.0%	100%	35.0%	5.0%	60.0%	100%
PERCENTAGE OF BUDGET EXPENDED	100%	100%	100%	100%	7.9%	6.6%	7.8%	7.8%	49.1	49.8%	49.1%	49.2%

IDA CONTRACT EXPENDITURE REPORT

December

19 78

SCHEDULE: Q-2

ACCOUNT LINE ITEM NAME	ANNUAL BUDGET	MONTH EXPENDITURES	Y.T.D. EXPENDITURES
Salaries - Administrative			
Program Director	12,000.00	1,000.00	6,000.00
Residential Director	9,000.00	750.00	4,500.00
Secretary/Receptionist	6,437.00	530.00	3,180.00
TOTAL SALARIES	76,060.00	5,349.96	30,954.00
Personnel Benefits			
FICA	4,601.00	325.00	1,829.10
Workmans Compensation	60.00		60.00
Unemployment	900.00		120.00
TOTAL BENEFITS			
Food	8,400.00	200.00	4,200.00
Subscriptions & Publications	45.00	5.00	5.00
TOTAL	119,790.00		58,888.41

REIMBURSEMENT REQUEST

PERCENTAGE OF BUDGET EXPENDED:

MONTH 6.1 Y.T.D. 35.3

6/78

Straple
Invoices
or
Receipts
Here

IN ACCOUNT WITH
THE STATE OF IOWA

Date

Mid-Iowa Substance Abuse

Claimant's Name and Address

Center

REPORT FOR MONTH/YEAR OF:

December, 1978

CONTRACT PERIOD:

7/1/78 - 6/30/79

PROJECT TITLE:

Treatment Services

CLAIMANT'S CERTIFICATION

*On behalf of the applicant listed above,
we do certify that the items for which
payment is claimed were furnished for the
Substance Abuse Program business under the
authority of the law and contract entered
into with the Iowa Dept. of Substance
Abuse and that the charges are reasonable,
proper, and correct, and no part of this
claim has been paid.*

Robert Wheeler 1-4-79
FISCAL OFFICER DATE

Larry Miller 1-5-79
PROJECT DIRECTOR DATE

AMOUNT OF REIMBURSEMENT REQUEST:

\$ 7,291.67

*(The above amount should be the budget total for IDSA
funds expended this month on the financial statement)*

FINANCIAL STATEMENT (see attached statement)

Mail two copies of completed forms to:

Iowa Department of Substance Abuse
Suite 202, Insurance Exchange Bldg.
505 Fifth Avenue
Des Moines, Iowa 50319

AGENCY'S CERTIFICATION

I hereby certify that the above expenses were incurred and
the amounts are correct and should be paid from the funds
appropriated by:

Code Sec. ☐ OR Chapter Sec. Gen. Asm.

Authorized Signature

Voucher 1 A
4CD

Claim No.

Date Allowed

Date Paid

Audited By

Warrant No.

Amount Claimed

(Type In)

Amount Allowed

\$

\$

Name of Claimant (type in)

Mid-Iowa Subst. Abuse Ctr.
1200 Linden Lane
Allentown, Iowa 51111

Department

Department of Substance Abuse

Control Account Number

3-81-8-494-730

Allocation
Code No.

Expenditure
Code No.

Cost
Center No.

Amount

3501

2779

2112

\$

FOR OFFICE USE ONLY - DO NOT WRITE TO THE RIGHT OF THIS SPACE



Total

\$

(DO NOT WRITE IN THIS SPACE)

Send to:

Iowa Department of Substance Abuse
Suite 202, Insurance Exchange Building
505 Fifth Avenue
Des Moines, Iowa 50319
(515) 281-3641
by 45 days after report date

SEMI-ANNUAL FINANCIAL

ACTIVITY REPORT

1. Applicant: legal name, address, and telephone)
Mid-Iowa Substance Abuse Center
1200 Linden Lane
Allentown, Iowa 51111
2. Project Fiscal Period:
7/1/78 - 6/30/79
3. Report Date: (check one)
☒ December 31, 1978 (6 mo.)
☐ June 30, 19__ (12 mo.)
4. Accounting Basis: (check one)
Cash ☒ Accrual ☐

5. I hereby affirm that the information contained in this report does, to the best of my knowledge, represent the total revenue and expenditures for the program and period specified.

FISCAL OFFICER:

PROJECT DIRECTOR:

Signature

Signature

BOARD OF DIRECTORS CHAIRPERSON
OR PRESIDENT:

January 30, 1979

Date

Signature

6. Revenue Report(Use only the categories provided. Group all unspecified sources in "Other"and provide detail on page two)

	ANNUAL BUDGET	YEAR-TO-DATE REVENUE	YTD PERCENT OF BUDGET
Department of Substance Abuse.....	119,720	55,280	43
State-wide Service Grant			
NIAAA (Direct)			
CETA or PSECETA.....	14,120	1,695	12
Other State (Identify) ..			
Other Federal (Identify) ..			
City Government (Detail in part 7).....	5,000	700	14
County Government (Detail in part 8).....	32,000	13,650	43
Client Fees	21,600	10,125	47
Insurance.....			
Food Stamps			
Other Third Party			
United Way			
In-kind Contributions	9,821	5,050	51
Other Donations	3,000	-0-	-0-
Carry-over Funds			
Other (Detail in part 9)	8,160	3,390	42
TOTAL	220,991	89,890	41

7. Detail of City Government Revenue:

<u>Name of City</u>	<u>Year-to-date Revenue</u>
Joysville	300
Albiontown	-0-
Greenville	400
Total City	700

8. Detail of County Revenue:

<u>Name of County</u>	
Jones	8,720
Washington	2,450
Wilson	980
Brown	1,250
Franklin	250
Total County	13,650

9. Detail of Other Revenue:

<u>Source</u>	
Title XX	3,390
Total Other	3,390

10. Expenditure Report - Total Program:

(Note: Program's internal financial report may be substituted for this section if all of the following information is provided)

Expense Classification	Annual Budget	YTD Expense	% of Budget
Salaries (Itemize in part 11 below).	133,162	62,762	47
Personnel Benefits.....	20,163	9,380	47
Contracted Services.....	11,950	6,445	54
Travel.....	16,176	8,855	55
Supplies.....	575	355	62
Telephone.....	2,770	1,145	41
Space Costs.....	22,550	10,340	46
Equipment.....	425	425	100
Insurance.....	725	725	100
Training and Education.....	395	-0-	-0-
Other.....	12,100	6,170	51
Total Expense.....	220,991	106,602	48

11. Salary Detail: (the total of the "IDSA Share" and/or "SWSG Share" columns must equal the YTD salary reimbursement under the state or SWSG contracts. Attach one copy each of the two quarterly federal 941 forms applicable to the six month period covered by this report. The total of salaries paid per the Form 941's should equal the total of the "Total Program" column below.)

Position/Last Name	Total Program	IDSA Share		NIDA Share	
		%	Amount	%	Amount
Director	9,014	67	6,000		
Accountant	5,500	82	4,500		
Data Coordinator	5,000	25	2,500		
Secretary	3,500	90	3,150		
Treatment Director	6,248	50	3,124		
Counselor A - O.P.	4,800	90	4,320		
B	4,800	90	4,320		
C	4,800				
Counselor-Resid. A	6,367	70	4,457		
B	6,367	70	4,457		
C	6,366				
Total from supplemental pages - if needed					
Total.....	62,762		36,828		

XV. BUDGET REVISION

A. Policy

The budget should be reviewed approximately quarterly in relationship to actual financial activity in an attempt to ascertain the degree of variance that is developing between the two. If significant variances within any line item of the budget (revenue or expense) develop, the decision will need to be made as to whether adjustments in program activities can or should be made to bring the actual activity in line with that budgeted. If it is decided that a change in the financial plan (the budget) is appropriate, a formal budget revision must be made and approved by the staff and Board of Directors.

B. Procedure

At the end of each quarter (or other period of time considered appropriate) the Financial Activity Statement should be reviewed in detail noting those line items (both income and expenses) which are significantly in variance to the budget. These variances must be analyzed in an attempt to determine if these variances can or will be brought in line later in the fiscal year or if a change in the financial plan (budget) should be made.

1. If changes in the budget are considered appropriate by the financial management staff and the executive director, a "Budget Revision Workpaper" per Schedule T, page 106 should be completed for those line items requiring revision. Complete the workpaper as follows for total program or by modality.

- a. Complete the heading of the report with the date of revision.

b. List those line items in the "account" column which are being proposed for revision.

c. In the "Basis for Revision" column, indicate the reason for revision and/or the new basis for the budgeted amount.

d. List the budgeted amount for the line item from the appropriate modality column of the operating budget.

e. Indicate the proposed budget amount for the particular line item in the final column of the report.

f. Subtract the current amount from the proposed amount for each line item and indicate the difference in the "Revision" column with decreases in the budgeted amount being put in brackets.

g. Add each of the amount columns down to the "Total" line and verify that the current amount plus or minus the revision equals the proposed amount.

h. The person preparing the worksheet should sign or initial the "Prepared by" line at the bottom of the form.

2. The Program Operating Budget must be revised to reflect the proposed budget revisions for those line items being changed. Prepare an Operating Budget Worksheet to redistribute those line items by quarter, Modality and Funding Source. On a copy of the previously approved budget (be certain to maintain the original as approved), make the changes per the worksheets.

3. Submit the "Budget Revision Workpaper" and revised copy of the "Program Operating Budget" to the Director and Board of Directors for approval. This approval must be documented on the bottom of the Budget Revision Workpaper, in the "approved" section.

4. At such time that the board of directors approve a Program Operating Budget revision, those items affecting the IDSA

contract budget must also be approved by IDSA to generate a contract revision. The approval for the revision is obtained through the completion of an IDSA "Contract Budget Revision Request" form per Schedule U, page 107.

NOTE: A variance of 10% up to \$100 between actual reimbursed expenditure and the IDSA contracted budget is allowable for any line item under the IDSA contract without a budget revision. This applies to both IDSA and matching funds. These variances must be compensated for between line items with the total contract amount remaining the same.

The Contract budget Revision Request is completed as follows:

1. Indicate the program's name, address and phone number in the "Applicant" section.
2. If the contract covers a particular program within the agency, indicate that name in the "Project Title" section. If this is not a separate program within the agency, indicate "Same."
3. Indicate the beginning and ending dates of the contract period.
4. Complete section I, "Budget Line Item Revision Requested," section by listing each line item, per the contract, which is being requested for revision in the "Budget Line Item Description" section. Indicate the previously approved amount in the "Approved Amount" section in the appropriate column. Those contracts not requiring matching funds can leave the Cash Match and the In-Kind Match columns blank and complete only the IDSA column.
5. Indicate the requested changes, for the appropriate line item and each of the columns as necessary, in the "Amount of Change Requested" column. Indicate decreases in budget amounts in brackets.

6. Add the requested change amounts (subtract if in brackets) to the line item amount in the Approved Amounts section and record the total in the New Requested Total section under the appropriate column and across from the appropriate line item.

7. Total each column down and verify that the amounts in the Approved Amount section plus or minus the amounts in the Amount of Change Request section equal the amount in the New Requested Total section.

8. In the Narrative Revision Requested (section II) indicate in narrative the reason for the change needed for each line item. As indicated at the bottom of the form, attach additional sheets where needed and send two (originals) signed copies to IDSA. The signature should be that of the director which is indicated in the top section of the form in the right-hand column.

IDSA staff will review the request for revision and indicate approval, disapproval, or indicate what further information is required for processing the form. Upon return of the form from IDSA carrying the signature of an appropriate IDSA staff member, this form will constitute a formal contract revision.

BUDGET REVISION WORKPAPER

ACCOUNT	BASIS FOR REVISION	CURRENT AMOUNT	REVISION INCREASE (DECREASE)	PROPOSED- AMOUNT
SALARIES-				
Treatment Director	\$750 increase approved by Board	\$14,833	750	\$15,583
Counselor-O.P.#4	New hire - started 2 months later than budgeted	7,500	(1,500)	6,000
CONTRACTED SERVICES				
Medical Director	Using 5 hrs/mo. @ \$40 - budgeted 4 hrs. @ 40	1,920	480	2,400
Audit	Actual cost \$270 over estimate	1,500	270	1,770
TOTAL		\$25,753	- 0 -	\$25,753

Prepared by _____

Approval:
Director _____
Board _____

Iowa Dept. of Substance Abuse
418 - 6TH AVENUE
LIBERTY BLDG. SUITE 230
DES MOINES, IOWA
(515) 281-3641

-107-

CONTRACT BUDGET REVISION REQUEST

SCHEDULE 22

APPLICANT: (NAME, MAILING ADDRESS, TELEPHONE) Mid-Iowa Substance Abuse Center 1200 Linden Lane Allentown, Iowa 51111 (322) 783-2479	PROJECT TITLE: Treatment Services
	PROJECT PERIOD: 7/1/78 - 6/30/79
	SIGNATURE OF PROJECT DIRECTOR & DATE: <i>Larry Miller</i> 12/5/78

I. BUDGET LINE ITEM REVISION REQUESTED:

ITEM NO.	BUDGET LINE ITEM DESCRIPTION	APPROVED AMOUNT			AMT. OF CHANGE REQUEST			NEW REQUESTED TOTAL		
		CASH MATCH	IN-KIND MATCH	IDSA	CASH MATCH	IN-KIND MATCH	IDSA	CASH MATCH	IN-KIND MATCH	IDSA
1	SALARIES:									
2	Treatment Director			14,833			750			15,583
3	Counselor	1,875		5,625	(375)		(1125)	1,500		4,500
4										
5	LEGAL SERVICES:									
6	Medical Director	960		960	240		240	1,200		1,200
7	Audit	750		750	135		135	885		885
8										
9										
10										
	TOTAL	3,585		22,168	-0-		-0-	3,585		22,168

II. NARRATIVE REVISION REQUESTED (OR BUDGET REVISION EXPLANATION)

1	
2	Meritorious increase voted by Board for Treatment Director - \$750.00
3	New hire started 2 months later than planned.
4	
5	
6	Medical director being used 5 hrs/month - 1 hr/mo. over budget A \$40.00 hour
7	Audit cost \$270.00 more than anticipated.
8	
9	
10	

III. PROJECT FUNDING SUMMARY AFTER REVISION - ATTACH PROPOSED BUDGET FOLLOWING REVISION

IV. APPROVAL

☐ APPROVED ☐ DISAPPROVED ☐ FURTHER INFORMATION
REQUIRED*

*EXPLANATION ATTACHED

AUTHORIZED SIGNATURE

ATTACH ADDITIONAL SHEETS WHERE NEEDED
COMPLETE AND SEND TWO SIGNED COPIES TO IDAA.

XVI. CLOSING OF BOOKS

A. Purpose

Income and expense activities are accumulated in the accounting records for the current fiscal period only. At the end of this period, the activity must be summarized and transferred from the General Ledger Income and Expense Accounts to the permanent "Reserve" account.

B. Procedure

Following the completion of the accounting activities for the final month of the fiscal year (balancing of the general ledger), steps are to be taken to "close the books" for the period.

NOTE: If the agency is on a "cash basis of accounting" through the year and adjust to "accrual" at the year end only; the accrual entries (refer to section IX) must be made prior to the closing of the books.

Steps to be taken are as follows:

1. Review the balance sheet accounts to verify and provide documentation of the balances being accurate. This would include the following:

- a. Compare the general ledger cash balances to the bank reconciliation.

- b. Verify that the petty cash held plus unreimbursed receipts total the general ledger "Petty Cash" account total.

- c. Prepare a list of all accounts receivable and accounts payable showing the total equal to that of the respective general ledger accounts. Documentation should include invoices or accounts receivable/payable subsidiary ledger.

d. Compute that portion of prepaid costs that have not been utilized (amount applicable from the beginning of the fiscal year to the renewal date) and compare to the General Ledger accounts.

e. Itemize any significant inventories to be recorded on the books and compare to the General Ledger Account.

f. Add the depreciation for those items purchased throughout the year to the depreciation for those items previously computed (per the Lapsing Schedule, referred to in Section V) and verify that the total of Reserve for Depreciation accounts are accurate.

2. Close all General Ledger Expense accounts to the Reserve account.

a. Prepare and post a journal entry crediting each individual General Ledger Expense account for the amount of the account balance and debiting the Reserve account for the total of the individual expense accounts. Following the posting of this journal entry, the new balance for each expense account will be -0-.

b. Draw a double line across all columns of each expense general ledger page just below the last entry to designate that it has been closed for the fiscal period.

3. Close the "Income" accounts to the reserve account.

a. Prepare a journal entry with a debit to each of General Ledger Income accounts and a credit to the Reserve account for the balance of the individual income accounts. Following the posting of this entry, the total of each individual income account will be -0-.

b. Double rule each of the income accounts as indicated in 2-a above.

4. Total the General Ledger Reserve account and verify that the total general ledger (includes only Balance Sheet accounts at this point) is in balance with Debits equaling Credits.

A P P E N D I X

6178

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PROGRAM OPERATING BUDGET

SCHEDULE 8

- THROUGH

[illegible]

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CHECK NUMBER

PROJECT NAME _____

VENDOR NAME _____

INVOICE DATE

VENDOR ADDRESS _____
(If not on support)

DUE DATE

PAYMENT DATE

[illegible]

PAYMENT APPROVED

RECEIVED

PURCHASE APPROV.

CLERICAL CHECK

19

SCHEDULE E

6178

[illegible]

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PERSONNEL EMPLOYMENT RECORD

SCHEDULE G

NAME _____

S.S. No. _____ SIX MONTH PERIOD ENDING _____

ADDRESS _____

MARITAL STATUS _____ IN CASE OF EMERGENCY

PHONE _____

NO. EXEMPTIONS _____ NOTIFY _____ RELATIONSHIP _____

POSITION _____

DATE HIRED _____ PHONE _____

[illegible]

NOTES _____

CIRCLE QUARTER

1ST

3RD

[illegible]

CIRCLE QUARTER 2ND

4TH

[illegible]

EMPLOYEE TIME SHEET

SCHEDULE H

EMPLOYEE NAME _____

PERIOD ENDING _____

6/78

DATE																			
DAY																			
TIME IN																			
TIME OUT																			
TIME IN																			
TIME OUT																			
TIME IN																			
TIME OUT																			
*TOTAL HOURS WORKED																			
WORK DESCRIPTION	ACCT.																		
TOTAL HOURS WORKED																			
NON-WORKED HOURS -VACATION																			
-HOLIDAY																			
-SICK																			
-OTHER																			
TOTAL HOURS ACCOUNTED FOR																			
REGULAR HOURS																			
OVERTIME HOURS																			

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REMARKS: _____

EMPLOYEES SIGNATURE

SUPERVISOR'S SIGNATURE

-122-
PETTY CASH VOUCHER

SCHEDULE J

DATE: _____

DISBURSEMENT FOR: _____

PAID TO: _____ **AMOUNT:** _____

CHARGES

SIGNED:

<u>ACCOUNT</u>	<u>AMOUNT</u>
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL	_____

RECIPIENT
OF CASH: _____

PETTY CASH
CUSTODIAN: _____

6/78

19

PAGE 1

19

6/78

TOTAL

NON MATCH

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FUNDING SOURCE

[illegible]

FUND STATEMENT

19

DESCRIPTION	TOTAL CASH	FUNDING SOURCE								
CASH BALANCE BEGINNING OF MONTH										
ADD – RECEIPTS (PER CASH RECEIPTS JOURNAL)										
TOTAL FUNDS AVAILABLE										
LESS – DISBURSEMENTS (PER EXPENDITURE REPORT)										
CASH BALANCE END OF MONTH										

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- 12

6178

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PERCENTAGE OF PERIOD TOTAL				100%				100%				100%
PERCENTAGE OF BUDGET EXPENDED	100%	100%	100%	100%								

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IDSA CONTRACT
EXPENDITURE REPORT

schedule Q-2

19

ACCOUNT LINE ITEM NAME	ANNUAL BUDGET	MONTH EXPENDITURES	Y.T.D. EXPENDITURES
TOTAL			

REIMBURSEMENT REQUEST

PERCENTAGE OF BUDGET EXPENDED:

Month _____ Y.T.D. _____

State of Iowa
Department of Substance Abuse
Suite 230, Liberty Building
418 Sixth Avenue
Des Moines, Iowa 50319
(515) 281-3641

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SCHEDULE S

QUARTERLY FINANCIAL ACTIVITY REPORT

<p>1. Applicant: (legal name, address, and telephone)</p> <p>4. Specify Basis: Cash <input type="checkbox"/> Accrual <input type="checkbox"/></p>	<p>2. Project Fiscal Period</p> <p>3. Ending Date of Fiscal Quarter</p> <p>5. I hereby affirm that the information contained in this report does, to the best of my knowledge, represent the total Revenue and Expenditures for the program and period specified.</p> <p style="text-align: right;">FISCAL DIRECTOR:</p> <p style="text-align: right;">Name _____</p> <p style="text-align: right;">Signature _____</p> <p>PROJECT EXECUTIVE DIRECTOR:</p> <p>Name _____</p> <p>Signature _____</p> <p style="text-align: right;">BOARD OF DIRECTORS CHAIR- PERSON OR PRESIDENT:</p> <p style="text-align: right;">Name _____</p> <p style="text-align: right;">Signature _____</p>																																																																				
<p>6. REVENUE REPORT:</p> <table style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 45%;"></th><th style="width: 15%; text-align: center;"><u>ANNUAL BUDGET</u></th><th style="width: 15%; text-align: center;"><u>QUARTERLY REVENUE</u></th><th style="width: 25%; text-align: center;"><u>YEAR-TO-DATE REVENUE</u></th></tr></thead><tbody><tr><td>Dept. of Substance Abuse</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>City Government</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>(Itemize on attached)</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>NIAAA STAFFING-NIDA</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Poverty Grants</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>State/Federal-Not IDSA</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Insurance</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Carry-over Funds</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>County Government</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>(Itemize on attached)</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>In-Kind</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Food Stamps</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Title XX (75%)</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>Other</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td> </td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>TOTAL REVENUE</td><td style="border-top: 1px solid black;">_____</td><td style="border-top: 1px solid black;">_____</td><td style="border-top: 1px solid black;">_____</td></tr></tbody></table>			<u>ANNUAL BUDGET</u>	<u>QUARTERLY REVENUE</u>	<u>YEAR-TO-DATE REVENUE</u>	Dept. of Substance Abuse	_____	_____	_____	City Government	_____	_____	_____	(Itemize on attached)	_____	_____	_____	NIAAA STAFFING-NIDA	_____	_____	_____	Poverty Grants	_____	_____	_____	State/Federal-Not IDSA	_____	_____	_____	Insurance	_____	_____	_____	Carry-over Funds	_____	_____	_____	County Government	_____	_____	_____	(Itemize on attached)	_____	_____	_____	In-Kind	_____	_____	_____	Food Stamps	_____	_____	_____	Title XX (75%)	_____	_____	_____	Other	_____	_____	_____		_____	_____	_____	TOTAL REVENUE	_____	_____	_____
	<u>ANNUAL BUDGET</u>	<u>QUARTERLY REVENUE</u>	<u>YEAR-TO-DATE REVENUE</u>																																																																		
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Other	_____	_____	_____																																																																		
	_____	_____	_____																																																																		
TOTAL REVENUE	_____	_____	_____																																																																		

7. EXPENDITURE REPORT
Description

Annual
Budget

Quarterly
Expenditures

Year-to-Date
Expenditures

Salaries: (itemize on
attached)

TOTAL SALARIES

Personnel Benefits:

F.I.C.A.

Workmans Comp.

Unemployment

Insurance

Retirement

Other

TOTAL BENEFITS

Contract services, (detox
professional services,
equip. leases, etc.) List
by type or individual

TOTAL SERVICES

Travel:

In-State

Out-of-State

TOTAL TRAVEL

Office Supplies

Telephone

Space Costs (attach
description)

Utilities

Food

Equipment

Insurance

Training

Other (itemize)

TOTAL OTHER

TOTAL EXPENDITURES

<u>Name of City</u>	<u>Quarter</u>	<u>Year-to-date</u>
TOTAL CITY		

[illegible][illegible]

4172

1. *Chlorophyll a* (Chl *a*)

Approval:
Director _____
Board

Iowa Dept. of Substance Abuse
418 -- 6TH AVENUE
LIBERTY BLDG. SUITE 230
DES MOINES, IOWA
(515) 281-3641

-137-

CONTRACT BUDGET REVISION REQUEST

SCHEDULE H

APPLICANT: (NAME, MAILING ADDRESS, TELEPHONE)	PROJECT TITLE:
	PROJECT PERIOD:
	SIGNATURE OF PROJECT DIRECTOR & DATE:

I. BUDGET LINE ITEM REVISION REQUESTED:

ITEM NO.	BUDGET LINE ITEM DESCRIPTION	APPROVED AMOUNT			AMT. OF CHANGE REQUEST			NEW REQUESTED TOTAL		
		CASH MATCH	IN-KIND MATCH	IDSA	CASH MATCH	IN-KIND MATCH	IDSA	CASH MATCH	IN-KIND MATCH	IDSA
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
	TOTAL									

II. NARRATIVE REVISION REQUESTED (OR BUDGET REVISION EXPLANATION)

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

III. PROJECT FUNDING SUMMARY AFTER REVISION -- ATTACH PROPOSED BUDGET FOLLOWING REVISION

IV. APPROVAL

☐ APPROVED ☐ DISAPPROVED ☐ FURTHER INFORMATION
REQUIRED*

*EXPLANATION ATTACHED

AUTHORIZED SIGNATURE

ATTACH ADDITIONAL SHEETS WHERE NEEDED
COMPLETE AND SEND TWO SIGNED COPIES TO IDSA.