

Kids Central, Inc. System of Care Policy & Procedure

Series: Finance, Accounting and Contracts

Policy Name: Financial Statements

Policy Number: 901

Origination Date: 08/23/06

Revision Date:

Authority:

Policy:

It is the policy of the organization to create and maintain monthly financial statements comparing actual revenues and expenditures to budget reported and distributed in regular intervals to the Board of Directors, the Chief Executive Officer and the Department of Children and Families.

Procedure:

1. The financial statements shall consist of a balance sheet and a revenue and expenditures statement monthly. Additionally, a budget report shall be obtained monthly comparing actual revenues and expenditures to budget and any significant budget variance reported and distributed in a timely manner to the Board of Directors, The Chief Executive Officer and the Department of Children and Families.
2. In order to obtain proper financial statements, the following procedures shall be performed to provide adequate detailed reports and audit trails through the computer program.
 - a. Posting shall be made from the reconciled cash disbursements journal, cash receipts journal, and appropriate general journal entries. The computer posting program is self-balancing and generates a printed posting report which shall be retained as integral documentation of the financial statements.
 - b. A pre-closing balance sheet is then printed; marked pre-closing and assets minus liabilities and fund balance will yield a difference which should equate to the period's net income or loss. Next, a summarized profit and loss statement shall be printed and the net figure balanced to the previous difference.
 - c. A trial balance is then printed and retained after review for accuracy and balance.
 - d. Supporting schedules for revenue and various expenditures by department are printed and retained after review.
3. The Chief Financial Officer (or designee) prepares financial reports to accommodate requests from funding sources and other inquiring sources.

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4. Kids Central, Inc. prepares an annual report based on year-end results. The annual report includes the financial data of the Kids Central, Inc., the mission, statistical data of clients served, its services and the year in review. This report is made available to the Board of Directors, general public, funding sources and organizations interested in Kids Central, Inc.
5. Annually, Kids Central has a year-end audit performed by an independent CPA firm within 90 days after the close of the fiscal year. Financial reporting is in accordance with Financial Accounting Standards Board (FASB) 117 and OMB Circular A-133. Financial statements presented:
 - a. Statement of Financial Position
 - b. Statement of Activities
 - c. Statement of Cash Flows
 - d. Statement of Functional Expenses
 - e. Schedule of Contract and Grant Activity Inclusive of Federal Financial Assistance
 - f. Cost Allocation Plan
 - g. Other contractual and statutorily required reports
6. Financial Statements are routinely analyzed at the program and funding source level to determine unit costs and income levels. The fiscal staff works closely with program staff to best utilize resources and analyze financial performance.
7. The accounting staff periodically determines unit costs of its services to:
 - a. Monitor trends
 - b. Reflect current results
 - c. Adjust expenditure levels
 - d. Invoice funding sources
 - e. Prepare accurate budgets

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date