

Client Name: LCADD
Year End: 6/30/24

CASH CONTROL ACTIVITIES

Cash Receipts

Cash is received periodically at the District's office at Russell Springs, Kentucky. The mail is opened by Tony Meeks or alternatively another finance staff and date stamped. Ronda Abrell logs all receipts. Donna Little fills out deposit tickets and Heather Cravens will log into G/L. They are passed on to Brentley Bault, or Kevin Tarter who makes deposits. The bank deposits are reconciled at the end of each month, any errors that are found at that time will be investigated and corrected.

Cash Disbursements

All cash disbursements are made by check or bank wire (payroll) and most purchases require a purchase order. Tony Meeks or Donna Little reviews the invoices and stamp dates prior to giving to Brentley Bault for coding. Waylon Wright/Lyndsey Brown then signs the invoice for payment approval. Waylon Wright/Lyndsey Brown can approve purchase orders over \$500. Once approved and coded Heather Cravens pays the invoices through Accounts Payable at the time of the run except at year-end. Before checks are signed, they are checked for accuracy. The checks are pre-numbered and the sequence is accounted for each check run by Waylon Wright. All blank checks are kept in Heather's office in a cabinet. Checks require two signatures. The only approved signers are Waylon Wright, or Tony Meeks. Tony Meeks can only sign checks in the system.

All transfers are only from one account to another.

Bank Account Reconciliations

All bank statements are received monthly by bank courier to either the receptionist or Tony Meeks. The bank statements are reconciled by Brentley Bault except for the WIA account which is reconciled by Heather Cravens or Donna Little since WIA invoices are reviewed by Brentley. Reconciliations are randomly reviewed by Tony Meeks.

ACCOUNTS RECEIVABLE CONTROL ACTIVITIES

Billings

The District has several types of agreements with different agencies for invoicing. Depending on the contract, some invoices may need to be sent monthly, quarterly, or at a certain point during a project. Invoices are prepared by Donna Little and Tony Meeks, at the appropriate time. When invoices are prepared they are compared to the details of the specific contract. Almost all of LCADD's contracts have a standardized invoice that is unique for that particular project. The Executive Director, Waylon Wright, must review all invoices and sign when required.

Trial Balance

The accounts receivable aging is maintained separately from the general ledger and is balanced at year end.

ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES

Purchasing (Other than Inventory)

Any staff member may make a purchase, if they have an approved purchase order by a supervisor. Anything over \$500 must be approved by Waylon Wright/Lyndsey Brown, Executive Director/Deputy Executive Director. The issuance of a pre-numbered purchase order is logged and tracked into a database.

Two credit card exists, one for the Executive Director and the other for the Deputy Executive Director. Brentley Bault reconciles those individual purchases to backup documentation. At month end, all credit card receipts and purchase orders are reconciled with the monthly credit card bill.

Receiving, Recording Payable and Expense

Ordered items are received by Karen Burchett at the front desk. She will pass the item to the staff member that ordered the item in question. Once the package is opened and checked for accuracy, the purchase order, any billing information, and package slips are given to Brentley Bault. The purchase order is attached to the invoice and packaging slips. The purchase order will be held until an invoice is received. The open purchase orders are periodically reviewed to check the status of all purchase orders issued.

Once the purchase order and invoice are received, the invoice is inspected by Tony Meeks or Donna Little and coded by Brentley Bault. After purchase order and invoice are received, Heather Cravens will post invoices to the Accounts Payable ledger. The payables are paid three times a month by Heather Cravens. The check registers are reviewed by Tony Meeks, as well as Waylon Wright.

Trial Balance

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by Donna Little, who reviews the monthly financial statements and compares the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES

Payroll

Employees are paid bi-weekly out of the Operations account and are never paid in cash. Employees are paid using direct deposit but if checks are issued then Brentley Bault distributes to the employees. Employees submit timesheets and leave sheets, which are reviewed and approved/signed by both the employees' immediate supervisor and the Employee along with having Ronda Abrell, Waylon Wright, or Lyndsey Brown approve leave sheets and being final approval on timesheets. Timesheet are submitted electronically and after approved by executive level, Heather Cravens reviews for coding and hour accuracy. Once entered into the system, they are reviewed by Tony Meeks. The individuals responsible for approving time are not responsible for processing or recording payroll. Heather Cravens processes all payrolls in house, the payroll checks are pre-numbered, used in sequence, and she controls any unissued checks.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files and are entered into the payroll system by Heather Cravens. When employees are terminated they are marked as inactive/terminated in the payroll system by Heather Cravens. When there are raises or changes in pay rates, they are documented by Tony Meeks, approved by Waylon Wright and the LCADD Executive Committee, and entered into the payroll system by Heather Cravens or Tony Meeks. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Brentley Bault, Donna Little and Tony Meeks.

Employee Benefits

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by Tony Meeks. Tony is also responsible for monitoring employee benefit matters.

Trial Balance

Tony Meeks reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by Tony Meeks to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end.

When necessary the appropriate payroll accruals, including accruals for compensated absences, are made to the general ledger by Brentley Bault and approved by Tony Meeks.