



General Accounting Procedures



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I. GENERAL ACCOUNTING

The overriding principle of ABLED Inc.'s accounting system is that the Generally Accepted Accounting Principles will be followed at all times.

A. Bond

ABLED, Inc. employees shall be covered by a commercial blanket employee dishonesty bond of \$100,000, and key employees are covered for \$1,000,000.

B. Financial Reports

The Accounting Staff will prepare detailed financial reports using Accounting Software. This includes balance sheets, cash flow statements, and income statements. Reports will be periodically prepared for reporting to State and Federal government entities as required. The Accounting Software will also enable the ready accountability of all funding sources.

ABLED, Inc. financial records shall be audited at least annually by an outside firm of Certified Public Accountants. The CPA will report audit findings to the executive staff to investigate. The results of the investigation will be reported to the Board of Directors along with the audit findings at the first Board Meeting after the completion of the audit. The Board will ensure any required corrective action is taken immediately.

In accordance with Neb. Rev. Stat. 83-1218, the CEO will report annually the expenditure of funds and the evaluation of specialized services rendered during the preceding year to the Director of the Division of Developmental Disabilities.

C. Audits

ABLED, Inc. may be subjected to special audits including review of client personal funds records. The findings of these audits will be reported to the Board at their next meeting. The Board will ensure any required corrective action is taken immediately. The annual audit must include a review of the following items:

1. Receipts and disbursements.
2. Cash control procedures.
3. Income statement, balance sheet, source and use of funds statement.
4. Lease agreements or mortgages.
5. Cash balance on hand at the beginning and at the end of the fiscal year.
6. Written communications received from an auditor related to the internal control over financial reporting requirements.
7. Communication with those charged with governance, including those in compliance with or related to Statement of Auditing Standards (SAS) 112 Communicating Internal Control related Matters Identified in an Audit and SAS 114 The Auditor's Communication with Those Charged with Governance.



D. Income

All in-coming funds will initially be accounted for by the Accounting Staff. ABLED, Inc. will have all incoming funds direct deposited into a financial institution account. ABLED, Inc. will use Accounting Software to track deposits and produce all necessary Accounting reports.

All paper checks shall be restrictively endorsed "For Deposit Only" when they are received.

Cash and paper checks must be kept in locked storage until a deposit can be made

II. CASH RECEIPTS

Whenever possible, incoming funds will be direct deposited or automatically withdrawn into the financial institution account. There will be no ABLED, Inc. business conducted with cash other than small amounts from petty cash.

III. CASH DISBURSEMENTS

Most Disbursements will be done using automated bill pay or through ACH withdrawals. A small supply of checks will be kept in the main office which will be printed and tracked through the Accounting Software. No checks shall be made payable to "Cash" except to replenish the petty cash account.

IV. CASH DISBURSEMENTS - PETTY CASH

Small purchases, usually less than \$25.00, may be made using petty cash funds. Petty cash funds shall not exceed \$100.00 without approval of the Chief Executive Officer or Chief Operations Officer or their delegates.

V. BANK RECONCILIATIONS

Bank (financial institution) reconciliations will be performed at least once a week using the Accounting Software. The Accounting Staff will ensure that the balance in the software matches the balance at the financial institution. All discrepancies will be reviewed and resolved. Any discrepancy that is not resolved must be reported to the Chief Executive Officer. If the amount is material, it must be reported at the next meeting of the Board of Directors.

VI. PURCHASING

All purchases over \$10,000 (\$20,000 for vehicles & \$35,000 for wheelchair vehicles) must be approved by the Governing Board.

All purchases over \$5,000 must be approved by a member of the Chief Executive Officer.

All purchases over \$500 shall be approved by the appropriate member of the executive staff.

Operating supplies and food in residences: Normally recurring purchases of food and minor operating supplies in the residence may be purchased by residential staff.



All employees shall take all available discounts on every purchase.

ABLED, Inc. will utilize debit and credit cards including gasoline credit cards.

Incoming merchandise will be compared with orders to determine if the merchandise received is the same as that ordered, and to verify the prices paid.

VII. ACCOUNTS RECEIVABLE AND SALES

All accounts receivable are tracked using the Accounting Software.

VIII. ACCOUNTS PAYABLE

All accounts payable are tracked using the Accounting Software. The Accounting Staff will control the accounts under the direction of the Chief Executive Officer.

IX. PAYROLL

Pay of employees will be determined based on a pay scale approved by the Board of Directors. Any variance above or below the scale will need Board approval.

Employees/subcontractors are responsible for submitting their daily or hourly attendance on Therap. ABLED will pay employees/subcontractors based on their contracts and Therap Attendance records.

Deductions will be made for all items as required by law and for benefits approved by the Board.

Payroll records are retained according to the ABLED, Inc. Record Retention Requirements (see page 4).

Overtime will be paid in accordance with currently existing Wage laws.

ABLED, Inc. prepares monthly payroll based on Therap Attendance. ABLED tries to have all funds direct deposited by the fifth business day of the month. Actual payday can vary due to circumstances beyond ABLED's control.

X. INVESTMENTS

All ABLED, Inc. funds will be held at federally insured financial institutions. The cash balances will be monitored using ABLED, Inc.'s Accounting Software by the Accounting Staff under the direction of the Chief Executive Officer. All accounts shall show ABLED, Inc. as the account holder.

XI. FIXED ASSETS

Items costing more than \$5,000 and having a use life of over one year are considered fixed assets. This definition would include leasehold improvements. All Fixed Assets will be tracked using the Accounting Software by the Accounting Staff under the direction of the Chief Executive Officer.



XII. MANAGEMENT OF PERSONAL FUNDS

ABLED, Inc. may exercise control over personal funds or serve as payee if the individual is not capable of managing his/her funds or income. ABLED, Inc. may agree to serve as payee for personal funds if parents or legal guardians of the individual are not available and able to serve as payee, and the individual supported wishes for them to do so.

A fiduciary relationship exists between ABLED, Inc. and the individual when personal funds are managed by ABLED, Inc. Administrative personnel have the responsibility to ensure that an individual's interests are fully protected. Proper accounting procedures will be followed.

See the ABLED, Inc. Funds Management Procedures for more detail.

XIII. RECORD RETENTION REQUIREMENTS

All records are retained at the main office by the Accounting Staff under the guidance and direction of the CEO. Written requests for confidential records must go to the CEO. All others to the Accounting Staff.

1. Annual Audits by CPA Firm: Indefinite retention.
2. Financial Statements (Balance Sheets and Income Statements): Ten years.
3. General Ledgers: Six years.
4. Service Case Records: Six years.
5. Bank Statements: Six years.
6. Accounting Software and Payroll will be backed up and include 6 years of data.
7. All Personnel Records will be maintained for 10 years following the termination of employment.
8. Insurance Records: Six years.
9. Destruction of Records: At the end of the required retention period, records may be retained or destroyed in accordance with an agency's needs for storage space. If records are to be destroyed, the following requirements apply:
 - a. Non-confidential records: Records that are not confidential may be destroyed in any manner that is convenient to the agency.
 - b. Confidential records (Personnel files, Payroll Records, and any document containing the name of a person served): Confidentiality will be protected during record destruction.

XIV. BUDGET ADMINISTRATION

The Accounting Staff under the direction of the Chief Executive Officer will prepare all ABLED, Inc. Budgets. These budgets will be approved annually and reviewed at each meeting of the Board of Directors. The Board may authorize revisions given current circumstances. Budgets will be used as guidelines and tools for decision-making rather than restricting business activity. The Accounting Staff will prepare budget variance reports as needed for the Board of Directors.



XV. GIFTS AND DONATIONS

Employees and Staff must report gifts in excess of \$75 to the main office administrative staff.

XVI. MISCELLANEOUS PROCEDURES

Residential services costs will be prorated for partial months.

Employees who accompany individuals on activities, either for training or recreation, will pay their own costs for such items as meals, admission fees, or other charges associated with the activity unless prior approval for ABLED, Inc. payment has been given by their supervisor.

People who damage property belonging to the agency, staff, or other people may be required to pay for the repair/replacement of the damaged property.

XVII. TRAVEL AND EXPENSE POLICIES

Individuals submitting travel and other miscellaneous expenses for reimbursement are to use the Expense Reimbursement Form.

ABLED, Inc. will reimburse employees mileage at the rate allowed by the Internal Revenue Service. Mileage for daily regular day-to-day work will not be reimbursed. Any other travel may be reimbursed..

A request to have meals reimbursed must have an explanation with sufficient detail to clearly show that the charges are allowable.

The Expense Reimbursement Form must be completed in sufficient detail, signed, dated and approved by supervisor/executive. The completed signed form shall be sent to the Accounting Staff for payment.

XVIII. INSURANCE COVERAGE

ABLED, Inc. will maintain commercially reasonable insurance policies covering Real Property, Personal Property, Crime, and General Liability.

All insurance is purchased under the authority of the Board of Directors by the Chief Executive Officer.

All incidents of damage or loss shall be reported to the Chief Executive Officer and/or the Chief Operations Officer immediately.