

Finance Committee Minutes

via zoom/telephone/in person

Monday, January 9, 2023

MEMBERS PRESENT: Patricia Usherwood Fitzpatrick, Eric J.T. Caballero

MEMBERS EXCUSED: Robert T. Tackman

MEMBERS ABSENT: None

STAFF PRESENT: Kathleen O'Brien, Nancy Turo, Carolyn Brown

GUEST PRESENT: None

CALL TO ORDER

The January 9, 2023 Finance Committee Meeting was called to order at 12:30 pm by Eric Caballero. It was noted for the record that a quorum was present.

APPROVAL OF PREVIOUS MINUTES (November 2022 and December 2022)

Patricia Usherwood Fitzpatrick made a motion to approve the November and December 2022 Finance Committee Meeting minutes. The motion was seconded by Eric Caballero, and unanimously approved.

FISCAL POLICIES AND PROCEDURES MANUAL

The CFO discussed the Fiscal Policies and Procedures Manual. The items changed have been highlighted, and a bullet list of changes was forwarded to the Finance Committee members. A discussion was held regarding the changes.

FINANCE REPORT

Kathleen O'Brien, CFO, discussed the monthly financial statements for December 2022. Ms. O'Brien stated that net income before depreciation year to date presented on page 3 is \$231,763 vs a budget of \$2,554,718. The major difference relates to Head Start fixed asset purchases which have not occurred as yet.

The net income from normal operations presented on page 7 is \$147,962. This number is the net of "timing differences" of fixed asset purchases, revenue recognition grants and donation cost centers.

The line of credit balance at December 31, 2022 is \$0.

The indirect rate as of December 31, 2022 is 21.8%, and we are approved for 24%.

The current ratio as of December 31, 2022 is 148%, which equates to current assets being \$946,719 higher than current liabilities.

The CFO also discussed the "Analysis of Self Insurance Reserve" that was forwarded to the committee members. Our original projection of the December 2022 balance was \$664,645 and the actual balance is \$464,984. We had a "Holiday" month during December 2022, where we did not withhold health premiums from 2 of the payrolls, nor post the expense to the cost centers. This resulted in the reduction of the reserve to be more in line with the target of \$437,646.

The Supplemental Financial Information will be forwarded to the Finance Committee members.

OLD BUSINESS

The CFO mentioned that Citizen's Bank contacted us to promote a 2.5% Money Market.

The CFO proposed the following check signers for the Key Bank and M&T Bank operating accounts:

	Key	M&T
President	X	
Treasurer	X	X
Executive Director	X	X
HR Director	X	X
Controller	X	
CFO	X	X

This will be effective as soon as the banks process the new signer information.

The Finance Committee approves of the signers above.

The CFO mentioned the "Employee Retention Credit" for \$26,000 per employee that has been advertised. The CFO researched the credit, and we would only be eligible if our revenue decreased during the covid period, which did not occur.

The CFO discussed fraud, and our responses to fraud. We completed the set up procedures last week for "Positive Pay" and ACH protection.

Also the CFO outlined a few cases of fraud/attempted fraud.

10/22 – we issued a check to Doubletree. The face of the check was not changed, but the endorsement was an individual's name. We filed the fraud notifications, and are told it can be up to 6 months to have a response.

12/14/22 – we issued a check to Sysco. The payee was changed from Sysco to an individual's name. This was caught, and we responded within 15 minutes, and the check was prevented from clearing our account.

2/22 – a stale check was presented and cashed by the bank. We had placed a stop payment, but the stop payment expired. The CFO filed for a refund, and we received the funds back 1/4/23.

NEW BUSINESS

The CFO stated that the HR Director is looking into a Rapid Pay card to replace payroll checks. Employees would have a choice of direct deposit or a Rapid Pay card.

OTHER: None

ADJOURNMENT

The meeting was adjourned at 1:05 PM.

PEACE, INC.

CHANGES IDENTIFIED IN FISCAL POLICIES AND PROCEDURES MANUAL

VERSION: DECEMBER 2022

BELOW COVERS MAJOR CHANGES

CHANGES ARE HIGHLIGHTED

PAGE SECTION

53 72 If purchase with federal funds and includes labor, attach bullet list CFR appendix II

**55 75 Micro purchase - below \$10,000 no quote
Small purchase - \$10,000 below \$250,000 quote, may be verbal
Simplified Acq. Threshold written quote**

57-59 77 See pg 55 above

59 77 Covers non-competitive procurement, additional work over PO amount

61 77 Professional services - review every 3-5 years

JANUARY 2023

PEACE, Inc.

**Fiscal
Policies and Procedures Manual**

Updated As Needed

Effective Date(s) of Accounting Policies (1/16), 2/16(11/21)

The effective date of all accounting policies described in this manual is November 20, 2007. If a policy is added or modified subsequent to this date, the effective date of the new or revised policy will be indicated parenthetically immediately following the policy heading. Changes due to grammar correction will not be highlighted.

Revisions to this manual are presented periodically to the Finance Committee and the Board of Directors, and approval reflected in the minutes. Revisions will be presented to Comprehensive Leadership, who will in turn forward to their staff, and/or emailed to all staff. Human Resources will distribute the current manual at orientations.

Review and revisions are made at least annually, and as required.

APPROVALS

CFO

11/13/07, 2/11/08, 6/9/08, 12/8/08, 1/12/09, 11/9/09, 1/21/10, 5/10, 11/10, 12/8/10, 9/8/11, 11/5/12, 12/10/12, 1/14/13, 11/13, 8/12/14, 12/14, 9/15, 2/16, 11/14/16, 10/31/17, 12/4/18, 1/13/20, 6/8/20, 12/4/20, 11/25/21, 12/20/22

Executive Director

11/13/07, 2/11/08, 6/9/08, 12/8/08, 1/12/09, 11/9/09, 1/21/10, 5/10, 12/8/10, 9/8/11, 11/5/12, 12/10/12, 1/14/13, 11/13, 8/12/14, 12/14, 9/15, 2/16, 11/14/16, 10/31/17, 12/6/18, 1/13/20, 6/8/20, 12/4/20, 11/29/21, 12/20/22

Finance Committee:

Mailed 12/6/07 for 12/10/07 meeting – approved

2/11/08, 12/8/08, 1/12/09, 11/9/09, 1/29/10, 12/13/10, 9/8/11 Mailed, approved 9/12/11, 11/5/12, 12/10/12, 1/14/13, 1/13/14, 12/8/14, 9/15, 2/8/16, 11/14/16, 11/13/17, 12/10/18, 1/13/20, presented 6/8/20, 12/7/20, MAILED 11/29/21, 1/9/23

Board of Directors (copy forwarded)

Mailed for 12/17/07 meeting, approved Retreat 1/25/08

12/22/08, 1/29/10, 12/20/10, 9/26/11, 1/25/13, 12/15/14, 9/15, 1/16, 11/15/16, 12/17/18, 1/24/20, 6/20, 12/14/20, 12/7/21

INFORMANTS:

Comprehensive Leadership:

Presented at 2/16 meeting, 11/22/16, 12/20/18, 12/28/21

All Staff Memo sent:

11/27/07, 12/24/08, 12/29/08, 1/13/09, 12/16/09, 1/26/10, 12/14/10, 9/14/11, 1/14/13 (email), 1/12/14,
12/9/14, 2/28/16, 11/15/16, 10/31/17, 11/16/17, 12/21/18, 1/21/20, 6/18/20, 11/29/21, 12/20/21,
12/20/22

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SPECIAL NOTE: DURING THE COVID 19 SHUTDOWN, STAFF WAS INSTRUCTED TO WORK FROM HOME IF THEY WERE ABLE. THE SHUT DOWN BEGAN MARCH 17, 2020, AND ENDED JULY 6, 2020. DURING THIS PERIOD THE INTERNAL CONTROLS WERE FOLLOWED AS MUCH AS POSSIBLE, AND IN SOME CASES OTHER CONTROLS WERE IMPLEMENTED, INCORPORATING CONTROLS TO SEGREGATE DUTIES AS MUCH AS POSSIBLE. AS EXAMPLES, MAIL DELIVERY AND PROCESSING WAS CHANGED. STAFF WHO DID NEED TO REPORT TO THE OFFICE WOULD PICK UP THE MAIL AT THE POST OFFICE, OPEN, AND FORWARD. DAILY MEAL CONTRIBUTIONS WERE NOT COMPLETED, AS THE CONGREGATE SITE MEALS WERE NOT OFFERED.

1. INTRODUCTION (8/14)(11/16)

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the People's Equal Action and Community Effort, Inc. Agency, which shall be referred to as "PEACE, Inc." or "the Agency" throughout this manual.

PEACE, Inc. is incorporated in the state of New York. PEACE, Inc. is exempt from federal income taxes under IRC Section [501(c)(3)] as a nonprofit corporation. PEACE, Inc.'s tax-exempt mission is *"Helping People in the Community Realize Their Potential for Becoming Self-Sufficient."*

This manual shall document the financial operations of the Agency. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Agency by the Board of Directors. All PEACE, Inc. staff are bound by the policies herein, and any deviation from established policy is prohibited.

We follow the OMB Uniform Guidance requirements. Also, we must adhere to specific grantor requirements.

1.1 GLOSSARY OF TERMS

Program Director – used in this manual to designate the staff person responsible for the mentioned grant or project. The staff person may or may not have the word "Director" in their title.

GENERAL POLICIES

2. AGENCY STRUCTURE

3. The Role of the Board of Directors(10/17)(1/20)

PEACE, Inc. is governed by its Board of Directors, which is responsible for the oversight of the agency by:

1. Planning for the future
2. Approving broad policies
3. Reviewing and approving the annual audit
4. Reviewing financial information
5. Assisting in interpreting the Organization's mission to the public
6. Soliciting prospective contributors
7. Hiring, evaluating, and working with the Executive Director

The Executive Director shall be responsible for the day-to-day oversight and management of the agency.

Term limits were eliminated in the revised by-laws June 2017.

4. Committee Structure

The board of directors shall form committees in order to assist the board in fulfilling its responsibilities. These committees represent vehicles for parceling out the board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board's consideration. Standing board-level committees of PEACE, Inc. consist of the following:

1. Executive Committee
2. Finance Committee (includes audit review)
3. Development Committee
4. Personnel/EEO Committee
5. Planning Committee

Specific guidelines regarding the composition and election of the board of directors and committees are described in the Agency's by-laws. However, roles of committees with direct responsibilities for the financial affairs of the Agency are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Periodically the Board of Directors will receive training on fiduciary responsibilities, focusing on regulations pertaining to the safeguarding of all agency funds.

5. Finance Committee Responsibilities (11/10)(9/18)(1/20)

The Finance Committee is responsible for direction and oversight regarding the overall financial management of PEACE, Inc.. Only independent directors are allowed to participate in Finance Committee deliberations and voting.

Functions of the Finance Committee include:

1. Review and recommendation of the Agency's annual budget (prepared by the staff) for final approval by the full board
2. Monitoring actual vs. budgeted financial performance
3. Financial planning
4. Establishment of investment policy and monitoring investment performance, when applicable
5. Oversight of reserve funds
6. Only independent directors are allowed to participate on the audit deliberations and voting.
Oversight of the annual audit including:
 - Recommend external auditors to Board for approval
 - Annual review performance and independence of auditors to retain/renew the independent auditors
 - Review the results of the audit and related management letter with the auditors at least Annually
 - Review the audit scope and plan with the auditors prior to the audit commencement
 - Upon completion of the audit, the Finance Committee discusses and reviews with the Auditors:
 - Any material weaknesses in internal controls identified by the auditors
 - Any restrictions on the scope of the auditor's activities or access to requested documents
 - Any significant disagreements between the auditors and management
7. Review and approve fiscal internal controls and fiscal written policies (periodically)
9. Oversee accounting, financial reporting and audit of financial statements.

The Finance Committee shall report to the Board the activities listed above.

6. The Roles of the Executive Director and Staff (11/10)

The Board of Directors hires the Executive Director, who reports directly to the Board of Directors. The Executive Director is responsible for hiring and evaluating department directors for each of the Agency's departments/programs. Each department/program director reports directly or indirectly to the Executive Director.

All staff has the authority to sign on behalf of staff they supervise when appropriate. Any position title identified with a task in this manual also refers to any assigned "backup" staff member.

Within each department or program, department/program directors are responsible for hiring, with approval from the Executive Director, employees to work in that department. All employees within a department shall report directly or indirectly to that department's/program's director, who shall be responsible for managing and evaluating directly or indirectly all employees within the department or program.

Cross training of responsibilities is encouraged to ensure continuity of business practices. All references to job titles within this manual also refer to the position's backup when needed.

6.1 STAFF COMMUNICATION (11/13) (11/16)

Staff communication to:

Board - As a matter of good practice, Comprehensive Leadership may contact the Board on non-personal issues with the Executive Director's permission. Also, please refer to Accounting and Financial Policies and Procedures Manual section 18, which addresses our Fraud Policy.

Funding Sources – All staff including the fiscal department are to inform the Program Director when they wish to contact a member of the Grantor/Funder's office with the nature of the question or contact. This will keep the Program Director up to date with the grant.

Media – All staff is to contact the Community Engagement Department in any matters concerning the media, before any action is taken with the media.

6.2 PERIODS OF EMERGENCY, SHUTDOWN AND CRISIS

During periods of emergency, national emergency and shutdown various procedures will become effective. The instructions from individual grantors will be followed and attached in an Addendum to this manual to be followed during periods of emergency, shutdown and crisis. Also included in the Addendum will be examples of temporary procedures to be followed because staff may be working from home. After the crisis fiscal policies and procedure controls will resume as normal as staff is able to return to work and resume full duties in the office setting.

Please refer to the Human Resources Employee Handbook for the following sections and topics:

HR 2.13 Time Records – addresses collection of time sheets

HR 3.6 Incentive Compensation – incentive pay

HR 6.16a Emergency Disaster Planning and Closing – altered policies to comply with guidelines from governmental agencies and funders, work remotely from home, suspension of programs, redeployment of staff, continued compensation of all staff with full pay and benefits.

EXAMPLES OF OTHER TEMPORARY CHANGES TO FISCAL POLICIES AND PROCEDURES: (due to shutdown and staff work at home status) – See addendum to the Fiscal Policies and Procedures manual for list of changes. Other changes may occur as long as they retain the control integrity and are caused by the shutdown and/or stay at home order.

7. ACCOUNTING DEPARTMENT OVERVIEW

8. Agency (11/13), (1/16) (8/16)

The accounting department consists of 10 staff who manage and process financial information for PEACE, Inc. The positions comprising the accounting department of PEACE, Inc., are:

- CFO
- Controller
- Senior Accountant (4)
- Payroll Specialist
- Accounts Payable Specialist
- Purchasing Director
- Purchasing Inventory Control/DEHS

Other staff who report directly or indirectly to the CFO are:
Facilities Director (non financial position)
(and Maintenance staff)

Other officers and employees of PEACE, Inc. who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows:

- Executive Director
- Finance Committee
- Full Board of Directors
- Department/Program Directors
- Human Resources Director

9. Responsibilities (11/12)

The primary responsibilities of the accounting department consist of:

- General Ledger
- Budgeting
- Cash Management & Investment
- Asset Management
- Purchasing
- Accounts Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll
- Financial Statement Processing
- External Reporting of Financial Information
- Bank Reconciliation
- Reconciliation of Sub-Ledgers
- Compliance with Government Fiscal Reporting Requirements
- Financial Audits

Grants and contracts – fiscal administration
Leases
Insurance

10. BUSINESS CONDUCT

11. Practice of Ethical Behavior (8/16)(10/17)

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of PEACE, Inc. depend to a very large extent on the following considerations.

Each employee must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with PEACE, Inc. policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Agency or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each Director, Manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

No Board member, staff member, or corporate officer shall receive a benefit because of the agency doing business with a vendor contractor. See section 12 for gifts up to \$25.

Personal use of any corporate vendor contractor accounts, credit cards, member cards or similar items is prohibited. This would include PEACE, Inc. used in the name of the account in any way. No one is to obtain personal vendor contractor accounts, credit cards, member cards or similar items with the inclusion of PEACE, Inc. as the holder, or listed in any way on the account. All business vendor

contractor accounts, credit cards and member cards are to be opened through the Purchasing Department.

Noncompliance to this policy can be terms for termination of employment.

12. Conflicts of Interest and Related Party Transactions (5/15), (1/16) (9/18) (10/18)

Conflict of Interest policies also apply to Related Party Transactions.

PEACE, Inc. is prohibited from participating in related party transactions, unless they are determined by the Board to be fair, reasonable, and the PEACE, Inc.'s best interest, unless the transactions are de minimis, not customarily reviewed by the board or benefits provided to individuals as a member of a charitable class served.

We have a Conflict of Interest Policy to ensure all directors, officers and employees act in the agency's best interest and comply with applicable legal requirements.

No employee, officer, Board member or agent of PEACE, Inc. shall participate solely in the selection, award, or administration of a contract involving PEACE, Inc. if a real or apparent conflict of interest or related party transaction would be involved. Such a conflict/related party transaction would arise when the employee, officer, agent, or any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected. The officers, Board Members, employees, and agents of PEACE, Inc. shall neither solicit nor accept gratuities of value over \$25, favors, or anything of monetary value from contractors, or parties to sub-agreements. Under this \$25 value are considered de minimis and not customarily reviewed by the board.

If there is such a conflict/related party transaction, full disclosure must be made to the Executive Director who will disclose to the Development Committee. Written documentation must be forwarded to the Executive Director with a description of the conflict along with the specifics of why the transaction is a related party transaction (relationship that would constitute a conflict of interest). The Executive Director and Development Committee must deem that the financial interest is not substantial. The Committee is required to review the transaction for the following:

- Consider alternative transactions (if available) prior to entering into the transaction
- Approve the transaction by a majority vote
- Contemporaneously document in writing the basis for the approval, including the alternatives considered

Related parties are prohibited from attending and participating in the deliberations or voting related to these transactions. Any person with a conflict of interest/related party transactions is prohibited from improperly influencing the deliberations or voting on the matter giving rise to the conflict/transaction.

The HR Director will ensure that staff disclose any conflicts of interest/related party transaction, and sign statement annually. The Board of Directors sign an annual conflict of interest disclosure. Board members, directors, officers and key employees are prohibited from participating in related party transactions, unless determined by the Board to be fair, reasonable, and in the organization's best interest at the time of the transaction.

Any Conflict of Interest/related party transaction will be presented to the Development Committee by the Executive Director. The person with the Conflict of Interest/related party transaction will not be present at or participate in the Board or Development Committee deliberations or vote on the matter

giving rise to such conflict. The person with the Conflict of Interest/related party transaction is prohibited to attempt to improperly influence the deliberations or voting on the matter giving rise to such conflict.

The existence and resolution of the Conflict of Interest/related party transaction will be properly documented.

If required by Federal awarding agencies, PEACE, Inc. will notify those agencies in writing of any potential conflict of interest (2 CFR Part 200.112), Conflict of Interest)

Violations of this policy will be handled by the Executive Director, and there could be disciplinary actions applied or constitute termination.

13. Breach of Company Policy

The Executive Director will notify the Board of Directors of any breach of policy that is deemed appropriate.

14. Compliance With Laws, Regulations and Agency Policies

PEACE, Inc. does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Agency tolerate the disregard or circumvention of PEACE, Inc. policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

An annual letter will be issued by the CFO's office to all staff to inform staff they are to call the CFO's office immediately if they are aware of any violation or fraud. In a case where it is believed the CFO is not in compliance, the Executive Director should be notified. If it is believed the Executive Director is not in compliance, a Board of Directors member should be notified.

15. Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Agency or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.

3. Against any Director, Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

15.1 Whistleblower Protection (4/15)(9/18)(10/18)(11/18)(9/21)

General

The Board is responsible for overseeing the implementation of the whistleblower policy. PEACE, Inc. expects its directors, officers, employees, volunteers, and other representatives to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of PEACE, Inc., we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

A copy of this policy will be distributed to all directors, officers, employees and volunteers providing substantial services during initial orientation and as part of annual in-service education.

Reporting Responsibility

It is the responsibility of all directors, officers, employees, and volunteers to report Wrongful Conduct in accordance with this Whistleblower Policy.

Wrongful Conduct

"Wrongful Conduct" is defined in this Whistleblower Policy to include: a serious violation of PEACE, Inc. policy; a violation of applicable state and federal law; or the use of PEACE, Inc. property, resources, or authority for personal gain or other none organization-related purposes except as provided under PEACE, Inc. policy.

This definition of Wrongful Conduct is not intended to be an exclusive listing of the illegal or improper activity encompassed by the Whistleblower Policy. Rather, the Whistleblower Policy is intended to serve as a means of reporting all serious improprieties that potentially impact the integrity and effective operation of PEACE, Inc.

No Retaliation

The Whistleblower Policy is intended to encourage and enable directors, employees, and volunteers to raise concerns within the organization for investigation and appropriate action. No director, officer, employee, or volunteer who in good faith reports any action, suspected action or Wrongful Conduct within the agency that is illegal, fraudulent, or in violation of any adopted policies will suffer intimidation, harassment, discrimination, retaliation or adverse employment consequence. Any director, officer, or employee who retaliates against anyone who has reported Wrongful Conduct in good faith is subject to discipline up to and including termination of employment or removal from the board of directors, as applicable. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within PEACE, Inc. prior to seeking resolution outside PEACE, Inc.

Reporting Wrongful Conduct

PEACE, Inc. encourages its directors, officers, employees and volunteers to share their questions, concerns, suggestions, or complaints with someone who can address them properly. The Executive Director is charged by the corporation with the responsibility of administering this policy, which shall

include receiving complaints and making reports to the board of directors. Any director, officer, employee, or volunteer is to report Wrongful Conduct to the Executive Director or the president of the board of directors. If the Wrongful Conduct implicates one or both of the Executive Director or the president of the board of directors, or if the reporting individual is not comfortable speaking with or not satisfied with the response of the foregoing individuals, the issue may be reported to any member of the board of directors or anonymously, as set forth below. The Executive Director, president of the board of directors, and all members of the board of directors to whom a report of Wrongful Conduct is made are required to immediately advise the full board of directors of such report of Wrongful Conduct. The confidentiality of the reported information will be maintained, and disclosed on a "need to know" basis. The individual who is the subject of a whistleblower complaint is prohibited from being present or participate in deliberations or vote relating to such a complaint.

Acting in Good Faith

Anyone filing a complaint of Wrongful Conduct must be acting in good faith and have reasonable grounds for believing the information disclosed indicates Wrongful Conduct. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Reports of Wrongful Conduct or suspected Wrongful Conduct may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of Wrongful Conduct or suspected Wrongful Conduct will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Wrongful Conduct

A representative of the board of directors will notify the sender and acknowledge receipt of the reported Wrongful Conduct or suspected Wrongful Conduct within five business days, unless such report was submitted anonymously. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Reports can be made to the Executive Director, Board President, Chief Financial Officer, or Human Resources by telephone, email, or in writing to the attention of the Executive Director or Board President at: PEACE, Inc., 217 S. Salina St., 2nd Floor, Syracuse, NY 13202; Telephone # 315-470-3300; E-mail address: carolyn.brown@peace-caa.org.

16. FRAUD POLICY

17. Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendor contractors, consultants, contractors, funding sources and/or any other parties with a business relationship with PEACE, Inc. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with PEACE, Inc.

18. Policy (10/18)(12/18)

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the CFO, who will report the event immediately to the Executive Director. If the CFO is unavailable or the CFO is suspected of fraud, contact the Executive Director directly. If the Executive Director is suspected of fraud, contact the Board President or Board Officer. Also refer to Disciplinary Action regarding noncompliance with Laws, Regulations and Agency Policies. Any reported fraud will be reported to the Board as soon as practical.

19. Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to PEACE, Inc.
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of PEACE, Inc.
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendor contractors, or persons providing goods or services to PEACE, Inc. (Material value is a value of over \$25.)
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

20. Other Irregularities (11/10)

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the Program Director and the Human Resources Director, and be reported to the Executive Director and/or CFO.

If there is a question as to whether an action constitutes fraud contact the Executive Director or the CFO for guidance.

21. Investigation Responsibilities

The Executive Director and CFO have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Executive Director may utilize whatever internal and/or external resources he considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Executive Director will issue reports to appropriate designated personnel and, if appropriate, to the PEACE, Inc. Board of Directors and/or the Executive Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the Agency. It is the policy of PEACE, Inc. to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

22. Confidentiality (11/18)(9/21)

The Executive Director, CFO and Human Resources Director treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CFO/Executive Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect PEACE, Inc. from potential civil liability.

23. Authority for Investigation of Suspected Fraud

Members of the PEACE, Inc. Executive Committee will have:

1. Free and unrestricted access to all PEACE, Inc. records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any

individual who may use or have custody or any such items or facilities when it is within the scope of their investigations.

24. Reporting Procedures (5/15) (11/16)

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the CFO immediately who will notify the Executive Director. The employee or other complainant may remain anonymous.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the PEACE, Inc. legal counsel or the Executive Director or Executive Committee.

The organization will disclose, in a timely manner, in writing to Federal awarding agencies all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award (Uniform Guidance, Subpart B – General Provisions Sec 200.113 Mandatory disclosures)

24.1 Risk Management (10/17)

We have developed an active, ongoing list of areas of risk management and assessment. This list will be reviewed periodically during the year, with input from staff and managers. Areas of concern are listed, and discussions and actions made to reduce risk. This list will be reviewed with the Executive Director and Board.

In addition a bi-annual risk assessment questionnaire will be completed with results reported to the Board at least every 2 years.

25. SECURITY

26. Accounting Department (8/16)(10/21)

A lock will be maintained on the door leading into the PEACE, Inc. Accounting Department. This door shall be closed and locked in the evenings and whenever the Accounting Department is vacant. The key/combination to this lock will be provided to appropriate accounting personnel and the Executive Director. The lock will be changed at the discretion of the CFO when there is a turnover in accounting department staff.

The PEACE, Inc. corporate seal is locked in the CFO's office. The blank check stock shall be stored in a locked file cabinet in the Accounting Department. This cabinet will be locked with a key that is held by the Accounts Payable Specialist. Access to this file cabinet shall be by keys in the possession of the Accounts Payable Specialist, a Senior Accountant and CFO.

Petty cash is stored in a combination locked cash box and kept in a fireproof combination safe in the Accounting Department. A Senior Accountant is the petty cash custodian and the only other employees with the combinations to this safe will be the CFO, Controller, and two other Senior Accountant (who serves as backup).

27. Access to Electronically Stored Accounting Data

It is the policy of PEACE, Inc. to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

PEACE, Inc. has intrusion detection software installed. The emails and logs are reviewed by the I.T. security team on a daily basis.

27.1 Storage of Sensitive Data (5/15)

In addition to accounting and financial data stored in the Accounting Department, other sensitive data, including protected personally identifiable information (PII) such as social security numbers of employees and/or clients may be stored in areas other than the Accounting Department. Locations of sensitive data include, but are not limited to:

- Other Organization departments such as Human Resources
- Electronic of on-line storage

27.2 Security Breach Reporting Policy (1/20)

In the event of a security breach or suspected security breach. (ie: Unauthorized access to confidential files/information. A lost or stolen device (laptop, tablet, portable hard drive, etc.,) potentially containing confidential information.)

The incident will be reported to the IT Director immediately. Upon confirmation of a suspected incident, the IT Director will report to the Executive Director of the security breach. Including the scope of what system(s)/files were affected or compromised.

If it is determined that personally identifiable information (PII) was compromised during a breach, the following steps will be taken.

1. The IT Director will notify the Executive Director, Chief Financial Office, and the Controller of the incident. The IT Director will then notify the appropriate authorities including the police department.
2. The IT Director will complete the Breach Reporting Form provided by Corporation for National & Community Service. The form can be found [here](#).
3. The completed Breach Reporting Form will be sent to CNCS by email (privacy@cns.gov) of a suspected or confirmed breach. (Without reasonable delay.)
4. Staff or clients whose personally identifiable information was or suspected of being acquired by an unauthorized person will be notified by at least one of the following methods:
 - a. Written notice to the individual at his or her last known address; or
 - b. Verbal notification to the individual by telephonic communication which will then be followed up with electronic documentaton; or
 - c. Electronic notification to the individual at his or her last known e-mail address.
 - d. Should the disclosure pursuant be impracticable or inappropriate given the circumstances of the breach and the identity of the victim, such disclosure shall be made by the mechanism of the agency's choosing. Provided that such a mechanism is reasonably targeted to the individual in a manner that does not further compromise the integrity of the personal information.
5. The disclosure of the personally identifiable information shall be made available to the victims within a reasonable time period. As long as it does not interfere with any ongoing police investigation.
 - a. In the event that notifying the victims of a disclosure of their information does interfere with an ongoing police investigation. The affected individuals will be notified as soon as deemed possible by the investigating authorities.

28. Storage of Back-Up Files (1/6/09)

It is the policy of PEACE, Inc. to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by management. The files are stored daily electronically by the IT Department.

29. General Office Security (11/13)

During normal business hours, all visitors are required to sign in at the front desk. After hours, a security key is required for access to the offices of PEACE, Inc.. Keys are issued only to employees of PEACE, Inc.

29.1 Theft (11/10)

When an employee discovers stolen or missing cash funds or property, the employee is to immediately notify the CFO or Controller and their Program Director. The CFO will then notify the Executive Director, and contact the Program Director.

Please note that this pertains both to cash and property of PEACE, Inc. and personal property. PEACE, Inc. is not responsible for personal property, but it would help us to determine if there is a pattern.

29.2 Crisis Management (11/12),(9/16) (11/16)(10/17)(9/21)(11/21)

Under conditions of a crisis and employees are unable to get to work or work under normal conditions, the following will be followed:

Payroll processing –

Can be completed by Senior Accountant or Payroll Specialist at home, and be called into Complete Payroll if needed. If unable to secure the funds with a normal draw in an emergency, we can draw on the line of credit with verbal authorization from an authorized signor of the account to be followed up with appropriate paperwork.

In addition payroll can be processed from home by the Accountant or Payroll Specialist in charge of payroll (via their secured log-ons and passwords) on the Complete Payroll system in an emergency. In the event that the Agency was closed for multiple days and no timecards were available, the Agency would then replicate the prior pay date's batch (removing any mileage, parking and overtime) and generate the payroll from there making adjustments in the next payroll (if applicable).

Cash management –

The Executive Director may call Key Bank or M&T banks for verbal instructions, to be followed up with appropriate paperwork.

30. TECHNOLOGY AND ELECTRONIC COMMUNICATIONS

31. Purpose and Scope

The purpose of this policy is to identify guidelines for the use of PEACE, Inc. technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of the Agency's technologies and communications systems.

The term "user" as used in these policies refers to employees (whether full-time, part-time or limited-term), independent contractors, consultants, and any other user having authorized access to, and using any of, the Agency's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand alone computers, laptops, printers, fax machines, phones, on-line services, E-mail systems, bulletin board systems, and all software that is owned, licensed or operated by PEACE, Inc.

32. Acceptable Use of Agency Property (11/13)

Use of the Agency's computers and electronic communications technologies is for programmatic and business activities of PEACE, Inc. All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. Although incidental and occasional personal use of the Agency's communications systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts and knowledge described, documented or contained in the Agency's electronic systems are the intellectual property of PEACE, Inc. The copying or use of the Agency's intellectual property for personal use or benefit during or after employment (or period of contract) with PEACE, Inc. is prohibited unless approved in advance by the Executive Director.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc) issued by PEACE, Inc. is the property of the Agency and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report any problems with hardware to the IT Department.

33. Password Security (6/9/08)

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Supervisors will have access to employee's files in case of emergency. Users should not leave their computers unattended without logging off or locking their workstation. Staff may not enter another employee's area to use their computer, without supervisor permission.

34. Confidentiality

All information about individuals or families served by PEACE, Inc. is confidential. No information may be shared with any person or Agency outside PEACE, Inc. without the prior written approval of the individual or family and the Executive Director.

35. Copyrighted Information

Use of PEACE, Inc. electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

36. Installation of Software

The installation of new software on the computers of PEACE, Inc. without the prior approval of IT Director is prohibited. If an employee desires to install any new programs onto a PEACE, Inc. computer, written permission should first be obtained from the IT Director.

37. Other Prohibited Uses

Other prohibited uses of the Agency's communication systems include, but are not limited to:

1. Engaging in any communication that is discriminatory, defamatory, pornographic, obscene, racist, sexist or that evidences religious bias, or is otherwise of a derogatory nature toward any specific person, or toward any race, nationality, gender, marital status, sexual orientation, religion, disability, physical characteristic, or age group.
2. Browsing or downloading and/or forwarding and/or printing pornographic, profane, discriminatory, threatening or otherwise offensive material from any source including, but not limited to, the Internet.
3. Engaging in any communication that is in violation of federal, state or local laws.
4. Proselytizing or promoting any religious belief or tenet.
5. Campaigning for or against any candidate for political office or any ballot proposal or issue.
6. Sending, forwarding, redistributing or replying to "chain letters."
7. Unauthorized use of passwords to gain access to another user's information or communications on PEACE, Inc. systems or elsewhere.
8. Advertising, solicitation or other commercial, non-programmatic use.

9. Knowingly introducing a computer virus into the Agency's communication system or otherwise knowingly causing damage to the Agency's systems.
10. Using the Agency's systems in a manner that interferes with normal business functions in any way, including but not limited to, streaming audio from the Internet during business hours, stock tickers, installing unauthorized software, etc.
11. Excessive personal use of the Agency's technologies that preempts any business activity or interferes with Agency productivity.
12. Sending E-mail messages under an assumed name or obscuring the origin of an E-mail message sent or received.

37.1 Security Breach Reporting Policy – see section 27.2 (1/20)

Security Breach Reporting Policy

In the event of a security breach or suspected security breach. (ie: Unauthorized access to confidential files/information. A lost or stolen device (laptop, tablet, portable hard drive, etc.,) potentially containing confidential information.)

The incident will be reported to the IT Director immediately. Upon confirmation of a suspected incident, the IT Director will report to the Executive Director of the security breach. Including the scope of what system(s)/files were affected or compromised.

If it is determined that personally identifiable information (PII) was compromised during a breach, the following steps will be taken.

1. The IT Director will notify the Executive Director, Chief Financial Office, and the Controller of the incident. The IT Director will then notify the appropriate authorities including the police department.
2. The IT Director will complete the Breach Reporting Form provided by Corporation for National & Community Service. The form can be found here.
3. The completed Breach Reporting Form will be sent to CNCS by email (privacy@cns.gov) of a suspected or confirmed breach. (Without reasonable delay.)
4. Staff or clients whose personally identifiable information was or suspected of being acquired by an unauthorized person will be notified by at least one of the following methods:
 - a. Written notice to the individual at his or her last known address; or
 - b. Verbal notification to the individual by telephonic communication which will then be followed up with electronic documentaton; or
 - c. Electronic notification to the individual at his or her last known e-mail address.
 - d. Should the disclosure pursuant be impracticable or inappropriate given the circumstances of the breach and the identity of the victim, such disclosure shall be made by the mechanism of the agency's choosing. Provided that such a mechanism is reasonably targeted to the individual in a manner that does not further compromise the integrity of the personal information.

5. The disclosure of the personally identifiable information shall be made available to the victims within a reasonable time period. As long as it does not interfere with any ongoing police investigation.
 - a. In the event that notifying the victims of a disclosure of their information does interfere with an ongoing police investigation. The affected individuals will be notified as soon as deemed possible by the investigating authorities.

38. Disciplinary Action for Violations

PEACE, Inc. requires all users to adhere to this policy. Violations of this policy will result in disciplinary action, which could include termination of employment or cancellation of contracts.

39. Reporting of Suspected Violations (11/17)

Suspected violations of these policies should be immediately and confidentially reported to your immediate supervisor. If you prefer not to discuss it with your supervisor, you may contact the Executive Director or IT Director.

PEACE, Inc. reserves the right to install programs that monitor employee use of the Internet and electronic communication systems and to act on any violations of these policies found through use of such programs. PEACE, Inc. further reserves the right to examine any and all electronic communications sent or received by employees via the Agency's electronic communications systems.

40. GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of PEACE, Inc., and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

41. Chart of Accounts Overview (11/12)(1/20)

The chart of accounts is the framework for the general ledger system, and therefore the basis for PEACE, Inc.'s accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.

PEACE, Inc.'s chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Gains and Losses

Each account number shall be in the following format:

XX-XXXX-XXXXX XXXXX

The first two digits represent the net asset class code (01-without donor restrictions 02-with donor restrictions, 03-permanently restricted)

The second four digits represent the account number

The third group up to five digits represent the location codes (or segments, as an example, used on grants that fund multiple sites/locations or programs, i.e. Department of Health and Human Services Grant and Community Services Block Grant.) The 5 digits are also used to identify individual jobs for Weatherization job costing.

The last five digits represent the project number (each grant or responsibility center is given its own project number – this last portion of the account number can be 3, 4 or 5 digits).

42. Distribution of Chart of Accounts

All PEACE, Inc. employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals.

43. Control of Chart of Accounts (11/12)

PEACE, Inc.'s chart of accounts is monitored and controlled by the CFO. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the CFO or Controller, who ensures that the chart of accounts is consistent with the Agency structure of PEACE, Inc. and meets the needs of each division and department. The Controller will notify the CFO of any changes.

44. Account Definitions (11/09)(9/21)

General Ledger

Account Range

1000 - 1999

Category

Assets

Definition

Assets are probable future economic benefits obtained or controlled by the Agency as a result of past transactions or events. Assets of PEACE, Inc. are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, receivables, and inventories that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the Agency and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

2000 – 2999

Liabilities

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the Agency to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of PEACE, Inc. are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

3000 - 3999

Net Assets

Net Assets is the difference between total assets and total liabilities. See the next section for PEACE, Inc.'s policies on classifying net assets. PEACE, Inc. currently has three possible types of net assets – unrestricted (01), temporarily restricted (02) and permanently restricted (03).

4000 - 4999

Revenues

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an Agency's ongoing major or central operations. Revenues of PEACE, Inc. include items such as grant revenues, service fee income, fundraising, rental income and direct contributions.

Revenues of PEACE, Inc. also include contributions received from donors and grants received from government agencies, private foundations and corporations.

5000 - 6999

Expenses

Expenses are outflows or other using up of assets or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute PEACE, Inc.'s ongoing major or central operations.

7000 – 9999

Transfers, Gains and Losses

Transfers are accounts used to transfer assets between the net asset classifications as the donor restrictions are satisfied.

Gains are increases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the Agency except those that result from revenues or contributions.

Losses are decreases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the Agency except those that result from expenses.

Gains or losses occur when PEACE, Inc. sells a fixed asset or writes off as worthless a fixed asset with remaining book value.

45. Classification of Net Assets (1/20)

Net assets of the Agency shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions - Net assets that are not subject to donor imposed stipulations.

With Donor Restrictions - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Agency and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor imposed stipulations that the Agency permanently maintain certain contributed assets.

Net assets accumulated by PEACE, Inc. that are not subject to donor imposed restrictions, but which the Board of Directors of the Agency has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

46. Empty (11/12)

47. Fiscal Year of Agency (10/16)

PEACE, Inc. shall operate on a fiscal year that begins on February 1 and ends on January 31. Any changes to the fiscal year of the Agency must be ratified by majority vote of PEACE, Inc.'s Board of Directors.

47.1 Accounting Estimates (2/11/08), (1/16)(9/16)

The Agency utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include, but not limited to:

1. Useful lives of property and equipment
2. Fair market value of donated assets
3. Values of contributed services
4. Joint cost allocations
5. Allocations of certain indirect costs
6. Allocations of time/salaries
7. Self insurance reserves

48. Journal Entries (11/12)

All general ledgers entries that do not originate from a subsidiary ledger shall be supported by a journal entry cover sheet, all supporting documentation that describes the journal entry and the journal entry batch validation and post reports from the accounting software system. All journal entries should be signed by the originator and approved by the CFO or Controller. Journal entries written by the CFO will be reviewed by another accountant. All journal entries will be stored in numerical order in a central location in the accounting department. A copy of the top sheet of payroll entries is filed in the central location, and the original payroll entry with support is filed in the CFO's office for confidentiality. Access to journal entries is limited to accounting department staff.

Only cover sheets are filed with the journal entries for operating account cash receipts and Accounts Payable journal entries. The backup for both are maintained in separate files.

49. Documentation of monthly posting procedures (to ensure items posted timely and correctly) (11/13) (8/16)(9/21)(10/21)(11/21)

Monthly posting procedures are to ensure that items are posted to the correct general ledger accounts timely and accurately.

Accounts Payable

We post the payable and payments immediately upon issuance of the checks.

Cash Receipts & Wire
Transfers

We have normally 2 deposits per day – meal contributions and the daily deposit for items received at the home office.

The daily deposits are prepared and deposited during the current day.

Meal contribution deposit entries are prepared and posted throughout the month, but all are completed within the current month.

The journal entries are prepared daily, and posted into the general ledger in a timely manner. A few days delay may occur for posting if there is a question concerning the deposit or transfer.

Payroll

We receive the Complete Payroll reports, and post a journal entry taken from the Complete Payroll reports and incorporate into an excel spreadsheet to allocate the charges. This entry is made within days of the payroll, within the current month. If a payroll falls within a couple of days of the month end, it may be posted for that month to a current asset account so we can complete a quick month end close. This is done with the approval of the CFO or Controller, who will consider any grants that may be closing.

Adjusting Journal Entries	Adjusting journal entries are prepared by the fiscal staff and CFO and immediately posted. All journal entries are reviewed and signed by the CFO or Controller. If the journal entry is prepared by the CFO, it is reviewed by another accountant.
Food Service Allocation	Effective 3/1/11, our Food Service Senior Nutrition and Head Start kitchens merged into one centralized food production kitchen. The monthly allocation of food service department costs (including all costs; salaries, fringes, indirect, general programming, transportation and overhead) are allocated monthly to either HS/EHS, Senior Nutrition or special functions/events based on actual production records kept on a daily basis by the food service department. Transportation costs are allocated by miles driven per month. Account 6573 is used to allocate the monthly food service costs.
Transportation/Maintenance	These allocations are prepared monthly in journal entry form to allocate salaries, fringe benefits and other department costs. Maintenance salaries are allocated from the payroll entry based on the timesheets. Effective 2/1/07 transportation costs are direct charged when possible. All other remaining costs are allocated to the programs based on a monthly transportation summary.
Indirect Pool Costs	The CFO prepares a monthly analysis to determine the actual indirect rate and compares it to the approved interim rate. The indirect pool costs are allocated to the responsibility centers using the interim rate, or the actual rate if lower than the approved interim rate. This way, we do not charge more to the grants than the lower of the interim rate or actual.
Allocations	The base for allocation of costs for transportation, maintenance, insurance, food service and payroll will be reviewed at least annually.

All journal entries and adjusting journal entries must have adequate supporting documentation attached to enable the reader to understand the reason for the entry.

Also, we have a system where each balance sheet account is assigned to an accountant for reconciliation. A master control sheet is prepared and as reconciliations are submitted to the CFO, the CFO signs the reconciliation, and the reconciliation is filed by account number. The control sheet is updated to reflect that the general ledger account has been reconciled.

Before issuance of internal financial statements monthly, the CFO reviews all major balance sheet accounts to ensure there is not an item that must be allocated before the issuance of the statements. Other reconciliations are submitted to the CFO during the subsequent months.

The CFO will include the "Month End Closing Schedule" with the CFO's copy of monthly financial statements. Part of the CFO's monthly close out procedures includes review of each grant or cost center and to compare the budget to actual amounts.

50. Account Reconciliations (8/14)(10/17)(10/19)

Effective with the September 2005 financial statements, all balance sheet accounts are to be reconciled by the accounting staff. The balance sheet accounts have been assigned to each staff member. Reconciliations are submitted to the CFO for review and approval, and then filed in accounting by account number order. Major accounts such as operating cash, accounts payable and major asset and liability accounts will be reviewed by the CFO before the current month general ledger is closed. Also, the interfund transfer accounts #7000 will be reviewed by the CFO monthly to ensure they balance to \$0. Bank account reconciliations are prepared and approved monthly. Also, selected accounts such as Petty Cash are reconciled quarterly.

Account reconciliations prepared by the CFO are reviewed by another fiscal staff person.

The reconciliation of grant receivables, deferred revenue and revenue are completed simultaneously. The reconciliations are to be tied to the vouchers as appropriate (example – some grants pay set amounts each month). The CFO is to review and sign all vouchers (does not sign the Wx Fee for Service as they are prepared and sent by the program staff).

We track jobs completed within the Weatherization Department programs to match revenue with expenditures for selected projects. We assign job numbers to Energy & Housing Fee for Service programs, and will track completed jobs to record revenue. We view direct expenses to be items such as labor and materials, and indirect costs to include telephone, maintenance, etc. As this is implemented, these procedures will apply to all weatherization non-grant projects as appropriate.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

51. REVENUE

52. Revenue Recognition Policies (11/13) (2/16)(1/20)

PEACE, Inc. receives revenue from several types of transactions. PEACE, Inc. records revenue in compliance with the FASB 958-605,606 to determine if the revenue is a contribution or exchange transaction. Revenue from each of these types of transactions is recognized in the financial statements of PEACE, Inc. in the following manner:

1. **Grant income** – Recorded according to the grant and FASB requirements. This includes cash basis (accruals recorded at year end in another project), accrual basis, fixed price, unit-of-service, and other types.

2. **Service fee income** – Monthly based on the unit-of-service or fees of the specific program and FASB requirements.
3. **Rent income** - Monthly accrual, based on the terms of each sublease and FASB requirements
4. **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions and FASB requirements (see the next section on contribution income). Some contributions may be recorded as receivables for some fundraisers, to ensure collection.
5. **Interest Income** – monthly accrual based on when it was earned.

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the CFO, in accordance with the FASB requirements

53. Management Construction Fees – Weatherization Assistance Program

A construction management fee of 10% of the owner investment to compensate and reimburse the sub-grantee for administrative expenses associated with additional work required to monitor owner investment may be charged on all owner investments except indirect investments.

Charging the additional 10% to the owner is at the discretion of the agency.

The Executive Director, CFO and Program Manager will review construction management fees in relation to the Weatherization Assistance Program on an annual basis, or as needed, to determine whether or not the agency will charge the additional 10%. The final decision will be signed by the Executive Director.

54. CONTRIBUTIONS RECEIVED

55. Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution - An unconditional transfer of cash or other assets to the Agency, or a settlement or cancellation of the Agency's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Agency or releases the promisor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Agency, the environment in which it operates, and the purposes specified in PEACE, Inc.'s articles of incorporation and bylaws. Restrictions on PEACE, Inc.'s use of an asset may be temporary or permanent.

56. Accounting for Contributions (11/10) (10/16)(10/19)(11/21)

PEACE, Inc. shall recognize contribution income in the period in which the Agency receives assets with donor restrictions or assets without donor restrictions. Contribution income shall be classified as increases in assets with donor restrictions, assets without donor restrictions, or permanently restricted net assets based on the existence or absence of such restrictions.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between with donor restrictions and without donor restrictions shall be recorded.

When it receives support in the form of volunteer labor, PEACE, Inc. shall record contribution income and assets or expenses (inkind) if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service is the type of service that would typically need to be purchased by PEACE, Inc. if it had not been contributed,

Examples of contributed services received and recorded as income and expense by PEACE, Inc. include volunteer hours, supplies, buildings and space rented to PEACE, Inc. at the FMV rental rate. (The donated portion is the difference between the FMV and the agreed rental amount.)

Contributed services that meet the preceding criteria shall be recorded at the fair market value of the service rendered. As an example, if a physician donates his/her time in their medical capacity, we can use their professional rate. If the same physician donates time to paint a hallway, the rate would be the rate established for overall donated hours.

Non-standard contributions will be reviewed by the Executive Director for acceptance.

57. In-Kind Contributions (11/14), (1/16)(10/17)(10/20)

We will use a standard method of recording the following types of In-Kind throughout the company. Any In-Kind donation must be allowable by the grant. Please note that not everything that donor's want to contribute can be used as In-Kind. One benchmark of whether an item/event is reportable as In-Kind is if PEACE, Inc. would pay the In-Kind amount to purchase the item or event and that if purchased it would be allowable under the grant. For In-Kind to be acceptable, the following must be met:

- Are verifiable from records
- Are not included as contributions for any other federally-assisted project or program
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowable under the applicable cost principles
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching
- Are provided in approved budget

Type of In-Kind:	Space
	Volunteer Time/Professional Services
	Volunteer Mileage/Travel
	Items Donated
	Mantoux Test/TB Screening
	Volunteer parking
	Volunteer uniform rentals
	Volunteer meals

Space

Space In-Kind will be booked into the general ledger monthly via a journal entry. The support for the journal entry will reflect the square footage and the justification for the square footage rate used. The In-Kind space will be recorded in the current month (for example, April In-Kind space will be booked in April).

Space In-Kind should be written into the grant whenever possible.

The journal entry should debit the account #6620 – In-Kind Space and credit the In-kind revenue account #4551.

The journal entries will be prepared by the Fiscal staff, and reviewed by the CFO or Senior Accountant.

Volunteer Time and Volunteer Mileage (1/16)

We use a form "Affidavit of Volunteer Services" to be completed and signed by the volunteer.

Volunteer indicates hours by day and checks under the appropriate column for the type of work

performed, The staff should reflect the time to the closest ¼ hour, and complete totaling of hours. Different types of work will be valued at different rates. Use the "Volunteer/In-Kind Hourly Rates" sheet prepared by Human Resources to determine the hourly rate. If the type of work is not included on the "Volunteer/In-Kind Hourly Rates" we must record the rate at the going market rate, which can be the volunteer's rate in the market place. There is a separate "Affidavit of Volunteer Services" for CSBG and HS/EHS Volunteer Affidavit (due to different types of volunteers).

In fiscal year end 1/31/13 a new more efficient volunteer service form was introduced to CSBG funded programs. Not all programs can use this form.

CSBG volunteer indicates their status:

NAC Member
Office Support
Special Programs
Food Service

Other/Professional

Profession _____
Description of volunteer work _____
Hourly Rate\$ _____

Head Start/Early Head Start volunteer indicates their status:

Parent/Legal Guardian
Former Parent
Other/(Non-Parent/Non-Guardian)
Profession/Occupation _____
Type of volunteer work done _____
Hourly Rate\$ _____

Self transport is no longer allowed as of June 24, 2007.

The PEACE, Inc. representative will forward the following completed items to the accounting office:

All "Affidavits of Volunteer Service" forms or HS/EHS Volunteer Affidavit
"Monthly Volunteer Tally Sheet" form or Promis Report stapled on top

The forms are due in accounting office the month following the volunteer month. The PEACE, Inc. representative will retain a copy of the tally sheet sent to be retained at their location.

The PEACE, Inc. program representative is responsible that all forms are completed correctly. The Accountant is responsible to add the totals from the individual forms and tie to the Monthly Volunteer Tally Sheet or Promis Report, and test check the Affidavit forms. If there are discrepancies, the Accountant will correct the error or send the form to the Program Manager to be corrected immediately, as we need to have returned to accounting to enter into the general ledger.

The standard rates for volunteer hours will be maintained on the intranet tally sheet, so we are using standard rates consistently. This rate list will be updated by Human Resources on an annual basis.

Items Donated (1/16)

The staff person or volunteer at each site taking donated items will have the following:

Copy of Salvation Army donated items value list
Supply of "Receipt for Donated Goods" form – 3 part form with location stamped on all three copies
"Volunteer/In-Kind Hourly Rates" list

A donor will bring the items to be donated to the location or site. The "Receipt for Donated Goods" form is to be completed as follows:

Donor (person bringing in items) completes the Donor Name/Address and Date.
-Not required if the donor does not wish to indicate.

Donor signs the form at the bottom (not required).

The PEACE, Inc. representative gives the top white copy to the Donor. It is the Donor's responsibility to complete their values for income tax purposes. Do not complete the condition or value for our purposes until after giving the Donor their copy. PEACE, Inc. is not to value the items for the Donor's benefit.

The PEACE, Inc. representative lists items under Description of Articles and condition (have Donor help complete if Donor is willing – not required that Donor complete). The PEACE, Inc. representative must be sure it is a list (cannot have "bag of clothes"). List each item separately, with a condition value – poor, good, excellent.

The PEACE, Inc. representative uses the Salvation Army guide to value the items based on condition. The value must be within the Salvation Army guide. If an item is not listed in the Salvation Army guide, use best judgment (based on guide's value of similar items). Value the items based on condition between the low value and high value. You can list like items same condition on one line. In addition, there might be occasions where the internet will be a reference for valuing items that are not listed on the Salvation Army guide, or when you cannot use your best judgement.

If an item is brand new, never been used, it can have a value of the purchase price if one of the following exists. In this case, the Salvation Army guide will not be used. If question, please call the CFO at 634-3722.

The tags indicating the purchase price are still on the item – as applicable the program representative is to take a photo copy of the item showing the tag affixed to it and attach to the "Receipt for Donated Goods"

The donor is a retail store, and gives written evidence of the price

If a staff member has received the goods and removed the affixed tags, the Director must submit a letter indicating they removed the tags, and the items are new. This may occur when we are given a large shipment of new items from a retail store. An example of such is when we receive a case of food from a local grocery store.

PEACE, Inc. representative signs the line "Program representative signature" on the "Receipt of Donated Goods" form

PEACE, Inc. Program Manager or designee ensures all information is correct (including values used), and signs the "Donated Goods Coversheet" form.

Program Manager/Designee must indicate where these items will be used – for example, Eastside Family Resource Center, Head Start Merrick Location for toddlers, etc.

The Program Manager/Designee retains a file for the site copies.

The Program Manager/Designee sends the pink copies to the Fiscal Department the subsequent month attached to a cover sheet "Donated Goods Cover Sheet" form.

Accounting will ensure the "Donated Goods Cover Sheet" form does reflect the correct total of the "Receipt of Donated Goods" forms attached. Accounting will also test check the "Receipt of Donated Goods" forms for accuracy. Accounting will prepare a journal entry for each location for the items donated each month. The entry will be for items from the prior month. There will be a one month lag of this recording in the general ledger, as we close each month very quickly, and do not have time to record currently. During the final month of the fiscal year, January, we will post both the December and January items donated.

It is the Program Manager/Designee's responsibility to ensure the sites have an adequate supply of "Receipt of Donated Goods" forms on hand. The assigned accountant can provide additional forms.

The Senior Accountant will maintain a grid report indicating all locations and the type of In-Kind donation reportable for each. This grid is forwarded to the CFO for each month to indicate that we received In-Kind.

An item cannot be processed as In-Kind for a grant if it is not something PEACE, Inc. would buy for the grant. If there is any question as to whether or not an item is allowable, please contact the Program Director. Written authorization is required for any In-Kind that does not normally qualify under the grant. If the item or service is written into the grant, and the grant is approved as is, this satisfies the written requirement.

Head Start/Early Head Start does not accept clothing, other than for dramatic play. Therefore, if a donor brings clothing to a Head Start site, do not accept the clothing, but refer them to a Family Resource Center to deliver the clothing. This will ensure Head Start/Early Head Start personnel are not involved in Family Resource Center activity, and the families we serve will become acquainted with all that PEACE, Inc. offers.

Some examples of acceptable items might be (depending on the individual grant):

- Clothing (not allowed on Head Start unless for dramatic play)
- Food
- Educational items/Books/Computer items
- Toys for children
- Furniture/Kitchen Items

Some items are unacceptable for certain grants. A review of each grant is to be made to determine allowability.

In-Kind reports are the responsibility of the Program Manager.

57.01 Gifts to Organization (2/16)

PEACE, Inc. will not accept any donations that imply endorsement of businesses, products or services. Donor businesses may not use PEACE, Inc.'s name for promotion of any product of service.

57.02 Donor Privacy (8/15)

PEACE, Inc. respects the privacy of its donors and also recognized that donors wish to be connected to PEACE, Inc. PEACE, Inc. uses donor information to notify them of information, plans and activities. Donor information is shared with staff, board members, volunteers and consultants on a "need-to-know" basis.

PEACE, Inc. does not share their donor list with any third party unless donor permission has been granted. Requests to remain anonymous will be honored.

57.1 INVESTMENTS (12/14)

57.2 Investment Policy

Introduction

It is the policy of PEACE, Inc. to treat all assets of the organization, including those funds that are legally unrestricted, as though they are held by PEACE, Inc. in a fiduciary capacity for the purpose of accomplishing the organization's tax-exempt mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of PEACE, Inc. shall be those of a prudent investor.

Delegation of Authority

The board of directors of PEACE, Inc. has delegated supervisory authority over its investing activities to the Fiscal Committee of the board. The Fiscal Committee is responsible for regularly reporting on the organization's investments to the full board of directors.

Investment Objectives

PEACE, Inc.'s investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments. It is the organization's policy that excess funds may first be used to pay down interest-bearing (loans) prior to investing such funds.

Allowable Investments

Investments of PEACE, Inc. shall be made exclusively with the following securities:

1. Federally-insured Certificates of Deposit, not to exceed \$100,000, including interest, at commercial banks or savings and loan institutions.
2. U.S. Treasury securities and securities of Federal agencies and instrumentalities.
3. Repurchase agreements with financial institutions, collateralized by U.S. Treasury or Federal agency securities.
4. Corporate bonds and notes rated A or better by Moody's and Standard & Poor's.
5. Commercial paper rated P-1/A-1 by Moody's and Standard & Poor's.
6. Money market funds that invest in securities approved under these guidelines.

PEACE, Inc. shall not engage in margin transactions, short selling, commodity transactions or use of derivatives.

Periodically we will review with the bank if a sweep account is in our best interest, and if so we will utilize the sweep account.

58. BILLING/INVOICING POLICIES

59. Overview (11/12)

The following is an example list of items billed and/or accrued and received by PEACE, Inc. and the frequency with which each is billed:

Monthly, Quarterly & Periodic Billings

1. Grants, service fees and contracts (including rents) (See separate section on "Policies Associated with Federal Awards" for billing policies associated with federal grant agreements)
2. Leases and Subleases

60. Responsibilities for Billing and Collection (8/15)(12/22)

PEACE, Inc.'s Accounting Department is responsible for the vouchering of receivables (except for examples listed below), as well as the collection of outstanding receivables on grants. Grant vouchers prepared by fiscal are reviewed and approved by either the CFO or Executive Director. The program staff may complete the vouchers for selected grants and fee for service programs because of the required information to complete the form or the program staff maintains the software required to complete the vouchers. Reimbursements for volunteer Foster Grandparent mileage and meals from CNYDSO and Elmcrest are currently prepared by program staff. Energy & Housing staff complete vouchers/invoices for Empower New York, and other fee for service programs.) Rent collection is the responsibility of the Program Manager. (Note: Cash receipts, credit memo, and collection policies will be discussed in subsequent sections).

Prior to termination of a tenant lease agreement, management must provide tenant with the Notice of Violation. This will advise the tenant that if the stated violation is not corrected by the stated date, management may seek to terminate the lease by instituting an action for eviction at which time the resident may present a defense.

The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements.

61. Accounts Receivable Entry Policies

Accounts receivable posting is done in coordination with the monthly revenue entries prepared by the Accounting Department Staff.

62. Classification of Income and Net Assets

All income received by PEACE, Inc. is classified as "unrestricted", unless specifically noted by the donor.

From time to time, the PEACE, Inc. Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as "unrestricted". However, to

identify these funds as being set aside for special projects, such set-asides shall be labeled "Board-Designated" funds within the unrestricted net assets of PEACE, Inc., and shall be reported as a separate component of unrestricted net assets on the PEACE, Inc. financial statements.

63. CASH RECEIPTS

64. Overview

Cash (including checks payable to the Agency) is the most liquid asset an Agency has. Therefore, it is the objective of PEACE, Inc. to establish and follow the strongest possible internal controls in this area.

65. Processing of Checks and Cash Received in the Mail (11/12), (1/16), (9/16)(10/17)(11/18)(11/21)

For funds that are received directly at PEACE, Inc. cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

The mail is opened daily an Accountant, who stamps any checks she receives "For Deposit Only" on the back of the check, and forwards all checks to the Payroll Specialist. The Payroll Specialist then reviews the checks and prepares general ledger coding for each cash receipt. The deposit and journal entry are prepared by the Payroll Specialist. The daily bank deposit is taken to the bank by someone in the HR Department. The CFO or Controller review all deposits and sign the journal entry. If cash or checks are received after the cutoff for the day's deposit, the cash or checks will be held overnight in a locked safe in the locked fiscal department and deposited the next business day.

Key Bank operating checks received can be scanned from a scanner attached to a computer. If used, HR personnel will scan the checks for the daily deposit into the Key Bank operating account. HR personnel will print a receipt and forward the receipt to the accounting staff person responsible for recording the daily receipts. The accounting staff person will review the paperwork from the scanned receipt.

Funds that are received in the form of cash and checks are brought to the accounting department and a pre numbered cash receipt is written in the receipts book and given to the individual employee who brought in the actual cash or check, as appropriate.

The bank reconciliations are prepared by a person other than the person making the deposits. The M&T operating and the Key Bank operating bank reconciliations are prepared by a staff person who does not record receipts or disbursements for the account.

65.1 Processing of Other Checks and Cash Received (Including Receipts at Sites) (11/12), (1/16)

All cash and checks received at any site (either by mail or not), are to be forwarded to the Accounting Department with explanation of the receipt. We can then deposit the items into the corporate accounts, and account for the receipt through the general ledger.

Meal contributions are prepared daily by program personnel, and deposit information is forwarded to the Accounts Payable Specialist, who prepares the journal entry.

66. Endorsement of Checks (1/16)(11/21)

It is the policy of PEACE, Inc. that all checks received that are payable to the Agency shall immediately be restrictively endorsed by the individual who opens the daily mail (if received via mail). If the check is delivered internally (not via mail), the Payroll Specialist will endorse the check. The restrictive endorsement shall be a rubber stamp or manual endorsement that includes the following information: (If a stamp is not available, the information will be written on the back of the check.)

1. "For Deposit Only"
2. PEACE, Inc.
3. The bank account name and account number

67. Timeliness of Bank Deposits (1/6/09)(11/21)

It is the policy of PEACE, Inc. that bank deposits will be made on a daily basis. If for some reason (bank suddenly closed), the deposit cannot be made that day, the CFO must be notified that day. If there is no deposit for the day, the Payroll Specialist who prepares the deposits will email the CFO. If cash or checks are received after the daily deposit is made, the items will be locked in a safe in the locked fiscal department, to be deposited the next business day.

68. Reconciliation of Deposits (11/12), (9/16)

On a daily basis, the CFO, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the online bank account for the two operating accounts Key Bank and M&T. Any discrepancies shall be immediately investigated.

69. ACCOUNTS RECEIVABLE MANAGEMENT

70. Monitoring and Reconciliations (8/15)(8/18)

Accounts receivable account analysis/reconciliations are prepared by the responsible accounting department personnel to ensure proper balance and reporting. The accounts receivables reconciliations are forwarded to the CFO for review and approval. At this time any old outstanding accounts receivables would be noted for the CFO. The collection of outstanding vouchers would be the responsibility of the Accountant responsible for that particular receivable (unless otherwise instructed by the CFO).

As of October 2007, accounts receivable reconciliations are to include voucher amounts and date sent, which can then be incorporated for aging purposes.

In order to maintain effective internal controls, the approval to write off receivables is completed by the CFO or Executive Director, who do not record payments. These write offs may be due to collection issues or contractual allowances.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

71. PURCHASING POLICIES AND PROCEDURES

72. Overview (2/11/08) (2/16)(10/19)(11/22)

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY PEACE, INC.

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL AWARDS." (Section 184)

If an purchase is made with federal funds, and the purchase is for labor (with or without the purchase of items), either of the following will be attached to the agreement:

A copy of the CFR Appendix II to Part 200, Title 2

OR

A bullet list of the items included in CFR Appendix II to Part 200, Title 2

This attachment can be attached to the PO or contract to ensure that the vendor receives the attachment, and agrees to abide by it's rules and regulations.

When a purchase is made with federal funds, PEACE, Inc. will follow the federal guidelines per CFR 200 317-327, CFR Appendix II to Part 200, Title 2, CFR Part 75 – Procurement, and any other federal guidelines relating to purchasing. Also PEACE, Inc. will follow any grantor specified purchasing requirements.

It is the policy of PEACE, Inc. to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders.

Relevant OMB circulars and Uniform Guidance are reviewed periodically (and whenever changes to circulars) to ensure adherence to directives.

72.1 Procurement Procedures (2/16)

Refer to CFR , Subpart D, sections 200.317-200.326

73. Responsibility for Purchasing (2/11/08)

All department and project Directors shall have the authority to initiate purchases on behalf of their department or project, within the guidelines described in this policies manual. In addition, department directors may delegate purchasing authority to responsible individuals within their department. The fiscal department shall maintain a current list of all authorized department and project signors.

The accounting department shall be responsible for processing purchase orders. The Executive Director and/or CFO have approval authority over all purchases, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

The purchasing system of the Agency shall be overseen by the Purchasing Director. The Purchasing Director can review a requisition or purchase at any time.

74. Non-Discrimination Policy

All vendor contractors who are the recipients of Agency funds, or who propose to perform any work or furnish any goods under agreements with PEACE, Inc. shall agree to these important principles:

1. Vendor Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendor contractors.

75. Purchasing Overview (11/12), (2/16) (9/18)(5/22)(6/22)(11/22)

Changes highlighted are effective 6/27/22, due to new federal guidelines.

Before committing to a purchase with a new vendor contractor, the Purchasing Dept. confirms that the vendor contractor is not on the suspension/debarment list. On the Purchase Order Checklist there is an indication if this is a new vendor contractor.

We can categorize our disbursements into three types:

- Purchase Orders required – items we will receive an invoice for
 - Require a "Purchase Order Checklist" to be completed by accounting or Purchasing department
- Cash Disbursement – no invoice will be received – example – expense reports and credit card payments
- Recurring Payments – leases and contracts and standard payments (example - utilities)
 - Includes master list of recurring, and coversheet for each with documentation attached in a folder

As PEACE, Inc. is exempt from NYS sales tax, no NYS sales tax is to be charged directly or indirectly to any grant. We do everything possible to eliminate sales tax. However, on occasion a minor amount

of sales tax may be charged. If so, it needs to be approved by the Controller, Purchasing Director or CFO, and charged to "non-allocable". Some tax payments are required such as for flights, hotels, etc., and are allowed on the grants.

There are 3 purchasing dollar levels. Refer to CFR, Subpart D, 200.320. We will use the dollar levels included below:

Micro purchases – below \$10,000

Small purchases - \$10,000 – below \$250,000

Large purchases (Simplified Acquisition Threshold) - \$250,000 and higher

76. Use of Purchase Orders (11/13)(6/17)(11/22)

It is the policy of PEACE, Inc. to utilize a purchase order system. A properly completed purchase order or Cash Disbursement form shall be required for each purchase decision with the exception of petty cash accounts, recurring payments, travel advances and expense reimbursements, cash advances, etc. which require a separate form described elsewhere in this manual. Also, professional services such as legal or accounting, do not require a purchase order, but fees will be analyzed periodically. A "Purchase Order Checklist" will be attached to a properly completed purchase order to indicate at a minimum:

1. PO Date
2. Determine whether allowable under grant and initial
3. Indicate no sales tax included
4. If item \$5,000 or more and fixed asset, notify Senior Accountant, OR Construction in Progress, acct #1540
5. If fixed asset must have lease vs buy analysis form, as appropriate
6. Indication that funds are available
7. Three quotes, indication NYS Contract, or Sole Source attached as required
8. Required signatures
9. Receipt of items
10. Recognition of Davis Bacon if applicable

Purchase orders shall be pre-numbered and kept in a secure area in the accounting department, and issued upon request from an authorized purchaser. All purchase orders are logged out by the accounting department when disbursed to employees/program managers.

If the purpose of the purchase is not readily apparent, a written description of the nature of the purchase and how it relates to the applicable grant shall be attached.

A "Purchase Order Check List" will be attached to each Purchase Order to ensure all items are considered, and we have adequate support for payment. Each Purchasing staff member will initial/date the review items as they review through the receiving of product area and sign-off as all complete up to that point. The Accounts Payable Specialist will initial/date the invoice area of the checklist and sign-off that all is complete.

The Purchasing Department reviews the open purchase order file on a periodic basis to ensure the open purchase order file is up to date.

77. Authorizations and Purchasing Limits (11/13), (2/16)(11/16) (2/17)(2/18)
(9/18)(10/1)(11/18)(10/19)(01/20)(9/21)(11/21)(5/22)(6/22)(11/22)

The following table displays required approval levels used by PEACE, Inc. for purchases, whether using a Purchase Order or a Cash Disbursement Request.

If there is a required PO, there will be a Purchase Order Checklist attached.

If a PO is required, the PO will be written before the order is placed.

Any specific grantor requirements must be identified and adhered to.

Requisition Requests are not required.

The level listed below will be determined when the PO is written. If it appears that purchase could be amended to cross the next higher tier, we will use the procedures for that higher tier. When we cannot foresee the amount crossing into the next tier, once the cross into the next tier is recognized, we will do all steps available at that time for the higher tier.

Total Amount of Purchase	Signatures required to Purchase	Solicitation Process	Documentation of Decision
Petty Cash	Project Director	Open and free competition as a variety of vendor contractors are used	Invoice/Receipt

MICRO-PURCHASE Less than \$10,000	LESS THAN \$2,000 Program Director-before Purchase Purchasing Director-can be after purchase date Accountant-can be after purchase date \$2,000-LESS THAN \$5,000 Program Director Purchasing Director Accountant	No quotes required Price must be considered reasonable based on research, experience, purchase history, or other information Purchase can be made from a contractor successfully used in the past, with reasonable pricing. To the maximum extent practicable, micro-purchases will be equitably distributed among qualified suppliers, provided pricing is reasonable. PEACE may utilize annual bids for suppliers of recurring purchases.	Purchase Order or Cash Disbursement Request Invoice/Receipt PO Checklist if using PO
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	<u>\$5,000-LESS THAN \$10,000</u> Program Director Purchasing Director Accountant Executive Director CFO		
<u>SMALL PURCHASE</u> <u>\$10,000 – less than an \$250,000</u>	Program Director Purchasing Director Accountant Executive Director CFO	One of: (can be verbal, but attach if written) 3 quote form - NYS Contract/State Bid List - Sole Source - Annual Bid RFP Process only if required by grantor Sealed Bids only if required by grantor Price must be considered reasonable based on research, experience, purchase history, or other information. To the maximum extent practicable, small purchase will be equitably distributed among qualified suppliers, provided pricing is reasonable.	Purchase Order or Cash Disbursement Request Invoice/Receipt PO Checklist if using PO Document how quotes were obtained Document procurement decision

<u>SIMPLIFIED ACQUISITION THRESHOLD</u> \$250,000 or more	Program Director Purchasing Director Accountant Executive Director CFO	WRITTEN PROPOSALS (see requirements below) OR SEALED BIDS (see requirements below) Advertising is required for sealed bids.	WRITTEN PROPOSALS (see requirements below) OR SEALED BIDS (see requirements below) Purchase order of Cash Disbursement Request Invoice/Receipt PO Checklist if using PO
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Noncompetitive procurement:

Noncompetitive procurement can be used in specific circumstances. It will be allowed only if one or more the following circumstances apply:

1. The aggregate dollar amount of the acquisition of property or services does not exceed the micro-purchase threshold of under \$10,000.
2. The item is available only from a single source
3. The public emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation
4. The federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from PEAC, Inc.
5. After solicitation of a number of sources, competition is determined inadequate

In addition to the above requirements, specific grantor purchasing requirements must also be adhered to (such as Head Start, HCR, and others).

The decision of which tier a purchase fits into is based on the information on hand at the time of the decision of which vendor to choose. There can be instances where a decision of a vendor with applicable tier is made, and then more costs are added due to unforeseen events (additional work or materials needed, additional people attend event, etc.). The tier above is determined when the original decision is made.

If there is additional work required above and beyond the original PO amount, it will be decided whether:

1. The proposed work and cost is appropriate, documented, and proceed
2. The proposed work is not appropriate or approved, or
3. Prepare a new PO for the additional work and following the purchasing procedures.

Exceptions:

The Director of Food Services may order food and supplies (no equipment or items out of ordinary daily purchases) solely on his signature due to the nature of the program. The Purchase Order is then remitted to Accounting for the Purchasing Director and Accountant signatures (and Executive Director & CFO if required).

The Weatherization Director may order supplies and materials for jobs (no equipment or items out of ordinary daily purchase) solely on his signature due to the nature of the program. The Purchase Order is then remitted to Accounting for the Purchasing Director and Accountant signatures.

The Head Start/Early Head Start Nutrition Coordinator may order normal food and supplies (no equipment or items out of ordinary daily purchases) solely on her signature due to the nature of the program. The Purchase Order is then remitted for the Purchasing Director and Accountant signatures.

The Program Director is the only required signor prior to ordering items or service if the total is under \$2,000, except as noted above for food services and weatherization purchases. The Purchasing Director and Accountant are able to sign after the purchase.

The Human Resources Director signs for HR related invoices for example: drug testing, employee background checks, payments for small medical claims, insurance and tuition reimbursement.

All required approval signatures must be obtained prior to placing an order with the vendor contractor.

Only the Executive Director is authorized to enter into any contract (verbal or written) on behalf of PEACE, Inc.

The Controller may sign in place of the CFO for any appropriate items (not just when CFO is not available).

Small, recurring purchases made routinely through the year may be supported by an annual memo of authorization. This letter would reflect the dollar limit and type of purchase, along with "allowable under grant/cost center" and "grant funds available" clauses. This annual memo is signed by the Program Director or authorized person.

Cash disbursements that do not require a PO and do not involve vendor sourcing do not require the Purchasing Director signature. Examples are the cash transfer from the operating account to the Captive account, issuance of the Captive stop payment and Captive administrative fee, and other like items.

Emergency trips for medical attention may have signatures dated after the medical visit, to ensure medical issues are addressed as soon as possible.

Standard deliveries of contracted items such as uniforms may have invoices signed by accountant, as the program director originally signed the contract.

Professional services procured will be reviewed by appropriate staff every 3-5 years. Criteria considered will be: satisfaction with the vendor, reasonable price, timeliness, professionalism, etc. This review will be documented, and a decision made to continue the services, or obtain 3 bids for future services. An individual purchase of services will be made based on a review of the above criteria

77.1 Allowable Purchases (12/14), (2/16)(10/17)

It must be determined that a purchase is allowable under the grant/cost center. To accomplish this:

There is a box on the Purchase Order and Cash Disbursement Request that must be checked and signed by the Program Director that the item is allowable. At times this box may be checked and initialed on the requisition or request, and attached to the Purchase Order.

A Partial Listing of Allowable/Unallowable Expenses for Head Start has been forwarded to Head Start Senior Leadership

CFR, Subpart E, 200.420-200.475 Selected Items of Cost and Selected Unallowable Cost Items are forwarded to Senior Leadership periodically.

See also CFR, Subpart E, 200.402 – 200.411 for Basic Consideration regarding costs.

78. Required Solicitation of Quotations from Vendor Contractors (12/14), (2/16)(9/16)(11/17)(10/18)(11/18)(11/21)(5/22)(6/22)(11/22)

Also see CFR D 200.319

PEACE, Inc.'s choice of vendor contractors is based on full open and free competition. We choose the vendor contractor most responsive to the solicitation and advantageous to the agency.

Refer also to CFR, Subpart D, 200.319.

Purchases of \$10,000 or more (unless discussed in other sections of this manual – example Section 76), will be supported by quotes as required (see section 77). These quotes can be in the form of either bids per purchase (documented by the Vendor Contractor Quote Verification – vendor contractor quote form), indication on the NYS Contract list, sole source, or an annualized bid. An annualized bid is a sampling of commonly used items in specific groupings ie: hardware, plumbing products, electrical products, office supplies, food products, and is reevaluated on a yearly basis and determines reasonable priced vendor contractors in locations common to our facilities. For purchases of multiple items such as hardware, novelty goods, etc. from vendor contractors that do not have an annual bid on file it is permissible to do a price comparison on a random sampling of those items to prepare a vendor contractor quote form.

Petty cash purchases (section 126) do not require bids, but have free and open competition. Staff may use a vendor contractor they feel is in the best interest for the agency.

Required governmental fees and similar situations where we have no control over the vendor contractors used do not require bids. An example would be if we are required by contract to reimburse expenses to a landlord or vendor contractor is specifically written into the grant. We would then review for reasonableness.

Certain purchases such as license fees, job fair fees, trainers, postage, mileage reimbursements, subscriptions, memberships, consultants such as engineering consultants, etc (list is not all-inclusive) do not require bids or sole source forms. We would review for reasonableness.

Written quotes are required for purchases of \$10,000 or more (must be written if for \$250,000 or more). Exceptions to the three quote requirement are: if the vendor contractor is on an approved New York State bid list, specialized contract services ex: auditors, lawyers, consultants (who are reviewed periodically) or if a vendor contractor is considered sole source of a product. (A sole source form must be filled out and attached to the purchasing package).

A sole source form is to be used only when there is no other vendor contractor (not because they are the lowest cost).

If a new vendor contractor is being considered, the staff person responsible for the purchase must confirm with the Purchaser that the vendor contractor is not on the disbarment list, before committing to the purchase.

All Purchase decisions of \$250,000 or more shall be made by obtaining written competitive proposals from at least three (3) responsible vendor contractors. Sealed bids shall be utilized when required by a Federal awarding agency.

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

6. A description of the proper format, if any, in which proposals must be submitted, including the name of the PEACE, Inc. person to whom proposals should be sent.
7. The date by which proposals are due.
8. Required delivery or performance dates/schedules.
9. Clear indications of the quantity(ies) requested and unit(s) of measure. (does not apply to annual bids, as do not know quantities)

79. Evaluation of Alternative Vendor Contractors for Proposals (1/6/09)

PEACE, Inc.'s choice of vendor contractors is based on open and free competition. We chose the vendor contractor most responsive to the solicitation and advantageous to the agency.

Alternative vendor contractors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor contractor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor contractor's financial stability
7. Vendor contractor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor contractor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor contractors
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendor contractors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

80. Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

Positive efforts shall be made by PEACE, Inc. to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such Agencies as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

81. Special Purchasing Conditions (7/16)(10/17)

Emergencies:

Where equipment, materials, parts, and/or services are needed in an emergency, quotes/bids will not be necessary if the health, welfare, safety, etc., of staff and protection of Agency property is involved, or if the emergency relates to the health and safety of our constituents. These purchases are to be signed by the Executive Director or CFO. There will be vendor contractors list maintained by purchasing for emergency situations for areas such as plumbing, fencing, electrical.

If an emergency does occur, Purchasing will later review the charges for reasonableness and annual bids. At that time, a vendor contractor could then be identified as reasonable or eliminated from future procurement.

Renewal Invoices:

Annual renewal invoices can generate a purchase order or a cash disbursement. This invoice may be dated prior to the Purchase Order date or the director's signature. This is due to the vendor contractor initiating the renewal invoice. We are not obligated to pay this invoice unless we opt to renew.

Single Distributor/Source:

Sole source purchases will be made only when solicitation of multiple vendor contractors is not feasible and one of the following conditions applies:

- The items or service is only available from one source
- The situation is an emergency
- The awarding agency approves the purchase.

A completed sole source form is required.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated With Federal Awards."

Cash Advances:

There are instances when programs submit cash disbursement requests for an advance to purchase items such as food/snacks, movie tickets, bus fare, arts & crafts, school supplies, program activities, prizes, etc. PEACE, Inc. will provide the advance if the items requested are in the normal course of the programs purpose. The program then purchases the items, completes an Advance Reconciliation form to reconcile back to the original advance if appropriate and submits the receipts for review by the Program Director and the accountants. If the requested advance is for specialty items not in the normal course of operations for the program, then a detail of the items to be purchased would be attached along with the required quotes/bids before the advance is issued.

82. Vendor Contractor Required Documentation (11/10)(1/20)

The Accounting Department or Accounts Payable Specialist shall mail a blank Form W-9 to all new vendor contractors, along with a request for the vendor contractor to complete and sign the W-9 or provide equivalent, substitute information and return it to the Agency. Completed, signed Forms W-9 or substitute documentation shall be filed in the Accounting Department. Vendor contractors who do not return a completed, signed Form W-9 or provide equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on "Government Returns." All contracts must be signed by Executive Director.

84. Ethical Conduct in Purchasing

Ethical conduct in managing the Agency's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value (over \$25) in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. If candy, flowers or other items of small value (up to approximately \$25) are delivered unannounced to the office (such as at holidays), the items will be shared with the staff.

84.1 Competition (8/15)

In order to promote open and free full competition, purchasers will:

1. Be alert to any internal potential conflicts of interest
2. Be alert to any noncompetitive practices among contractors that may restrict, eliminate or restrain trade.
3. Not permit contractors who develop specifications, requirements or proposals to bid on such procurements.
4. Award contracts to bidders whose product/service is most advantageous in terms of price, quality and other factors.
5. Issue solicitations that clearly set forth all requirements to be evaluated.
6. Reserve the right to reject any and all bids when it is in the Agency's best interest.
7. Not give preference to state or local geographical areas unless such preference is mandated by Federal statute.
8. "Name brand or equivalent" description may be used as a means to define the performance or requirements.+

85. Conflicts of Interest Prohibited (11/10)(11/22)

No officer, board member, employee, or agent of PEACE, Inc. shall participate in the selection, award or administration of a vendor contractor if a real or apparent conflict of interest would be involved (see below). Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an Agency that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor contractor selected.

In addition, no employee, officer, Board member or agent of PEACE, Inc. shall participate solely in the selection, award, or administration of a contract involving PEACE, Inc. if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest or a tangible personal benefit in the firm selected. The officers, employees, and agents of the PEACE, Inc. shall neither solicit nor accept gratuities, favors, or anything of monetary value (over \$25) from contractors, or parties to subagreements. If there is such a conflict, full disclosure must be made to the Executive Director, who must sign an authorization, and deem that the financial interest is not substantial. The HR department will ensure all staff and Board members sign a conflict of interest disclosure statement.

Officers, board members, employees and agents of PEACE, Inc. shall neither solicit nor accept gratuities, favors, or anything of monetary value (over \$25) from vendor contractors or parties to sub-agreements.

Disciplinary actions will be applied for violations of such standards by officers, employees, or agents of PEACE, Inc. as deemed appropriate by the Executive Director. This might include actions anywhere from discussions with the person in violation to ensure the incident will not occur again up to and including dismissal.

86. Receipt and Acceptance of Goods (11/13)

It is the policy of PEACE, Inc. that all ordered goods be inspected immediately upon receipt, and that the Purchasing Department and vendor contractor be notified of any discrepancies immediately. Included in the purchase package, a program person must sign their name and date items or service received. This can be handled in a few ways.

All packing slips, if applicable, should be forwarded to the purchasing department for attachment to the PO and should include a signature and date received.

In the absence of a packing slip, the pink copy of the P.O. should be forwarded with a signature and date received.

If neither are available, the program person is to sign the invoice to indicate receipt, and indicate date received.

An email confirmation of receipt of goods including a date items were received is also acceptable in the absence of the packing slip.

87. Excluded Parties (11/22)

The Accounts Payable Specialist in conjunction with the Purchasing Department shall review current vendor contractors annually and any new vendor contractors to ensure they are not listed on the excluded parties list or a U.S. Government Debarment listing.

On the Purchase Order Checklist there is an indication if this is a new vendor contractor.

All credit applications must be forwarded to the Purchaser for completion, and the Purchaser will review the Federal Excluded Parties List and Debarment list.

88. Corporate Credit Cards/Procurement Cards (8/14) (12/14) (1/16), (9/16)(6/17)(10/17)(11/17)(3/18) (10/18)(6/19)(11/19)(11/21)(12/22)

PEACE, Inc. currently has the following credit cards:

1. Home Depot – procurement card
 - a. There are four cards held by:
 - Energy and Housing Purchasing Inventory Control
 - Facilities Manager
 - Maintenance Manager
 - b. Two cards are housed in the main office safe.
The Facilities Manager and the Maintenance Manager have custody of their cards.

- c. Energy & Housing has been set up as a Proxy Account whereby any of the Energy & Housing Employees can sign for any purchase as long as they are in uniform and can produce ID. The signature must be legible. Home Depot contacts the Energy & Housing Purchasing Inventory Control immediately if the process is not followed or if they have a question at any time about a purchase.
- d. Purchases on the Home Depot cards are authorized by the Program Directors of the employees who hold those cards
- e. The Home Depot card does not have any finance fees associated with it (but may incur late payment fee). It is authorization to procure items at New York State bid pricing.
- f. The credit limit on this card is \$35,000 for Weatherization Department cards and \$5,000 for the Maintenance Department cards

2. Wegmans

- a. The cards are assigned to various staff including Head Start & Early Head Start employees, and Food Services Director and various other employees on an "as needed" basis. The cards are not issued in an individual name, but associated with a separate Wegman's card, which includes a set procedures for use. The cards are locked in lock boxes or at the agency's main office safe.
- b. A Senior Accountant maintains a current listing of who holds the Wegmans cards
- c. Purchases on the Wegmans cards are authorized by the Program Directors of the employees who hold those cards
- d. Purchases on the Wegmans cards are reconciled to a monthly billing statement from Wegmans by Senior Accountant
- e. The monthly reconciliations are forwarded to the CFO for review and approval
- f. Credit limit - \$500 per account – for 1 account, \$1,000 for 2 accounts, \$1,500 for 4 accounts,
\$3,000 for 2 account, \$5,000 for 1 account, 1 account is used for gift cards by the purchasing department

3. Valvoline Fleet Service (6/20)(10/20)(10/21)

This was changed to Valvoline Fleet Service cards for both gas and oil changes in the spring of 2020.

- a. The cards are assigned to various Head Start & Early Head Start employees, Weatherization employees, maintenance employees, Food Service Director, Big Brother Big Sisters employees, the Executive Director and Family Resource Center employees (the cards are associated with the vehicle). The cards are kept locked on site or in the vehicles. Each card is associated to a specific numbered vehicle and they are utilized by that vehicle's driver. This process remains the same for the new Wex gas cards –

there is one card issued per vehicle # and each employee that is a certified driver gets a unique PIN number. A code is needed to use.

- b. The Accounts Payable Specialist along with the Transportation Supervisor maintain a current listing of who holds the Valvoline Fleet Service cards. For the new Wex gas cards the complete listing of cards issued and PIN numbers is maintained in the fiscal office.
 - c. Purchases on the Valvoline Fleet Services cards are reconciled to a monthly billing statement from Valvoline Fleet Services by the Accounts Payable Specialist – for the new Wex gas cards the statements are reconciled monthly by the Accounts Payable Specialist. There is a log that Accountants update as receipts are handed in for gas purchases that is accessible for the fiscal staff. Accountants can then verify the fuel receipts against the GPS system as needed. This is used as a part of the reconciliation process.
 - d. Purchases on the Valvoline Fleet Services cards are authorized by the Program Managers of the employees who hold those cards – For the new Wex Gas cards Program Manger approval is obtained by an annual memo or a cash disbursement approved accordingly.
 - e. The monthly reconciliation are forwarded to the CFO for review and approval.
 - f. Credit limit - \$20,000.
4. Key Bank Agency Operating Credit Card (11/12)(9/16)(6/19)(11/19)
- a. The Key Bank credit card is maintained by a Senior Accountant in the safe in the fiscal office. This card is issued in the CFO's name. The card is utilized by the CFO, Controller, Senior Accountants, and Purchasing Director with the CFO's approval. A new Key credit card was established under the Key2Business credit card umbrella. The credit limit on this card is \$27,000.
 - b. Purchases on the Key Bank Agency credit cards are authorized by the above mentioned staff with the properly completed Purchase Order or Cash Disbursement Request forms that have already been approved by the Program Directors.
 - c. Purchases on the Key Bank Agency credit card are reconciled to a monthly billing statement from Key Bank by the Senior Accountant.
 - d. The monthly reconciliations are forwarded to the CFO for review and approval
5. Key Bank DMV Credit Card (11/12)(9/16)(11/16)(6/19)
- a. The Key Bank credit card used for vehicle registrations and expenses is maintained by the Transportation Supervisor. The card is housed in a locked petty cash box in a locked desk at the Transportation Department, assigned only to the Transportation Supervisor. A new Key credit card was established under the Key2Business credit card umbrella. The credit card limit is \$5,000.
 - b. Purchases on the Key Bank credit card are authorized by the Transportation Director as DMV registrations come due
 - c. Purchases on the Key Bank credit card are reconciled by a Senior Accountant to a monthly billing statement from Key Bank.

- d. The monthly reconciliations are forwarded to the CFO for review and approval
-
- 6. Key#2Business Backup Operating credit card (6/19)
 - a. Activated as of June 2019.
 - b. This credit card will be held in the safe along with the Operating credit card listed above.
 - c. Controls over this credit card are the same as the operating credit card above.
 - d. This credit card is to be used when we have a fraud transaction on the operating credit card, and are awaiting the replacement operating card.
 - e. The credit card limit is \$10,000

89. Personal Use of Vendor Contractor Accounts, Credit Cards and Member Cards(10/17)

Personal use of any corporate vendor contractor accounts, credit cards, member cards or similar items is prohibited. This would include PEACE, Inc. used in the name of the account in any way. No one is to obtain personal vendor contractor accounts, credit cards, member cards or similar items with the inclusion of PEACE, Inc. as the holder, or listed in any way on the account. All business vendor contractor accounts, credit cards and member cards are to be opened through the Purchasing Director.

Personal account statements are not to be mailed to a PEACE, Inc. address.

Noncompliance to this policy may be terms for termination of employment.

89.1 Inclusion of Costs in Appropriate Grant/Fiscal Year (12/12)

At year end all items related to the correct grant year/fiscal year are accrued or encumbered to the proper grant and proper time period. (This may be done through a yearend project to capture accruals for grants on a cash basis).

All grants have their own project number in our accounting system and charges are coded to each project to ensure only that funder pays for their exact expenses.

Charges are posted to the correct project number to coincide with the correct grant year for inclusion. (Each new year of a grant has a unique project number).

90. POLITICAL INTERVENTION & LOBBYING (2/11/08)

91.00 Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of PEACE, Inc. that the Agency shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

92. Endorsements of Candidates

It is the policy of PEACE, Inc. not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of PEACE, Inc., when these individuals are acting on behalf of, or are otherwise representing, the Agency.

92.1 Prohibited Use of Organization Assets and Resources (2/11/08)

No assets or human resources of the Agency shall be utilized for political activities, as defined above. This prohibition extends to the use of Agency assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of the Agency. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing the Agency), these individuals must at all times be aware that the Agency resources cannot at any time be utilized in support of political activities.

92.2 Lobbying (2/11/08)

92.3 Lobbying Introduction (2/11/08)

Unlike political intervention, described in the preceding section, expenditures by a section 501(c)(3) public charity for lobbying activities are allowable under the Internal Revenue Code. However, **no** lobbying expenditures may be charged directly or indirectly to any Federal award (i.e. the charity must have a non-Federal source of income to which such lobbying costs can be cited as the source of the activity).

92.4 Definition of Lobbying Activities (2/11/08)

Lobbying activities conducted by the Agency may be either direct or indirect. Direct lobbying activities consist of attempts to influence legislation through communication with any member or employee of a legislative body (Federal, state, or local levels) or, if the principal purpose of the communication is lobbying, with any government official or employee who may participate in the formulation of the legislation. Direct lobbying occurs when employees of the Agency or paid lobbyists communicate directly in attempts to influence legislation. Lobbying is distinguishable from advocacy activities, which involve efforts to advocate certain positions which may have legislative implications, as long as a nonpartisan analysis of the relevant facts is performed.

Lobbying occurs only when there is a specific piece of legislation or legislative proposal pending that the Agency is attempting to influence. Therefore, lobbying is considered to have taken place only if both of the following elements are present.

1. The communication refers to specific legislation (legislation that has been introduced or a specific legislative proposal that the Agency supports or opposes), and
2. The communication reflects a view on the legislation (supporting or opposing it).

Indirect lobbying involves communications with the general public (rather than directly with legislators, etc) where the communication includes the same two preceding characteristics, plus it encourages the recipient of the communication to take action with respect to the specific legislation (by contacting legislators, etc.).

92.5 Segregation of Lobbying Expenditures (11/12)

Lobbying expenditures are allowable for charities under the Internal Revenue Code. However, lobbying may not represent a substantial portion of the Agency's overall activities. The Agency's tax exemption would be at risk if lobbying becomes a substantial portion of the Agency's activities.

Accordingly, the Agency segregates all direct and indirect lobbying expenditures in a separate section of the chart of accounts in the general ledger, cost center #151, "Lobbying". Where appropriate, lobbying expenditures shall also be allocated their fair and reasonable share of employee benefits and other indirect costs in accordance with cost allocation policies described elsewhere in this manual.

93. ACCOUNTS PAYABLE MANAGEMENT

94. Overview

PEACE, Inc. strives to maintain efficient business practices and good cost control. A well managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of PEACE, Inc. that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor contractor invoice for the related goods or services. The vendor contractor invoice should be supported by an approved purchase order where necessary. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor contractor credit terms and operating cash are managed for maximum benefits

95. Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be processed in a timely manner.

Accounts payable are processed on a daily basis.

Accounts payable items are posted to the general ledger when cash disbursements checks are cut.

It is the policy of PEACE, Inc. that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor contractor records. No vendor contractor statements shall be processed for payment, unless they are used by the vendor contractor as the sole invoice.

96. Accounts Payable Cut-Off (11/13)

We currently accrue invoices on those projects that are not on cash basis, based on a report generated by the accounts payable specialist in accordance with the month end closing schedule. Examples of these projects are indirect pool, rental properties, fee for service programs etc. This entry to accrue invoices is set up as an auto-reversing entry, so is reversed in the subsequent month. We have many projects that are on the accrual basis during the year, and many (including most grants) that are on a cash basis. Invoices still under the "Encumbrance" category are not included in this accrual.

Unpaid invoices for which we have received the goods or service are accrued at year end, taking into account the invoice limit determined with the auditors. For selected projects all unpaid invoices for which we have received goods or service at year end are accrued (Head Start grants that end at January 31). At year end Head Start may have invoices for which we have not received the goods by the year end, but we need to include on the grant. A credit is prepared to offset this accrual, so the net effect is \$0. The offsetting credit is made to a project for the year end accruals.

97. Establishment of Control Devices (11/10), (1/16)(11/16)

Control of invoices is established by the Accounts Payable Specialist as soon as invoices are received. Vendor contractors will be instructed to mail all invoices directly to the accounts payable department.

Upon receipt of invoices the invoices are "date received" stamped and matched to the applicable purchase order by the Accounts Payable Specialist or Purchasing Department. The Accounts Payable Specialist or Purchasing Department will verify that the invoice amount matches the purchase order amount and if any discrepancies are found the Accounts Payable Specialist will forward to the Purchasing Director for resolution. For recurring/standard monthly invoices such as electric bills, telephone bills, etc the invoices are forwarded to the Accountant of that program for processing.

The Senior Accountant will ensure that vendor statements are researched/reconciled with the aid of the Purchasing Director and Accounts Payable Specialist. If the Accounts Payable Specialist, Senior Accountant and Purchasing Director are unable to resolve the discrepancy in a timely manner it will be brought to the CFO's attention.

The Accounts Payable Specialist in conjunction with the Purchasing Department will ensure any new vendor contractor is not listed on any Excluded Parties List or any Federal debarment listing prior to setting up a new vendor contractor.

We contact applicable vendor contractors to state our corporate policy that the vendor contractor must receive a PO to authorize purchase.

Program staff is to forward all questions and concerns from vendor contractors to the Purchasing Director.

98. Head Start Draw Down Procedures (11/12)(9/16)(11/16)

The following procedures will be followed regarding draws for Head Start/Early Head Start from the Payment Management System. PEACE, Inc. will strive to minimize the time between receipt and disbursement of grant funds by issuing payments within 24 hours of receipt of such funds. It is prohibited to use Head Start (DHHS Grant) funds to cover costs of other funding sources and grants, unless approved by grantor.

Funds are drawn and received into the Key Bank operating account. If the disbursements the drawn funds pertain to are disbursed from the M&T operating account, a check is issued on the Key Bank operating account and deposited into the M&T operating account for the appropriate amount.

Payroll – draw set up to be within a reasonable time of the disbursement. For example, a normal pay cycle would have a draw requested on Wednesday, and we receive funds on Thursday. ADP pulls the payroll and taxes on Thursday of that pay week.

Accounts Payable – The checks are cut, and sent to the approved signors for signature. A draw is set up to match the disbursement. Checks are released within 24 hours of the draw.

Disbursements from Key Bank and other journal entries – the draw will be made upon determination of other costs charged to Head Start/Early Head Start.

If a draw down is overestimated within a grant year, the actual difference is to be determined, and incorporated to reduce the next draw. If there are overdrawn funds from a previous year, the Agency will issue a check to “U.S. Treasury”, and remit with a letter to the Payment Management System to explain the situation. The grantor fiscal representative will be notified as appropriate.

99. Payment Discounts

To the extent practical, it is the policy of PEACE, Inc. to take advantage of all prompt payment discounts offered by vendor contractors. When availability of such discounts is noted, all required documentation in support of payment is available, and the availability of cash permits, payments will be scheduled so as to take full advantage of the discounts.

100. Employee Expense Reports (See also section #103, Travel Advances) (12/14), (1/16)(9/17)

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed cash disbursements request form or travel authorization form. All required receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Cash disbursements request forms and travel vouchers will be processed for payment.

If an expense advance is distributed, the responsible accountant will ensure all applicable receipts are subsequently attached.

The Executive Director's expense reports will be reviewed by a senior Board Member and the CFO or Controller.

No New York State sales tax amounts will be allowable, as PEACE, Inc. is exempt from New York State sales tax. The New York State “Exempt Organization Exempt Purchase Certificate” , ST119.1, will be provided upon request.

101. Reconciliation of A/P Subsidiary Ledger to General Ledger (10/13)

At the end of each monthly accounting period, the total amount due to vendor contractors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general

ledger account (control account). All differences are investigated and adjustments are made as necessary. The monthly accounts payable balance should be zero as the Agency operates on the cash basis of accounting.

The account Accrued Liabilities, #2010, will normally include auto reversing entries to accrue invoices at month end, which will be reversed automatically during the subsequent month. These balances will be reviewed by the CFO prior to month end closing.

102. TRAVEL AND BUSINESS ENTERTAINMENT

103. Travel Advances (12/14)

Funds will be advanced for upcoming travel only upon receipt of a completed and properly approved travel authorization voucher form. The Agency follows the IRS policies for per diem rates for meals and incidentals based on the number of days the travel will cover. When the per diem rate is used for travel advances for meals and incidentals, the Agency does not require the return of receipts. In instances where the employee will not be staying over-night they are required to keep receipts for meals and incidentals in order to get reimbursed for these expenses. In instances where the employee incurs (or has received an advance for) gas/mileage (as appropriate), parking or toll expenses they will be reimbursed for these expenses upon return of the actual receipts that specify the dollar amount to be reimbursed, or complete an Advance Reconciliation form or mileage form to reconcile back to the original advance if appropriate. The receipts will be attached to the original approved travel authorization form, if an advance was given. If there was no advance, the receipts will be attached to the reimbursement request form (cash disbursement form, travel form, petty cash etc).

PEACE, Inc. follows the IRS reimbursement rate for mileage. The first and last day of travel are valued at 75% of the per diem rate, unless travel is before 7am or after 7pm and then 100% of the daily rate is given for the first and/or last day.

103.1 Tips (12/5/08)(10/20)

The maximum standard tip amount is 15% for federal grants. Tips required by restaurants or providers above this will be handled in the following manner:

The overage must be approved by either the Executive Director/CFO/or Controller

The amount over 15% will not be charged onto a federal grant

We allow restaurant tips over 15% on the federal grants if it is mandated by the restaurant for groups over a certain number or for an event.

103.2 Entertainment (11/16)

Costs of amusement, diversion, social activities, ceremonials, and costs relating thereto, such as meals, lodging, rentals, transportation and gratuities are unallowable. (Subpart E Cost Principles, sec 200.438)

103.3 Travel Emergencies (for Weatherization Jobs)

Where emergency work-related travel is unplanned and could not be foreseen, the travel authorization form must indicate "EMERGENCY". The form must be signed by the Traveler and Supervisor prior to traveling. The remaining required signatures must be obtained upon returning and prior to reimbursement of expenditures. Receipts are still required for all expenses except when the per diem rate is used for meal and incidentals.

104. CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

105. Check Preparation (11/12), (1/16)(9/16)(11/16)(11/19)(1/20)(10/21)(11/21)(12/22)

It is the policy of PEACE, Inc. to print vendor contractor checks and expense reimbursement checks on a weekly basis, as funds permit. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

The check signing sequence of events is as follows

The CFO or Controller will notify the Accounts Payable Specialist of the amount of available funds.

The Accounts Payable Specialist forwards an "Aged Accounts Payable Report" to the CFO, and indicates those items that require payment (including priority vendor contractors).

CFO signs and returns the aged accounts payable to the Accounts Payable Specialist with any adjustments and total of payments to be issued. The CFO will ask any questions needed to complete this review.

The Accounts Payable Specialist cuts the checks, and forwards the following to the CFO:

Aged Accounts Payable (signed by CFO)

Open Invoice Report

Project Distribution Reports

Stack of checks with attached support

CFO reviews the payment support and signs the "Open Invoice Report". There is a separate set of reports for each operating cash account:

Key Bank

Any adjustments to the original signed Aged Accounts Payable will be signed by the CFO.

CFO signs and forwards the cut checks with support to the Executive Director or alternate signor for his signature. The operating account checks require two signers (Executive Director, CFO, Human Resources Director, or specified Board Members).

Signed checks with support are returned to the CFO or fiscal staff person not involved in the issuance of the checks. The Senior Accountant sets up the Head Start draw if appropriate. The fiscal staff person disburses the checks. We strive to disburse DHHS checks within 24 hours of check issuance, but within grant guidelines.

All vendor contractor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual

2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendor contractors, as available funds allow
3. Generally, all vendor contractors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services, available funds permitting
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the issuance of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked cabinet in the accounting department)
7. Checks shall never be made payable to "bearer" or "cash", without CFO approval (example – requirement)
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, vendor contractor invoices shall immediately be stamped "PAID" to prevent subsequent reuse.
10. Checks are released after being signed. Checks are not to be held, except as stated below. If a problem arises and the check will not be sent out, the check is to be voided. Some checks are held for office personnel or predetermined pick up by payee. The person picking up the check signs a log when pick up is complete.
11. Checks to be voided are signed by the CFO, and entered into the general ledger daily as they occur.

106. Check Signing (1/6/09)

Refer to section 121 – Cash Accounts for the list of signers for each bank account.

Check signers will be presented with all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

107. Mailing of Checks (11/10), (1/16)(11/21)

After signature, checks are returned to the Payroll Specialist, who then prepares the checks for mailing. Checks shall not be mailed by individuals who authorize expenditures.

108. Voided Checks and Stop Payments (11/10)

Checks may be voided due to processing errors by making proper entries in the general ledger and in the CFO's daily reconciliation worksheet, and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations. All "VOID" checks are to be approved by the CFO.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees. All stop payments are authorized by the CFO.

109. Record-Keeping Associated with Independent Contractors (See section 82 – Vendor Contractor Required Documentation (11/12))

PEACE, Inc. shall obtain a completed Form W-9 or equivalent substitute documentation from all vendor contractors to whom payments are made. A record shall be maintained of all vendor contractors to whom a Form 1099 is required to be issued at year-end. Payments to such vendor contractors shall be accumulated over the course of a calendar year.

110. Policy Council, Policy Committee and Parent Committee Reimbursements (11/13), (1/16)

The program enables low-income members to participate fully in group responsibilities by providing, if necessary, reimbursements for reasonable expenses incurred by the members.

Parent Committee Reimbursement – The Head Start / Early Head Start program of PEACE, Inc. provides childcare, transportation and occasional refreshments for parents attending Parent Meetings. This enables parents to be able to participate in their group responsibilities.

Policy Council Reimbursement Vouchers Procedure – The Head Start / Early Head Start program of PEACE, Inc. offers a reimbursement to Policy Council members to offset expenses incurred to attend meetings, interviews and training.

If a Policy Council member has attended an event, the member must complete the “Childcare & Travel Reimbursement Voucher” to receive the reimbursement.

The requested information must be completed and the member must sign the form to receive their reimbursement.

The reimbursement covers the following types of expenses:

- Mileage to and from meetings/interviews
- Childcare during meetings/interviews

The Policy Council Budget and Planning Committee will review this procedure and make any recommendations if necessary to the Policy Council.

111. PAYROLL AND RELATED POLICIES

112. Payroll Administration (12/14)(10/17)

PEACE, Inc. operates bi-weekly payrolls. For all PEACE, Inc. employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in PEACE, Inc.'s Employee Handbook.

The following forms, documents and information shall be obtained and maintained in the Human Resources or Payroll department as listed below:

Document	Where filed
PEACE, Inc. Employment Application (and resume, if applicable)	HR Personnel file
Applicant references (work & personal); confirmed and written	HR Personnel file
Form W-4 Employee Federal Withholding Certificate	HR file
Form NY State Withholding Certificate IT-2104	HR file
Form I-9 Employment Eligibility	HR file
Copy of signed job description	HR Personnel file
Signed offer letter indicating job title, starting date, salary, scheduled hours, and whether position is exempt or non-exempt.	HR Personnel file
Authorization for direct deposit of paycheck, along with a voided check or bank letter, if applicable.	Payroll File
Status change form, signed by the Program Coordinator and/or Program Director, HR Director, Accountant and CFO and Executive Director (<i>Exception: For Centro Drivers, a letter/memo from the Operations manager serves as the authorized copy of any changes. HR generates and signs the Status Change forms and attaches a copy of the letter/memo authorizing the change.</i>)	HR Personnel file & Payroll File
Copy of background check information (for Head Start staff and other personnel as defined in the HR Policies and Procedures)	HR file
SCR Clearance Letter from Office of Children and Family Services (Head Start staff only)	HR Personnel file
Copies of transcripts and degrees if (applicable for position)	HR Personnel file
Pre-employment physicals (specified positions)	HR Medical file
Code of Conduct	HR Personnel file
Conflict of Interest form	HR Personnel file
Acknowledgement of receipt of handbook	HR Personnel file
Declaration of Criminal History (Head Start staff only)	HR Personnel file
Fingerprint clearance letter from Office of Children & Family Services (Head Start staff as applicable)	HR file

113. Changes in Payroll Data (11/12)(11/16)(9/17)(10/17)(10/18)(11/21)

It is the policy of PEACE, Inc. that all of the following changes in payroll data are to be authorized in writing:

Action	Type of Document	Who Sets Up
1. New hires	Personnel status change form	HR sets up data in payroll system
2. Terminations	Personnel status change form	HR inputs term date in payroll system
3. Changes in salaries, pay rates, departments, and positions	Personnel status change form	HR inputs data into payroll system
4. Voluntary payroll deductions	Designated Form	HR inputs data into payroll system
5. Changes in income tax withholding status	W-4, IT-2104, or other federally approved form	HR inputs data into payroll system
6. Address changes –	Email, typed, or written correspondence from employee	HR inputs data into payroll system
7. Court-ordered payroll deductions	(* processed in accordance with local, state and federal guidelines) – documents from courts	Payroll sets up data in system. PEACE utilizes the Complete Payroll wage garnishment payment service

The following table indicates residence of the account number used for the allocation, the Activity Statement status and Activity Report Status. The Activity Report indicates the % of time spent on various activities relating to a cost center.

ACCOUNT DISTRIB ACTIVITY STATEMENT ACTIVITY REPORT

SALARY ALLOCATED TO ONLY ONE COST CENTER

DIRECT	DBDT IN ADV HR	NA	YES
INDIRECT	DBDT IN ADV HR	NA	NA

SALARIED ALLOCATED TO MORE THAN ONE COST CENTER, BUT DOES NOT CHANGE

DIRECT	AUTO LABOR- EVOLUTION	NA	YES
INDIRECT ***	NA	NA	NA

SALARIED ALLOCATED TO MORE THAN ONE COST CENTER, AND CHANGES EACH PAY

DIRECT	CHANGE IN EVOLUTION OR ON TIMECARD (IF BLANK ON TIMECARD, REVERTS TO DBDT IN ADV HR)	NA	YES
INDIRECT ***	DBDT IN ADV HR	NA	NA

HOURLY ALLOCATED TO ONLY ONE COST CENTER

DIRECT	DBDT IN ADV HR	YES	NA
INDIRECT	DBDT IN ADV HR	NA	NA

HOURLY ALLOCATED TO MORE THAN ONE COST CENTER, BUT DOES NOT CHANGE

DIRECT	AUTO LABOR IN EVOLUTION	YES	NA
INDIRECT ***	NA	NA	NA

HOURLY ALLOCATED TO MORE THAN ONE COST CENTER, AND CHANGES EACH PAY

DIRECT	TIMECARD IF BLANK, DEFAULTS TO DBDT IN ADV HR	YES	NA
INDIRECT ***	NA	NA	NA

***PAR's are not required for staff (hourly or salaried) that are charged to the indirect pool. Common practice is for indirect pool positions to be charged 100% to the indirect pool cost centers. On occasion there might be certain positions that are charged to the indirect pool and directly onto a grant. In this instance if they are an hourly position they would need an Activity Statement to accompany the portion of their time directly charged to the grant (for a salary staff member in this position they would have to complete an Activity Report for their time directly charged to the grant).

***There might also be times that an indirect pool staff (both salaried and/or hourly) might work on other non-grant cost centers (ie fundraising) where neither an Activity Statement or Activity Report would apply.

In April 2021 we transitioned from ADP to Complete Payroll for our payroll processing. Complete Payroll is an electronic timecard processing system. For PG6 (Foster Grandparents) we still submit paper timecards for stipends.

New hires and changes in salaries, pay rates, departments and positions shall be completed on approved form and signed by the appropriate program director, Accountant, CFO, Executive Director and Human Resources Director. All terminations, voluntary and involuntary, are approved by the Supervisor and/or program directors, HR, Executive Director, accountant and CFO .

Salary changes and bonuses/incentive compensation for the Executive Director are at the direction of the Board of Directors. The Board meets with the Executive Director at least annually to review performance and set goals for the upcoming year. Based upon performance and meeting the set goals, the Board of Directors will determine the amount of the salary change and bonuses/incentive compensation. The timing of these changes is at the discretion of the Board. Implementation of these changes will be made with consideration to the Executive Level 2 cap. A buffer of total salary compared to Executive Level 2 cap may be made to ensure the Executive Director's salary does not exceed the cap amount.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee. The employee will sign and date the authorization.

Documentation of all changes in payroll data shall be maintained in the HR's employee's personnel file or separate file kept in Human Resources or fiscal payroll files as appropriate.

Court ordered payroll deductions are maintained only in the fiscal payroll files.

Changes are processed by the Human Resources Department or fiscal Payroll.

In addition payroll can be processed from home by the Payroll Department in charge of payroll (via their secured log-ons and passwords) on the web-based Complete Payroll system in an emergency. In the event that the Agency was closed for multiple days and unable to obtain approved timecards, the Agency could then replicate the prior pay date's batch (removing any mileage, parking and overtime) and generate the payroll making adjustments in the next payroll (if applicable). The Payroll Department has the option to call Complete Payroll to run the payroll if unable to process electronically.

Longer term steps in case of an emergency would be to consider equity loans on our buildings.

114. Payroll Taxes (9/11)(11/21)

The Accounting Department via Complete Payroll Services is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Complete Payroll processes our payroll tax forms. The Accounting Department may utilize the services of an outside payroll service center for the processing of payroll. The Agency utilizes the services of Complete Payroll for payroll processing.

Complete Payroll processes our quarterly payroll tax forms (including the federal 941 reports and the state NYS-45 forms) and remits the required taxes to the federal and state agencies. Those quarterly reports are transmitted to PEACE, Inc. at the end of each quarter once filed by Complete Payroll. The Payroll Department reconciles the gross wages from the quarterly reports to the general ledger and verifies the payroll taxes are paid to the federal EFTPS system and the NYS Department of Taxation and Finance system.

115. Preparation of Timecards and Activity Sheets (11/13), (1/16)(11/16)(7/18)(11/21)

Each PEACE, Inc. employee must submit to the Accounting Department an approved timecard due 10:00 am Monday of the payroll processing week. Timecards shall be prepared in accordance with the following guidelines:

1. Each timecard for hourly staff shall reflect all hours worked during the pay period
2. Errors shall be corrected by the supervisor or program director.
3. Employees shall identify and record hours worked based on the nature of the work performed;
4. Compensated absences (Personal Time Off, holiday, sick leave from sick bank, etc.) should be clearly identified as such.
5. Timecards shall be approved by the supervisor prior to submission for payroll processing
7. Employees will certify the work they are engaged in with the following:
 - If an employee's work is 100% for one specific project/cost center, the verbal description of the project and account number to charge the salary to will be indicated on the timecard.

If an employee's work is split between projects, it will be indicated on the timecard in Swipeclock.

An Activity Report for exempt employees (employees exempt from overtime) whose salaries are in part or directly charged to a Federal Grant will be sent to the Payroll Department. For some exempt employees, the timesheets will reflect the activity of the job.

Non-exempt employees (employees eligible for overtime pay) whose salaries are in part or directly charged to a Federal Grant will reflect the activity of the job on the card.

After preparation, timecards shall be approved by the Supervisors or their designees, prior to submission to the accounting department. If corrections need to be made, in the absence of the employee, the supervisor may authorize the correction and edit the timecard. Timecards for terminated employees or those out on disability can be approved by the supervisor without the employees' approval. The supervisors are responsible for approving their staff's timecards and making sure the timecards are submitted on time.

116. Processing of Timecards (11/12)(11/21)

Processing of timecards in the accounting department is performed by the Payroll Department. The Payroll Department will check all timecards for reasonability.

The individual payrolls submitted to Complete Payroll are:

TC00A (KQ7) – Executive and top management payroll

TC002 (PL9) – Head Start and Early Head Start

TC00B (P6G) – Foster Grandparent stipends, mileage/transportation & meal reimbursement

TC00C (PL5) – All other

TC003 (G3M) – DEHS

When an error occurs on a timecard (for KQ7, PL9, PL5, and G3M) the Payroll Department will notify the supervisor or the employee to make corrections and the supervisor will reapprove the timecard. If a mistake is not caught in time the employee may not receive a paycheck or the amount may be incorrect. This can be fixed in the next payroll or a manual check can be cut via Accounts Payable (must be approved by the CFO).

After the timecards are finalized, the following reports are printed: Approvals Report, Summary Report, List of Salaries and Labor Report. These reports are used to verify the total amount of hours for each category (PTO, sick, bereavement, etc), if the timecards were approved and to verify there was no change in exempt employees' salaries without authorization. The Payroll Department builds a worksheet for each payroll to tie the amounts being processed. The Payroll Department import the payrolls (KQ7, PL9, PL5, and G3M) into Evolution. The Payroll Department prints the Exception Report. This report will indicate if there are discrepancies when downloading the payroll. The Payroll Department then verifies the earnings and deduction amounts. Mileage and parking are added. The payroll is then "Pre-processed". This is a crucial step because reports can then be printed as if the payroll was finalized. The Payroll Department can then catch any mistakes before the payroll is submitted. For example, the custom allocation report indicates where each employee's salary will be coded and if it is incorrect, the Payroll Department can fix it before the payroll is finalized. The Payroll

Department confirms that all the reports tie out using the "Complete Payroll by Pay Period" excel sheet. If there is a discrepancy, the bottom total not say zero when the sheet is filled out.

The "Complete Payroll by Pay Period" excel worksheet is completed as each payroll is processed (one worksheet for each payroll), and used to confirm the final payroll totals from Complete Payroll. Also, we maintain a list of salaried employees' salaried amounts.

For TC00B P6G (Foster Grandparents):

For TC00B, the Payroll Department will receive the FGP volunteer timesheets from the Senior Services Director and will first go through and verify the in and out times to the total number of hours worked by day on the timesheets. This review is evidenced by a check mark made by the Payroll Specialist on the face of the timesheets.

The Payroll Department verifies any PTO/ETO AND OTHER CATEGORIES AS DEFINED taken to the available balance for that Foster Grandparent based on the "Foster Grandparent Available Time-Off" report provided by the HR Benefits Administrator. The Payroll Department will verify the PTO/ETO AND OTHER CATEGORIES AS DEFINED is available to the FGP PTO Accruals report and note the verification with a checkmark on the employee timesheet under the PTO/ETO AND OTHER CATEGORIES AS DEFINED column.

The Payroll Department goes through each of these timesheets to verify the totals by column. The column totals should equal the total in the "total hour's box".

If the volunteer's timesheet has transportation/mileage or meals, the Payroll Department will recalculate the reimbursement and make sure they actually worked on the days they are getting reimbursement for transportation and meals. The Payroll Department will highlight the totals once these are verified.

The Payroll Department verify that there are 2 appropriate signatures on the volunteer's timesheet:

4. Volunteer Site Staff signature
5. FGP staff signature

If the Payroll Department discovers any problems with the FGP timesheets, an email is submitted to the Senior Services Director describing the problem and the Senior Services Director will send an email response with the necessary corrections to be made. After the corrections are made, the Payroll Department prints a copy of the email and attaches to the corrected timesheet. In the event that email is unavailable, the Senior Services Director will come to the office to take care of the errors.

After all the timesheets are corrected, the Payroll Department utilizes the excel control spreadsheet. This grid lists the FGP volunteers and all the columns for hours to be paid by area (regular, PTO AND OTHER ATEGORIES AS DEFINED, and holiday) and columns for the dollar amounts for transportation/mileage and meal reimbursements. In this excel spreadsheet, the Payroll Specialist enters the information from each FGP volunteer's timesheet into the correct column. The total hours to be paid to the FGP volunteer are reflected. The Payroll

Department verifies this total to each FGP's timesheet. This report summarizes the totals by column and these are the totals that the Payroll Department uses later to verify that the information entered into Complete Payroll agrees with this excel spreadsheet.

Tampering with, altering, or falsifying timecards, recording time on another employee's timecard, or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

117. Review of Payroll (11/12)(11/21)

Upon return of payroll reports and checks from the Complete Payroll the Payroll Department reviews all reports for completeness. Complete Payroll facilities mail out payroll checks (unless an employee has direct deposit) and paystubs. The Payroll Department will tie the Complete Payroll reports to the "Complete Payroll by Pay Period" worksheet to ensure accuracy.

118. Distribution of Payroll (11/12)(1/19)(10/20)(11/21)

All checks and vouchers are mailed by Complete Payroll to employees' home address.

Employees can sign up for the option of "E-Vouchers" by contacting the Payroll Department, who will add this feature in Evolution. The employee can view their paystub information via email. If an employee receives E-Vouchers, there will be no pay vouchers produced or mailed to them.

If a live check is not received by an employee in the mail within one week of issue, the employee should contact Human Resources to see if the check has been returned and submit any required information. If deemed necessary, a stop payment will be processed and a replacement check will be issued with the next payroll.

119. Employee Loans and Payroll Advances (9/11)

Loan advances and advances in pay are not permitted.

Employees will not be able to "cash in" on their Accrued Time Off prior to termination.

119.1 Accrued PTO/ETO and other categories as defined (12/12)(11/16)(10/17)(11/17)

Annually for the audited financial statements the accrued PTO/ETO and other categories as defined is recalculated and adjusted. If an employee eligible for payment of accrued time leaves, and it is allowable under the grant and there are funds available, the accrual would be paid with grant funds. If

it is not allowable, unrestricted income would be used to pay the accrued PTO/ETO and other categories as defined.

POLICIES PERTAINING TO SPECIFIC ASSET AND LIABILITY ACCOUNTS

120. CASH AND CASH MANAGEMENT (8/15)

121. Cash Accounts (8/14), (1/16)(9/16) (10/16)(11/16)(6/17)(9/17)(10/17) (9/18)(12/18)(5/19)(10/19)(1/20)(10/20)(11/21) (2/22)

General Checking Account (operating account):

There are 2 operating accounts maintained – Key Bank and M & T Bank (for Head Start and Early Head Start). The operating accounts provide for routine business check disbursements. ACH payments from DHHS will be made directly to the Key Bank account.

We have two operating accounts:

Key Bank Existing account used for cash transactions. If a disbursement is split between Head Start and other, it will be issued with a Key Bank check.

This account is a checking account, with a layer of insurance as follows:

First \$250,000 – covered by FDIC insurance

Over \$250,000 – covered by a 3rd party collateralized agreement

M&T Bank The M&T Bank account is used for cash transactions related to Head Start and Early Head Start federal grant activity. This account will ensure accountability for all funds drawn for Head Start and Early Head Start through DHHS, and that the funds are used for authorized purposes. Draws for Head Start and Early Head Start will be made into the Key Bank operating account, and then deposited by Key Bank check into this M&T bank account.

Note that during the COVID 19 period, we only used the Key Bank account for check runs to reduce unnecessary steps.

This account is a checking account, with a layer of insurance as follows:

First \$250,000 – covered by FDIC insurance

Over \$250,000 – covered by a 3rd party collateralized agreement

Note: Accounts payable payments for an item that is a combination of Head Start/Early Head Start, and other responsibility centers will be made from the Key Bank account. Draw for Head Start/Early Head Start will be based on the direct charges and indirect rate charges to

the grant, including cash disbursements, payroll and journal entries.

The Key Bank checking account (320-9000-674-24) is used exclusively for Weatherization Landlord Contributions as required by the grantor. Upon completion of the job, contributions may be transferred to our operating account. This account is also used for HCR bid deposits. A separate account is not required by HCR. However, HCR approves of us using this account.

Bank	Bank Account #	G/L Account #	Description
Key Bank	204-86465-8	01-1000-00000	This account is the Agency's main operation account. There is a third party collateralized agreement. TYPE: Checking PROGRAM: Agency RECONCILED BY: HR Benefits Administrator SIGNORS: Any 2 of: President Treasurer Executive Director HR Director CFO Controller TELEPHONE INTERNAL TRF AUTHORIZATION: Signors above INTERNET ACCESS CFO Controller
Key Bank	320-9000-674-24	01-1004-00000	HCR landlord contributions and bid and performance bond deposits are deposited into this account. TYPE: Checking PROGRAM: Energy & Housing RECONCILED BY: Payroll Specialist SIGNORS (1) Executive Director CFO

Cooperative Federal	'1/8049.0	01-1007- 00000	CLOSED 5/28/19
M&T	9836896200	01-1010- 00000	It is used to issue checks exclusively for HS and EHS and related grants. There is a third party collateralized agreement. TYPE: Checking PROGRAM: Head Start RECONCILED BY: HR Benefits Administrator SIGNORS (2 OF) President Treasurer Executive Director HR Director CFO TELEPHONE INTERNAL TRF AUTHORIZATION: Signors above INTERNET ACCESS CFO
Key Bank	790087 4988	01-1012- 00000	This account is for Capital Improvements/Repairs, under the Executive Director's direction. It is being used to separate funds as funds are available for "nest egg". This account is covered by the third party collateralized agreement. It is an interest bearing account. PROGRAM: Agency RECONCILED BY: Payroll Specialist SIGNORS (1): Executive Director CFO HR Director
M&T	9847324069	01-1013- 00000	Closed as of 8/14.
M&T	15004220951485	01-1014- 00000	Closed as of 8/14.

Key Bank	7900987178	01-1015-00000	To hold health care premiums until disbursements are made for claims and other related health care payments, activity and fees. Disbursements made by check and ACH Type: Checking Program: Corporate Reconciled by: Controller or Payroll Specialist Signors: (2 of) Executive Director HR Director CFO

MVP holds an account with Chase that pays the individual health insurance claims. PEACE, Inc. does not have access to this account.

If a crisis occurred, we would be able to verbally draw funds on our Key Bank line of credit, and follow up with appropriate paperwork as soon as possible so we would be able to meet payroll or other immediate needs.

Bank Statements- will be opened by the Human Resources Director. The HR Director will open the envelope with the bank statements, review the statements, sign the statement and ask any questions. Some bank statements are printed by the CFO from the internet.

Bank Reconciliations are to be completed by staff who are not involved with either cash receipts or disbursements. There is no separate payroll account.

The operating accounts (Key Bank and M&T) will be reviewed daily by the CFO through on-line capabilities to ensure cash is flowing smoothly and timely.

The Controller is the backup for the CFO for cash functions.

122. Payroll Account (11/12)(11/21)

The Agency does not maintain a separate payroll account. The Agency is notified after submitting the payroll by Complete Payroll reports of the amount to be deducted from the Agency's operating account

for that week's payroll. The normal payday is Friday. When the payday is a holiday, the sequence of days is backed up for the holiday. All payrolls are biweekly.

123. Bank Reconciliations (11/13), (1/16)(9/16)(9/17)(10/17)(10/19)

Bank account statements received in the mail are forwarded unopened to the Human Resources Director for review and signature. The CFO maintains a daily reconciliation of the Key Bank and M & T operating cash accounts of the Agency via online banking technology (M & T effective 10/05).

The bank reconciliations for these accounts will be prepared by an employee who does not record deposits or withdrawals from the accounts. The reconciliations are forwarded to the CFO for review, signature and filing. The two operating bank reconciliations will be available for review by the Finance Committee at the monthly Finance Committee meetings.

The two accounts will be reconciled before the current month closes for financial statements. A formal reconciliation will be completed by the end of the subsequent month.

To complete the bank reconciliations for Key Bank and M & T operating in a timely manner (as we receive the bank statements mid month), the following information will be used.

- Copy of the checkbook balance (showing also the bank and general ledger balances and activity)

- Copy of the bank activity from a printout from the bank's internet site, or bank statement, if available

- Copy of the general ledger

The cash reconciliations will be prepared showing ending balance in separate columns for checkbook (if applicable), bank and general ledger. Deposits in transit and outstanding checks will be listed, and each individual reconciling item identified. There will be an indication of the status of the individual reconciling items.

A reconciliation will be completed for the Key Bank and M&T Bank operating accounts reconciling the checkbook, bank, and general ledger. Copies of the above will be attached to the reconciliation.

Other cash account reconciliations will reconcile the general ledger to the bank statement, with a copy of the bank statement and general ledger attached. These reconciliations are due before the subsequent month closing.

All other bank reconciliations are prepared by the accounting staff, reviewed and signed by the CFO and filed.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. The Key Bank canceled checks (image copy) are printed from the bank's online site monthly by the CFO. M&T operating account cancelled checks (image copy) are returned with the bank statement.

The CFO will ensure that the bank reconciliation reflects the general ledger ending balance.

124. Cash Flow Management & Cash Forecast (9/11)

The CFO monitors cash flow needs on a daily basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis under the direction of the CFO. This includes a reconciliation for the two operating cash accounts of the balances of the bank vs. general ledger vs. "checkbook".

CFO maintains a revolving cash flow projection as needed, that compares budget cash to actual by month.

125. Stale Checks (11/12)(10/17)

It is the policy of PEACE, Inc. to review checks that are 6 months old that have not cleared the Agency's bank. We will determine if the checks need to be remitted to New York State, reissued, or other action taken.

Write-offs will credit the original responsibility center or grant.

126. Petty Cash (11/13)(9/17) (9/18)

It is the policy of PEACE, Inc. to provide for imprest funds only for valid transactions and to periodically replenish these funds up to its authorized balance as previously established by the Accounting Department and Program Managers.

Petty cash is to be maintained in a locked environment or safekeeping as deemed necessary by each site coordinator, under the sole access by the petty cash custodian and backup if applicable.

All disbursements from the petty cash fund must be accompanied by adequate receipts. The disbursement may have a limit of \$50.00 per receipt for petty cash funds, excluding the petty cash fund maintained by the Senior Accountant. The petty cash fund maintained by the Senior Accountant can be used upon the direction of the CFO, Executive Director, or Controller. The Controller and another accountant are the backup for the main office petty cash fund. We have open and free competition as a variety of vendor contractors are used.

The petty cash custodian shall prepare a cash disbursement form for reimbursement of the petty cash account and attach all supporting receipts and forward to the Accounting Department. The responsible Senior Accountant will review the cash disbursement form for accuracy. The Accounting Department may also perform periodic surprise cash counts and reconciliations.

The Purchasing Director is responsible to review any requests for new petty cash accounts or changes in imprest amount. These changes are to be approved by the CFO. Because some sites close temporarily and reopen, petty cash accounts are closed during that time and reopened when the site reopens, in that instance, there is no need for CFO to re-approve the reopening of a petty cash account.

There is one Petty Cash account maintained in the Controller's office by the Senior Accountant. The cash disbursement form payable to the Senior Accountant must be signed by another member of the Accounting staff.

127. Bank Transfers (1/6/09)

The Executive Director or CFO shall be the only PEACE, Inc. employees authorized to approve bank transfers between PEACE, Inc. bank accounts. Written authorization is presented to the bank to transfer funds, signed by the Executive Director or CFO.

127.1 Line of Credit (11/12)(9/16)(10/16)

The Line of Credit is maintained at Key Bank. The line of credit is accessed by a written letter to the bank to draw on the line of credit with indication of the receivables supporting the request. The repayment on the line is completed with another letter from the CFO to the bank. In an emergency, the line of credit may be accessed verbally by the signors, with appropriate paperwork completed as soon as possible.

Two signors are required for a draw from the following list: Board President, Second Vice President, Treasurer, Secretary, or Specified Board Member. Also, the Executive Director must sign (CFO in his absence). In an emergency, a verbal communication can be used to draw funds, followed up with appropriate paperwork as soon as possible.

128. INVENTORY

129. Description of Inventory (11/12) (10/20)

PEACE, Inc. maintains an inventory of goods for future use. Specifically, items that are held in inventory include:

1. Food service supplies
2. transportation department supplies/ bulk oil (fuel discontinued 7/20)
3. maintenance department supplies
4. DEHS
5. DEHS – Oswego County – includes "new" inventory as well as carried forward inventory

130. Physical Counts (11/10)

It is the policy of PEACE, Inc. to perform a physical count of inventory at minimum on an annual basis. Any inventory items that appear damaged, obsolete or otherwise unable to be sold shall be excluded

from the counts, and written off as appropriate. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory.

At the conclusion of the physical count, the inventory count sheets shall be extended. The general ledger balance shall be adjusted to reflect the total inventory on hand as determined by the physical count.

131. FIXED ASSET MANAGEMENT

132. Capitalization Policy

Physical assets acquired with a unit cost of \$5,000 or more are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. The acquisition cost is the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which acquired. Company policy is also to include the cost of installation, transportation, any required taxes, duty, in-transit insurance in the acquisition cost amount.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

133. Contributed Assets

Assets with fair market values of \$5,000 or more (per unit) that are contributed to PEACE, Inc. shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

If the intent is to sell the contributed asset within a year, PEACE will not apply depreciation procedures. If the asset is not sold within the year, retroactive depreciation adjustments may be prepared upon review by the CFO.

134. Establishment and Maintenance of a Fixed Asset Listing (8/15)

All capitalized fixed assets shall be recorded in a property log. This log shall include at least the following information with respect to each asset:

1. Date of acquisition
2. Acquisition cost
3. Description
4. Depreciation method
5. Estimated useful life
6. The fund origin to purchase asset (example grant)
7. PEACE, Inc. tag ID# /Serial # / vehicle #
8. Condition of asset
9. Location and
10. Title Vesting

11. Physical Inventory and date
12. Utilization
13. Ultimate disposition data including the date of disposal and sale price

A physical inventory of all assets capitalized under the preceding policies will be taken on a bi-annual basis by PEACE, Inc. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the CFO. The physical inventory of fixed assets will be completed by fiscal staff who are not in the purchasing department or involved in recording and maintaining fixed asset records.

135. Receipt of Newly-Purchased Equipment and Furniture (1/6/09)

At the time of arrival, all newly-purchased equipment and furniture shall be "eyeballed" for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor contractor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor contractor immediately.

The IT Director maintains a listing of computer hardware for items under the fixed asset threshold. The IT Director will supervise a periodic comparison of the list to physical items (may be accomplished electronically in some cases).

135.1 Construction In Progress (11/13), (1/16)(11/16)(11/19)

Construction in Progress is reconciled to the general ledger monthly by a Senior Accountant. Copies of purchasing support are to be forwarded to the Senior Accountant by Purchasing, Accounts Payable Specialist or the Accountants, as soon as it is recognized there is a purchase for Construction In Progress.

The Senior Accountant will list all charges, meet with the originators to determine the estimated time for completion, and indicate such on the reconciliation. When we reach the indicated month of completion, the Senior Accountant should contact the originator and the Accountants involved to determine if the item is ready to move to Fixed Assets or other accounts.

136. Depreciation and Useful Lives

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th

day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

137. Repairs of Fixed Assets

The program managers responsible for the equipment shall periodically inspect the equipment and ensure there are adequate maintenance procedures to keep the equipment in good condition. They shall maintain controls to prevent loss, damage or theft.

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

138. Dispositions of Fixed Assets (2/16)(11/19)(11/21)

There are specific procedures that must be followed to dispose or transfer a fixed asset having a fair market value of \$5,000 or more.

We must receive a written statement from the grantor permitting disposal or transfer of a fixed asset with a fair market value of \$5,000 or more. Also refer to (2CFR Part 200.313(e)). If the item was purchased with grant money, we must report program income.

No employee is authorized to take or buy any item from PEACE, Inc.

A fixed asset disposal form which will identify the funding source and enable accounting to locate the item in the fixed asset records will be prepared. The fair market value will be determined using the blue book for vehicles.

If the item is sold outside the company, determination will be made for the possible program income. If the item was purchased with grant money, we must report program income on the corresponding grant if required by the grantor. If an item is not scrap, but is disposed, we must receive 3 quotes when applicable to receive the maximum price for the item. If the item is a vehicle, we will obtain the "blue book" value to use as a guide. If the item is scrapped as junk, we will receive either a written receipt at the trash site where disposed, or a written statement signed by the Executive Director or CFO.

Write off's and dispositions of fixed assets must be approved by the CFO and Executive Director, with supporting documents attached.

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value.

Grantors will be notified of intent to dispose of or transfer use of fixed asset (fair market value \$5000 or more) purchased with grant funds, for the grantors written permission.

139. Write-Offs of Fixed Assets

The CFO and Executive Director approve the disposal of all capitalized fixed assets that may be worn-out, obsolete, lost, damaged or stolen. Property that is discovered to be missing or stolen will be reported immediately to the CFO. If not located, this property will be written off the books with the proper notation specifying the reason.

140. LEASES

141. Classification of Leases

It is the policy of PEACE, Inc. to classify all leases in which the Agency is a lessee as either capital or operating leases. PEACE, Inc. shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to PEACE, Inc. at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property;
or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of PEACE, Inc.'s incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

The CFO is to review all new leases. An analysis will be completed by the CFO or designee to determine if a lease is an operating or capital lease.

142. Accounting for Leases (10/20)(11/21)

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses. The new regulations for lease classifications is postponed until 2021.

All leases that are classified as capital leases shall be treated as fixed asset additions of PEACE, Inc. As such, upon the inception of a capital lease, PEACE, Inc. shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

PEACE, Inc. shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms.

There will be a new lease standard, effective 2/1/22 for PEACE, Inc. We are in the process of setting up the procedures to comply with this standard.

143. ACCRUED LIABILITIES

144. Identification of Liabilities(9/11), (1/16)

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of the fiscal year. Some of the expenses that shall be accrued by PEACE, Inc. at the end of a fiscal year are:

- Salaries and wages
- Payroll taxes and related fringe benefits
- Time Off Policy (ETO) - see policy below
- Health self insured reserves
- Rent (if applicable)
- Unpaid Interest expense
- Accrued Invoices

In addition, PEACE, Inc. shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly as appropriate.

145. Accrued Leave (9/11)(11/16)(9/17)

See the Agency approved Time Off policy for details on accrued leave balances and the corresponding criteria to be used by the Accounting Department for fiscal year end Time Off accruals. The policy is revised with amendments as needed.

146. NOTES PAYABLE

147. Record-Keeping

It is the policy of PEACE, Inc. to maintain an account analysis of all notes payable, mortgage obligations and lines of credit. The account analysis would detail the account principal balance and all related payments made on the obligation and related interest expense.

148. Accounting and Classification

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due within the next year shall be classified as a current liability in the statement of financial position of PEACE, Inc. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of the fiscal year.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING

149. FINANCIAL STATEMENTS

150. Standard Financial Statements of the Agency (5/15) (8/16)

Preparing financial statements and communicating key financial information under the direction of the CFO is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Agency. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of PEACE, Inc. that are maintained on an Agency-wide basis shall include:

1. **Statement of Financial Position (Balance Sheet)** - reflects assets, liabilities and net assets of the Agency and classifies assets and liabilities as current or non-current/long-term
2. **Statement of Activities** - presents support, revenues, expenses, and other changes in net assets of the Agency,. This presentation will include the approved budget.
3. **Current Ratio Analysis**
4. **Comments**
5. **Captive Health Care Premiums and Expenditures analysis**
6. **Comparative Information By Program**
7. **Other Supplemental Information** – includes items such as Aged Accounts Payables and Receivables, Bank account reconciliation status, unrelated business income, etc. It also includes a recap regarding: Required Tax and Audit Reports – Other Filings, Grant Vouchers, and non-grant vouchers.

Items 1 – 4 above are presented to both the Finance Committee and the Board of Directors. Item 7 above is presented to the Finance Committee.

All cost center reports of Statement of Activities, which includes by line item revenue and expenses with budgets vs. actual is prepared monthly and is available at each Finance Committee and Board meeting.

151. Frequency of Preparation (8/14)

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis and delivered and presented to the Finance Committee and Board for each scheduled monthly meeting date. During the months of July and August there are no Finance Committee or Board meetings, so the monthly financial statements are mailed to the Finance Committee and Board. The following information is available at both the Finance Committee and Board meetings:

Individual statements of activities on a departmental and functional basis (and/or program/grant basis), with comparison of budget to actual

152. Review and Distribution (11/13), (1/16)(10/20)

All financial statements and supporting schedules shall be reviewed and approved by the CFO and Executive Director prior to being issued.

After approval by the Executive Director and CFO a complete set of monthly financial statements with supplemental information shall be distributed to the following individuals:

1. Treasurer and all members of the Finance Committee (the financial statements are presented to the full board of directors as part of the monthly finance committee package)
2. Executive Director
3. One file copy for the accounting department

Financial statements may include an additional supplemental schedule prepared or compiled by the CFO. The purpose of this schedule is to provide known explanations for material budget variances in accordance with PEACE, Inc.'s budget monitoring policies.

Accountants are responsible for providing program managers with "budget summaries" and detail on a monthly basis. These budget summaries identify the expenses of the program by grantor and show actual versus budget amounts. Program Directors have the "view only" option of the Blackbaud software. With this, the director can view and print their "budget summaries" and detail at any time.

The accountants meet with the Program Directors to review their Budget Summaries (Statement of Activities) and detail. The Program Directors and accountant sign a copy, which is returned to the Payroll Specialist for filing. This includes a comparison of budget to actual review to ensure we do not exceed appropriate budgets.

153. Annual Financial Statements (9/11) (10/18)

The draft of the audited financial statements is presented to the Finance Committee by the independent auditors. The Finance Committee will vote to approve or dis-approve the audited financials on behalf of the Board. After the approval, a formal presentation of the Agency's final version of the annual audited financial statements is also provided by the Independent Auditor to the full Board of Directors at the Agency's Annual Meeting, to be approved by Board.

154. GOVERNMENT RETURNS

155. Overview

To legitimately conduct business, PEACE, Inc. must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of PEACE, Inc. include, but are not limited to, filing annual information returns with the IRS, information returns for retirement plans and payroll tax withholding returns.

156. Filing of Returns (11/12)(11/16)(10/17)(10/19)(10/20)(11/21)

It is the policy of PEACE, Inc. to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The CFO shall be responsible for identifying all financial filing requirements and assuring that PEACE, Inc. is in compliance with all such requirements. The CFO maintains a list of required tax filings and other key financial reports.

It is also the policy of PEACE, Inc. to file complete and accurate returns with all authorities. PEACE, Inc. shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by PEACE, Inc. include, but are not limited to, the following returns:

1. **Form 990** - Annual information return of tax-exempt Agencies, filed with IRS. Form 990 for PEACE, Inc. is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained by filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 868.
2. **Form 5500** - Annual return for PEACE, Inc.'s employee benefit plans. Forms 5500 is due the last day of the seventh month following the end of the plan year, but a request for extension of time to file may be filed. These returns are handled by the Human Resources Department.
3. **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by January 31.
4. **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter. (Prepared and filed by Complete Payroll).
5. **Form 990-T (discontinued after FYE 1/31/20)**

PEACE, Inc.'s fiscal and corporate tax year-end is January 31. All annual tax and information returns of PEACE, Inc. (Form 990 and Form 99-T- to be discontinued after FYE 1/31/20) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Agency's external Payroll Administrator (Complete Payroll), and reviewed by PEACE staff.

It is the policy of PEACE, Inc. to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each PEACE, Inc. employee.

157. Public Access to Information Returns

Under regulations that became effective in 1999, PEACE, Inc. is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990) and
2. PEACE, Inc.'s original application for recognition of its tax-exempt status filed with IRS, and all accompanying schedules and attachments.

It is the policy of PEACE, Inc. to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of PEACE, Inc. during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Controller and Receptionist shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. All requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
3. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.

FINANCIAL MANAGEMENT POLICIES

158. BUDGETING

159. Overview

Budgeting is an integral part of managing any Agency in that it is concerned with the translation of Agency goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the Agency's financial and human resources. A budget is a management commitment of a plan for present and future Agency activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Agency's programs and activities simultaneously in light of the available resources.

160. Preparation and Adoption (5/15)

There are two types of budgets used by PEACE, Inc.:

Annual Corporate Budget – prepared by year end for the next fiscal year. A separate budget is prepared for each cost center (each grant and other cost centers), grouped by program, and then programs combined to result in one corporate budget.

Individual grant budgets - prepared for each new grant as the grant proposals are submitted, and revised. These grant budgets may not be the same as the corporate budget for the grant, as grant years do not coincide with the corporate fiscal year.

It is the policy of PEACE., Inc. to prepare an annual corporate budget. To prepare the Agency budget, the CFO may gather proposed budget information as required from all Department Directors, accountants and others with budgetary responsibilities, and prepares the first draft of the budget. Any budgets proposed and submitted by each department should be accompanied by a narrative explaining all material fluctuations in budgeted amounts from prior years. Grant budgets are normally based on the most recent approved grant budget. The CFO or accountants may complete the budgets, so the company budget is complete on time. Also, the CFO may highlight significant questioned fluctuations to budget, and the accountants will discuss with the Program Directors.

After appropriate revisions and a compilation of all department budgets by the CFO, a draft of the Agency-wide budget, as well as individual department budgets (reflecting each cost center), is presented to the Executive Director for discussion, revision, and initial approval.

The revised corporate budget draft is then submitted to the Finance Committee of the Board of Directors, and finally to the entire Board of Directors for approval reflected in the board minutes.

161. Monitoring Performance (9/11)(11/16)

It is the policy of PEACE, Inc. to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the accounting department and distributed to or made available to each employee with budgetary responsibilities. Project "Budget Summaries" are to be signed by the Program Director, highlighting questioned items, and filed in accounting.

To determine the course of action when expenses exceed budget, the requirements of the grant and federal regulations must be determined. We must comply with the most stringent regulations for the specific grant, along with federal requirements (OMB Uniform Guidance).

The accountant and Program Director meet to determine a plan of action, what has caused the problem and how to correct. It will be determined if the grantor or Board of Directors should be notified. The CFO will be notified of the problem and plan to solve. If the overage is unallowable, the cost would be transferred to another allowable cost center, or if not available to unrestricted.

162. FINANCIAL AUDIT

163. Role of the Independent Auditor (5/15)(7/18)(10/18)(10/20)

It is the policy of PEACE, Inc. to arrange for an annual required audit of the Agency's financial statements to be conducted by an Independent Certified Public Accounting firm on time in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (if applicable) and/or State audit threshold requirements. The independent accounting firm selected by the governing body of PEACE, Inc. will be required to communicate directly with the Agency's Finance Committee upon the completion of their audit. In addition, members of the Finance and Executive Committee are authorized to initiate communication directly with the independent accounting firm. Only independent directors are allowed to participate on the Finance Committee deliberations and voting.

The Finance Committee recommends the selection of the external auditors to the Board for approval. The Finance Committee will annually review the performance and independence of the auditors to retain/renew the independent auditors.

The Finance Committee will meet annually with the auditors prior to the commencement of the audit to review the scope of the audit and the audit plan.

The auditors will meet with the Finance Committee annually to discuss:

- Auditor's opinion
- Review the results of the audit and Management letter
- Any material weaknesses in internal controls
- Any restrictions on the scope of the auditor's activities or access to requested documents
- Any significant disagreements between the auditors and the management

The meeting with the auditors and the Finance Committee will be reflected in the Committee minutes. After the financial statements have been reviewed and approved by the Finance Committee, the independent accounting firm will present the audited financial statements to the Board of Directors at an annual meeting for the Board to receive and accept the audit, and will be reflected in the Board minutes.

164. How Often to Review the Selection of the Auditor (5/15)

PEACE, Inc.'s governing body shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years; simply to re-evaluate the selection)

165. Selecting an Auditor (9/11)

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by PEACE, Inc.'s governing body in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Agency personnel in a professional and congenial manner

166. Preparation for the Annual Audit

PEACE, Inc. shall be actively involved in planning for and assisting with the Agency's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

Planning - The CFO and Controller are responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Agency staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Agency's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Agency staff will do as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of PEACE, Inc. to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

167. Concluding the Audit (11/10) (8/16)(7/18)(10/20)

The financial statements and accompanying footnotes are prepared internally by the Controller and reviewed by the CFO. They are handed to the independent auditors the first day of field work. Upon completion of the audit, any necessary changes are made to the audited financial statements and accompanying notes, and reviewed one final time by the CFO and Controller before delivered in draft form to the Finance Committee.

The final bound copies of the audited financial statements are then presented to the full Board of Directors at the annual meeting.

The Finance Committee will review annually the performance and independence of the auditors.

167.1 Audit Findings (5/15)

All findings (not the Management Letter) from the annual audit are assessed by the fiscal department, and recommendations presented to the Board for review. Discussion of the findings will be documented in the Board minutes.

168. INSURANCE

169. Overview (9/11) (10/16)(11/21)

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of PEACE, Inc.

It is the policy of PEACE, Inc. to maintain adequate insurance against general liability and professional liability, commercial crime, umbrella coverage, Director's and Officers, as well as coverage for buildings, contents, computers, fine arts, vehicles, equipment, machinery and other items of value. PEACE, Inc. might also be required to obtain specialized insurance for certain grants (ie. HCR pollution insurance, and student accident for HS/EHS program).

170. Insurance Definitions

Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy except when contract operations are so commingled that it would not be practical to require this coverage.

Commercial Crime Coverage

For all personnel handling cash, preparing or signing checks, PEACE, Inc. shall obtain insurance for Commercial Crime Coverage. The specific needs of the Agency will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

171. RECORD RETENTION

172. Policy (5/15), 1/16 11/21

Also refer to CFR D200.333

It is the policy of PEACE, Inc. to retain records (both electronic and physical) as required by law and to destroy them when appropriate. The destruction of records must be approved by the Controller or CFO. The formal records retention policy of PEACE, Inc. is as follows:

FOR "****" items, please see reference below

Accident reports/claims (settled Cases)	7 Years ***
Accounts payable ledgers and schedules	7 Years ***
Accounts receivable ledgers and schedules	7 Years ***
Audit reports	Permanently
Bank reconciliations	7 Years ***
Bank Statements	7 Years ***
Chart of Accounts	Permanently
Cancelled Checks	7 Years ***
Contracts, mortgages, notes and leases:	
Expired	7 Years ***
Still in effect	Permanently
Correspondence:	
General	7 Years ***
Legal and important matters only	Permanently
Routine with customers and/or vendor contractors	7 Years ***
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	7 Years ***
Employment applications	7 Years ***
Expense analyses/expense distribution schedule	7 Years ***
Financial statements:	
Year end	Permanently
Other	Optional ***
Garnishments	7 Years ***
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	7 Years ***
Insurance records (policies, claims, etc.)	Permanently
Internal reports	7 Years ***
Inventories of products, materials and supplies	7 Years ***
Invoices (to customers, from vendor contractors)	7 Years ***
Journal Entries	10 Years ***
Journals	Permanently
Minute books of directors, bylaws and charters	Permanently

Notes receivable ledgers and schedules	7 Years ***
Payroll records and summaries	7 Years ***
Personnel records (terminated)	7 Years ***
Petty cash vouchers	7 Years ***
Property records (incl. depreciation schedules)	Permanently
Purchase orders:	
Purchasing department copy	7 Years ***
Other copies	7 Years ***
Retirement and pension records	Permanently
Requisitions	7 Years ***
Sales records	7 Years ***
Subsidiary ledgers	7 Years ***
Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	7 Years ***
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher register and schedules	7 Years ***
Withholding tax statements	7 Years ***
Workers' Compensation	30 Years

Note "****" – see this next section

Also, per the CSBG Master Grant document the following applies regarding records and audits:

We will establish and maintain, in paper or electronic format, complete and accurate books, records, documents, receipts, accounts, and other evidence directly pertinent to its performance under the Master Contract (collectively, Records).

We agree to produce and retain for the balance of the term of the Master Contract, and for a period of six years from the later of the date of (i) The Master Contract and (ii) the most recent renewal of the Master Contract, any and all Records necessary to substantiate upon audit, the proper deposit and expenditure of funds received under the Master Contract. Such Records may include, but not be limited to, original books of entry (e.g. cash disbursements and cash receipts journal), and the following specific records (as applicable) to substantiate the types of expenditures noted:

- (i) Personal service expenditures: cancelled checks and related bank statements, time and attendance records, payroll journals, cash and check disbursement records including copies of money orders and the like, vouchers and invoices, records of contract labor, any and all records listing payroll and the money value of non-cash advantages provided to employees, time cards, work schedules and logs, employee personal history folders, detained and general ledgers, sales records, miscellaneous reports and returns (tax and otherwise), and cost allocation plans, if applicable.
- (ii) Payroll taxes and fringe benefits: cancelled checks, copies of related bank statements, cash and check disbursement records including copies of money orders and the like, invoices for fringe benefit expenses, miscellaneous reports and returns (tax and otherwise), and cost allocation plans, if applicable.

- (iii) Non-personal services expenditures: original invoices/receipts, cancelled checks and related bank statements, consultant agreements, leases, and cost allocation plans, if applicable.
- (iv) Receipt and deposit of advance and reimbursements, itemized bank stamped deposit slips, and a copy of the related bank statements.

173. FUNCTIONAL EXPENSE ALLOCATIONS

174. Overview (11/13)(7/18) (9/18)(10/19)(10/20)(11/21)

As one of its financial management objectives, PEACE, Inc. strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of PEACE, Inc. to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible.

We will follow the cost allocation procedures of our various funding sources.

Program and supporting service functions of PEACE, Inc. are:

Programs:

1. Head Start and Early Head Start
2. Family and Community Development
3. Big Brothers Big Sisters
4. Department of Energy and Housing
5. Foster Grandparent Program
6. Senior Nutrition
7. Senior Services
8. Free Tax Prep
9. Eastwood Community Center
10. Any other

Supporting Services: (8/14) (12/14) (8/16) (11/16)

1. Indirect administrative departments including (Executive Dept, Fiscal Office, Human Resources, IT Department, Supplemental Costs (if needed), Main Office, Community Engagement Department, and Board of Directors.

175. Direct Charging of Costs (11/13)(11/19)

Certain internal costs shall be directly charged to the appropriate PEACE, Inc. function (projects and jobs) based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

<u>Cost</u>	<u>Basis For Charge</u>
Salaries	Timesheets and salary allocation worksheets
Occupancy (facilities) costs	Actual square footage used by each function
Transportation	Actual based on work log summaries, actual timesheets &
actual vehicles	
Maintenance	Actual based on timesheets/allocation sheets

Insurance
Food Service

Based on insurance policy and programs benefited
Based on production records and mileage

With the exception of salaries, which are recorded with each payroll cycle, all other costs identified above may be initially charged to one account when incurred, then allocated and recorded to the appropriate functions via monthly journal entries.

176. Allocation of Overhead Costs (11/10)

On a monthly basis, the Agency's administrative department costs are allocated to the various programs/grants based an approved indirect cost plan approved by the Department of Health and Human Services. The rate used is the lower of either actual or the approved rate.

176.1 Other Cost Allocations (11/13)(10/19)

The Controller and/or Senior Accountant will maintain cost allocation documentation for items such as: maintenance, transportation, insurance and food service. A fiscal accountant will maintain documentation for salaries and fringe benefits. These allocations are reviewed and updated annually as needed.

177. Contracts

The following procedures pertain to all legal agreements entered on behalf of PEACE, Inc.:

TYPE:	Grant Contracts, Agreements, MOU's Proposals, etc.	Vendor contractor Contracts and Agreements
SIGNOR:	Executive Director	Executive Director

POLICIES PERTAINING TO FEDERAL AWARDS

178. ADMINISTRATION OF FEDERAL AWARDS

179. Definitions

There are several types of agreements through which PEACE, Inc. may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the Agency to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the Agency agrees to provide supplies and/or services and the grantor agrees to pay for them.

Cooperative Agreement: A legal agreement where the Agency implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

180. Preparation and Review of Proposals (2/11/08)(11/19)(11/21)

The individual departments are responsible for preparing proposals for projects that the department intends to pursue.

When deemed appropriate, the proposal for new funding/new program applications will be reviewed by the Executive Director, CFO, Program Director, and Grants Coordinator prior to submission to the funding agency.

Fiscal revisions that are necessary shall be prepared in conjunction with the fiscal office and the Program Director. Any necessary signatures by the Executive Director or CFO shall be obtained at the time of the revision. Budget amendments will then be forwarded to the CFO to input into the Financial Edge system.

181. Post-Award Procedures (11/12)(9/17)(10/18)(10/20)(11/21)

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Grants Coordinator, program director and Accountant may meet to review grant awards if applicable, including items such as terms, time periods, award amounts and expected expenditures associated with the award and other as appropriate. A CFDA (*Catalog of Federal Domestic Assistance*) number shall be determined for each federal award where applicable.
2. Create new general ledger account numbers and project #. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. A file is established for each grant or contract. The file contains the proposal, applicable correspondence regarding the grant or contract, the final signed award document.

182. Compliance with Laws, Regulations and Provisions of Awards (12/09)

PEACE, Inc. recognizes that as a recipient of Federal funds, the Agency is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. Along with the Fiscal Policies and Procedures presented in this manual, all policies and procedures required by the grantor will be followed. To ensure that the Agency meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, the PEACE, Inc. program director of that award is responsible for administering the award.
2. An Accounting Department employee is assigned the financial duties of the new award based on the program and the award benefits

The financial data is to be related to the performance data to develop unit cost information whenever practical.

182.1 Special Provisions Regarding HHS (12/12)

The Federal government has an interest in all real property and equipment acquired or upon which major renovations have been undertaken with grant funds for use as a Head Start Facility.

Facilities acquired with grant funds may not be mortgaged or used as collateral, or sold or otherwise transferred to another party, without the written permission of the responsible HHS official.

Use of the facility for other than the purpose for which the facility was funded, without the express written approval of the responsible HHS official, is prohibited.

183. Billing and Financial Reporting (11/12)

PEACE, Inc. strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

PEACE, Inc. shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Accountant, subject to review and approval by CFO.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to PEACE, Inc.:

1. It is the policy of PEACE, Inc. to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other financial reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts, unless otherwise stated by grantor.

PEACE, Inc. shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

If a federal award authorizes the payment of cash advances to PEACE, Inc., the CFO may request that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, PEACE, Inc. shall reflect a liability equal to the advance. As part of the monthly close-out and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

184. Procurement under Federal (11/12)(11/18)

Procurement of goods and services whose costs are charged to federal awards received by PEACE, Inc. are subject to all of the specific PEACE, Inc. purchasing policies described earlier, under "Purchasing Policies and Procedures." (Section 71) Purchasing will be completed in accordance with the requirements of the grants. In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. PEACE, Inc. shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.

2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained with the purchasing package or in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the small purchase acquisition threshold (currently \$250,000), procurement records and files shall be maintained to include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.
5. PEACE, Inc. shall make all procurement files available for inspection upon request by a Federal Awarding Agency.

If an award is to be made to a vendor contractor who is a relative of a PEACE, Inc. employee who is involved in the procurement decisions, a letter describing the relationship to the vendor contractor must be written, approved by the Executive Director and attached to the purchasing package along with justification showing why we are utilizing this specific vendor contractor such as price, delivery, etc.

Also you must refer to "Additional Information and Grantor Regulations Regarding Procurement" for specific grant related regulations in addition to those described herein.

All facility construction and major renovation transactions must comply with the procurement procedure in 45 CFR parts 74 or 92, and must be conducted in a manner to provide to the maximum extent practical, open and free competition.

All contracts for construction or major renovation of a facility to be paid for in whole or in part with Head Start funds require the prior, written approval of the responsible HHS official and shall be on a lump sum fixed-price basis.

Prior written approval of the responsible HHS official is required for unsolicited modifications that would change the scope or objective of the project or would materially alter the costs of the project by increasing the amount of grant funds needed to complete the project.

All construction and major renovation contracts for facilities acquired with grant funds shall contain a clause stating that the responsible HHS official or his or her designee shall have access at all reasonable times to the work being performed pursuant to the contract, at any stage of preparation or progress, and require that the contractor shall facilitate such access and inspection.

185. Solicitations of Bids from Vendor Contractors (11/13)(2/16)(10/17)(11/18)

Purchases (unless discussed in other sections of this manual – example Section 76), will be supported by quotes as required by Levels of Spending Chart (Section 77). These quotes can be in the form of either bids per purchase/sole source (documented by the Vendor Contractor Quote Verification), or an annualized bid. (Refer to section 78.)

All purchases of at least \$5,000 but less than \$250,000, shall be made by obtaining written quotations from at least three responsible vendor contractors/sole source, unless listed on an approved New York State bid list.

All purchases of \$250,000 or more shall be made by obtaining competitive proposals from at least three responsible vendor contractors. Sealed bids shall be utilized when required by the Federal awarding agency.

Also refer to CFR D200.320

PEACE, Inc. shall not utilize the "cost-plus-a-percentage-of-cost" method of contracting with vendor contractors.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of PEACE, Inc., described in the section of this manual on "Policies Associated With Expenditures and Disbursements."

186. Provisions Included in all Contracts (2/11)(11/18)

It is the policy of PEACE, Inc. to abide by all the requirements under grant agreements.

187. Equipment and Furniture Purchased With Federal Funds (11/13)(10/17)(10/18)

PEACE, Inc. may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier (Section 131), equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to \$5,000 or more. (The grantor may have their own requirements for how the amount of expenditures are categorized as "equipment" for their reports, but does not affect the general ledger posting to the fixed asset threshold.)

All purchases of "equipment" (\$5,000 or more, or as required by grantor) with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any fixed assets that are purchased by the Federal government shall be identified as such on the fixed asset worksheet by indicating the specific grant funding the item.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of less than \$5,000 at the conclusion of the award, PEACE, Inc. shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, PEACE, Inc. shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.
4. PEACE, Inc. shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by PEACE, Inc.

188. Standards for Financial Management Systems (8/14)(9/16)(10/18)

It is the policy of PEACE, Inc. to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of the Uniform Guidance and/or the award.
2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. PEACE, Inc. shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
5. The Agency will strive to minimize the time between receipt and disbursement of grant funds by issuing payments within 24 hours of receipt of such funds where appropriate.

6. Procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

189. Budget and Program Revisions (11/13) (10/16)

It is the policy of PEACE, Inc. to request prior approval from Federal awarding agencies for any of the following program or budget revisions if required:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project director, etc.) specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Uniform Guidance.
7. Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

190. Close Out of Federal Awards (6/12/07) (10/16)

PEACE, Inc. shall follow the close out procedures described in Uniform Guidance and in the grant agreements as specified by the granting agency. When a grant is ready to close, the "Grant Closing Procedure Form" will be completed by the assigned accountant, and forwarded to the CFO for processing on the Blackbaud general ledger software. (11/07)

PEACE, Inc. and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement, or according to the grant.

191. CHARGING OF COSTS TO FEDERAL AWARDS

192. Overview

It is the policy of PEACE, Inc. that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

193. Segregating Unallowable From Allowable Costs (5/15)

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Grant managers and accounting personnel shall be familiar with the allowability of costs provisions of 2 CFR Part 230 (OMB Circular A-122), "Cost Principles for Non-Profit Organizations," 2 CFR Part 200.400 – 475, Cost Principles, particularly:
 - a. The list of specifically unallowable costs found in Attachment B 200.421-475 Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Attachment B 2 CFR Part 200.407, Prior Written Approval, such as foreign travel participant support costs, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or OMB Circular A-122 2 CFR Part 200.400-475, Cost Principles.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of PEACE, Inc. to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

194. Criteria for Allowability and Allocability (5/15) (8/16)

All costs must meet the following criteria from 2 CFR Part 230, Attachment A 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award:

It is the policy of PEACE, Inc. that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Agency or the performance of the award;
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - c. Whether the individuals concerned acted with prudence in the circumstances;
 - d. Consistency with established policies and procedures of the Agency, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a Federal award;
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Agency, but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of 2 CFR Part 230 2CFR Part 200 Subpart E Cost Principles, or the Federal award itself.
4. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Agency.
5. Costs must be consistently treated over time.

6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
8. The cost must be adequately documented.

195. Direct Costs (8/15)

Direct costs include those costs that are incurred specifically for one award or non-Federal function. Also refer to (2 CFR Part 200.413(a)). PEACE, Inc. identifies and charges these costs exclusively to each award or program.

Each Purchase Order/Cash Disbursements Request shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. The account coding is reviewed by the accountants. Invoices are matched to the approved purchase order by the Accounts Payable Specialist or Purchasing representative. The account codes are spot checked by the CFO in review of cash disbursements.

Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

196. Indirect Costs (10/13), (1/16) (8/16) (11/16)

Indirect costs are those costs that either benefit more than one award (overhead costs) or non-federal function or that are necessary for the overall operation of PEACE, Inc. (management and general costs).

PEACE, Inc. maintains an annual indirect cost budget. Each year a new indirect cost budget is prepared and submitted to PEACE, Inc.'s Cognizant Agency for approval. The indirect cost rate approved is used as a limit when determining the overhead applied to each federal award.

Examples of the types of expenditures normally included in the indirect cost pool are those associated with the admin departments (Executive Dept, HR Dept, Fiscal Dept, MIS (IT) Dept, Community Engagement Dept, Main Office, Supplemental Costs (if used), and Board of Directors)

These rates are submitted to PEACE, Inc.'s Oversight Agency and will be binding on all other federal agencies and their contracting officers unless specifically prohibited by statute.

197. Accounting for Specific Elements of Cost (8/15), (1/16) (8/16) (10/16)(10/18)

PEACE, Inc. shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs:

Salaries and Wages – Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

Direct costs – The majority of the employees of PEACE, Inc. charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the Agency.

Indirect costs (Fundraising costs are not included in the indirect pool) – The following staff charge their salary costs indirectly:

1. Executive Department
2. Human Resources Department
3. Fiscal Department
4. Community Engagement Department
5. MIS (IT) Department

Earned Time Off (ETO)/PTO and holiday pay are considered part of salary costs. The accounting system of PEACE, Inc. records salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits – PEACE, Inc. incurs costs for the following statutory and non-statutory employee benefits:

- FICA
- Unemployment insurance
- Worker's compensation
- Health insurance
- Dental insurance
- Life Insurance
- Long-term disability insurance
- Short-term disability insurance
- Retirement (401K) contributions

Since the Agency's accounting system tracks employee benefit costs by individual employee, each such benefit cost shall be charged directly and indirectly in the same proportion as each individual's salary.

Occupancy Expenses – Monthly rent expense and utility costs are directly charged to the programs that utilize that space. The maintenance department charges are provided to the Agency as a whole and are allocated directly to the programs based on approximate square footage of space utilized, and time allocations of the maintenance department. The methods are identified in section #49.

Utilities – Utilities costs incurred by PEACE, Inc. include electricity and water. Such utilities costs shall be charged directly and indirectly in the same proportion as occupancy costs.

Supplies and Materials – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials. All supplies and materials used by staff who are engaged in indirect activities shall be charged indirectly.

Outside Services – PEACE, Inc. incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged as follows:

Audit fees – Cost of the financial statement audit and preparation of Form 990 shall be charged as an indirect cost. Additional audit costs associated with that portion of the audit associated with Uniform Guidance shall be charged directly to the audited programs, based on estimates received from the independent CPA firm.

Legal fees – Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Staff Development Specialists – Costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services. Fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Insurance – To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs shall be charged indirectly.

Credits – The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

Fund-raising costs – for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency.

198. Cost Sharing and Matching (11/12)(11/16)

It is the policy of PEACE, Inc. to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

PEACE, Inc. shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

1. They are verifiable from PEACE, Inc. records
2. They are not included as contributions for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under Uniform Guidance.
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the Federal awarding agency.
7. They conform to all provisions of Uniform Guidance.
8. In the case of donated space, the space is subject to an independent appraisal if necessary to establish its value. We also use the market amount from a third party publication if appropriate.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Agency (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Agency, rates used shall be consistent with those paid for similar work in the labor market in which PEACE, Inc. competes.

It is the policy of PEACE, Inc. to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by PEACE, Inc. employees.

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People's Equal Action and Community Effort, Inc.
Statement of Financial Position
As of December 31, 2022

As of
December 31, 2022

ASSETS	CURRENT ASSETS	
	Cash	\$ 1,284,553
	Receivables	1,301,195
	Prepaid Expenses	22,200
	Inventory	227,931
	Other Assets	96,535
	TOTAL CURRENT ASSETS	<u>2,932,414</u>
	NON CURRENT ASSETS	
	Right of Use - Leases and Contracts	
	TOTAL NON CURRENT ASSETS	
	PROPERTY	
	Land	204,793
	Buildings	2,742,270
	Leasehold Improvements	5,817,617
	Vehicles	3,098,487
	Equipment	1,077,349
	Construction in Progress	188,622
	Accumulated Depreciation	(10,629,018)
	TOTAL PROPERTY	<u>2,500,122</u>
	TOTAL ASSETS	<u>\$ 5,432,536</u>

People's Equal Action and Community Effort, Inc.
Statement of Financial Position
As of December 31, 2022

As of
December 31, 2022

LIABILITIES & NET ASSETS

LIABILITIES

CURRENT LIABILITIES

Accounts Payable Trade
Short Term Borrowings
Accrued Payroll & Related Liabilities
Short Term Lease Liability
Accrued Compensated Absences
Accrued Expenses
Deferred Revenue
Deposits

508,182

268,296

47,475

1,161,342

400

1,985,695

TOTAL CURRENT LIABILITIES

NON CURRENT ASSETS

Long Term Lease Liability

TOTAL NON CURRENT ASSETS

NET ASSETS

Without Donor Restrictions

With Donor Restrictions

TOTAL LONG TERM ASSETS

3,212,806

234,035

3,446,841

TOTAL LIABILITIES AND NET ASSETS

\$ 5,432,536

People's Equal Action and Community Effort, Inc.
Statement of Activities
For Eleven Months Ending December 31, 2022

	Annual Budget	Year To Date Budget	Current Year Year To Date	Prior Year Actual Year To Date
REVENUE:				
Direct Contributions & Fundraising	\$ 131,074	\$ 124,824	\$ 182,132	\$ 157,305
Government Agencies	26,064,926	24,089,302	19,093,276	17,561,450
Rental Income	11,328	10,384	11,397	11,584
Service Fees	469,489	430,365	529,910	447,412
Service Fees - Energy & Housing Fee for Service	246,589	226,040	185,622	50,544
In-Kind Revenue	3,061,966	2,806,802	3,870,397	7,209,350
Dividend, Interest & Other Income			1,457	151
Total	29,985,372	27,687,716	23,874,192	25,437,796
EXPENSES				
Salaries	12,589,303	11,509,580	11,203,017	10,419,332
Payroll Taxes & Fringe Benefits	3,626,753	3,317,656	2,946,480	2,937,503
Professional Fees & Contract Services	1,753,807	1,607,657	824,508	798,490
Conferences & Travel	314,898	287,006	223,936	187,756
Occupancy Costs	1,958,581	1,795,365	1,319,815	1,178,599
Consumable Supplies	2,449,029	2,241,451	1,873,917	1,444,186
Equipment Expense	341,940	313,721	328,004	312,531
Insurance	407,088	373,164	376,164	358,185
Telephone	209,955	192,459	217,462	164,024
Printing, Postage & Dues	137,133	125,824	119,000	110,878
Vehicle Maintenance	226,660	207,772	257,942	147,136
Interest Expense	1,000	917		1,520
Other Costs & Loss on Disposals	338,288	353,625	81,787	71,292
In-Kind	3,061,966	2,806,802	3,870,397	7,209,350
Total	27,416,400	25,132,998	23,642,429	25,340,783
NET SURPLUS (DEFICIT)	2,568,971	2,554,718	231,763	97,013
DEPRECIATION				
Buildings & Leasehold Improvements	(217,787)	(199,638)	(200,399)	(200,244)
Equipment, Vehicles, and Software	(322,176)	(295,328)	(287,642)	(301,949)
Total	(539,963)	(494,966)	(488,040)	(502,193)
CHANGE IN NET ASSETS	\$ 2,029,008	\$ 2,059,752	\$ (256,277)	\$ (405,179)

People's Equal Action and Community Effort, Inc.
Statement of Activities
For Eleven Months Ending December 31, 2022

	Fundraising	Non-Allocable	Indirect Pool	Trans & Maint
REVENUE:				
Direct Contributions & Fundraising	28,463			
Government Agencies				
Rental Income				
Service Fees				
Service Fees - Energy & Housing Fee for Service				40,494
In-Kind Revenue		1,457	28,571	
Dividend, Interest & Other Income				
Total	28,463	1,457	28,571	40,494
EXPENSES				
Salaries			1,411,991	
Payroll Taxes & Fringe Benefits		10	295,934	
Professional Fees & Contract Services		87	80,681	2,826
Conferences & Travel			25,741	1,779
Occupancy Costs		2	115,442	(24,007)
Consumable Supplies		3,342	14,228	8,114
Equipment Expense	3,000		47,440	7,021
Insurance			27,431	13,313
Telephone			12,966	6,401
Printing, Postage & Dues			29,027	667
Vehicle Maintenance			2,978	(25,938)
Interest Expense				
Other Costs & Loss on Disposals	36	14,398	(2,063,816)	
In-Kind			28,571	40,494
	3,036	17,839	28,615	30,669
NET SURPLUS (DEFICIT)	25,427	(16,381)	(44)	9,825
DEPRECIATION				
Buildings & Leasehold Improvements		(193,156)		(7,151)
Equipment, Vehicles, and Software		(280,147)		(2,674)
Total	-	(473,304)	-	(9,825)
CHANGE IN NET ASSETS	25,427	(489,685)	(44)	-

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People's Equal Action and Community Effort, Inc.
Statement of Activities
For Eleven Months Ending December 31, 2022

REVENUE:	Grants	Rental Properties	Other
Direct Contributions & Fundraising			153,669
Government Agencies	19,093,276		
Rental Income		11,397	
Service Fees			529,910
Service Fees - Energy & Housing Fee for Service			185,622
In-Kind Revenue	3,787,066		14,266
Dividend, Interest & Other Income			
Total	22,880,342	11,397	883,469
EXPENSES			
Salaries	9,091,807	178	699,041
Payroll Taxes & Fringe Benefits	2,371,355	30	279,152
Professional Fees & Contract Services	711,666		29,247
Conferences & Travel	193,247		3,169
Occupancy Costs	1,110,532	3,341	114,506
Consumable Supplies	2,508,480		(660,248)
Equipment Expense	263,495		7,047
Insurance	319,407	594	15,419
Telephone	185,896	120	12,078
Printing, Postage & Dues	77,893		11,413
Vehicle Maintenance	250,059		30,843
Interest Expense			
Other Costs & Loss on Disposals	1,977,490	39	153,641
In-Kind	3,787,066		14,266
	22,848,394	4,302	709,575
NET SURPLUS (DEFICIT)	31,948	7,095	173,893
DEPRECIATION			
Buildings & Leasehold Improvements			(92)
Equipment, Vehicles, and Software			(4,820)
Total	-	-	(4,912)
CHANGE IN NET ASSETS	31,948	7,095	168,981

PEACE, INC.
CURRENT RATIO
AS OF DECEMBER 31, 2022

AS OF:

	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO	DIFFERENCE IN DOLLARS
1/31/05	2,029,803	2,184,993	92.90%	(155,190)
1/31/06	1,889,391	1,792,909	88.65%	(203,618)
1/31/07	1,776,617	1,891,171	93.89%	(115,554)
1/31/08	2,321,076	2,355,826	98.52%	(34,750)
1/31/09	1,876,343	1,764,019	89.87%	(177,676)
1/31/10	3,286,876	3,284,011	100.09%	2,865
1/31/11	3,744,177	3,631,750	103.01%	212,427
1/31/12	2,306,292	1,886,324	122.26%	419,968
1/31/13 - FIRST CLOSE	1,949,478	1,278,319	152.60%	671,159
1/31/14 - FIRST	1,493,007	895,712	166.68%	597,295
1/31/15 FINAL	2,679,027	2,135,917	125.43%	543,110
1/31/16 FIRST CLOSE	2,312,267	1,667,694	138.65%	644,573
1/31/17 PRELIM	2,036,080	1,398,479	145.59%	637,601
1/31/18 - FIRST CLOSE	2,008,901	1,523,164	131.89%	485,737
1/31/19 FINAL	2,353,073	1,919,548	122.58%	433,525
1/31/20 FIRST CLOSE	2,283,412	1,826,420	125.02%	456,992
1/31/21 - FIRST CLOSE	2,694,357	1,556,977	173.05%	1,137,380
2/28/21	3,244,586	2,170,771	149.47%	1,073,815
3/31/21	2,998,425	1,904,585	157.43%	1,093,840
4/30/21	2,696,464	1,599,662	168.57%	1,096,812
5/31/21	2,871,169	1,794,081	160.04%	1,077,078
6/30/21	2,566,664	1,560,607	164.86%	1,006,057
7/31/21	2,580,559	1,619,576	159.34%	960,984
8/31/21	2,317,468	1,376,283	168.39%	941,185
9/30/21	2,320,368	1,395,278	166.30%	925,090
10/31/21	3,151,869	2,183,206	144.37%	968,663
11/30/21	3,066,927	2,161,924	142.52%	916,003
12/31/21	3,062,677	2,138,331	143.19%	923,746
1/31/22 - FIRST CLOSE	3,110,417	1,994,875	155.92%	1,115,542
2/28/22	2,938,344	1,833,046	160.30%	1,105,298
3/31/22	3,307,316	2,364,966	139.85%	942,350
4/30/22	3,240,513	2,284,300	143.11%	976,213
5/31/22	3,122,549	2,211,760	141.18%	910,789
6/30/22	3,118,247	2,232,854	139.65%	885,393
7/31/22	2,824,027	1,934,426	145.98%	889,601
8/31/22	3,210,053	2,321,510	138.27%	888,543
9/30/22	3,035,698	2,122,334	143.04%	913,364
10/31/22	2,932,414	1,985,695	147.68%	946,719
11/30/22				
12/31/22				

NOT CALCULATED AS 1/31/21 NOT CLOSED FOR FISCAL YEAR END

NOT CALCULATED AS 1/31/22 NOT CLOSED FOR FISCAL YEAR END

(6)

PEACE, INC.
FINANCIAL STATEMENT NOTES AND COMMENTS
AS OF DECEMBER 31, 2022

CURRENT RATIO STATUS

The current ratio is an analysis of current assets divided by current liabilities.
The goal is to have at least 100%, to ensure we have enough current assets to cover our current liabilities.

The current ratio for December 31, 2022 is 148%, which equates to current assets \$946,719 higher than current liabilities.

NET SURPLUS (DEFICIT) BEFORE DEPRECIATION

The budgeted net income before depreciation year to date is \$2,554,718 and actual is \$231,763. The change in net assets after depreciation is (\$290,226).
The budgeted net income before depreciation includes purchases of fixed assets by Head Start that have not been purchased as yet.

An overview of the components making up this \$231,763 is:

From Normal Operations:

Senior Nutrition
Energy & Housing Fee for Service
Centro
Fundraising
Transportation & Maintenance
Rental Properties
Other
Non-Allocable
Indirect Cost not allowed on grant

105,954
42,280
43,120
25,427
9,825
7,095
(2,862)
(16,381)
(66,496)
147,962

From "Timing Differences" (over period of more than one year the net effect is \$0)
Fixed Asset Purchases
Revenue Recognition
Special Donation Accounts

368,622
(289,970)
5,148

83,800

231,763

TOTAL FUNDRAISING REVENUE:
COST CENTER #100 FUNDRAISING (WITH TRANSFERS)
SPECIAL DONATION ACCOUNTS
MEAL CONTRIBUTIONS

28,463
66,657
87,012
<u>182,132</u>

LINE OF CREDIT

BALANCE BEGINNING OF MONTH

\$ -

BALANCE AT END OF MONTH

\$ -

Current month interest expense

NA

Date interest paid

NA

CAPITAL IMPROVEMENT/REPAIR CASH ACCOUNT

Balance at Beginning of Month

\$ 431,727.64

Balance at End of Month

\$ 431,727.64

INDIRECT RATE

The final rate for year ending 1/31/21 IS 21.6%
 The provisional rate for 2/1/21 - 1/31/24 is 24.00%

12/22
 12/21

21.76%
 23.32%

ANALYSIS OF IN-KIND AND HEAD START ADMINISTRATIVE RATES:
 Unless otherwise stated, the booked In-Kind includes entries are through the previous month, due to the quick close of financial statements each month. Therefore, the In-Kind below includes an estimate for the current month based on actual for the prior month.

IN-KIND (MAJOR GRANTS)

	IN-KIND	EXPENDITURES	%	REQUIRED
2409 Head Start	3,370,586	10,754,968	0.31	0.2234

NOTE: CAN ALSO USE UPK FUNDING AS IN-KIND, NOT INCLUDED ABOVE.

4018 CSBG	631,684	1,582,376	0.40	N/A
4019 CSBG - FIRST MONTH OF GRANT	792,172	434,585	1.82	N/A

In-Kind is posted in the subsequent month. The In-Kind reported above includes an estimated amount based on the current month.

ADMINISTRATIVE RATE

	HEAD START ADMIN. RATE	(NOT TO EXCEED) REQUIRED
2409 Head Start	0.10	0.15

WEATHERIZATION FEE FOR SERVICE PROGRAMS

Net income for Fee for Service programs is:

	Current Month	Year To Date
9125 Empower New York	-	341
9310 DEHS Fee for Service	-	41,939
9600 Multifamily Performance	-	-
	-	42,280

ACCRUAL ACCOUNTING

We are accruing invoices for not only the indirect pool, but also any projects that are not cash basis. This includes projects such as the rental locations and temporarily restricted accounts. waiting for year end.

DEPRECIATION

Purchases with grant funds - we recognize the revenue when we purchase the fixed asset. Then in subsequent years, we must reflect the depreciation as an expense that hits our "Change in Net Assets".

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

REVENUE

NET

CC	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
3570 BBBS OSWEGO	5,000	4,583	4,547	(4,074)	882	(847)
3571 BBBS OSWEGO						(16,148)
3630 ***BBBS BNY MELLON				(6,123)	(64,781)	(46)
3631 ***BBBS BNY MELLON				(3,840)	(3,158)	(1,633)
3659 BBBS ONONDAGA CO.	7,315,000	13,750	11,198			(102)
3660 BBBS ONONDAGA CO.			7,300			(24,108)
3661 BBBS SUMMIT FCU						8,731
3662 BBBS ONONDAGA CO.						
3665 ***BBBS ARBY'S	29,800	27,347	25,200			
3666 ***BBBS ARBY'S			126,293			
4018-554 CSBG	259,879	738,477	71,761			
4019-554 CSBG	16,000	14,667	16,013			
9144 BBBS UNITED WAY			(37)			
9145 BBBS UNITED WAY	325,629	298,494	262,275	(20,637)	(18,912)	(34,153)
CAPITAL IMPROVE/REPAIR						
152 CAPITAL IMPROVE/REPAIR			-	(3,006)	(2,750)	(3,666)
				(3,006)	(2,750)	(3,666)
CENTRO						
9082 CENTRO	469,489	430,365	474,317	42,681	39,124	43,120
	469,489	430,365	474,317	42,681	39,124	43,120
COMMUNITY SERVICE						
3003 EARLY CHILDHOOD PATH	174,391	159,858	39,961			(7,500)
3004 AEI CHILDHOOD PATH			83,673			
3682 ***JOHN BEN SNOW	7,500	6,875				

(11)

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC

REVENUE

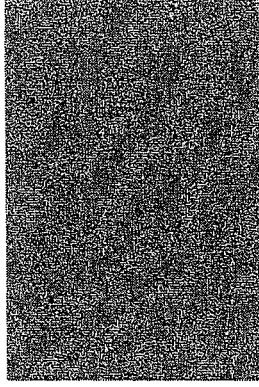
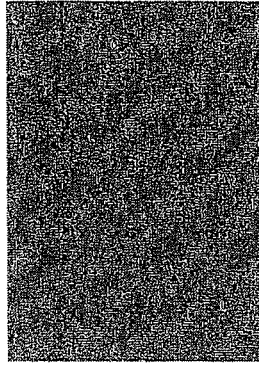
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
4018-502 CSBG	235,207	218,393	207,427
4019-502 CSBG			427,835
4018-530 CSBG	18,329	16,802	2,118
4019-530 CSBG			231
4018-532 CSBG	172,276	157,920	80,496
4019-532 CSBG			39,597
4018-533 CSBG	153,100	140,424	73,756
4019-533 CSBG			35,524
4018-534 CSBG	148,557	136,159	102,145
4019-534 CSBG			37,682
4018-535 CSBG	82,324	75,454	46,003
4019-535 CSBG			15,237
4018-536 CSBG	151,085	121,984	111,576
4019-536 CSBG			35,811
4018-537 CSBG	177,755	162,484	316,816
4019-537 CSBG			65,339
4019-537 CSBG	967,932	857,271	847,327
4189 CSBG CARES			5,445
4193 ***KEY BANK DYJ ESFR	16,915	14,772	13,909
4198 HOUSING VISIONS ESFR			30,302
4199 VERA HOUSE CEFR	60,922	55,845	38,252
4200 ***ST. AUGUSTINE'S	65,000	59,583	17,061
4201 FOOD BANK	20,000	18,533	4,198
4203 SCSD ESFR ALT	2,000	3,667	14,752
4204 MAGNARELLI	16,658	15,279	66,499
4205 F&CD FATHERHOOD	72,375	66,344	100,568
4206 ONONDAGA CNTY GUN VIOL	140,000	100,833	
4207 EITC COOP & COM FOUND	176,024	164,365	3,718
4208 UNITED WAY EITC			
4209 GIF SAVE THE RAIN			
4210 ONON CNTY WOMEN'S HEALTH			

NET

	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
	63,180	57,915	83,066 (90)
			(273) (2,716)
	15,760	15,230	
	176,024	164,365	

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PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022



NET

CC	REVENUE		YTD ACTUAL	NET		YTD ACTUAL
	ANNUAL BUDGET	YTD BUDGET		ANNUAL BUDGET	YTD BUDGET	
4211 HOUSING VISIONS			10,797			
4212 FOOD BANK			26,042			
4213 WSFRC BOEHEIM			10,000			
4214 ALLYN FOUND			19,075			
4215 CSBG DISCRETIONARY			45,000			
4216 SCSD ESFRC ALT PROG			24,039			
4218 MOTHER CABRINI REENTRY			13,444			
4221 COMM FOUND WSFRC			10,450			
4222 ESFRC NATIONAL GRID			3,564			
4223 ***M&T SUMMER FRC			2,500			
4224 COMMUNITY FOUND FRC			1,337			
5105 ***DSRIP/VBP			4,563	(1,377,500)	(1,377,500)	(37,074)
5106 KRESGE FOUND				(43,896)	(43,896)	(687)
5107 ***VBP FOOD PROJECT				(53,933)	(53,933)	(1,892)
5109 ***CNYCC FPPP COVID				(23,850)	(23,850)	(44,717)
5110 ***ARISE FOOD INSEC						
	2,900,570	2,658,855	3,034,069	(14,398)	(14,398)	(11,660)

DONATIONS

9015 CEFRC	896		879
9260 FGP RECOGNITION			(8)
9500 MISC - HS	265		(4)
9503 CWFRD CHRIST& RENT			(172)
9506 FOOD PANTRY	500		(2,969)
10801 HS ADMINISTRATION			
10802 HS B'VILLE			
10804 HS JORDAN	225		(254)
10805 HS LIVERPOOL			(394)

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PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC

10807 HS GENESEE
10810 HS LAFAYETTE
10816 HS SUMNER
10823 CSFRC
10829 BOWL BBBS
10830 EASTWOOD SENIOR CENTER
10831 FGP
10834 CS CROP WALK
10838 SENIOR SERVICES
10839 SSFRC COORD SPECIAL
10842 COUNTY WEST KIDZ RULE
10844 ESFRC COORDINATOR'S
10849 HS MERRICK
10850 EASTWOOD SENIOR CENTER
10854 BBBS OTHER
10855 BERKSHIRE BANK TRAINING
10856 CSFRC
10857 IT TECH PROGRAM
10860 GIVE A HOLIDAY
10861 CAMP FUND
10866 TRANSPORTATION
10867 FSD LUNCH & LEARN
10868 EMPLOYEE EMERG
10871 SSFRC YOUTH ADVISORY
10875 SSFRC SENIORS
10877 BBBS COUNTRY RUN
10878 BBBS SCHOLARSHIP
10879 CSFRC DOMESTIC VIOLENCE
10880 CWFRC COORD SPECIAL
10881 A CAUSE TO CELEBRATE

REVENUE

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
		29
		1,592
		200
		100
		1,058
		347
		75
		26,471
		10,450
		2,429
		45
		660
		500
		3,000
		100
		1,100

NET

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
		(480)
		(213)
		292
		(11,179)
		(15)
		175
		(200)
		100
		(333)
		1,058
		347
		(3)
		12,378
		(2,451)
		6,040
		(44)
		103
		(170)
		438
		(485)
		(300)
		(10)
		(2,833)
		3,000
		(1,041)
		(7,488)
		(211)

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PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC

FOOD SERVICES

1700 FOOD SERVICES
3239 FSD OFA
4018-581 CSBG
4019-581 CSBG
9360 FOOD SERV - MEAL CONTR
9380 FOOD SERV DIVISION

FUNDRAISING

100 FUNDRAISING

ENERGY & HOUSING

3101 HTFC - P PLUS
3102 NYS HEAP WX ARPA
3103 ONONDAGA COUNTY AGING
3131 DHCR - LANDLORD CONTR
3189 HCR 3/1/22
3192 HCR 3/23

HEAD START

2011 HS STABILIZATION
2098 CACFP
2099 CACFP
2205 ***GRO MORE GARDEN
2208 HS/EHS COVID 19

REVENUE

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
474,973	455,392	14,266
185,135	169,707	487,271
75,000	68,750	132,431
		51,231
		87,012
		3,324
735,108	693,849	775,535
56,074	56,074	28,463
56,074	56,074	28,463
287,500	262,542	11,889
		9,850
		2
1,464,208	2,900,524	52,270
		557,582
		1,590,377
3,253,708	3,164,066	2,221,970
270,400	247,867	250,879
284,000	260,338	194,112
		228,057
2,07,848	199,694	150,343

NET

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
175,000	168,750	18,942
75,000	68,750	87,012
		105,954
40,408	40,408	25,427
40,408	40,408	25,427
15,808	15,139	
128,182	117,500	47,038
		(44,642)
141,451	129,700	2,396
		(1,127)

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC

CC	REVENUE		NET	
	ANNUAL BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD ACTUAL
2209 HS/EHS ARP	840,649	490,743		
2408 HEAD START	13,267,468	13,799,264		214,696
2409 HEAD START	105,150	106,150		
2458 HS T&TA	70,851	37,943		
2459 HS T&TA	749,585	451,549		(163,287)
2558 EHS T&TA	30,000	25,158		
2559 EHS T&TA	19,300,419	20,500		(4,939)
2608 SYRACUSE UPK		12,604		
2609 SYRACUSE UPK		16,065,812		45,344
2709 HS B'VILLE UPK				
2908 LIVERPOOL EPK				
2909 LIVERPOOL UPK				
INDIRECT POOL				
1010 MAIN OFFICE		24,123		(176,950)
1014 SUPPLEMENTAL COSTS				(273,711)
1020 EXECUTIVE OFFICE				(471,740)
1030 HR				(771,737)
1040 FISCAL				(215,398)
1070 MIS		4,447		(224,674)
1080 PROGRAM OVERSIGHT				(1,933)
1090 BOARD OF DIRECTORS				2,136,100
1095 INDIRECT POOL ALLOCATION		28,571		(44)
NON-ALLOCABLE				
150 NON-ALLOCABLE		1,457		(16,381)
153 NON-ALLOCABLE DEPREC				(473,304)

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PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC

PROJECT CONNECTION

3758 OPWDD
4018-552 CSBG
4019-552 CSBG

PROJECT ROSE

3487 OFA N'HOOD ADV
3488 OFA EISEP
3497 OFA N'HOOD ADV
3498 OFA EISEP
4018-311 CSBG
4019-311 CSBG

RENTALS

7020 TULLY
7042 TULLY - ARISE
7066 SSFRC ECA
7067 WSFRC ECA

TRANS & MAINT

1500 TRANSPORTATION
1600 MAINTENANCE

REVENUE

NET

	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
			1,457	(542,941)	(697,739)	(489,685)
			65,547			
			12,724			
			7,022			
			85,294			
			7,121			
			9,023			
			27,857			
			28,459			
			3,662			
			1,377			
			77,500			
			4,400			1,901
			5,984			4,845
			506			204
			506			146
			11,397			7,095
			40,494			
			40,494			

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF DECEMBER 31, 2022

CC	REVENUE			NET		
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
E&H MOVE TO ERIE BLVD W						
3199 717 ERIE BLVD W						
YEAR END ACCRUALS						
9819 YEAR END ACCRUALS			(69,495)			11,078
MINOR DIFF			(69,495)			11,078
	29,985,572	27,687,746	23,874,192	2,023,008	2,059,750	(256,277)

NOTE: All cost center Statement of Activities are available for all Finance Committee and Board Meetings
A copy of the Fiscal Policy and Procedure manuals is present at all Finance Committee and Board Meetings.
Note - there are no Finance Committee or Board meetings during the months of July and August.
Finance Committee meetings were held remotely during covid 19 period.

UNRELATED BUSINESS INCOME (TO BE UPDATED PERIODICALLY)

OUTSIDE OF COUNTY:

BBBS OSWEGO CO. GRANT
MULTIFAMILY PERFORMANCE PROGRAM

NOT UNRELATED BUSINESS PER AUDITORS

OUTSIDE OF LOW INCOME GUIDE:

ASSISTED HOME PERFORMANCE

TOTAL

TOTAL REVENUE

%

GUIDE - % OF ALL REVENUE

	-
	23,874,192
	0%
	15% - 30%

BANK ACCOUNTS

BANK	DESCRIPTION	G/L ACCT #	BALANCE AT MONTH END
KEY BANK	Operating	01-1000-00000	753,122
KEY BANK	DHCR Landlord Contr.	01-1004-00000	21,720
M&T	Operating for HS	01-1010-00000	23,194
KEY BANK	Capital Improvement/Repair Account	01-1012-00000	431,728
KEY BANK	Health Captive Account	01-1015-00000	46,639
All Petty Cash			8,150
			<u>1,284,553</u>

NOTE: The two main operating accounts for Key Bank and M&T are reconciled before statements are released for the month. The remaining account reconciliations are due by the end of the subsequent month. Petty cash are reconciled quarterly.

NOTE:

Due to social distancing for COVID 19, Finance Committee meetings are held remotely. Therefore, there may not be a member present to sign the reconciliations. Note that there are no Finance Committee Meetings in July or August.

NOTE: All Finance Committee members attending the 1/9/23 meeting attended via zoom, so no reconciliations were signed.

OPERATING CASH ACCOUNTS:

REVIEWER

KEY BANK

658

Bob Tackman

M&T

6200

Bob Tackman

The above operating bank account reconciliations are presented to the Finance Committee, and a committee member initials upon review. The reconciliations are presented for the prior month, as we close and present monthly financial statements so quickly.

CREDIT CARD STATEMENTS:

NOT APPLICABLE DURING THE SUMMER MONTHS OF JULY AND AUGUST

KEY BANK (OPERATING AND DMV) GENERAL PURCHASES	1720 AND -9177	Patricia Usherwood
HOME DEPOT USED BY E&H, MAINTENANCE	-5148	Judge Jim Cecile
WEGMANS USED BY HEAD START, FOOD SERVICES	VARIOUS	Patricia Usherwood
WEX USED BY VARIOUS DIRECTORS - OIL CHANGES	-4050-6	Eric Caballero

The above credit card statements are presented to the Finance Committee, and a committee member initials upon review. The credit card statements are for the prior month as we close the books quickly.

NOTE: There has been no review of items below as meetings are not held during the months of July and August. Since the inception of COVID 19, there have been no onsite Finance Committee meetings

OTHER TO REVIEW:

	FINANCE COMMITTEE REVIEW
Cost Allocation	12/9/19
NYS Vendor Responsibility Questionnaire (semi-annual) Copy available for review	9/12/22
Cash Receipts - periodic	9/10/18
Cash Disbursements - periodic	5/18/2016

AGED ACCOUNTS RECEIVABLE AS OF NOVEMBER 30, 2022

	TOTAL	CURRENT	1-30	31-60	61-90	OVER 90
See statement attached.	1,405,689 100.00%	1,152,082 82%	249,386 18%	217 0%	165 0%	3,838 0%

Description of items over 90 days old - see attached for information

Note: The amounts shown are for the prior month, as the reconciliations are not due until the end of the month after the month reported.

AGED ACCOUNTS PAYABLE AS OF DECEMBER 31, 2022

M&T Bank no longer included as we do not use this account.

KEY BANK	TOTAL	CURRENT	1-30	31-60	61-90
%					
Description of items over 90 days old:					
None					
# of invoices over 90 days old					
					0

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL AND TRAINING

The CFO will discuss the major items changed in the Fiscal Policies and Procedures Manual sent to the committee members.

Also, the CFO will cover a variety of topics:

Citizen's Bank contacted us regarding a 2.5% Money Market.

Discussion of check signers (primarily to add the new HR Director) for Key Bank and M&T Bank.

Employee Retention Credit for \$26,000. This is based on a decrease in revenue through COVID, which we do not qualify for.

Fraud - current procedures in place and instances of fraud and attempted fraud.

Consideration by the HR Director of "Rapid Pay" cards to replace checks for payroll.

LEGAL

RE: DISCRIMINATION

383 HUMAN RIGHTS CASE

One 5/23/22 we were notified of a human rights case from a Merrick HS worker who is claiming discrimination. The notice was sent to HF&C on 5/23/22 to put them on notice. The employee is claiming the supervisor was discriminatory and he was fired with another worker.

We heard from our Philly rep on 5/25/22, who had some questions.

We received a 8/17/22 "Determination and Order after Investigation" was made in our favor with "no probable cause for discrimination. The employee has 60 days to file for an appeal.

On 10/5/22 we received a letter from EEOC supporting supporting the decision. The employee has 90 days to file in the federal court. No update as of 1/9/23.

366 HUMAN RIGHTS CASE

We received information regarding a human rights case on 11/18/21.

An Energy & Housing employee filed a complaint for discrimination based on race with the Division of Human Rights.

The information was forwarded to HR&C.

The Philly rep called on 11/19 and 11/23/21. We answered all questions.

There is a \$50,000 retainer/deductible that has to be met first before coverage kicks in. Per HR, the case is still pending with Division of Human Rights as of 9/7/22.

As of 10/7/22 this case is still pending.

As of 10/17/22, no update

As of 1/9/23, no update

HUMAN RIGHTS CASE

On 12/19/22 we were notified of a human rights case from Centro Call-A-Bus, claiming disability discrimination. Employment was terminated because the employee was unable to return to work after an extended absence.

An request for extension of the response was filed, granted 1/17/23. HF&C notified 12/20/22, and HR Director provided basic information 12/28/22. More detail discussion with HF&C 12/29/22. Response to the complaint has not yet been submitted.

HUMAN RIGHTS CASE

On 12/20/22 we were notified of a second Centro Call-A-Bus human rights claim who is claiming disability discrimination. Employment was terminated because the employee was unable to return to work after an extended absence.

Hancock Estabrook was notified on 12/20/22, and HR Director and Benefits Coordinator spoke with him. A request for extension to respond was filed, and granted 1/19/23. Information was relayed 12/28 and 12/29.

Response to the complaint has not yet been submitted.

RE: STAFF MEMBER VEHICLE ACCIDENT

On 1/25/22 our PEACE, Inc. vehicle was in an accident where there was vehicle damage. The claim was initially processed 2/16/22. We will readress the claim reimbursement to us, as the actual quote for the damage was higher than anticipated. Also, we subsequently received a letter from the other party's attorney on 2/28/22 requesting information and evidence.

TRIAL BALANCE AS OF DECEMBER 31, 2022

Balance of Trial Balance at month end (should be \$0)

Verified by CFO is \$0

FISCAL VOUCHERING FOR ALL GRANTS

The CFO maintains a list of due dates for all grant vouchers.

All grant vouchers have been sent during the month

Yes

VOUCHERING FOR ALL OTHER BILLINGS (RENTS, CENTRO, ETC)

The CFO maintains a list of due dates for all vouchers.

All other vouchers have been sent during the month

Yes

REQUIRED TAX FILINGS

The CFO has reviewed that all required tax filings have been submitted on time (payroll and corporate)

Yes

CASH FORECAST

The CFO will prepare cash forecasts as needed.

MEAL COUNTS - PRELIMINARY NOVEMBER 2022

	12/22
Breakfast	3,927
Lunch	4,070
Snack	3,715
Total Attended	4,137

PEACE, INC.
ACCOUNTS RECEIVABLE
AS OF NOVEMBER 30, 2022

INCLUDE IN		ACCT DESCRIPTION	BALANCE AT 11/30/22	CURRENT	1-30	31-60	61-90	OVER 90
ACCT #	A/R PROJECT							
01-1100-00000	150 NON-ALLOC							
01-1100-00000	1040 FISCAL		4,530.85		4,446.90			
01-1100-00000	1700 PICKARD DRIVE							83.95 AWAITING AT&T CREDIT
01-1100-00000	2098 CACFP							
01-1100-00000	2099 CACFP							
01-1100-00000	2207 HS COVID 19		167,167.12	167,167.12				
01-1100-00000	2208 HS CRRSA		1,492.55	1,492.55				
01-1100-00000	2209 HS ARP		9,057.94	9,057.94				
01-1100-00000	2210 HS COVID19 CARRYOVER							
01-1100-00000	2408 HS							
01-1100-00000	2409 HEAD START		285,884.32	285,884.32				
01-1100-00000	2458 HS T&TA							
01-1100-00000	2459 HS T&TA							
01-1100-00000	2558 EHS T&TA							
01-1100-00000	2559 EHS T&TA		244.90	244.90				
01-1100-00000	2609 SYRACUSE UPK		195,779.78	195,779.78				
01-1100-00000	2709 B'VILLE UPK		392.03	392.03				
01-1100-00000	2909 LIVERPOOL UPK		930.49	930.49				
01-1100-00000	3003 ALLIANCE FOR ECONOMIC INCLUSION							
01-1100-00000	3004 ALLIANCE FOR ECONOMIC INCLUSION		20,893.42	20,893.42				
01-1100-00000	3103 ONONDAGA COUNTY AGING IN PLACE		1.97	1.97				
01-1100-00000	3187 HCR							
01-1100-00000	3189 HCR 4/21 - 3/22							
01-1100-00000	3192 HCR		181,522.47	181,522.47				
01-1100-00000	3239 OFA		68,946.34	67,790.34	774.00	217.00	165.00	
01-1100-00000	3328 CNCS							
01-1100-00000	3329 CNCS FGP		29,111.66	29,111.66				

BALANCE AT 11/30/22

	CURRENT	1-30	31-60	61-90	OVER 90
1	100	100	100	100	100
2	100	100	100	100	100
3	100	100	100	100	100
4	100	100	100	100	100
5	100	100	100	100	100
6	100	100	100	100	100
7	100	100	100	100	100
8	100	100	100	100	100
9	100	100	100	100	100
10	100	100	100	100	100
11	100	100	100	100	100
12	100	100	100	100	100
13	100	100	100	100	100
14	100	100	100	100	100
15	100	100	100	100	100
16	100	100	100	100	100
17	100	100	100	100	100
18	100	100	100	100	100
19	100	100	100	100	100
20	100	100	100	100	100
21	100	100	100	100	100
22	100	100	100	100	100
23	100	100	100	100	100
24	100	100	100	100	100
25	100	100	100	100	100
26	100	100	100	100	100
27	100	100	100	100	100
28	100	100	100	100	100
29	100	100	100	100	100
30	100	100	100	100	100
31	100	100	100	100	100
32	100	100	100	100	100
33	100	100	100	100	100
34	100	100	100	100	100
35	100	100	100	100	100
36	100	100	100	100	100
37	100	100	100	100	100
38	100	100	100	100	100
39	100	100	100	100	100
40	100	100	100	100	100
41	100	100	100	100	100
42	100	100	100	100	100
43	100	100	100	100	100
44	100	100	100	100	100
45	100	100	100	100	100
46	100	100	100	100	100
47	100	100	100	100	100
48	100	100	100	100	100
49	100	100	100	100	100
50	100	100	100	100	100
51	100	100	100	100	100
52	100	100	100	100	100
53	100	100	100	100	100
54	100	100	100	100	100
55	100	100	100	100	100
56	100	100	100	100	100
57	100	100	100	100	100
58	100	100	100	100	100
59	100	100	100	100	100
60	100	100	100	100	100
61	100	100	100	100	100
62	100	100	100	100	100
63	100	100	100	100	100
64	100	100	100	100	100
65	100	100	100	100	100
66	100	100	100	100	100
67	100	100	100	100	100
68</					

**3,754.52 FUNDS HAVE BEEN RELEASED
AS OF 12/9/22**

01-1100-00000	3366 ELMCREST CHILDREN'S CENTER
01-1100-00000	3485 NEIGHBORHOOD ADVISOR
01-1100-00000	3486 EISEP
01-1100-00000	3487 NEIGHBORHOOD ADVISOR
01-1100-00000	3488 EISEP
01-1100-00000	3496 OFFICE FOR AGING
01-1100-00000	3497 NEIGHBORHOOD ADVISOR
01-1100-00000	3498 EISEP
01-1100-00000	3499 OFFICE FOR AGING
01-1100-00000	3570 OSWEGO COUNTY
01-1100-00000	3571 OSWEGO COUNTY
01-1100-00000	3631 BBBB BNY MELON
01-1100-00000	3660 ONONDAGA COUNTY OFA
01-1100-00000	3665 BBBB ARBY'S
01-1100-00000	3756 OPWDD
01-1100-00000	3757 OPWDD PROJ CONNECTION
01-1100-00000	3902 ONONDAGA COUNTY OFA
01-1100-00000	3903 COUNTY OF ONONDAGA OFA
01-1100-00000	3904 ECC OFA
01-1100-00000	4019 CSBG
01-1100-00000	4167 CSBG RE-ENTRY
01-1100-00000	4169 ESPRI/HOPE DUNK YOUR JUNK
01-1100-00000	4169 ESPRI/HOPE DESFRC DUNK JUNK
01-1100-00000	4185 CDBG DUNK YOUR JUNK
01-1100-00000	4191 HPNAP
01-1100-00000	4194 SCSD ESFRG
01-1100-00000	4196 UNITED WAY ETC

PEACE, INC.
ACCOUNTS RECEIVABLE
AS OF NOVEMBER 30, 2022

INCLUDE IN		ACCT DESCRIPTION		BALANCE AT				
ACCT #	A/R PROJECT			11/30/22	CURRENT	1-30	31-60	61-90
01-1100-00000		4198 HOUSING VISIONS						OVER 90
01-1100-00000		4199 VERA HOUSE		2,502.53	1,454.98	1,047.55		
01-1100-00000		4202 ECC DEFRANCISCO		26,575.00	26,575.00			
01-1100-00000		4204 MAGNARELLI		14,255.19	14,255.19			
01-1100-00000		4206 ONONDAGA COUNTY GUN VIOLENCE						
01-1100-00000		4208 UNITED WAY EITC						
01-1100-00000		4208 SAVE THE RAIN		10,000.00	10,000.00			
01-1100-00000		4210 ONONDAGA CNTY-HEALTH DEPT						
01-1100-00000		4211 HOUSING VISIONS		5,699.86	4,080.79	1,619.17		
01-1100-00000		4212 HPNAP						
01-1100-00000		4214 ALLYN FOUNDATION SUMMER PROG						
01-1100-00000		4216 CSBG DISCRETIONARY						
01-1100-00000		4216 ESFRS SCSD ALTERN PROGRAM		15,015.21	15,015.21			
01-1100-00000		4221 COM. FOUND WSFRS		10,450.00	10,450.00			
01-1100-00000		4999 COVID-19						
01-1100-00000		5106 KRESGE		2,484.18	2,484.18			
01-1100-00000		7029 TULLY						
01-1100-00000		7070 ESFRS BABY BACK						
01-1100-00000		9082 CENTRO		84,610.47	84,610.47			
01-1100-00000		9125 EMPOWER		4,853.86	4,853.86			
01-1100-00000		9143 UNITED WAY						
01-1100-00000		9144 UNITED WAY		1,333.37	1,333.37			
01-1100-00000		9310 DEHS FEE FOR SERVICE						
01-1100-00000		9818 Y/E ACCRUALS 1/31/21						
01-1100-00000		10882 VOLL FOUND		7,000.00	7,000.00			
01-1103-00000		1040 A/R MISC						
01-1215-00000		PAYROLL SUSPENSE		906.54	906.54			

PEACE, INC.
 ACCOUNTS RECEIVABLE
 AS OF NOVEMBER 30, 2022

BALANCE AT 11/30/22

CURRENT 1-30 31-60 61-90 OVER 90

ACCT # A/R PROJECT INCLUDE IN ACCT DESCRIPTION

1,405,688.47	-	1,152,081.73	249,386.27	217.00	165.00	3,838.47
1,405,688.00						
0.47						

PEACE, INC.
ANALYSIS OF SELF INSURANCE RESERVE
#01-2009-00000
ESTIMATE FOR: 10/22-9/23

HAYLOR PROPOSED RATES
12 MTH AVG PREMIUM
12 MTH AVG COST

BASED ON NO INCREASE FOR TOTAL PREMIUM, EMPLOYEE PORTION
OR EMPLOYER PORTION

**RESERVE CALCULATION:
MONTHLY EXPENDITURES**

PREPARED BY CFO, AGREED BY HF&C

USING:
105 -EE
20 -EE + SPOUSE
0 -EE + CHILDREN
6 FAMILY

104,340.60
35,854.20
15,788.64
155,983.44

X 3 MONTHS PER HF&C
ADM FEE MVP 3 MO @ 9,800

136,082.00
408,246.00
29,400.00
<u>437,646.00</u>

PROJECTED

PROJECTED			ACTUAL		
PREMIUM	CLAIMS & NON-CLAIMS	STOP LOSS	MVP	HAYLOR FEE	#01-2009-00000
			TPA FEES	FEES	

[illegible]

