

Kids Central, Inc. System of Care Policy & Procedure

Series: Finance, Accounting and Contracts

Policy Name: Internal Controls

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Authority:

Policy:

It is the policy of Kids Central, Inc. to implement internal accounting control objectives, procedures and monitoring tools to ensure the integrity of the financial information and to safeguard against theft or loss.

Procedure:

1. The following positions make up the management team that has the authority to establish and implement policies, procedures and protocols: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Director of Information Technology.
2. Authorization – Transactions are executed in accordance with management's general or specific authorization. Budgets, vendor purchases and invoices, pay rates, and journal entries have specific requirements of approval.
3. Recording – Transactions are recorded as necessary (s) to permit preparation of financial statements in conformity generally accepted accounting principles and (2) to maintain accountability for assets.
4. Access to assets – Management establishes through policy, procedure and protocol who has authority to access the assets of the organization to include, but not limited to, facilities, vehicles, bank accounts, etc.
5. Asset accountability – The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
 - a. Cash accounts are reconciled monthly and reviewed by the Chief Financial Officer.
 - b. Asset tags are utilized to track fixed assets and assets are recorded in a software application. Assets purchased with government funds are tracked as required by contract.
 - c. Data of a financial or client nature is backed-up daily utilizing rotating disks and the back-up from the previous day is kept off-site. Monthly and annual back-up disks are kept in a safe deposit box at a local bank. The

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Director of Information Technology and Chief Financial Officer have access to this safe deposit box.

6. Separation of Duties – Duties are assigned so no one individual can control all phases of the processing of a transaction. Specific protocols in each department outline positions, their function, separation of duties, and oversight/review to ensure sufficient internal controls.
 - a. The Chief Financial Officer or designee reviews all budgets, invoices, pay rates and financial reports.
 - b. The Chief Financial Officer subsequently reports to the Chief Executive Officer and Chairman of the Finance Committee.
7. Independent Audit – The independent accountants of the agency conduct an annual audit and review of the internal controls. The independent auditors report to the Chief Financial Officer and Chief Executive Officer, and to the Board of Directors.

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date