

RISE POLICIES AND PROCEDURES

Version 5.0
May 24, 2017

GENERAL OVERVIEW

PURPOSE: To establish the financial procedures for Coastal Community Resilience, Inc. The business of the cooperation may be conducted as Coastal Community Resilience, Inc., DBA RISE (“RISE”).

SCOPE: These financial procedures are intended to establish a system of sound, practices of financial administration which will provide for accurate, current, and complete disclosure of the financial status of each grant or program.

GENERAL: These procedures provide for:

- The effective control over and accountability of all funds, property, and assets;
- Assurance that all assets are used for authorized purposes;
- Adequate procedures for budget preparation and periodic comparison with actual expenditures;
- Minimization of the time between receipt and deposit of cash receipts;
- Determination of the allowability, allocation of expenses and reasonableness of cost;
- Insurance that accounting records are supported by source documentation.

PROCEDURES: The financial procedures are controlled on a day-to-day basis by the Executive Director under the supervision of the Board of Directors.

- The Board of Directors will approve the financial policies and delegate administration of the procedures to staff.
- The Executive Director is responsible for all of RISE’s operations and activities, including financial management.
- The Treasurer shall be the lead director for oversight of the financial condition and affairs of the corporation.
- The Executive Director and Treasurer will review copies of the minutes of all meetings of and note all items relating to financial issues for implementation.
- The Treasurer shall oversee and keep the Board informed of the financial condition of the corporation and of audit or financial review results.
- In conjunction with other directors or officers, the Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the corporation, are made available to the Board of Directors on a timely basis or as may be required by the Board of Directors.
- The Treasurer shall perform all duties properly required by the Board of Directors or the Board President.
- The Treasurer may appoint, with approval of the board, a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the Treasurer.
- Program Manager(s) is/are responsible to the Executive Director for program operations and documentation to support all program expenditures.

- Financial duties will be separated, to the extent possible, so that no one employee has sole control over cash receipts, cash disbursements, payroll, and reconciliation of bank accounts.
- All signatures on accounting documents will be originals.
- The financial policies and procedures will be reviewed at least annually by the Executive Director and Treasurer.

Changes in financial policy must be approved by the Board of Directors and changes in financial procedures must be approved by the Executive Director.

FINANCIAL OVERVIEW

PURPOSE: To define financial responsibilities of RISE.

SCOPE: The responsibility for effective financial oversight and management occurs on several levels of the organization.

GENERAL: Financial responsibilities occur at almost every organizational level, from the Executive Director to the Board of Directors. It is necessary to ensure that there are adequate and trained individuals to perform in those roles.

PROCEDURES:

ORGANIZATION

RISE consists of up to four full-time employees. These individuals manage and process financial information for RISE. The following positions will provide effective financial oversight:

- Executive Director
- Program Manager
- Budget and Policy Analyst
- Administrative Technician

Other officers and employees of RISE who have financial responsibilities are as follows:

- Board of Directors

RESPONSIBILITIES

RISE will perform the primary responsibilities with the assistance of professional accounting services:

- Financial Planning and Risk Management
- General ledger
- Budgeting
- Cash/investment management
- Asset Management
- Grants/Contracts Administration
- Accounts receivable/billing
- Cash Receipts
- Accounts payable
- Cash disbursements
- Payroll and benefits
- Financial statement processing
- External reporting of financial information
- Bank reconciliation

Reconciliation of subsidiary ledgers
Compliance with government reporting requirements
Annual audit
Leases
Insurance

FINANCIAL CODE OF CONDUCT

PURPOSE: To establish procedures for to ensure honesty and integrity around the implementation of the financial management policies and procedures around RISE.

SCOPE: It is critical that every effort is made to hire and maintain staff who exhibit high ethical standards.

GENERAL: There will be a high standard of conduct required by employees employed and who perform financial duties for RISE. Therefore, a financial code of conduct is outlined below.

PROCEDURES:

The purpose of this code of conduct is to codify standards that are reasonably designed to deter wrongdoing and to promote:

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships,
- b. Avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in this code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict,
- c. Full, fair, accurate, timely, and understandable disclosure in reports and documents.
- d. Compliance with applicable governmental laws, rules and regulations,
- e. The prompt internal reporting to an appropriate person,
- f. Accountability for adherence to the code.

POLICY

Financial staff is relied upon by management to:

1. Develop accurate financial statements.
2. Safeguard agency assets.
3. Prepare honest and meaningful financial plans, forecasts and analyses of agency funding.
4. Enforce agency policies in relevant areas (e.g. Cash Disbursements, Ethics, Capital Appropriation, Accounting, Financial Planning and Analysis, tax compliance).
5. Ensure that effective internal accounting and operating controls are maintained.

CONFLICT OF INTEREST

PURPOSE: To establish procedures for dealing with conflicts that may arise.

SCOPE: Board members and employees must understand the scope of conflict of interest and avoid any potential or actual conflict.

GENERAL: Board members and staff will be informed about Conflict of Interest policies and will be asked to sign a statement that they understand and will adhere to such policies.

PROCEDURES:

Board of Directors' members have a duty to subordinate personal interests to the welfare of RISE and those we serve. Conflicting interests can be financial, personal relationships, status, or power.

Board of Directors' members and employees are prohibited from receiving gifts (valued at more than \$25), fees, loans, or favors from suppliers, contractors, consultants, or financial agencies, which obligate or induce the Board of Directors member or employee to compromise responsibilities to negotiate, inspect or audit, purchase or award contracts, with the best interest of RISE in mind.

Board members and employees are prohibited from knowingly disclosing information about RISE to those who do not have a need to know or whose interest may be adverse to RISE, either inside or outside RISE, nor may members or employees in any way use such information to the detriment of RISE.

Board members or employees may not have a significant financial interest in any property which RISE purchases, or a direct or indirect interest in a supplier, contractor, consultant or other entity with which RISE does business.

Since it is not possible to write a policy that covers all potential conflicts, Board of Director's members and employees are expected to be alert for and avoid situations which might be construed as conflicts of interests.

Any possible conflict of interests on the part of any Board of Directors' members should be disclosed to the other Board of Directors members and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board of Directors action.

Any Board member having a conflict of interests or possible conflict of interests should not vote or use his/her personal influence on the matter, and he/she should not be counted as part of a quorum for the meeting. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting and the quorum situation.

These restrictions should not be construed as preventing the Board of Director's member from briefly stating his/her position in the matter, nor from answering pertinent questions of other Board of Directors' members, since his or her knowledge could be of assistance to the deliberations.

All Board members will be asked to complete the "Conflict of Interest" statement. This policy will be reviewed by the Board of Directors annually and given to each new Board member for signature during orientation.

ANTI-FRAUD, WASTE, AND ABUSE

RISE will treat all information received confidentially. Any employee or volunteer who suspects dishonest or fraudulent activity will notify the Executive Director, or in his/her absence, the Treasurer, immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act, who in turn, informs the Executive Director.

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. 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 RISE from potential civil liability.

An employee or volunteer who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Director, or in his/her absence, the Treasurer or legal counsel. No information concerning the status of an investigation will be given out. Under no circumstances should any reference be made to “the allegation”, “the fraud”, “the forgery”, “the misappropriation”, or any other specific reference.

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 RISE legal counsel or the Executive Director.

DISCLOSURE TO OUTSIDE PARTIES

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by RISE to aid in an investigation).

However, all known frauds involving the Executive Director, or in his/her absence, Treasurer, Program Manager(s), staff, volunteers or member of the Board of Directors, as well as all material frauds involving employees below the Program Manager level, shall be disclosed to the external auditors.

PROCUREMENT POLICY AND PROCEDURES

PROCUREMENT STANDARDS

RISE as a non-Federal entity, and a sub recipient of a state, will follow the procedures outlined below when conducting procurement using federal funding.

General procurement standards.

- a RISE must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.
- b RISE must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- c Standards
 - 1 RISE must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her 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 or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of RISE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, RISE may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of RISE.
 - 2 If RISE has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, RISE must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, RISE is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- d RISE's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- e To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, RISE is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
- f RISE is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- g RISE is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- h RISE must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also Suspension and debarment.
- i RISE must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- j Time and materials type contract

- 1 RISE may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to RISE is the sum of:
 - i The actual cost of materials; and
 - ii Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - 2 Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, RISE awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- k RISE alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve RISE of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of RISE unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

Competition.

- a All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - 1 Placing unreasonable requirements on firms in order for them to qualify to do business;
 - 2 Requiring unnecessary experience and excessive bonding;
 - 3 Noncompetitive pricing practices between firms or between affiliated companies;
 - 4 Noncompetitive contracts to consultants that are on retainer contracts;
 - 5 Organizational conflicts of interest;
 - 6 Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - 7 Any arbitrary action in the procurement process.
- b RISE must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- c RISE must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
 - 1 Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - 2 Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- d RISE must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, RISE must not preclude potential bidders from qualifying during the solicitation period.

Methods of procurement to be followed.

RISE must use one of the following methods of procurement.

- a **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see *Micro-purchase definition* below this paragraph). To the extent practicable, RISE must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if RISE considers the price to be reasonable.

Micro-purchase definition - means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of RISE's small purchase procedures. RISE uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation. It has now been increased to \$3,500. (see <https://www.federalregister.gov/documents/2015/07/02/2015-16206/federal-acquisition-regulation-inflation-adjustment-of-acquisition-related-thresholds>).

- b **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (See *Simplified Acquisition Threshold definition* below this paragraph). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Simplified acquisition threshold definition - means the dollar amount below which RISE may purchase property or services using small purchase methods. RISE has adopted small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is \$150,000, but this threshold is periodically adjusted for inflation. (Also see definition of Micro-purchase.)

- c **Procurement by sealed bids (formal advertising).** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
- 1 In order for sealed bidding to be feasible, the following conditions should be present:
 - i A complete, adequate, and realistic specification or purchase description is available;
 - ii Two or more responsible bidders are willing and able to compete effectively for the business; and
 - iii The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - 2 If sealed bids are used, the following requirements apply:
 - i Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - ii The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - iii All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
 - iv A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

- v Any or all bids may be rejected if there is a sound documented reason.
- d **Procurement by competitive proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - 1 Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - 2 Proposals must be solicited from an adequate number of qualified sources;
 - 3 RISE must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - 4 Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - 5 RISE may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- e [Reserved]
- f **Procurement by noncompetitive proposals.** Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - 1 The item is available only from a single source;
 - 2 The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - 3 The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from RISE; or
 - 4 After solicitation of a number of sources, competition is determined inadequate.

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- a RISE must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- b Affirmative steps must include:
 - 1 Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - 2 Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - 3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - 4 Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - 5 Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - 6 Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Procurement of recovered materials.

- a A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and

Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Contract cost and price.

- a RISE must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, RISE must make independent estimates before receiving bids or proposals.
- b RISE must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- c Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for RISE under the 2 CFR 200 UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS Subpart E—Cost Principles. RISE may reference its own cost principles that comply with the Federal cost principles.
- d The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

Federal awarding agency or pass-through entity review.

- a RISE must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if RISE desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- b RISE must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - 1 RISE's procurement procedures or operation fails to comply with the procurement standards in this part;
 - 2 The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - 3 The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
 - 4 The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - 5 A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- c RISE is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
 - 1 RISE may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
 - 2 RISE may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may

rely on written assurances from RISE that it is complying with these standards. RISE must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of RISE provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- a A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- b A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- c A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Contract provisions.

RISE’s contracts must contain the applicable provisions described in the 2 CFR 200 UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by RISE under the Federal award must contain provisions covering the following, as applicable.

- a Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- b All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- c Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- d Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned

upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- e Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- f Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- g Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- h Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

- i Procurement of recovered materials.

Suspension and debarment.

RISE is subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

PUBLIC DISCLOSURE OF INFORMATION

POLICY: The purpose of this policy is to establish guidelines dealing with requests for records from the public that comply with the Virginia Freedom of Information Act (FOIA) in a responsive, efficient, and appropriate manner.

GENERAL:

- A. A “public record” is any writing or recording, in any format, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business.
- B. Requests do not need to make reference to FOIA in order to invoke its provisions or impose its time limits.
- C. All persons making a request must provide their legal name and address before their FOIA request will be processed.
- D. Access to any or all parts of a document shall be refused if it violates the privacy of any staff member, notably with respect to human resource matters, unless a written authorization is provided by the staff member at risk.
- E. All FOIA requests must be made in writing (e-mail, fax, letter) by the requesting party, must contain current contact information of the requesting party, and submitted to the FOIA Officer designated by the Executive Director.
- F. RISE is not required to create a new record if the requested record does not already exist.
- G. RISE staff intends to redact or black out any/all identifying information such as social security numbers to protect the security and identity of staff/employees.

RESPONSE TO A REQUEST:

- A. RISE will provide a reply to the request within five business days of receipt of the request, unless it is a legally recognized holiday. The day after receipt of the request is considered day one. Failure to respond to the record request is deemed a denial of the request and constitutes a violation of FOIA.
- B. One of the five following responses are allowed by FOIA:
 - 1. Provide the requested records to the requestor;
 - 2. The requested records are being entirely withheld because their release is prohibited by law or the custodian has exercised his discretion to withhold the records in accordance with FOIA;
 - 3. The requested records are being provided in part and are being withheld in part because the release of part of the records is prohibited by law or the custodian has exercised his discretion to withhold the records in accordance with FOIA;
 - 4. The requested records could not be found or do not exist. However, if it is known that another public body has the requested records, the response shall include contact information for the other public body; or

5. In the event that requested documents are not readily available at RISE's central office or if the request is so cumbersome that RISE is unable to fulfill the request within the time frame denoted herein; then RISE shall have an additional seven (7) business days in which to respond.

CHARGES FOR FOIA REQUESTS:

- A. All FOIA requests are subject to record searches and copying charges as follows:
 1. \$0.50 per page copies;
 2. Hourly rate of salary for any and all employees involved in fulfilling the request;
 3. Should the cost of the request exceed \$200, the requesting party shall make a deposit to be determined by the Executive Director of RISE prior to the request being fulfilled. In the event a deposit is required, RISE shall have five (5) business days from the date of receipt of the deposit in order to respond to the request.
- B. An invoice for charge will be sent along with the requested records.

RECORDS CONTAINING EXEMPT AND NONEXEMPT INFORMATION:

- A. Generally, if a record contains exempt and nonexempt information, the custodian must release the record, and delete or excise the portion of the record subject to exemption.

PROVIDING REQUESTED RECORDS:

- A. Requestor may view records in RISE offices. If copies of the records are requested, such copies may be picked up by the requestor or requestor's agent or sent by certified mail.

EXEMPT RECORDS AS PROVIDED BY VIRGINIA FOIA:

- A. For a full list and description of records considered exempt, see the FOIA. Exemptions include but are not limited to:
 1. Personnel – Personal information, as defined in Section 2.2-3801 of the Code of VA, including electronic e-mail addresses, furnished to a public body for the purpose of receiving electronic mail from the public body, provided that the electronic mail recipient has requested that the public body not disclose such information. However, access shall not be denied to the person who is the subject of the record. Personnel records containing information concerning identifiable individuals, except that access shall not be denied to the person who is the subject of the personnel records.
 1. Attorney-client privilege
 2. Attorney work product
 3. Tests and examinations – Any test or exam used, administered, or prepared by any public body for purposes of evaluation of (a) any student or student's performance, (b) any employee or employment seeker's qualifications or aptitude for employment, retention, or promotion, or (c) qualifications for any license or certificate issued by a public body
 4. Closed meetings – Any records recorded in or compiled exclusively for use in lawfully-held closed meetings.
 5. Vendor proprietary information software

6. Cost estimates of real property – Appraisals and cost estimates of real property subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease.
7. Contracts – Records relating to the negotiation and award of a specific contract prior to a contract being awarded
8. Working Papers – Working papers and correspondence of the Executive Director.
9. Personal information, as defined in Section 2.2-3801 of the Code of VA, including electronic e-mail addresses, furnished to a public body for the purpose of receiving electronic mail from the public body, provided that the electronic mail recipient has requested that the public body not disclose such information. However, access shall not be denied to the person who is the subject of the record.
10. Communications and materials required to be kept confidential pursuant to Section 2.2-4119 of the Virginia Administrative Dispute Resolution Act (Section 2.2-4115 et. seq.)
11. Those portions of records that contain account numbers or routing numbers for any credit card, debit card, or other account with a financial institution of any person or public body. However, access shall not be denied to the person who is the subject of the record.

CLASSIFICATION OF WORKERS AS EMPLOYEES OR INDEPENDENT CONTRACTORS

PURPOSE: To establish procedures for determining if an individual should be classified as an employee or independent contractor.

SCOPE: There are specific criteria to determine if RISE should pay an individual as an independent contractor or employ that individual, even for a short period of time.

GENERAL: The policy outlines criteria for determining whether RISE should pay an individual as an independent contractor or employ that individual.

PROCEDURES:

RISE considers all relevant facts and circumstances regarding the relationship between RISE and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between RISE and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral Control - Instructions given by RISE to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - a. When and where to work
 - b. What tools or equipment to use
 - c. What workers to hire or to assist with the work
 - d. Where to purchase supplies and services
 - e. What work must be performed by a specified individual
 - f. What order or sequence to follow

Training provided by RISE to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training).

2. Financial Control - The following circumstances are used to determine financial control:
 - a. The extent to which the worker has un-reimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor).
 - b. The extent of the worker's investment in the facilities/assets used in performing services.
 - c. The extent to which the worker makes services available to the relevant market.
 - d. How RISE pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to contractors).
 - e. The extent to which the worker can realize a profit or loss
3. Type of Relationship- The following circumstances can be used to determine the type of relationship:
 - a. Written contracts describing the relationship that RISE and the individual intend to

- create.
- b. Whether RISE provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship.
 - d. The extent to which services performed by the worker are a key aspect of the regular business of RISE.

If an individual qualifies for independent contractor status, the individual will be issued a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by RISE personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

All rules and regulations relating to independent contracts must comply with IRS regulations.

BUSINESS CHARGE CARDS

PURPOSE: To establish procedures for the control and use of the Agency business charge cards. The credit card is for official Agency business only and is not to be used to obtain personal items under any circumstances. Breach of the use of the credit/business cards may constitute disciplinary action, if not termination, of the employee who abuses this procedure.

GENERAL: This procedure provides for the administrative control of the business charge cards when not in use and the issue, authorized use, documentation and reconciliation of the card to authorized staff. An employee who requests a credit/business card must have prior authorization by the Program Manager, Executive Director, or in his/her absence, the Treasurer, evidenced by a purchase order or approved signature on the Credit Card Request form upon requesting the credit/business card, who shall inform the Executive Director

OPENING NEW ACCOUNTS: Requests to open new charge accounts will be handled by the financial staff and requires approval of the Executive Director. or in his/her absence, the Treasurer. However, if an account is opened by the Treasurer, he/she must inform the Executive Director immediately by e-mail or phone call.

CANCELLED CARDS: Cancellation of a credit/business card may be necessary where the:
Employee misuses or loses the credit card;
Employee terminates employment and does not return the card;
Credit card is defective;
Credit card is stolen; or
Any other situation when the security of RISE's funding is threatened.

CARD HOLDER RESPONSIBILITIES:

- *Ensure credit/business cards are maintained in a secure manner and guarded against improper use;
- *Credit/business cards are to be used only for RISE official activities. There is no approval given for any private use;
- *No staff member, other than person signing the card out, may use the credit card. The Program Manager has to sign out the credit card, but may allow their staff to use card for business purposes only. Violations of this procedure will result in disciplinary actions, and could include termination;
- *All original documentation regarding a credit/business card transaction is to be returned to the Executive Director along with the credit/business card within the same day, or in the case of travel, no more than 24 hours;
- *Purchases on the credit/business card are to be made in accordance with RISE's contracts, grants, or Board/Policy Council policies;
- *No single item valued at \$1,000 or more may be purchased without Executive Director or Board of Directors' approval, depending on grant requirements;
- *Reconciliation is to be completed within seven business days of the credit/business card statement being received.
- *Lost or stolen cards must be immediately reported to the Executive Director, who, in turn, will report to the credit card company/business;
- *All cardholder responsibilities as outlined by the card provider;

*Credit limits are not to be exceeded.

SUSPECTED ABUSE/MISUSE OF CREDIT CARD: If any credit/business card abuse by an employee is suspected, it must be immediately reported to the Executive Director, and in the case of the Executive Director, the Chairperson of the Board of Directors.

PROCEDURES:

*The Executive Director will issue the card to authorized staff who has documentation for a purchase or in his/her absence, the Treasurer, or Program Manager. Authorized staff is required to log out card. The Credit Card Log will include issue date, location/reason to be used, and staff signature.

*Purchases made with a Purchase Order will have the Purchase Order number accompany the receipt. These receipts will be turned in by the end of the business day. If an employee cannot obtain a Purchase Order, he/she must get approval for the expenditure by completing the Credit Card Request form.

*Any single item with a cost of \$1,000 or more must have approval from the Executive Director, or for the Executive Director, the Board of Directors must provide approval for all items over \$1,000.

*New charge accounts must be approved by the Executive Director, or in his/her absence, the Treasurer.

*For expenses associated with travel, after all travel/business is completed, the staff member will return the card within 24 hours. The Administrative Technician staff will have the person returning the card to complete the credit card sign-out log showing card has been returned, and Administrative Technician will initial the sign-out log as having received the card. Original receipts will be given at the time the card is returned. The card will be returned to the safe. The appropriate documentation will include those items outlined on the Travel and Expense report which must be completed within the next five (5) business days after travel. (Copies of all business card charge tickets/receipts will be included on the Travel and Expense report). If a credit is issued on the credit card a charge slip must also be obtained.

*Credit Card statements with charges made by the Executive Director will be copied. The copy will be emailed to the Chairperson of the RISE Board of Directors for signature and approval. Charges made by the Executive Director will be highlighted for review by the Board Chairperson. Documents supporting these charges will also be attached to the copy. The signed copy of the statement will be attached to the original statement upon its return.

*Questions concerning the use of a business charge card may be referred to the Executive Director, or in his/her absence, the Treasurer, for resolution.

RECONCILIATION:

*Travel purchases will be reconciled on the Travel and Expense report within five business days.

*Upon receipt of the credit/business card statements, the Administrative Technician will allocate to each program. The statement will be processed and paid within seven business days after the receipt of the statement.

LOST OR STOLEN CARDS: The staff member will be responsible for all charges charged to the card while it is in their possession. If the card is lost or stolen it must be reported immediately to the company:

Additionally, the staff member will notify RISE office during normal business hours giving the details of the loss to one of the following Agency representatives personally: Executive Director, or Treasurer. The Agency representative will follow up with the card company to ensure that the loss has been reported.

CREDIT/BUSINESS CARD REPORTING: All credit/business card expenditures will be reported to the Board and Policy Council on a monthly basis.

CREDIT/BUSINESS CARD MONITORING: The Treasurer will periodically monitor the credit card process for compliance.

PERSONAL LOANS/PAY ADVANCES

PURPOSE: To establish procedures for personal loans/pay advances.

SCOPE: RISE is limited in its ability to provide personal loans/pay advances.

GENERAL: The policy below prohibits any personal loans or pay advances.

PROCEDURES:

It is the policy of RISE that no personal loans will be made to staff or members of the Board of Directors. In addition, no pay advances will be made to any employees.

SECURITY

PURPOSE: To establish procedures for security of confidential information for RISE.

SCOPE: Staff with access to financials maintain a vast amount of confidential information regarding the operation of RISE. Safeguards are in place to restrict the unintentional release of such information.

GENERAL: This policy outlines the extent to which all confidential and secure information will be maintained.

PROCEDURES:

GENERAL OFFICE SECURITY

After normal business hours, a key is required for access to the offices. Keys are issued only to employees of RISE or designated partners as allowed by the Executive Director.

SECURING FINANCIAL FILES

A lock will be maintained on the door leading into any space that holds financial information. These doors shall be closed and locked in the evenings and whenever the office is vacant. The key will be provided to the Executive Director, and any other personnel as designated by the Executive Director.

ACCESS TO ELECTRONICALLY STORED ACCOUNTING DATA

It is the policy of RISE 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 them on a regular basis as needed. Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

STORAGE OF BACK-UP FILES

Backups of the financial program are made daily and monthly.

STORAGE OF SENSITIVE DATA

In addition to accounting and financial data stored by RISE, other sensitive data, such as Personally Identifiable Information (PII) including but not limited to as social security numbers of employees and clients, may be stored in areas other than the financial systems/files. Therefore, RISE

minimizes the storage of sensitive data or PII by shredding documents with such data or deleting the sensitive data from documents that are stored whenever possible, and requires that all sensitive data that is stored in areas secured in locked filing cabinets that are placed in offices that are locked after hours.

RISE restricts access to sensitive data to employees only with a legitimate need to such access.

DESTRUCTION OF CONSUMER INFORMATION

All sensitive data must be securely stored and shredded when no longer needed.

FISCAL YEAR

PURPOSE: To establish procedures for determining agency fiscal year.

SCOPE: Determination of the fiscal year.

GENERAL: This policy outlines the fiscal year on which RISE operates.

PROCEDURES:

RISE shall operate on a fiscal year that begins January 1 and ends on December 31 30. Any changes to the fiscal year of the organization must be ratified by majority vote of the Board of Directors.

BUDGET PROCEDURES

PURPOSE: To establish procedures for the developing budgets and budget revisions/amendments for RISE.

SCOPE: The preparation for budgets involves the Executive Director, Program Manager, Budget and Policy Analyst and Board of Directors.

GENERAL: This procedure provides for a plan for budget preparation, amendments/revisions and resolutions.

PROCEDURES:

- *Regulations and directives applying to the grant/program are reviewed with budget preparation.
- *Current year's expenditures are reviewed per line item for sufficiency of the line-item budget amount.
- *The budget process begins at the Executive Director and Program Manager level.
- *After the budget is complete, it will be presented to the Board of Directors.
- *The Board of Directors must approve all budgets, budget revisions/amendments.

REVENUE

PURPOSE: To establish procedures for dealing with revenue received by RISE.

SCOPE: The processing of revenue is handled through financial staff under the supervision of the Executive Director.

GENERAL:

- Revenue is requested by invoice after expenditures are made for most grants/programs.

APPROVED INVOICE SUMMARY

PURPOSE: To establish procedures for the use of an Approved Invoice Summary.

SCOPE: The responsibility for the origination of an Approved Invoice Summary rests with the program Director/Coordinator. An Approved Invoice Summary is used when pre-payment is required for supplies, services or equipment. The responsibility for the preparation of these procedures rests with the Finance department.

GENERAL:

- This procedure provides for the internal control of available funds by documenting prior approval for the issue of checks for the pre-payment of supplies, services, or equipment or for the issue of a travel advance or field trip advance.
- An Approved Invoice Summary will only be used when the use of a Purchase Order is unacceptable by the vendor and pre-payment is required.

DEFINITIONS: As used in this procedure:

- Approved Invoice Summary: A control document which provides prior approval for the pre-payment of supplies, services, or equipment.
- Purchase Order (PO): A control document which provides prior approval for the obligation of funds from a specific grant for any purchase of supplies, services, or equipment.
- Requesting authority: Program employees may sign Approved Invoice Summary as the requesting authority.
- Approving authority: The Executive Director, Deputy Director, or in his/her absence.

PROCEDURES:

- The requesting authority will prepare the Approved Invoice Summary.
 - Program: Identify the grant or program which is the source of the funds.
 - The payee's complete name and address.
 - Invoice # from attached invoice, if applicable.
 - Total amount to be paid.
 - Vendor number from Vendor List
 - Pre-Audited by: Name or initials of person preparing invoice summary.
 - Date Pre-Audited.
 - Coding: General Ledger Expense Code and Element # and amount of expenses in the Debit Amount.
 - EXPLANATION is for additional information needed to support invoice, attach documentation if applicable.
 - Signature of Program Coordinator/Director verifying available funds and expenditure is an approved expenditure of the grant/program and
 - Signature of Executive Director or in their absence, Treasurer and date of signature.

- If the Approved Invoice Summary is for a travel advance or field trip advance then a copy of the Out-of-Area Travel Request or Field Trip Request will be attached to the Approved Invoice Summary. If the request is for a travel advance, the employee must attach a document of the meeting he/she will be attending, preferably the agenda.
- The Administrative Technician will enter the completed Approved Invoice Summary in the accounts payable module of the Finance department computer and follow department procedures each Thursday for the issue of accounts payable checks.

PROGRAM INCOME

PURPOSE: To define financial responsibilities regarding Program Income at RISE.

SCOPE: The responsibility for effective financial oversight and management with Program occurs at the Program Director and Executive Director levels of the organization. Refer to OMB Uniform Guidance, Subpart D. 200.307.

GENERAL: Income generated from a federal program must be recorded correctly and used as a deduction from outlays, as an addition to the project budget, or to meet matching requirements.

Program income is gross income received that is directly generated by the federally-funded project during the grant period. If authorized by federal regulations or the grant agreement, costs incidental to the generation of program income may be deducted from gross income to determine net program income. Only the net income would be considered to be program income.

Program income includes, but is not limited to, on loan repayments, income from fees for services performed, the use or rental fees for space or equipment acquired under federally funded projects and the sale of such equipment which has been determined to be excess to the current needs of the grantee and for which disposal instructions have been requested and received from the funding source, license fees and royalties on patents and copyrights, and publication sales.

To prorate program income, RISE will follow its established cost allocation policies and procedures. Program income must be used first (before) drawing down grant funds. Program income cannot be transferred between grants or sub-grants.

If program income is received before it is needed for the costs for which it was received (encumbered against future expenses) a program could allocate the income across the period in which it will be expended. Program income not yet earned may be considered deferred revenue and not expensed until earned. Otherwise, program income funds must be used as they are earned to defray eligible program costs before drawing funds from the federal funding source for those costs. The same rules apply to any repayments to and interest earned from a revolving fund, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. RISE is generally authorized to use program income to further eligible project or program objectives.

Program income must be used for the purposes of the grant during the grant project period.

PROCEDURES:

1. When any program income is generated, the process for accounting of such funds falls under the same procedure as Cash Receipts. Money is receipted, coded, and accounted for as any other cash.
2. Program Income will be obligated properly during the required period, unless otherwise allowed by the Grantor.
3. Any costs incidental to the generation of such program income will be deducted from gross income to determine net program income, if required by the Grantor.
4. Program income will be reported on the financial status reports and Schedule of

Expenditure of Federal Awards for the fiscal year(s) under review.

5. If interest is earned on any program income, it may be used on grants/projects from which the program income was generated, and as directed by the Grantor.
6. Program income is reported separately on the agency's balance sheet.
7. If required by the Grantor, any intent to generate program income must have prior authorization.

PAY PROCEDURES

POLICY: It is the policy of RISE to pay employees by (check) direct deposit on a biweekly (except for grants that require weekly payroll per Davis-Bacon requirements) basis and in a manner so that the amount, method, and timing of wage payment comply with any applicable laws or regulations.

ADMINISTRATION:

1. Employees will normally be paid bi-weekly, every two weeks, (except for grants that require weekly payroll per Davis-Bacon requirements) on Fridays via Direct Deposit. Direct Deposit stubs will be available by noon on Thursday. When payday falls on a holiday, employees are to refer to the current year Payday Calendar.
2. Federal and state income tax and FICA contributions will be automatically deducted. No other deductions will be made unless required by law or employee obligation. Employees may elect to have additional voluntary deductions taken from their pay only if they authorize the deductions in writing using the appropriate forms.

Payroll

PURPOSE: To establish procedures for the preparation and processing of payrolls and the maintenance of payroll records.

SCOPE: The proper preparation of a payroll involves the individual, the individual's immediate supervisor, the Program Manager and the financial staff. The financial staff is responsible for the preparation of these procedures.

GENERAL: The administration of the payroll cycle falls under the supervision of the financial staff and is prepared based upon the verified documentation provided by each supervisor.

PROCEDURES: The proper preparation of a payroll involves: 1) Addition of a new employee 2) Preparation for Payroll 3) Payroll Taxes 4) Distribution of Payroll.

- 1) **Addition of a new employee:** It is the responsibility of the Program Director/Coordinator to ensure that all new employees register with the Human Resource department on or before their first day of employment.

The Human Resources/Accounting Generalist will complete a Personnel Action Form no later than the new employee's first day of employment. The Personnel Action form will be given to the Accounting/Benefits Specialist to enter into the payroll system

When the new employee registers with the Human Resource department, the following forms will be completed by the new employee and maintained in the employee personnel file:

- Internal Revenue Service, Form W-4
- Virginia Employee's Income Tax Withholding Exemption Certificate, Form VA-4
- Immigration and Naturalization Service Employment Eligibility Verification Form, Form I-9

For full-time employees only, the Accounting/Benefits Specialist will talk with new hires and cover:

- Health Insurance
- Life Insurance
- Dental Insurance
- Voluntary Life Insurance
- Vision Insurance
- Other Insurance such as Accident, Cancer, Hospital, Short- and Long-Term Disability, Critical Care Insurance, Teledoc/other non-insured health benefits

Employee must review and sign the Section 125 Enrollment Form for the Before Tax Premium Option, even if the employee is NOT participating.

Voluntary insurance companies providing policy plans for disability, life, cancer, hospitalization, etc. will be available during open enrollment meetings in March of each year.

Other deductions can include:

- Savings plan with Carter Bank & Trust. Check is written to the bank with a list of staff participating and amount for each. The savings is added to their accounts by the bank employee.
- 403(b) Contributions with Mutual of America – paid 100% by staff. Deduction made from employee pay check and added to their account by accessing website.

Upon completion of all forms, the Agency Accounting/Benefits Specialist assigns the employee a payroll number.

The Accounting/Benefits Specialist then establishes a payroll record for the new employee in accordance with the procedures available in the GMS Help tab located in the GMS Accounting and Financial Management System.

- 2) **Preparation for Payroll:** The following procedures are to be followed in preparing a bi-weekly/weekly staff payroll.

Personnel Activity Reports: Personnel Activity Reports are required for all employees whose salary or wages are charged in total or in part directly to federal grants. Every employee (professional and non-professional) whose compensation is charged, in whole or in part, directly to (federal) awards must maintain a personnel activity report, including employees paid in indirect cost pool.

Reports must meet the following standards: They must reflect after-the-fact determination of the actual activity of each employee. Budget estimates do not qualify as support for charges to awards. They must account for the total activity for which each employee is compensated. They must be signed by the employee or a Program Director who has first-hand knowledge of the activities performed by the employee. They must be prepared at least monthly and coincide with one or more pay periods.

PARs are in addition to the requirements of the Department of Labor regulations implementing the Fair Labor Standards Act (29 CFR Part 516) for records reporting the total number of hours worked each day by non-exempt employees.

RISE's TimeTrax Electronic Time Distribution Form/Personnel Activity Report is used to reflect the daily personnel activities. The top section of the form is used for the PAR. The middle section is used for employees to allocate time who work on one or more program as evidenced by element codes, and the bottom section of the form is used to document any type of leave taken during that pay period.

Hours worked, sick leave (accumulated prior to 07/01/12), personal leave, and holiday time for each employee on the electronic timesheet and leave request forms are to be reviewed, approved and electronically signed off by the Program Director/Coordinator. Time sheet entries must be completed to the Accounting/Benefits Specialist no later than 12 Noon on Monday following the end of the pay period.

Pay Period: The Agency payroll operates on a bi-weekly pay period (except for grants that require weekly payroll per Davis-Bacon requirements) beginning at 12:00 AM on Monday and ending at 12:00 AM on the second Sunday following. The weekly pay period begins at 12:00 AM on Monday and ends at 12:00 AM on the next Sunday.

Payday: Employees will normally be paid bi-weekly, every two weeks, on Fridays via Direct Deposit. The first pay check for a newly hired employee will be a paper check and the check will be issued to employee on the day of payday and by 11:30 AM. When payday falls on a holiday, employees are to refer to the current year Payday Calendar located on the P: Drive for the projected pay date.

Payroll Software: The Agency uses both TimeTrax Timesheet Program and Grants Management System (GMS) Accounting and Financial Management System software for the processing of all payroll transactions and the maintenance of payroll records.

- 3) **Payroll Taxes:** The Finance department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Payroll Taxes should be prepared for payment upon completion of the payroll function. Payroll taxes should be paid on or before payday, which is on Fridays. Payments for taxes are submitted through the websites for EFTPS for federal withholding and Virginia Department of Taxation for state withholding.
- 4) **Distribution of Payroll:** RISE now offers direct deposit to employee accounts. The first pay check for a newly hired employee will be a paper check. Once all information is submitted for direct deposit, the payroll will be submitted to the bank through a secure means. Paper checks will be available only on the day the payroll is due, which will be Friday. If a holiday falls on payday, the direct deposit/pay check will be made for/delivered the last work day of the week.

If someone other than the employee is to pick up paystubs/checks, the employee must send a permission slip for the person to be given their paystub/check. If the person is unknown by the employee, the employee should ask for identification of the person prior to given the paystub/check.

When an employee resigns or is terminated, arrangements for the delivery of the last check must be made during the exit interview and noted on the Personnel Action Form. If the check is to be mailed, the employee should make sure that their address is correct.

On an unannounced basis, the Finance Director or Accounting/Benefits Specialist will distribute the individual paystubs or pay checks to the employees instead of the Program

Director/ Coordinator. The purpose of this unannounced procedure is to verify the accuracy of the payees on the payroll.

The Program Director/ Coordinator will mail any paystubs or pay checks as required.

TRAVEL

POLICY: It is the policy of RISE to reimburse all reasonable and necessary expenses for both in-area and out-of-area approved travel according to the guidelines stated below.

In-Area Travel

- a. In-area travel will be defined as all approved travel by an employee within the Agency's service area while conducting Agency business or attending meetings.
- b. Reimbursement for the use of a personally-owned vehicle will be paid at a rate set by the most recent updates set forth in the federal standard governmental travel regulations. A Monthly Travel Log must be completed on a daily basis for travel expenses incurred. Monthly Travel Logs may be submitted with timesheets at the end of each payroll period or monthly, according to departmental procedure.
- d. No charges for meals will be reimbursed for in-area travel.
- e. An Approved Invoice Summary for meeting registrations of approved meetings must be submitted to financial staff by the Friday before check is needed.

Out-of-Area Travel

- a. Out-of-area travel is defined as any approved employee travel outside the service area and may be for the same day or overnight.
- b. Employees must submit an Out-of-Area Travel Request to their immediate supervisor for approval for any travel outside of the Agency's service area. The Travel Request must include an estimate of all costs including registration fees, meals, and lodging.
- c. Hotel reservations should be made on the Agency credit card whenever possible. All hotel expenses must be reasonable and necessary.
- d. Registration fees, with appropriate approval, must be submitted on an Approved Invoice Summary to the Finance department prior to the stated deadline.
- e. Meals will be reimbursed on a per diem basis according to the guidelines on the www.gsa.gov website. Anyone requiring per diem rates should refer to the website address for these rates. A copy of the website page showing the allowable per diem rate should be attached to the Travel Expense Report for review by the Finance department.
 - (1) Meal reimbursements will be based on the rates provided for the area of travel. Areas not listed specifically by name on the www.gsa.gov website will be based on the standard rate listed.
 - (2) Employees requesting advances will use the designated rates to calculate daily meal allocations.
 - (3) Employees may not request reimbursement for meals that are provided or meals that are prepaid by registration fees. No reimbursement will be paid for trips that do not require overnight stays.
 - (4) Employees not requesting an advance for meals may receive reimbursement by completing the meal portion of their Travel and Expense report.
 - (5) Use of an Agency vehicle for out-of-area travel must be reserved in advance. Mileage must be recorded on the Agency Vehicle Utilization Record.

- (6) Agency credit cards may be used for reimbursable hotel and Agency automobile expenses. Proper documentation must be attached to the Travel and Expense Report.
- (7) The following miscellaneous expenses are reimbursable with proper documentation: business telephone calls, faxes made for official business, tolls, taxes, parking fees, taxi charges, metro charges, bus charges, airline or railroad tickets (with prior approval), and car rental (with prior approval).
- (8) Disallowed miscellaneous expenses include but are not limited to: lost or stolen articles, alcoholic beverages, damage to personal vehicle/clothing/other items, services to gain entry to a locked vehicle, movies charged to hotel bills, entertainment expenses, towing charges, expenses for children/spouses/companions while on travel, and negligent expenses such as fines.
- (9) Any falsification of expenditures submitted for reimbursement constitutes fraud and will be subject to the Disciplinary Policy.
- (10) Travel policies of specific grants may differ from those of the Agency. In that event, the more restrictive policy will apply.
- (11) Travel Expense Reports must be submitted to financial staff no later than five (5) days after returning from the trip.
- (12) Financial staff will review all travel documents for completeness and accuracy and will make all necessary adjustments.

PURCHASE ORDERS

PURPOSE: To establish procedures for the control of Agency liability concerning the purchase of supplies, services and equipment.

SCOPE: The responsibility for the control of the purchase of supplies, services and equipment rests with the Program Director/Coordinator and the Executive Director, or in his/her absence, Deputy Director, or Housing Director. The responsibility for the preparation of these procedures rests with the Finance department.

GENERAL:

- This procedure provides for the internal control of available funds for each program by the use of Purchase Orders (PO's) and to protect the Agency from the over-obligation of funds.
- Purchase Orders (PO's) are preferred in lieu of making an advance payment using an Approved Invoice Summary. An Approved Invoice Summary for pre-payment may be approved only when payment in advance of receipt of the supplies or services is documented with an explanation of why pre-payment is required.
- If the unit purchase cost is \$5,000 or more, the Procurement Procedures must be followed in addition to these instructions.
- No supply, service or equipment may be purchased without the prior written authorization of the Executive Director, or in his/her absence, Treasurer the Program Manager.
- Under emergency circumstances, a Program Manager may authorize an employee to charge expenses to the Agency. The employee will turn in the invoice, within three (3) days, to the Program Manager who will approve the expenditure by signing the invoice and forwarding it to Finance for processing. Under no circumstances will this option be used for routine or recurring expenditures.
- Employees who obligate the Agency by charging supplies, services or equipment without prior approval or if having approval fail to turn in the invoice within a reasonable period of time, may be held personally responsible for the debt.

DEFINITIONS: As used in this procedure:

- Purchase Order (PO): A control document which provides prior approval for the obligation of funds from a specific grant for any purchase of supplies, services or equipment.
- Approval Invoice Summary: A control document which provides approval for pre-payment of an order for supplies, services, or equipment.
- Requesting authority: Executive Director, or in his/her absence, Treasurer or Program Manager, and employees may initiate Purchase Orders requesting authority for the obligation of expenditures.
- Review and control: The financial staff will exercise administrative review and control of amounts obligated to ensure that sufficient funds are available.
- Approving authority: The Executive Director, or in his/her absence, Treasurer, or Program Manager will have the approval authority for Purchase Orders.

- Equipment: Any single item or group of items intended to be used as an unit with an item/unit purchase price of \$5,000 or more and a life expectancy of more than two (2) years.
- Service: Any professional service requested from a third party, i.e., accounting audit services, contracting services, consulting services or maintenance and repair services.
- Supplies: Any item that is consumed with use or the unit purchase price is less than \$5,000.
- Unit: An item that can stand alone.

PROCEDURES:

- The requesting individual will prepare a pre-numbered Purchase Order form. The PO is not complete unless it includes the following information:
 - Vendor's Name and Address.
 - The name and address to be shipped to.
 - The date of the order.
 - The financial terms discussed with the vendor.
 - The terms discussed concerning shipping or freight charges. If shipping and handling charges are anticipated they must be stated separately.
 - The quantity of each item requested.
 - Description of the product or services required to include a complete description of the item.
 - The source of funds, i.e., the grant covering the expense.
 - The GL account and Element Code to which the expense is to be charged. If more than one Element Code is to share the expenses, the Program Director will put on the Purchase Order how much each Element Code will be charged.
 - Location, if known.
- The completed PO, signed by the requesting authority will be forwarded to the approving authority for action. The Program Director/Coordinator or designee will determine if funds are available to meet the expenses and then will forward the PO to the Program Director or Executive Director, or in his/her absence, Deputy Director, who will determine the appropriateness of the request before signing the PO.
- Once approved, the approving authority will forward all copies of the Purchase Order to the individual requesting the purchase.
- The original should be emailed, mailed or delivered to the vendor.
- When the vendor delivers the supply, service, or equipment, the receiving department will annotate the delivery document or packing slip as having received the product and maintain the document/packing slip. If there are any adjustments to the order, it should be noted on the invoice and how the adjustments will be resolved by the vendor or shipping company.

CHECK SIGNING

POLICY: Checks require two signatures. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

The following individuals have check signing duties:

1. Executive Director or Designated Program Supervisor(s)
2. Chairperson - Board of Directors
3. Vice-Chairperson - Board of Directors
4. Secretary/Treasurer - Board of Directors

Checks require two signatures. The following individuals have check signing duties. Our primary signers are the Executive Director and Program Manager. The secondary signers are the Chairperson, one of three Vice Chairpersons, or Secretary/Treasurer. Two Board officers may sign checks in certain situations.

If a check signer is unable to perform his/her duties, the Executive Director will be notified. Upon notice from the Executive Director and/or the Board of Directors, the financial staff will refrain from obtaining signature from such and notify banking institution(s). A new signature card will be requested from the bank. The financial staff should verify requirements from the bank in order to change (add or delete) those persons who are eligible to sign checks. The bank will need a copy of the Board of Directors' minutes that state who the officers of the corporation are for the current fiscal year with their addresses and telephone numbers. (If change is result of resignation of Board Member, the minutes should reflect this change). The bank will need identification numbers (driver's license number) on all check signers. Once this information is presented to the bank, the check signers will be asked to go to the bank in person to sign the signature card. The bank may require personal identification at this time. The bank should forward a copy of the new signature card to RISE.

Check signers may examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Questions about a disbursement should be resolved prior to signing a check.

CHECK SIGNATURES/CHANGES

The Board of Directors determines that all officers and the Executive Director and/or Designated Program Manager(s) will have authorization to sign all checks. All checks must have two signatures. As necessary, signers will be changed following the procedures set forth by the banking institution. Proper documentation will be supplied to the bank prior to any changes.

IN-KIND/NON-FEDERAL CONTRIBUTIONS

PURPOSE: To establish procedures for verifying in-kind or non-federal contributions.

SCOPE: The Executive Director is responsible for the in-kind/non-federal contributions required of the program.

GENERAL: Non-federal resources are received in two (2) forms, cash and in-kind contributions. Non-federal cash is cash revenue arising from sources that are not federal. In-kind contributions are resources of a non-cash value.

In-kind will be received and recorded on a monthly basis. The employee who receives the contribution will prepare the appropriate form(s) and will have the donor sign and date the form in ink.

Non-federal contributions in the form of cash may be made by local governments, community service organizations, foundations, individuals or other groups. The cash may be designated for a particular usage in connection with the program or it may be used as the program deems necessary.

A contribution is treated as in-kind if it consists of services or the use of property. The service of an employee of another agency is treated as an in-kind contribution when no reimbursement is made by the grant/program for such service. The use of space or real property is considered as in-kind contribution to the extent of its rental value if no payment is required for rent.

In-kind contributions may include the cost of staff of another federal agency assigned to a program; supporting services that can be identified and valued; and the use of automobiles, office space, office equipment and other equipment and facilities necessary to the effective operation of the program. In-kind contributions documented cannot be included as contributions for any other federally-assisted project or program.

Proper accounting of in-kind contributions requires documentation that will fully support the contribution and its valuation. A receipt voucher should support each individual contribution. The document should contain, at least, quantity, description, condition, donor's name and basis for valuation of all items received as in-kind contributions. In assessing items donated by individuals, the value suggested by the donor will be used if the amount is equitable.

The document should be signed by the appropriate employee and dated. In-kind contributions should be recorded as receivables in the financial records of the Agency by a journal entry in such a manner so that they are readily identifiable for audit purposes. Valuations of rental space or equipment should be entered monthly. Contributions of personal services must be supported by time and attendance reports and reported as accurately as possible.

PROCEDURES FOR CONTRIBUTIONS OF CASH

The following sequence of activities takes place in receiving and recording non-federal cash contributions:

All cash is to be receipted by the financial staff and will provide the donor with a copy of the receipt. The donor may specify how the cash will be used and to which program it will be applied. This information will be recorded on the receipt.

The cash contribution is handled in the same manner as cash instruments which is listed in the Cash Receipts section of the Financial Procedures Manual.

- **CONTRIBUTIONS OF GOODS OR SERVICES**

The following sequence of activities takes place in receiving and recording in-kind contributions of goods.

The appropriate employee receives goods from donor.

The employee prepares and signs a Receipt Voucher for Non-Cash Contributions for goods or services.

The employee obtains the signature of the donor on the voucher.

If requested, a copy of the Receipt Voucher will be given to the donor.

The employee utilizes contributed goods in accordance with regular program operating procedures.

The employee completes the In-Kind Contributions Consolidation Form and attaches the appropriate document(s) to it. The In-Kind Contributions Consolidation Form is forwarded to the financial to process it in accordance with journal entry procedures.

- **CONTRIBUTIONS OF PERSONNEL SERVICES**

The following sequence of activities takes place in receiving and recording in-kind contributions of personnel services.

The appropriate employee prepares the Volunteer Timesheet/Travel Log.

The employee obtains the signature of the donor on the form.

If requested, a copy of the receipt voucher will be given to the donor.

The employee will complete the In-Kind Contributions Consolidation Form and attach the Volunteer Timesheet/Travel Log to it. The In-Kind Contributions

Consolidation Form is forwarded to the financial staff to process it in accordance with journal entry procedures.

- **CONTRIBUTIONS OF SPACE AND EQUIPMENT**

Rent contributed by landlords as in-kind is entered directly into the accounting software. When the lease is written, the landlord will state the amount considered as in-kind. Equipment contributed to the Agency will be handled in the same manner as contributions of goods.

ACCRUED LEAVE

PURPOSE: To establish procedures for maintaining Accrued Leave.

SCOPE: It is the policy of RISE to grant personal leave with pay to all full-time employees in accordance with the guidelines established in the Personnel Handbook.

GENERAL: Personnel policies of RISE permit employees to carry forward accrued Personal leave as per the Personnel Leave policy in the personnel handbook. The accounting system provides a means of tracking personal leave for each person. Leave is accrued as earned each pay period as per programming within the payroll system and is adjusted monthly as part of the month end procedures. A printout of accrued leave as of June 30 is submitted to the auditor.

All leave (sick, personal, and annual) earned by employees is classified as personal leave. Employees may carry forward from one fiscal year to the next fiscal year no more than a maximum of 544 hours earned leave. An employee has the option of cashing in and receiving compensation from personal leave in excess of 240 hours twice within the agency fiscal year. Employees who have voluntarily terminated in good standing after giving proper notice of at least two (2) weeks will be eligible for payment of up to 544 hours of earned personal leave. Personnel Action Form completed on a full-time regular employee will state if the employee is to be paid earned personal leave.

Any sick leave balance will be continued to be designated for sick leave at the amount earned until such balances are exhausted, but will not be paid to the employee when the employee leaves the agency. This information is, also, included in the Sick Leave Policy.

Personal leave and sick leave must be adjusted in the payroll system to account for any unpaid leave that is no longer a liability for RISE.

Accrued Leave will be reconciled on a monthly basis to ensure there are not any problems, while rolling forward year-end totals.

INSURANCE

PURPOSE: To establish procedures in obtaining insurance to cover Agency operations and to satisfy grant requirements.

SCOPE: Determining the Agency's insurance needs is the responsibility of the Executive Director, and in his/her absence the Treasurer, and is to be carried out by the financial staff.

GENERAL: The Agency will carry insurance to cover the following:

- All Agency-owned motor vehicles.
- Agency property against loss and fire.
- Liability insurance.
- Worker's Compensation insurance.
- Volunteer insurance for volunteers within the Agency.
- Finished products coverage for the Weatherization program.
- Bonding protection against employee dishonesty.
- Liability insurance for Directors and Officers.
- Any other coverage that should become necessary to transact the business of the Agency.

INTERCHANGEABLE FUNDS

PURPOSE: To establish procedures for eliminating the risk of interchanging of grant funds from one program to another.

SCOPE: Preventing the interchanging of funds.

GENERAL:

- It is the policy of RISE for each grant/program to support itself.
- If funds are needed to meet accounts payable until funds from a grant/program are received, local unrestricted funds are to be used.
- No grant/program funds are used to maintain another grant/program.
- RISE does not practice any form of inter-fund borrowing.

JOURNAL ENTRIES

PURPOSE: To establish procedures for the control and preparation of journal entries.

SCOPE: Journal entries will be initiated and entered into the general ledger software system by the financial staff.

GENERAL: These entries are usually of a non-cash nature and may include adjustments, distributions, allocations, accruals, in-kind contributions, reclassifications, correction of errors, and closing entries to mention a few.

PROCEDURES: The need for a journal entry may result from information derived from almost any source: employees, vendors, grantors, Program Managers, or personal observation by the financial staff.

- The financial staff are responsible for recording journal entries as appropriate based on the circumstances of the situation. The entries will be recorded in the general journal.
- Backup documentation will be filed in general journal entry number order in a monthly documentation file.
- Periodically and at the end of each month the Accounting/Benefits Specialist and/or Finance Director will record the general journal entries in the general ledger software program by entering the transactions.
- The Finance Director and/or Accounting/Benefits Specialist will review the transactions for entry errors.

OVERAGE/SHORTAGE

PURPOSE: To establish procedures for dealing with grants/programs experiencing an overage/shortage.

SCOPE: The processing of grants/programs experiencing an overage/shortage of funds is the responsibility of the appropriate Program Manager. The Program Manager will confer with the Executive Director, and in his/her absence the Treasurer, to see how the problem can be resolved.

GENERAL: By reviewing the Revenue and Expenditure Report each month, the Program Manager should keep abreast of any overage/shortage in the budget within their department.

PROCEDURES: If an overage/shortage occurs with a grant/program, expenditures beyond grant/program amounts are transferred to unrestricted funds

INVENTORY

PURPOSE: To establish procedures for the control of inventory.

SCOPE: To keep track of fixed assets costing \$5,000 or greater and less than \$5,000 if required by the funding source. The tracking is done through the Finance department with the assistance of each Program Director/Coordinator. The Grants Management System (GMS) is used to track all inventory. Refer to OMB Uniform Guidance, Subpart D 200.313 Equipment.

GENERAL: This procedure provides for the administrative control of inventory. Inventory consists of fixed assets (i.e., furniture, equipment and vehicles) costing \$5,000 and greater. For funding sources that use a lower threshold, RISE maintains inventory of all equipment less than \$5,000 as required by the funding source.

PROCEDURES: Upon purchasing a fixed asset and receiving the invoice for the fixed asset. The Accounting/Benefits Specialist will affix an asset number to the item, except for vehicles, and put the serial number, tag number and location of item on the invoice. A copy of the invoice will be given to the Finance Director. The Finance Director will add the item to the Agency's inventory.

The information gathered for the Agency's inventory will consist of:

- Description of the equipment
- Manufacturer's serial number, model number, federal stock number, national stock number, or other identification
- Source of the equipment, including the award number
- Whether title vests in the RISE or the Federal Government
- Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost
- Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government)
- Location and condition of the equipment, and the date the information was reported
- Unit acquisition cost
- Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a RISE compensates the awarding agency for its share
- Use; and
- Account coding (element code and expense code)

A physical inventory of all fixed assets will be taken at least every two (2) years, but preferably on an annual basis by each department. Any inventory items that are damaged, obsolete or otherwise unable to be used shall be removed from listing after proper notification and permission to dispose of items have been received from the funding source, if applicable. It is the duty of each program director to obtain proper authorization from their funding source to dispose of damaged or obsolete items, if applicable, as per OMB Uniform Guidance.

When the physical inventory is done by each department, the Program Director/Coordinator is to note on the inventory spreadsheet the following:

- Condition of the item if there is a change from the information on the spreadsheet.
- Items to be removed and reason for removable, including missing items.
- If the location has changed, the new location needs to be noted.
- If the item purchased is not listed on the inventory, please add the item to the list in furnishing as much of the information listed above for each item being added to the inventory.

The Program Director/Coordinator is to sign and date the inventory spreadsheet and return it to the Finance Director. At this point, the Finance Director will review any changes to the spreadsheet for each department with the Executive Director, or in his/her absence, the Deputy Director. The Finance Director and Executive Director, or in his/her absence, will sign and date the inventory spreadsheet from each department. The Finance Director will make adjustments to the Agency's inventory as necessary for reconciliation of the department's inventory on the Agency's inventory.

An annual accounting of all fixed assets will be supplied to the Auditor.

All deeds and titles to vehicles are available in the Finance department.

Physical Inventory will be completed every two years.

ANNUAL AUDIT

PURPOSE: To establish procedures for Agency's annual audit.

SCOPE: It is the policy of RISE to arrange for an annual audit of the Agency's financial statements to be conducted by an independent accounting firm. Refer to OMB Uniform Guidance, Subpart F, 200.501 Audit Requirements.

GENERAL: This policy provides for the completion of the annual audit and the process of relaying those audit results to the Agency Board of Directors.

PROCEDURES:

The independent accounting firm selected by RISE will be required to communicate directly with the Agency's Board of Directors upon the completion of the audit.

The Agency will solicit bids for audit services from independent accounting firms at least every five years by a formal process of request for proposals. Evaluation of proposals for audit services will include:

- Responsiveness
- Relevant experience
- Capacity
- Technical abilities
- Peer review
- Price

If RISE's total indirect costs exceed \$1million and a CPA is engaged to prepare an indirect cost proposal or cost allocation plan that same CPA cannot perform the audit.

RISE staff will be actively involved in planning for and assisting with the Agency's audit to ensure a smooth and timely audit of its financial statements. In that regard, the Finance department shall provide assistance to the auditors in any areas required.

Throughout the audit process, it shall be the policy of RISE to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Upon receipt of the draft copy of the audited financial statements of RISE from the independent auditor, the Finance Director shall perform a detailed review of the draft. Any questions or errors noted as part of this review shall be communicated to the auditor in a timely manner and resolved to the satisfaction of the Finance Director.

It shall be the responsibility of the Executive Director, with direct input from the Finance Committee, to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

BOARD REVIEW OF 990

PURPOSE: To establish procedures for the Board review and approval of the 990.

SCOPE: The Agency's Board of Directors will have final review and approval of the yearly 990 document prepared by the auditors in conjunction with the annual audit.

GENERAL: This procedure provides for the review of the annual 990 by the Board of Directors.

PROCEDURES:

*The 990 form will be completed by the auditing firm contracted to perform the Agency's annual audit.

*Each Board member will be given a copy of the 990 prior to being presented to the Board of Directors.

*The 990 will be presented to the Board of Directors at a meeting of the full Board, where a quorum is present, for their review and approval prior to submission.

FINANCIAL REPORTS

PURPOSE: To establish procedures for the preparation of financial reports to meet the information needs of the Agency.

SCOPE: The financial reports are prepared by the Treasurer.

GENERAL: The financial reports are the focal point of the internal accounting system and a necessary tool for grant control and reporting.

PROCEDURES: Financial reports consisting of a Balance Sheet, Revenue and Expenditure Reports, Project Financial Report, Agency-wide Line Item Revenue and Expenditure Report with and without Indirect Detail, Monthly Cost Summary, Salary, Leave and Fringe Detail by Employee, and Credit Card Report are issued on a monthly basis.

- At the close of each accounting period (a calendar month), a balance sheet, Revenue and Expenditure reports, Project Financial Report, Agency-wide Line Item Revenue and Expenditure report with and without Indirect Detail, Monthly Cost Summary, Salary, Leave and Fringe Detail by Employee, Credit Card Report are produced for the Agency.
- Individual Revenue and Expenditure reports, Monthly Cost Summary, Salary, Leave and Fringe Detail by Employee are produced for each department of the Agency and are distributed to the Program Director/Coordinator.
- Program Directors/Coordinators must review the Revenue and Expenditure reports. If there are any problems, the Director/Coordinator must report it to the Finance Treasurer as soon as possible. Errors must be reported before the monthly grant reports are prepared.
- The Treasurer will decide if the error needs to be corrected in the current or subsequent accounting period.
- The Revenue and Expenditure reports are another avenue for Program Manager to keep control of each budget line item. If the balance remaining is a deficit, then the Director/Coordinator must find excess dollars within the budget to increase the budget for that line item.
- The Project Financial Report, Agency-wide Line Item Revenue and Expenditure report with and without Indirect Detail, Credit Card Report, Quarterly Tax filings, and Balance Sheet are distributed to members of the Board of Directors on a quarterly basis. Any financial information needed more frequently by a member of the Board of Directors is provided to that individual.

FUND BALANCE

I. Purpose of the Fund Balance Policy

The Board of RISE is dedicated to maintaining an appropriate level of working capital reserve sufficient to mitigate current and future financial risks, satisfy the organizations cash flow needs and maintain the organization's fiscal stability; and therefore, formally establishes this Fund Balance Policy for RISE.

II. Components of Fund Balance

III. The Fund Balance shall be considered to be the aggregate of all unencumbered and non-restricted for programs portion(s) of RISE's assets held in its Money Market Accounts, Certificate of Deposits and any other secure resting place that the Board may deem appropriate.

RECORD RETENTION/DESTRUCTION

POLICY: It is the policy of RISE to retain and destroy records according to local, federal, and state regulations. This retention schedule includes records, both common and specific, financial and programmatic. The retention period applies to the record, regardless of which department created it. The periods are broken down into retaining periods of three years, seven years, and indefinitely. A record is: (1) A collection of data that provides evidence of a fact or past event; (2) Job Application; (3) Paid Invoice; (4) Time Sheets; and (5) Grant Applications.

PROCEDURES: The Agency will handle record retention/destruction according to the following guidelines:

- The retention periods included in this document apply to all records and information created by the Agency, regardless of physical format (paper, film, electronic, etc.)
- Each retention period in this document is the minimum length of time the record must be retained.
- The retention periods in this document apply to records created and used under normal business conditions. If a particular series of records is required for litigation audit, or other special administrative needs, it must be retained for as long as needed.
- Contracts should be retained at least until their performances have been completed.
- Loan documents should be retained until their performances have been completed.
- Records may consist of tax returns, employment records, and business records among others.
- For most records, shredding documents is the safest and most preferred method of disposal. The most effective method of disposal of electronic files is deletion of such files.

Record Retention Schedule

Retain for 1 year

Employment applications

Retain for 3 years

Bank deposit slips

Internal audit reports

Petty cash vouchers

Client files

FMLA records

Retain for 7 years

Accounts receivable ledgers/schedules

Accounts payable ledgers/schedules

Cancelled checks

Expired contracts and agreements

Garnishments

Insurance policies

Inventory records
Invoices
Payroll tax records
Personnel records (7 years past termination date)
Subsidiary ledgers
Withholding tax statements
Bank statements/reconciliations

Retain Indefinitely

Annual trial balances
Audit reports
Capital expenditure invoices
Chart of accounts
Contracts still in effect
Corporate bylaws, charter and minute books
Deeds, mortgages, bills of sale, and appraisals
Depreciation schedules
Financial statements
Incorporation records
Legal correspondence
Promissory notes
Retirement plan record
Tax returns
Accident Reports

MISUSE OF FUNDS

PURPOSE: To establish procedures for handling any misuse of funds by Agency staff.

SCOPE: It is the policy of RISE to task management with the responsibility for detection and prevention of misuse of funds and any other irregularities.

GENERAL: This policy provides for the procedure of the Agency in identifying and resolving any suspected misuse of funds.

PROCEDURES:

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 misuse of funds that is detected or suspected must be reported immediately to the Executive Director, or in his/her absence the Treasurer. When misuse of funds by the Executive Director is suspected, then the Whistleblower Policy should be followed.

Actions considered as improprieties include but are not limited to: any dishonest or fraudulent act; forgery or alteration of any document or account belonging to RISE; forgery or alteration of any check, bank draft or any other financial document; misappropriation of funds, securities, supplies, equipment or other assets of RISE; impropriety in the handling or reporting of money or financial transactions; disclosing confidential and proprietary information to outside parties; accepting or seeking anything of material value from contractors, vendors or persons providing goods or services to RISE; destruction, removal or inappropriate use of records, furniture, fixtures and equipment; any similar or related irregularity.

The Executive Director, along with the Agency Board of Directors, has the investigative authority in regards to any of the above issues. Staff members suspecting other staff of any improprieties are not authorized to investigate the situations on their own.

The Agency also has a responsible to report any instances of misuse of funds and/or fraud to the awarding agencies funding the Agency.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

SUSPECTED MISCONDUCT

PURPOSE: To establish procedures for dealing with suspected misconduct by employees and volunteers.

SCOPE: It is critical that RISE immediately addresses any issues of suspected misconduct, particularly in relation to administration of grant/contract funds.

GENERAL: This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers.

PROCEDURES:

Like all organizations, RISE faces many risks associated with fraud, abuse and other forms of misconduct. The impact of these acts collectively referred to as misconduct throughout this policy, may include, but not be limited to:

1. Financial losses and liabilities
2. Loss of current and future revenue and clients
3. Negative publicity and damage to the Organization's good public image
4. Loss of employees and difficulty in attracting new personnel
5. Deterioration of employee morale
6. Harm to relationships with clients, vendors, bankers, and subcontractors
7. Litigation and related costs of investigations, etc.

RISE is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee and volunteer at all levels of the Organization.

DEFINITIONS

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate RISE's Standards and Code of Conduct (and any underlying policies) or any of the accounting and financial policies included in the financial policies and procedures manual.
2. 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
3. Forgery or alteration of checks, bank drafts, documents or other records (Including electronic records).
4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the Federal government or by the Organization in connection with this policy.
5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Organization.

6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel or other resources.
7. Acts that violate federal, state, or local laws or regulations.
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to RISE.
9. Impropriety of the handling or reporting of money in financial transactions.
10. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

1. Theft, embezzlement, or other misappropriation of assets (including assets of or intended for RISE, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom RISE has a business relationship).
2. Intentional misstatements in RISE's records, including intentional misstatements of accounting records or financial statements.
3. Authorizing or receiving payment for goods not received or services not performed.
4. Authorizing or receiving payments for hours not worked.
5. Forgery or alteration of documents, including but not limited to, checks, timesheets, contracts, receiving reports.

RISE prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers and others responsible for carrying out RISE activities.

REPORTING RESPONSIBILITIES

Every employee, officer, and volunteer is responsible for immediately reporting suspected misconduct to their supervisor, Executive Director or in his/her absence the Chairperson of the Board of Directors. When supervisors have received a report of suspected misconduct, they must immediately report such acts to the Executive Director, or in the case of the Executive Director, the Chairperson of the Board of Directors.

WHISTLEBLOWER PROTECTION

It is the policy of RISE to provide an opportunity for employees and volunteers to report their observations regarding unethical practices or any other alleged wrongful conduct in the Agency and to prohibit managerial personnel from taking any adverse personnel action against those employees. This policy applies to ALL employees and volunteers of RISE.

3. Any employee or volunteer who observes any unethical practices or alleged wrongful conduct shall make a disclosure to the Executive Director or Board of Director's Chairperson as soon as possible but no later than forty-five (45) consecutive calendar days after becoming aware of the situation.

4. The Board of Directors shall appropriately and expeditiously investigate all Whistle Blower reports they receive. In this regard, the Board of Directors, if the circumstances so suggest, may appoint a committee of managerial personnel to investigate into the matter.
5. The Board of Directors shall have the right to outline detailed procedures for the investigation.
6. The Board of Directors or managerial committee shall have the right to call for any information, documents or any other information they deem appropriate for the purpose of conducting the investigation under this policy.
7. A report shall be prepared after completion of the investigation and the Board of Directors shall consider the same.
8. After considering the report, the Board of Directors shall determine the course of action and may determine remedies which may include: disciplinary action, termination, and/or other remedies as determined by the Board of Directors.
9. An employee who knowingly makes false allegations of unethical practices or alleged wrongful conduct to the Board of Directors shall be subject to disciplinary action, up to and including termination of employment, in accordance with Agency rules, policies and procedures. Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosures of information by him/her and for legitimate reasons or cause under the Agency's rules and policies.

The confidentiality of the employee making the disclosure shall be maintained to the greatest extent possible.

INVESTIGATIVE RESPONSIBILITIES

Due to the sensitive nature of suspected misconduct, Program Managers should not, under any circumstances, perform any investigative procedures.

The Executive Director has the primary responsibility for investigating suspected misconduct involving employees. A summary of all investigative work must be presented to the Executive Committee of the Board or Directors. In the event that the Executive Director is the individual being investigated, the Chairperson of the Board of Directors or his/her designee from the Board will investigate the charges.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with RISE.

In fulfilling its investigation, the Board of Directors shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Members of the investigative team (as authorized by the Board of Directors) shall have free and

unrestricted access to all RISE records and premises, whether owned or rented at all times. They shall also have the authority to examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage filing desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

PROTECTION OF RECORDS – FEDERAL MATTERS

RISE prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of such matter or case.

DISCIPLINARY ACTION

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives of the Board of Directors. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

1. Reprimand
2. Probation
3. Suspension
4. Demotion
5. Termination
6. Reimbursement of losses or damages
7. Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind RISE to follow any particular policy or procedure.

CONFIDENTIALITY

RISE will treat all information confidential to the extent possible. An employee or volunteer who discovers or suspects fraudulent activity may remain anonymous, to the extent possible. 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 underway. 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 RISE from potential

civil liability.

All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Director or legal counsel. No information concerning the status of an investigation will be given out. Under no circumstances should any reference be made to "the allegation," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

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 RISE legal counselor or the Executive Director.

DISCLOSURE TO OUTSIDE PARTIES

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by RISE to aid in an investigation).

However, all known frauds involving the Executive Director, Program Directors, staff, volunteers or member the Board of Directors, as well as all material frauds involving employees below the Program Director level, shall be disclosed to the external auditors.

PROVISIONS INCLUDED IN CONTRACTS

RISE will include all of the following provisions, as applicable, in all contracts with vendors and sub-grants to grantees:

Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

Equal Employment Opportunity: All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7): If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by CVCA shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of RISE to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. RISE shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. All suspected or reported violations shall be reported to the Federal-awarding agency.

Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333): (Where applicable) All contracts awarded by RISE in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S. C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer based on a standard workweek of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinary available on the open market, or contracts for transportation or transmission of intelligence.

Rights to Inventions Made Under a Contract or Agreement: "Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and RISE in any resulting invention in accordance with 37 CFR par 401, "Rights to Inventions Made by Non-profit" Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Clean Air Act (42 D.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 D.S.C. 1251 et seq.), as amended: Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 D.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EP A).

Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act ([42 U.S.C. 6201](#)).

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): For all contracts or sub-grants of \$100,000 or more, RISE shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or agency for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 D.S.C. 1352. Likewise, since each tier provides such certification to the tier above it, RISE shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

Debarment and Suspension (E.O.s 12549 and 12689): For all contracts in excess of the small purchase threshold fixed at 41 D.S.C. 403(11) (currently \$100,000), RISE shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs.

RECURRING EXPENSES

Electronic Funds Transfers (EFT): Recurring payments to vendors (i.e. for rent, utilities, etc.) may be set up with bank with the approval of the Executive Director.

Check – Approval for the expenses is on the Approved Invoice Summary which includes the element codes for the program for which the charges are. The approval is approved by the Program Manager and Executive Director or designated staff.

Bank Drafts – Before each invoice is paid, the Program Manager and either the Executive Director or designated staff will sign the invoice. The Program Manager will code the invoice as charged to the program; if multiple programs are to pay the expenses, the Program Manager will allocate the charges to each program.

Monthly recurring expenses will be handled in the following manner:

- 1) Any recurring expenses that require a **check** will be attached to an invoice summary instead of a purchase order. Examples of recurring expenses are as follows:

- 2) Examples of recurring expenses that require a **bank draft** as follows:

This policy will be reviewed periodically by the Finance Committee.