

Chapter 19

Financial Management

CAPRA Agency Accreditation Standards

* 0.1 Fiscal Policy

Standard: Fiscal policies setting guidelines for management and control of revenues, expenditures, and investment of funds shall be set forth clearly in writing, and the legal authority must be clearly established.

Commentary: Policy of an agency must comply with the higher authority of the parent organization and be based on appropriate enabling legislation. General fund revenues include revenues from property taxes, sales taxes, income taxes, licenses and permits, fees and charges. Policy decisions regarding revenues from other than general funds may include mileages, grants, gifts and bequests, special taxes and assessments. Policies may include pay-as-you-go or pay-as-you use. This should include assurances that low-income portions of the population will not be denied access.

Suggested Evidence of Compliance: Provide dated and approved policies for fiscal and legal authority.

* 0.1.1 Fees and Charges

Standard: There should be a written policy on the type of services for what fees and charges may be instituted and the basis for establishing the amount of such fees and charges.

Commentary: Recognition should be given to the function of income-producing and subsidized activities as well as "break-even" activities. Often a local agency will establish a policy to subsidize children's activities, but not adults, or establish differential fees for residents and non-residents. Such policies should be regularly evaluated.

Suggested Evidence of Compliance: Provide the dated and approved policy on fees and charges, and the current fee schedule.

0.1.2 Acceptance of Gifts and Donations

Standard: The agency should have a written policy for the acceptance of gifts and donations.

Commentary: "Reverter Clauses" are sometimes used to assure that the properties given for recreational use continue for that purpose or revert to the owners or heirs. Where a gift is real property, funds to build a facility, or funds to purchase acreage, there must be a provision for adequately maintaining the property after acquisition.

Suggested Evidence of Compliance: Provide the dated and approved policy on acceptance of gifts and donations.

5.1.3 Governmental Grants

Standard: Where feasible and appropriate, regional, state and federal grants should be used to supplement agency funding.

Commentary: Governmental grants can provide significant funding for programs, services, land acquisition and development grants from other governmental agencies leverage agency resources to enhance services, expand programs, acquire land and develop facilities. Typically, grants are awarded on a competitive basis through regional, state and federal programs. Grants may require local matching funds or in-kind services and generally include special conditions or restrictions to insure that the grant funds are utilized in accordance with the program intent.

Prior to grant procurement, agencies should evaluate how the grant application process, approval, implementation and management will be coordinated.

Suggested Evidence of Compliance: Provide a summary of governmental grants received by the agency for the past five years, including identification of the following: project descriptions, grantor, date awarded, grant amount, agency match requirements.

5.1.4 Private, Corporate, and Non-Profit Support.

Standard: Where feasible and appropriate, private, corporate, and non-profit support should be used to supplement agency funding.

Commentary: Such support can provide significant contribution for capital improvements, and enhanced agency programs and services. Financial and in-kind support from individuals, corporations and foundations can provide opportunities to address mutual goals of the agency and the grantor. This financial support may involve recognition of sponsorship ranging from public acknowledgement to facility naming rights.

Prior to acceptance of support, agencies should evaluate the terms of acceptance and how the implementation and management process will be coordinated.

Suggested Evidence of Compliance: Provide a summary of private, corporate and non-profit support received by the agency for the past five years including identification of the following: project descriptions, grantor/sponsor, date awarded, value of the contribution and applicable recognition.

* 0.2 Fiscal Management Procedures

Standard: There shall be written procedures for the fiscal management functions within the agency.

Commentary: Procedures for the fiscal management function within the agency include, at a minimum, annual budget development, supervision of internal expenditures and revenues and related controls, and maintenance of liaison with the government's fiscal officers.

Suggested Evidence of Compliance: Provide the written procedures for the fiscal management functions within the agency.

0.2.1 Authority and Responsibility for Financial Management

Standard: The agency's chief administrator should be designated as having the authority and

responsibility for the fiscal management of the Agency.

Commentary: Although an agency's chief administrator is ultimately responsible for all fiscal matters of the agency, the size and complexity of the agency may dictate the need to delegate responsibility for fiscal management functions to an identifiable person or component within the agency.

Suggested Evidence of Compliance: Provide documentation demonstrating clear delegation of the fiscal authority for the agency.

0.2.2 Purchasing Procedures

Standard: Agencies should have written procedures for the requisition and purchase of agency equipment, supplies and services.

Commentary: There shall be formal procedures for controlling the requisition and purchase of agency supplies, equipment and services such as; specifications for items requiring standardized purchases, bidding procedures, criteria for the selection of vendors and bidders, and petty cash and procurement cards. Purchasing procedures may be controlled by the governing entity.

Suggested Evidence of Compliance: Provide the procedures for the requisition and purchase of agency equipment, supplies, and services.

0.2.2.1 Emergency Purchase Procedures

Standard: There should be written procedures for emergency purchases within the agency.

Commentary: Established procedures are necessary to the agency in making emergency purchases to secure equipment or services in a swift and efficient manner.

Suggested Evidence of Compliance: Provide the procedures for emergency purchases.

* 0.3 Accounting System

Standard: The agency shall have a comprehensive accounting system.

Commentary: The accounting system should be compatible with, or may be a part of, the central accounting system of the governing jurisdiction with the availability of regular status reports. It is essential that an agency establish such a system to ensure an orderly, accurate, and complete documentation of the flow of funds. The Accounting System should facilitate rapid retrieval of information on the status of appropriations, expenditures and revenue any time the information is required

Suggested Evidence of Compliance: Provide a description of the accounting system.

0.3.1 Financial Status Reports

Standard: The agency should utilize monthly financial status reports.

Commentary: Monthly financial status reports should include, at a minimum,:

- Initial appropriation for each account (or program);
- Balances at the commencement of the regularly defined period;
- Expenditures and encumbrances made during the period;
- Unencumbered balances; and
- Revenue status.

Each appropriation and expenditure should be classified, at a minimum, according to function, organizational component, activity, object, and program. .

Suggested Evidence of Compliance: Provide the previous three months financial status reports.

0.3.2 Position Authorization

Standard: There should be written procedures for maintaining control over approved positions in relation to budget authorizations.

Commentary: The intent of the standard is to establish controls on the number and type of agency positions filled and vacant at any time to ensure that persons on the payroll are legally employed and that positions are in accordance with budget authorizations.

Suggested Evidence of Compliance: Provide a copy of position authorization procedures and budgeted positions. .

0.3.3 Fiscal Control and Monitoring\

Standard: There should be written procedures used for collecting, safeguarding, and disbursing funds.

Commentary:

The fiscal control and monitoring procedures should include, at a minimum:

- Maintenance of an allotment system, if any, or records of appropriations among organizational components;
- Preparation of financial statements;
- Conduct of internal audits; and
- Persons or positions authorized to accept or disburse funds.

Formal fiscal control and monitoring procedures enable an agency to establish accountability, to comply with funding authorizations and restrictions, to ensure that disbursements are for designated and approved recipients and, to alert agency management to possible problems. The procedures should enhance security and accountability of all monies received by the agency, and include designation of persons permitted to receive money, receipt procedures, accountability, security, and audits. Employees handling money should be bonded.

Suggested Evidence of Compliance: Provide the fiscal control and monitoring procedures.

* 0.3.4 Independent Audit

Standard: There shall be an independent audit of the agency's fiscal activities conducted annually.

Commentary: As a basis for determining the financial integrity of an agency's fiscal control procedures, and independent audit should be conducted at least annually or at a time stipulated by applicable statute or regulation. The audit may be performed by the government's internal audit staff (external to the agency being audited) or by an outside certified public accounting firm

Suggested Evidence of Compliance: Provide the most recent independent audit and management letter, if provided. Provide the response to the audit recommendations.