

SAMPLE POLICIES AND PROCEDURES MANUAL FOR NONPROFITS

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Introduction

The attached sample Policies and Procedures Manual was developed to assist Non-Federal Entities (NFE) in their administration of federal funds. It includes sample personnel, accounting, financial management, procurement, records management, and privacy and data collection policies, and has two distinct purposes:

- To provide emerging NFEs with sample policies and procedures so that they may be able to develop policies and procedures appropriate to their specific circumstances, and to provide their staff members with information regarding the type of systems that may be adopted in their administration of federal funds; and
- To provide mature NFEs with sample policies and procedures to compare with their existing manual and assess whether adequate systems are in place particularly with respect to the administration of federal funds.

Please note that the sample policies and procedures presented in this manual is only one of many possible models that could meet federal regulations. In many instances, an existing policies and procedures manual may be suffice. Prior to developing a policies and procedures manual or adopting any of the sample policies and procedures attached, LISC strongly encourages an organization to consult with legal counsel, accounting, financial, and/or human resource professionals. By doing so, the organization will be able to develop policies and procedures to reflect its own organizational philosophy and include information consistent with applicable state and local laws.

** LISC makes no legal representation concerning the accuracy of the information presented in these sample policies and procedures manual or the manual's compliance with federal, state or local laws.*

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SAMPLE

PURPOSE

The Board of Directors of [org. name] has developed and enacted the following policies and procedures by virtue of the by-laws of the organization. This manual was voted on by the board of directors and made effective on .

The purpose of this manual is to serve as a reference tool to guide managers in the administration of the company's everyday operations and to acquaint employees with the information they need to understand those policies, practices and procedures.

Since it is not possible to anticipate every situation that may arise in the work place or to provide information that answers every question, circumstances will undoubtedly require that policies, practices, procedures and benefits change from time to time. Accordingly, the Board of Directors for [org. name] reserves the right to modify, supplement, or rescind any of its policies, practices, procedures and benefits at any time.

SAMPLE

PERSONNEL POLICIES

Policy on Affirmative Action/Equal Employment Opportunity Statement

[org. name] is an Equal Opportunity Employer and recruits, employs, retains, and promotes persons in all job titles without regard to gender, sexual orientation, race, religion, color, alienage or citizenship, national or ethnic origin, age, transgender status, marital status, veteran status, carrier status or disability, except where there is a bonafide occupation qualification for the job tasks to be performed. In such circumstances, reasonable accommodations for qualified individuals with known disabilities will be made unless doing so would result in an undue hardship.

[org. name] will also ensure that all personnel actions such as compensation, benefits, transfers, layoffs, recalls, transfers, leaves of absences compensation, and training will be administered in accordance with the principles of equal employment opportunity.

Compliant Procedure

[org. name] does not discriminate against any employee, volunteer or consultant on the basis of race, color, cultural heritage, national origin, religion, age, sex, sexual orientation, marital status, physical or mental disability, political affiliation, source of income, veteran status or any other status protected under local, state, or federal law. This policy extends to all personnel decisions, terms and conditions of employment, vendor contracts and provision of services.

At [org. name], we are committed to providing a safe and respectful work environment for all staff and customers. No one, whether a manager, an employee, a consultant, or a member of the public, has to put up with harassment at [org. name], for any reason, at any time. Additionally, no one has the right to harass anyone else, at work or in any situation related to employment.

Harassment is any behavior that degrades, demeans, humiliates, or embarrasses a person, and that a reasonable person should have known would be unwelcome. It includes actions (e.g. touching, pushing), comments (e.g. jokes, name-calling) or displays (e.g. posters, cartoons). Sexual harassment includes offensive or humiliating behavior related to a person's sex, as well as behavior of a sexual nature that creates an intimidating, hostile, or "poisoned" work environment, or that could reasonably be thought to put sexual conditions on a person's job or employment opportunities.

If you experience any job related discrimination or harassment based on race, color, religion, sexual orientation, national origin, age, disability, marital status, amnesty, or if you believe you have been treated in an unlawful, discriminatory manner, promptly report the incident to your supervisor.

[org. name] will not disclose a complainant's or alleged harasser's name, or any circumstances related to a complaint, to anyone, except as necessary to investigate the complaint or take disciplinary action related to the complaint, or as required by law. Managers involved in a complaint are reminded to keep all information confidential, except in the above circumstances.

Employment

[org. name] does not offer tenured or guaranteed employment. Thus, the Company or the employee can terminate the employment relationship at any time for any lawful reason, with or without cause, with or without notice.

Vacancies

All positions not filled by internal promotion of existing employees will be advertised, and all applicants will be considered for employment in compliance with all applicable federal, state and local laws.

Hiring

[org. name] Board of Directors has the responsibility of hiring the Executive Director upon recommendation of the Executive Committee, which will interview and screen applicants. The Executive Director, with consultation of the Executive Committee and appropriate staff, has the responsibility of hiring all other staff.

During the recruitment, hiring, and orientation process, no statement is to be made promising permanent or guaranteed employment; and no document should be called a contract unless, in fact, a written employment agreement is to be used. When candidates from outside of the company are to be considered for job openings, the following procedures should be followed:

- a) All candidates for employment must submit a resume.
- b) An interview will be arranged between the applicant and the Executive Director or head of the department with the job opening.
- c) The Executive Director or department head has the responsibility to determine whether an applicant is technically qualified for the position and if the applicant is compatible with the work environment.
- d) Reference checks are required from all final stage candidates. Written references and notes on verbal references, if any, become part of the employee's personnel file.
- e) Any offer of employment is contingent on a satisfactory check of references and misrepresentations in the process of application for employment may be grounds for termination.
- f) Applicants must fill out and sign a Conflict of Interest Form and other pertinent employment forms.
- g) Following a decision to hire the applicant, the Executive Director, department head or Human Resources will make an offer of employment which should include any contingencies or disclaimers deemed necessary. This may include a limited term of employment if a specified funding source, of limited duration, is to be used to fund the position.

If the background, educational, conflict of interest, or other subsequent investigation discloses any misrepresentation on the resume or any other written material submitted to [org. name] indicating that the individual is not suited for employment the applicant will be refused employment or, if already employed, will be subject to appropriate disciplinary action up to and including termination.

A member of an employee's immediate family will be considered for employment provided the applicant possesses qualifications for employment. An immediate family member may not be hired, if such employment would:

- a) Create either a direct or indirect supervisor/subordinate relationship with a family member;
or
- b) Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting an employee. For purposes of this policy, "immediate family" includes: the employee's spouse, common-law spouse, qualified domestic partner, brother, sister, parents, children, step-children, father-in-law, mother-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, and any other member of the employee's household.

Employees who marry or become members of the same household may continue employment as long as there is not:

- a) A direct or indirect supervisor/subordinate relationship between such employees; or
- b) An actual conflict of interest or the appearance of a conflict of interest.

Employment at Will

Employees hereby understand and acknowledge that, unless otherwise defined by applicable law, any employment relationship with [org. name] is of an "at-will" nature.

Employment at Will Disclaimer

This handbook does not constitute a contract for employment for any period of time but merely sets forth policies and procedures in effect on the date it was issued. The handbook may be amended from time to time without prior notice to employees. Furthermore, additional policies and procedures specific to particular job classifications may be added as needed. The Executive Director, is the only person, who has authority to enter into any agreement or make any promises or commitments contrary to the foregoing.

Employment Status

A normal workweek is Monday through Friday, during the hours of _____ am to _____ pm and consists of _____ hours. A normal workday consists of eight consecutive hours of work with a one hour unpaid lunch period usually taken between the hours of 12pm and 2pm. Breaks are considered as time worked except as otherwise provided by law. The exact schedule of hours of work, including lunch and breaks are determined individually by the department or office which employs the employee.

Full-time

A full-time regular employee is one who works between _____ and _____ hours per week.

Part-time

Part-time employees work less than full-time in a regular job slot.

Temporary Employees

A temporary employee is a person who is hired for a temporary period, generally less than () months. Temporary employees should have no expectation of continued or regular employment and cannot become a regular employee unless an offer of regular employment has been made. Unless otherwise specified or as required by law, temporary employees are not eligible for employee benefits.

Non-Exempt and Exempt Employees

The Federal Fair Labor Standards Act classifies employees as either non-exempt or exempt. Non-exempt employees receive hourly wages. An exempt employee is salaried and is exempt from the provisions of the Fair Labor Standards Act. This customarily refers to professional, administrative and executive personnel.

Safe Harbor for Exempt Employees

Exempt salaried employees receive a salary that is intended to compensate for all hours worked for the Company. This salary is established at the time of hire. While it may be subject to review and modification from time to time, such as during salary review times, the salary is a predetermined amount that is not subject to deductions for variations in the quantity or quality of work. Under federal and state law, exempt salaried employees' salaries are subject to certain deductions. For example, absent contrary state law requirements, exempt salaried employees' salaries are subject to reduction for the following reasons:

- 1) Full day absences for personal reasons;
- 2) Full day absences for sickness or disability;
- 3) Full day disciplinary suspensions for infractions of our written policies and procedures;
- 4) Family and Medical Leave absences (either full or partial day absences);
- 5) To offset amounts received as payment for jury and witness fees or military pay; or
- 6) The first or last week of employment in the event of less than a full week worked.

Exempt salaried employees' salaries are also subject to reduction for their portion of health, dental, or life insurance premiums; state, federal, or local taxes; social security; or . In any workweek in which exempt salaried employees perform any work, their salary is not subject to reduction for any of the following reasons:

- 1) Partial day absences for personal reasons, sickness, or disability;
- 2) Absence due to the Company's decision to close a facility on a scheduled work day;
- 3) Absences for jury duty, attendance as a witness, or military leave in any week in which any work is performed; or
- 4) Any other deductions prohibited by state or federal law.

However, subject to state law, it is not an improper deduction to reduce exempt salaried employees' accrued vacation, personal, or other forms of paid time off for full or partial day absences for personal reasons, sickness, or disability.

Employees who believe they have been subject to an improper deduction should report the matter to their supervisor immediately. If the supervisor is unavailable or is an inappropriate person to contact, or if a prompt and fully acceptable reply has not been received within five (5) business days, _____ should be contacted.

Every report of improper deductions will be fully investigated and corrective action, up to and including discharge, will be taken, as appropriate, for any employee(s) who violates this policy. In addition, [org. name] will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy may result in disciplinary action, up to and including discharge.

Consultants

Consultants are contracted for a specific scope of work and/or time period and are not employees of [org. name] .

Attendance

Employees are required to notify their immediate supervisor within one hour of the scheduled starting time in the event of illness or other unforeseen circumstances that will result in tardiness or absence from work.

Absence without prior approval, including illness, will not be compensated unless the employee provides proper notification of absence. Proper notification should be given to the immediate supervisor or the person acting in place of the supervisor in his or her absence. In case of catastrophic emergency that makes notification impossible, an employee will provide a brief written explanation upon return to work.

[org. name] may require doctor's verification for return to work after any absence for illness or injury of more than three consecutive day's duration. [org. name] reserves the right to request doctor's verification of any illness or injury regardless of duration of absence with special emphasis on employee's capability to return to work and work restrictions, if any.

Work Schedule and Pay Periods

Work Schedule

All full-time employees typically work a _____-hour, _____-day week including meal breaks. The normal office hours of the organization are [Monday through Friday from _____:00 a.m. to _____:00 p.m. Non-exempt employees will be paid time and one half for each hour worked beyond 40 each week or will be awarded compensatory time at a rate of one hour for every hour over forty hours worked during a single week.

Time and Effort Reporting

[org. name] employees are required to complete **an individual Personnel Activity Report (PAR)** showing the daily hours and the projects or activities worked . PARs cover one/two/etc. pay period and are to be completed at **the close of each workday** and be submitted to their supervisor on _____ of the pay period.

Time and Effort Reporting for Non-Exempt Employees

The following points should be considered in filling out PARs:

- a) Employees are to record their starting time, quitting time, and total hours worked for each workday.
- b) Employees are not permitted to sign in or commence work before their normal starting time or to sign out or stop work after their normal quitting time without the prior approval of their supervisor.
- c) Employees are required to take a lunch or meal break.
- d) Employee PARs are to be checked and signed by the supervisor. Other time for which an employee is entitled to be paid (paid absences, paid holidays, or paid vacation time) should be entered on the time record. Overtime also should be entered. PARs should be signed by an immediate supervisor.
- e) Unapproved absences are not considered as hours worked for pay purposes. Supervisors are to inform employees if they will not be paid for certain hours of absence.

The filling out of another employee's PAR other than by a supervisor in the employee's absence or the falsifying of any time record is prohibited and may be grounds for disciplinary action, including termination.

Time and Effort Reporting for Exempt Employees

Exempt employees are required to submit their Personnel Activity Reports (PAR) on a _____ basis: by _____, and by _____ for their supervisor's approval. The PAR must include the number of hours worked on each activity or project each day as well as any vacation, sick time or other leave taken.

All employees have a responsibility to accurately report their time and effort. Since employee PARs are vital for payroll purposes, employees must inform management if they fail or otherwise forget to record their time and effort. Failure to fulfill these requirements may result in disciplinary action as appropriate.

Only supervisors or _____, in the employees absence, are permitted to fill out another employee's PARs. Falsifying of any PAR is prohibited and may be grounds for disciplinary action, including termination.

Pay Practices

Pay Period

Employees will be paid on a _____ cycle unless pay day falls on a holiday or weekend, in which case staff will be paid on _____ day before that holiday or weekend. Employees are encouraged to have direct deposit payroll.

On pay day employees will be sent a check in the office which they report for work or a pay stub showing the pay that has been deposited in their bank account. New employees will receive a paycheck until direct deposit can be arranged.

Direct Deposit

Employees can "Direct Deposit" their payroll check into the bank of their choice by completing the direct deposit application accompanying the package received at orientation or by requesting a Direct Deposit form from Human Resources or the department in charge of payroll.

The Direct Deposit process can take up to three pay periods for completion. During processing, employees will continue to receive checks until the first electronic transfer takes place. When the "Direct Deposit" takes effect the employee will receive a pay stub showing the details of salary payment and total amount deposited in the bank.

An employee should contact the _____ promptly upon noting a problem with the Direct Deposit process or change of banks. [org. name] will work with the payroll company, if applicable, and the bank to rectify any problem with, or a change affecting their direct deposit. [org. name] will work to rectify any problems quickly.

If you have any questions, please contact _____ .

Wage Garnishments

Garnishments are a legal procedure through which an employee's earnings must be withheld for the payment of a debt.

When a garnishment notice is received, the _____ will follow the appropriate Federal and State Laws relating to wage garnishments. The _____ or _____ will make every effort to contact the employee at this time concerning how the garnishment affects them and answer any questions regarding the process.

Outside Employment

_____ does not wish to limit your outside activities or control your time outside of work hours as long as it does not interfere with your work performance or the business interests of the organization. If you work on a full-time basis, _____ considers itself your primary employer and requires you to devote your full time and attention to your job duties each day while at work.

Employee have a full-time responsibility to [org. name] and may not engage in activities that might interfere or conflict with the discharge of this responsibility, or in transactions that may affect the judgments they exercise on behalf of the company. Accordingly, [org. name] requires conformance with a variety of regulations governing service to outside organizations (as a trustee, director, consultant, or in a similar capacity) as well as, disclosure of information, fees and payments, investments and other related issues.

The _____ does not automatically prohibit secondary employment however the employee must obtain prior approval in writing for such employment.

Accommodation to express Breast Milk

[org. name] will provide a reasonable amount of time to accommodate an employee desiring to express breast milk for the employee's infant child. [org. name] will make reasonable efforts to provide an employee with use of a room or location to express milk in private.

Conflict of Interest

No employee will participate in activities or other employment that cause a conflict of interest with the activities of [org. name]. Activities or employment that create possible conflicts will be disclosed to the Executive Director in writing for review.

Any employee of the organization, who accepts gifts or gratuities from individuals, companies, clients, or suppliers in conjunction with their job, will be subject to disciplinary action up to and including dismissal.

No [org. name] employee is to become involved in real estate development, outside of his or her work at [org. name], in any neighborhood where the organization operates a program.

No officer or employee may serve as an official, director, or trustee of any for-profit or non-profit enterprise without obtaining the approval of their immediate supervisor.

[org. name] encourages service with constructive and legitimate not-for-profit organizations.

Participation in civic affairs is encouraged as part of our commitment to community involvement.

There are cases, however, in which organizations have business relationships with the organization in which the handling of confidential information might result in a conflict of interest. An employee's immediate supervisor must be advised when a potential conflict exists.

Policy Prohibiting Unlawful Harassment, Including Sexual Harassment

It is the policy of [org. name] that it will not tolerate verbal or physical conduct by any employee which harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive, or hostile environment.

As an equal opportunity employer, it is [org. name]'s policy that every applicant and employee shall enjoy a work environment free from all forms of unlawful harassment, including sexual harassment. Unwelcome verbal, physical or visual conduct involving any individual's race, color, religion, sex, sexual orientation, pregnancy, age, national origin, ancestry, citizenship, medical condition, physical disability, marital status, or military service, or any other basis protected by any federal, state or local law which impairs an employee's ability to perform their job is illegal and is strictly prohibited.

Sexual harassment is an unlawful employment practice under Title VII of the Civil Rights Act of 1964 and various state laws. The regulations of the Equal Employment Opportunity Commission define "sexual harassment" as follows:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- a) submission to such conduct is made either explicitly or implicitly a term or a condition of an individual's employment; and

- b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Some examples of sexual harassment include, but are not limited to, the following:

- a) Unwelcome requests for sexual favors or dates.
- b) Unwelcome physical touching.
- c) Jokes or gestures that have a sexual content or sexual connotation.
- d) Posters or cartoons that have a sexual content or sexual connotation.
- e) Sending or forwarding written or electronic correspondence of a sexually explicit nature.
- f) Creating an otherwise offensive working environment or unreasonably interfering with another's ability to perform his or her job.

[org. name] does not condone sexual relationships between supervisors and their staff. A relationship of this type can easily be considered sexual harassment. If such a relationship develops, one of the individuals must transfer to another position in the organization.

Both as a matter of law and common decency, each employee of [org. name] is entitled to pursue his or her employment, free of harassment or discrimination on any of the prohibited bases enumerated above. Accordingly, unlawful harassment or discrimination against any employee of [org. name] will not be tolerated. Violation of this policy may subject an employee to discipline, up to and including immediate termination.

Any employee who believes that he or she (or another employee) is the object of harassment or discrimination on any of the above-enumerated bases is strongly encouraged to follow the complaint procedure outlined below.

Any employee may initiate the complaint procedure, without fear of reprisal, by immediately reporting such complaints to the:

- a) the employee's immediate supervisor.
- b) The _____, if the employee feels that he or she is unable to report a complaint to his or her immediate supervisor.
- c) an officer of [org. name], if the employee feels that he or she is unable to report a complaint to the _____.

[org. name] takes all complaints of harassment or discrimination seriously. All complaints will be investigated immediately by an impartial designee to be determined by senior management of [org. name].

Any employee who believes that the actions or words of a supervisor or fellow employee or some other person(s) encountered in the workplace constitute unwelcome harassment has a responsibility to report such incident as soon as possible to the appropriate supervisor, manager or officer of [org. name]. Employees are encouraged to utilize the foregoing complaint procedure. No employee will

be retaliated against for having opposed unlawful harassment or discrimination, or for having filed a complaint or otherwise participating in an investigation concerning a complaint.

Employees are also notified that there are governmental agencies that handle claims of unlawful discrimination and harassment. These agencies include the Equal Employment Opportunity Commission and parallel state agencies.

Each employee will be required to sign an acknowledgment of the **Policy Prohibiting Unlawful Harassment, Including Sexual Harassment** contained at the back of this manual.

Personnel Files and Employment Information

All staff members have a right of access to their personnel file, with the exception of access to reference checks that were obtained in confidence. The staff member may review the folder in the presence of their immediate supervisor. It is the responsibility of the staff member to provide information to their supervisor to keep personnel folders up-to-date (e.g., current resumes, change in marital status, name, address, telephone numbers, number of dependents, designated beneficiaries, education and training skills).

The employee's immediate supervisor is authorized to verify the following information for a prospective creditor of an employee: 1) dates of employment; 2) title; and, 3) salary. Neither the Executive Director nor any employee is authorized to provide a prospective employer of a present or former employee of the organization with any information other than dates of employment and title.

Confidentiality/Protecting Organization Information

It is the policy of [org. name] that protecting [org. name] information is the responsibility of every employee. All employees are responsible for preventing improper or accidental disclosure of confidential information. Confidential information includes, but is not limited to:

- Donor information
- Personal sponsor data
- Financial or other information on borrowers or guarantors
- Intellectual work product
- Personally identifiable information of partners or Board members
- HR Personnel Information
- Payroll Information

Information of a confidential nature is not to be discussed with anyone outside the organization and should only be discussed within the organization on a "need to know" basis. In addition, employees have a responsibility to avoid unnecessary disclosure of non-confidential internal information about [org. name] and its associates. This responsibility is not intended to impede normal business communications and relationships, but is intended to alert employees to their obligation to use discretion to safeguard internal [org. name] affairs. This responsibility continues even after the employment relationship ends. If an employee has any question in any situation, they should consult with their supervisor or . Employees authorized to have access to confidential information must treat the information as proprietary [org. name] property for which they are personally responsible even after the employment relationship ends. Employees are prohibited from

attempting to obtain confidential information for which they have not received access authorization. All media inquiries and other inquiries requesting statements, comments, or information on behalf of [org. name] should be referred to _____, and all press releases, publications, speeches, or other official declarations on behalf of [org. name] must be approved in advance by the _____. Inquiries seeking information concerning current or former employees should be referred to _____. Employees are not to discuss with the officers, directors, or employees of competing companies any topic which might give the impression of an illegal agreement in restraint of trade. Such topics include pricing agreements, funding allocation, and division of territories. Employees are prohibited from disclosing "material inside information," that could affect [org. name]'s business, to anyone outside the organization until such information has been made available to the public by management. Employees are also prohibited from using such information for their own profit. These prohibitions remain in full force and effect after the employment relationship has ended. Employees violating this policy will be subject to discipline, up to and including termination and may be subject to legal action.

Resignation, Suspension, Termination, Reduction

Resignation

Employees who wish to resign from their positions should give _____ weeks written notice to their immediate supervisor with the reasons stated therein. If _____ weeks notice is not given before resignation, the employee may lose any accumulated vacation time or other benefits.

Suspension

Suspensions usually occur after verbal warnings or written warnings are issued. However, an employee may be suspended by the Executive Director without pay for breach of client confidentiality, unsatisfactory job performance, and/or just cause. The Executive Committee must review the facts of the case at or before the next regularly scheduled board meeting to either confirm or reverse the suspension. The decision of the Executive Committee will be given in writing.

Termination

Dismissal will be issued for unsatisfactory job performance, violation of the Personnel Policies and Procedures, illegal acts, or any other just cause as determined by the Executive Director. Written notice of termination will be given with reasons for the action stated to the employee. Immediate termination will occur for breach of client confidentiality, theft, and/or just cause. Unsatisfactory job performance includes, but is not limited to excessive absenteeism, tardiness, failure to cooperate with other employees, and unauthorized use of company property. In addition, [org. name] reserves the right to terminate an employee at any time with or without notice, for any reason, or for no reason at all. For more details, refer to Corrective Action and Termination in Section Three Performance and Discipline section.

The Board of Directors has the responsibility for the termination of the Executive Director upon recommendation of the Executive Committee in accordance with these policies.

If a terminating employee is eligible for any incentive compensation, bonus, and/or awards, they must be actively employed on the date the compensation, bonus and/or awards are paid.

Reduction

If an employee must be terminated due to a reduction in workforce, he or she will be notified 30 calendar days prior to the event, if possible.

Grievance Procedure

An employee is encouraged to make use of the following grievance procedure after s/he has made a good faith effort to approach the supervisor in an attempt to correct issues.

Step 1: The employee shall present the initial grievance in writing to the immediate supervisor within () working days after the event or action that is the basis for the grievance. Promptly, and usually within three working days of receipt of the grievance, the immediate supervisor will arrange a meeting with the employee. Soon afterwards, the supervisor will provide the employee with a written response to the grievance. If the employee does not agree with the response, the employee may forward the grievance to the Executive Director within () working days of receipt of the supervisor's written response.

Step 2: Promptly, and usually within () working days of receipt of a grievance, the Executive Director will meet with the employee and the supervisor. Following this meeting the Executive Director will promptly provide a written response to the employee. If the employee does not agree with the response, the employee may forward the grievance to the Executive Committee (Board Officers) within () working days of receipt of the Executive Director's written response.

The Executive Committee will meet promptly to hear the employee's grievance. Under most circumstances, the meeting shall be within () working days of receipt of the request for an appeal. The Executive Committee will promptly furnish its findings to the Executive Director and the employee. The decision of the Executive Committee shall be final and binding.

If the employee feels intimidated or threatened by pursuing any of the steps in this grievance procedure, s/he is urged to bring this concern directly and immediately to the Executive Director.

Travel and Other Expenses

Employees will be reimbursed for approved business travel and other expenses that is pre-approved by the employee's immediate supervisor. Travel expenses and other expenses include the following:

- a) Mileage for employees using personal automobiles for travel will be reimbursed at the current IRS approved mileage rate. All requests for reimbursement will be documented on the approved reimbursement form available in the office.
- b) Mass transit, taxi or car service to carry out business. Staff should consider overall costs before selecting a mode of transportation. Mass transit is by far the least expensive. If feasible for the nature of your journey please take mass transport. Reimbursement will be calculated on a per trip basis.
- c) Temporary dependent care costs (as defined by 26 U.S.C. 152) above and beyond regular dependent care that directly result from travel to conferences, are a direct result of the

employee's travel for work, and are only temporary during the travel period. Travel expenses for dependents will not be reimbursed.

- d) Personal meals incurred by an employee when eating on an out-of-town business trip. Employees must travel more than 50 miles round trip from their home office to qualify for reimbursement.
- e) Business meals taken with clients, prospects or associates during which a specific business discussion takes place.
- f) Tips included on meal receipt will be reimbursed. Tips should be no more than 20% of the bill.

We strongly recommend that all travel arrangements that require airfare and lodging be booked through . If you are attending a conference that offers a reduced hotel rate at the conference hotel, you should book your room directly to access the reduced rate, rather than using . Conference and workshop related travel must be approved by an employee's supervisor in advance of the trip.

When traveling by air, reimburses for economy class only. When traveling by rail, coach travel, not the Acela, should be used.

Make every effort to purchase the lowest possible fare. All airline travel should be booked at least 14 days in advance of the trip. If an employee is booking their travel less than 14 days in advance, such employee must provide written explanation on the expense report explaining why the trip was not booked 14 or more days in advance of the departure date.

Reimbursement requests may be submitted as often as once a month. Expenditures from the previous fiscal year can be reimbursed only on requests received prior to the year-end closing of the books, by no later than .

PERFORMANCE AND DISCIPLINE

Pay Raises and Bonuses

Pay raises and bonuses (if applicable) will be determined annually by the Board of Directors and the Officers of [org. name]. In the event that there are monies available for compensation increases, these increases will be paid as salary and/or bonus according to exempt or non-exempt status and determined by attainment of performance standards.

Bonus compensation may only be paid to exempt staff only. Bonuses are based on goal achievement in the previous year and are paid to both reward over achievement and as an incentive to continue future performance. Like pay raises bonus pay will be paid as salary.

Performance Appraisals

The Performance Appraisal process for Exempt and Non-Exempt employees is the foundation for all compensation activity and provides a unique opportunity to unite the employee's accountabilities and achievements to the objectives and strategic plans of the organization.

Supervision and Evaluation

The Chairman of the Board of Directors is the direct supervisor of [org. name]'s Executive Director, and in conjunction with the Executive Committee of the Board of Directors, will conduct an annual performance evaluation of the Executive Director. The Executive Director is the direct supervisor of each individual employee. In the event that there are Program Directors, the Program Directors are the direct supervisors of the support staff in their program.

Performance Evaluations

[org. name] believes in the importance of employee performance evaluations. All employees will be evaluated by their direct supervisor using established standards of performance for their position, on a semi-annual basis in January and June. The evaluation is based in job performance with regard to applicable skills, productivity, quality of work, attitude and cooperation, dependability, job knowledge and effectiveness, and other areas applicable to specific employee categories. Attendance and punctuality are a major factor in an employee's overall review.

Initial Evaluation

The immediate supervisor or the Executive Director (see above) will perform an evaluation, three months after employment with the organization.

Corrective Action and Employment Termination

Most employees want to do a good job. Supervisors shall help employees succeed on the job by:

- a) Providing a thorough orientation for new employees
- b) Clearly establishing expectations for behavior and performance
- c) Providing training, coaching, and mentoring
- d) Providing feedback through appropriate supervision

However, in every workplace there will be situations where an employee fails to meet expectations or where an employee commits acts of misconduct. There may be times when, despite all of the supervisor's best efforts, the employee continues to demonstrate unsatisfactory performance or problem behavior.

Forms of Corrective Action

When corrective action is necessary, the amount and type of action taken depends on the particular circumstances. [org. name] maintains the discretion to determine what corrective action is appropriate in each situation, regardless of what correction the employee may have received previously. For example, in some circumstances, it may be appropriate to give an additional written warning before taking any stronger action, while in other circumstances it may be appropriate to take strong action including termination, without any previous warnings or suspensions.

Though other forms of corrective action are also possible, these are the types most often taken.

- a) **Counseling:** If a supervisor becomes concerned about an employee's performance at work, s/he may meet with the employee to discuss concerns and develop ways to address the concerns.
- b) **Oral Warning:** The supervisor meets with the employee to review the prior discussions and state her/his continuing concern with the employee's performance. The supervisor should clearly identify the purpose of this meeting as an oral warning, which is part of the corrective action. A summary of the oral warning meeting may be given to the employee with a copy retained by the supervisor and a copy kept in the employee's personnel file.
- c) **Written Warning:** If the employee's performance does not improve after an oral warning, or if circumstances otherwise warrant it may be necessary to give a written warning to an employee which may include the following:
 - i. Current level of performance and areas requiring improvement
 - ii. Specific level of performance expected in each of the identified deficiencies
 - iii. Time frame for improvement
 - iv. Steps the supervisor will take to support improvement
 - v. Specified time for follow-up meeting
 - vi. Consequences if performance does not improve, the employee should read and sign the written warning. In signing, the employee acknowledges that s/he has read and understood the document. The signature does not imply agreement.
- d) **Termination:** [org. name] may dismiss an employee when this action is in the organization's best interest. Employees should remember that employment with the organization is by mutual consent. Both employee and the agency are free to terminate the employment relationship at any time and for any reason.

Occasions for Corrective Action

Listed below are some of the kinds of behavior or performance that may lead to corrective action. It is, of course, not possible to list all of the kinds of problems that may occur in the work place; other kinds of behavior or performance may also lead to corrective action.

- a) Unsatisfactory job performance
- b) Excessive absenteeism or tardiness, or failure to contact supervisor about absence

- c) Violation of procedures or rules
- d) Theft or willful damage of the property of the agency or other employees
- e) Refusal to perform work as directed or willful neglect of duties
- f) Violent or abusive behavior or language
- g) Acceptance of any gifts, favors, other remuneration from any individual or firm having or proposing to have any relationship with the

SAMPLE

BENEFITS

Benefits

[org. name] provides a benefits package for all eligible full and part-time employees which include the following:

Vacation Days

Vacation is accumulated from the start of employment for full time employees at the rate of _____ days per month, up to the first anniversary date of employment - _____ weeks vacation in the first year. It is not expected that employees will take a vacation within the first _____ months.

Upon completion of six months of service, employees may take their accrued vacation at any time subject to the approval of their supervisor.

- a) During the second year of employment and each year thereafter, full-time employees will accrue vacation day credit at the rate of _____ days per month - _____ weeks vacation each year.
- b) Accrued vacation days not to exceed _____ days may be carried over from one calendar year to the next calendar year.
- c) Upon completion of one year service, employees may take up to a maximum of _____ weeks vacation at one time, subject to the approval of the supervisor. Any accumulated vacation over _____ days at year-end is forfeited.
- d) All eligible staff members receive vacation pay based on their regular earnings, not including overtime or other additional compensation.
- e) The base period for computing vacation time is the anniversary date of employment.
- f) Vacation time may be taken in full day or half day increments.
- g) If an authorized holiday occurs during an employee's approved vacation period, the employee will be paid for the holiday and therefore uses one less vacation day than total number of days in the vacation period.
- h) Part-time employees accrue vacation time on a pro-rated basis.
- i) Hourly part-time employees are not eligible for vacation, personal or sick time.
- j) Approval of the employee's vacation will be obtained from the immediate supervisor subject to [org. name] business needs. All employees should notify their immediate supervisors as far in advance of their planned vacation as possible. The supervisor will forward authorized vacation requests to the Payroll Manager.
- k) An employee may request that an absence for illness in excess of the time allowed under sick day accrual be taken as vacation time and charged against his/her accumulated vacation. This request requires approval of the staff member's immediate supervisor and _____.

Personal Excused Absence

Personal excused absence is available to staff members from date of hire. _____ personal excused absence days are provided on a calendar year basis and cannot be carried over. Unused days will not be compensated.

Part-time staff members are eligible for personal excused absence days on a pro-rated basis with prior approval of their supervisor.

Personal Sick Leave

Personal sick leave will be accumulated as follows: _____ days at one year of service, _____ days at _____ years of service, and _____ days at _____ years of service. Any unused sick leave will be forfeited at year’s end. All accumulated sick time is also forfeited upon termination of employment for any reason.

Bereavement

_____ working days of paid bereavement leave will be granted to employees who have a death in the immediate family. The immediate family is defined as grandparents, parents, children, spouses, domestic partners and siblings.

Bereavement leave for death of any person other than immediate family must be approved by your immediate supervisor and the department head. Absence for such a death is limited to (_____) days and will be unpaid.

Holidays

[org. name] recognizes the following paid holidays:

- | | |
|--------------------------------|-------------------|
| 1. New Year’s Day | 6. Labor Day |
| 2. Martin Luther King, Jr. Day | 7. Columbus Day |
| 3. President’s Day | 8. Veteran’s Day |
| 4. Memorial Day | 9. Thanksgiving |
| 5. Independence Day | 10. Christmas Day |

On National Election Day [org. name] allows all staff up to _____ hours time off to vote, or time off as required by local law. An employee must notify his/her supervisor in advance when time off to vote is to be used.

Leave of Absence (non FMLA)

Employees are eligible to apply for an unpaid leave of absence if they have been a regular employee for at least one year and scheduled to work _____ hours or more per week. Employees requesting an unpaid leave of absence must do so in writing at least _____ days in advance unless it is impractical to do so, in which case the employee must provide as much written notice as possible. The request must be submitted to the Executive Director. Granting of such leave is at the discretion of the Executive Director except in such cases where granting of leave is required by law, such as the Family Medical Leave Act.

Jury Duty

[org. name] supports employees called to fulfill their civic duty to serve on jury duty. Employees must provide his/her immediate supervisor with a copy of the jury duty summons. In addition, the employee and will receive his/her regular salary, up to _____ hours per week, for a maximum of (_____) weeks.

Adequate proof of service must be provided to receive your regular salary during jury duty. If the amount you are compensated by the court, per day, exceeds (\$) dollars per day, your regular pay will be offset by the excess offset.

Worker's Compensation

Employees who are injured on the job are covered by Worker's Compensation Insurance. It is your responsibility to immediately notify your immediate supervisor or one on duty. The supervisor will notify your personnel representative. [org. name] encourages injured employees to seek immediate medical attention.

Disability Leave

A disability leave of absence should be requested in writing and should be submitted to an employee's immediate supervisor as soon as practical and with a doctor's recommendation and medical documentation. The request should indicate the date on which the employee will stop work and a projected return date. [org. name] will hold the job or one at the same level of any employee on disability leave for a period of up to months.

After the employee's sick leave is exhausted, vacation and/or compensatory time may be used for continued absence.

The employee will contact their immediate supervisor as soon as possible regarding their intentions to return to work or not, following an absence due to illness. Pregnancy will be considered a temporary medical disability for purposes of this document.

A leave of absence for disability purposes will not constitute a break in tenure for purposes of calculating length of service; however, no additional sick leave or vacation time will be accumulated during the absence.

Military Service

Full-time, regular employees who are inducted in the Armed Forces are considered to be on leave of absence without pay and accrue only those benefits specified by law. Upon completion of military assignment, the employee is eligible for rehire in their former job or a job of similar status and pay providing the following conditions are met:

The employee must have been employed in a position other than temporary before their induction;

- a) They must have left their job to enter military service;
- b) They must have received certificate(s) of satisfactory completion of military service;
- c) They must apply for re-employment within calendar days of their discharge; and,
- d) They must be able to perform the duties of their former job or a job of similar status.

Veterans will be re-employed with the same seniority, status, and pay they would have had if they had not entered military service.

National Guard/Reserves

Staff members who are members of the National Guard or the Reserve will be granted a leave of absence for any period or required service with their unit other than normal tour duty. All benefits will accrue during such periods and such duty will not be considered a break in service. The employee must be reinstated in their position providing they meet all of the conditions listed under Military Service (Section G) with the following exception:

The employee must report to work at the beginning of the next regularly scheduled working period following their release from duty.

Employees who must take time off to participate in the Reserve or National Guard must submit a written request for leave to the immediate supervisor indicating the period of absence and the expected return date.

Parental Leave

Parental leave is available for employees who become parents or have special needs associated with the birth or adoption of a child. The Parental Leave Plan provides for a combination of paid and unpaid. Employees are eligible for Parental Leave after at least one year of service and have worked at least _____ hours during the _____ months before becoming a parent. The employee must also have become a parent through birth or adoption of a child and the child must live in the staff member's household. If all of the above circumstances are met, the following conditions apply:

- a) An eligible employee who becomes a parent may receive up to _____ weeks of leave at full pay per year. Leave may begin _____ weeks before birth or adoption, or within _____ months after birth or adoption, at the staff member's option.
- b) During the four weeks of paid leave, the employee will continue to receive and to accrue benefits for which he/she was eligible before beginning leave, i.e. coverage under [org. name] health plan, contributions to the Pension Plan and accrual of vacation and sick leave time.
- c) Leave need not be taken consecutively, but must be taken in the time period from four weeks before to _____ months after the date the employee becomes a parent. A schedule for the use of Parental Leave must be approved by the immediate supervisor.
- d) Unpaid leave may be used to extend the time off due to birth or adoption of a child but except for the employee's medical disability total Parental Leave may not exceed three months. Total Parental Leave is all leave paid and unpaid due to the birth or adoption of a child. Health benefits will continue during the period of unpaid leave. Please see the Family and Medical leave section of this Guide for additional information.
- e) In cases where both parents are eligible [org. name] employees, a combined total of _____ weeks of fully paid Parental Leave will be permitted. The parents may divide the leave between them as meets their need.
- f) A staff member who returns from Parental Leave on a timely basis will be restored to his or her former position or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment. Certain "key" employees, i.e., those who are among the highest paid 10 percent of employees may be denied restoration to his or her former position in order to prevent "substantial and grievous economic injury" to the company.
- g) A staff member's use of any other leave entitlement will not result in a reduction of Parental Leave benefits, except that Parental Leave shall be counted against the time available for

childbirth or adoption and unpaid leave taken under the Family and Medical Leave Plan for the adoption or birth of a child be counted against the maximum leave allowed under [org. name] Parental Leave Plan.

- h) Leave unused under this policy is not payable in cash, nor can it be converted to any other benefit. It may not be delayed or extended beyond _____ months from the date that the employee became a parent.
- i) Any time away from work taken by an employee under [org. name] Parental Leave Policy shall be counted towards the _____ weeks of leave available to such employee under the Family and Medical Leave policy.

Family and Medical Leave

[org. name] is committed to providing family and medical leave to all eligible employees (as described below) in compliance with the Family and Medical Leave Act ("FMLA") of 1993 (the "Act").

Employees are eligible for an unpaid leave if they have worked for [org. name] at least one year, and have worked at least _____ hours over the _____ months preceding leave. This policy is applicable to eligible employees regardless of status (e.g., single, employee with spouse or employee with domestic partner).

Reasons for Leave

An eligible employee shall be entitled to a family or medical leave for one or more of the following reasons:

- a) the birth of a son or daughter and to care for the new born child if the leave is taken and concluded within _____ months of the birth of the child;
- b) The placement with the employee of a child for adoption or foster care if the leave is taken and concluded within _____ months of the placement of the child;
- c) to care for an employee's spouse, child or parent ("family member") with a "serious health condition;" and
- d) because of an employee's own serious health condition which makes him or her unable to perform the functions of his or her job.

With regard to the illness of an employee or family member, FMLA leave generally does not apply to brief illnesses, such as absences of less than _____ calendar days which do not involve ongoing treatment by a physician or health care provider. Leave under this policy is permissible only for a "serious health condition," which is intended to cover conditions which require hospitalization or continuing treatment by a healthcare provider.

The availability of this unpaid leave does not affect the employee's eligibility, if any, for short or long term disability for serious illnesses. However, if any employee takes short or long term disability, the period of receiving such disability benefits shall be counted towards the maximum 12 week period of unpaid leave available under _____'s Family and Medical Leave policy.

Length of the leave

Eligible employees may take up to _____ weeks of unpaid leave within a _____ month period. However, if both parents (including domestic partners) work for [org. name], they are eligible for a

combined leave of _____ weeks in a _____ month period for the birth, adoption or foster care placement of a child. Each employee is eligible for _____ weeks because of his or her own serious health condition or to care for a family member with a serious health condition.

In determining eligibility for leave, [org. name] shall use a "rolling" _____ month period measured backward from the start of the employee's leave period. Any time leave is requested, [org. name] shall determine how much leave the employee has taken during the immediately preceding _____ months. The employee shall be entitled to the balance of the _____ weeks which has not been used. Total Parental Leave taken by the employee during the yearly "rolling" _____ month period is concurrently FMLA leave and shall be deducted from the _____ weeks of unpaid leave available under the Family and Medical Leave Plan.

Notice and Medical Certification

When the need for leave is foreseeable, an employee must provide thirty days advance notice before leave is to begin. If leave is not foreseeable, an employee must provide as much notice as is practicable. The failure to provide the required notice may result in the denial of the leave until proper and timely notice is given.

When an employee is taking leave because of his or her own serious health condition, the employee must comply with the documentary requirements of [org. name] short term disability plan. When an employee is taking leave because of a family member's serious health condition, the employee shall be required to submit certification from a health care provider to substantiate the request. The completed certification must be submitted within _____ days of the requested leave, except in unusual circumstances. Failure to provide the required medical certification may result in the denial of all privileges and benefits under this policy. An employee may also be required to provide subsequent recertification to support any continuing FMLA medical leave.

Insurance Retirement

[org. name] provides a benefit package to all full-time employees which includes the following:

- a) Individual or Family Health Insurance
- b) Short and Long Term Disability
- c) 403b – retirement
- d) Life Insurance
- e)

Group Insurance

[org. name] makes health insurance, life insurance and accidental death coverage (group benefits) available to eligible employees and their eligible family members.

Short Term Disability

Short term disability benefits are designed to provide a pay check to employees during periods of serious illness resulting in total disability by providing a continuation of income during periods of serious illness resulting in total disability. Regular full time employees are eligible for STD benefits and may consult with your immediate supervisor or HR office for more detailed information on eligibility.

SAMPLE

ACCOUNTING, AUDIT AND FINANCIAL MANAGEMENT POLICIES

Accounting Policies

It shall be the policy of [org. name] to create and maintain accounting, billing, and cash control policies, procedures and records which are consistent with Generally Accepted Accounting Principles (GAAP) and meet the requirements of 2 CFR 200.302.

[org. name] 's fiscal year starts on _____ 1 and ends on _____ .

_____ uses the accrual basis of accounting for all transactions consistent with GAAP.

[org. name] accounting, audit, and financial management policies are designed to do the following:

- a) Protect and secure the assets of [org. name].
- b) Ensure the maintenance of accurate, current and complete records of the financial results of each award.
- c) Identify the source and application of all federal award funds.
- d) Ensure compliance with governmental and private funder reporting requirements.
- e) Bank accounts are established as required by donors and funding requirements.
- f) The Executive Committee must authorize all bank accounts and approves all check signers. The approval of signers shall be reflected in the Board of Director's meeting minutes.
- g) Bank transfers are scheduled and investigated to ascertain that both sides of the transaction are recorded.
- h) Compare expenditures with budget amounts for each Federal award to ensure that costs do not exceed the budgeted amounts.

Cash Management

Consistent with 2 CFR 200.305, payment methods will minimize the time elapsing between the transfer of funds from the United States Treasury or a pass-through entity and the disbursement by [org. name] whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, payment by other means. [org. name] will also minimize idle cash balances.

Payments

Checks

All checks above \$ _____ written on [org. name] accounts require two authorized signatures. All persons approved to sign checks will formally be approved by the [org. name]'s Board of Directors.

The payee and check signer cannot be the same person. Other authorized persons shall sign reimbursement checks payable to a check signer.

Banks should promptly be notified of all changes of authorized check signers.

All checks are to be pre-numbered and accounted for by a check custodian (used, voided, and not used).

Voided checks are to be properly defaced and maintained.

Bank reconciliations to the general ledger are to be done monthly and provided to the Executive Director or Treasurer at regular Board meeting.

Payment of Bills

Two authorized persons should approve all bills. The Executive Director, and/or authorized person must approve, in writing, all invoices for payment via e-mail, initials, signature or stamp. Vendor invoices must be recalculated on site to ensure accuracy. This recalculation must occur prior to the preparation of a check to pay the invoice. After the recalculation is complete, the employee who performed the recalculation must initial the vendor invoice, indicating the amount is correct and the invoice can be paid.

Checks for payment are signed only when supported by approved invoices (checks will not be processed and signed in advance of proper invoicing approval procedures).

Check signers should compare supporting data/documents against checks presented for their signature.

The employee responsible for mailing checks will not be responsible for recording cash disbursements. These two functions must be handled by different employees to ensure that the appropriate checks and balances are in place.

All costs must be considered reasonable. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Cash/Petty Cash

Petty cash should be used for such things as small and odd jobs, local travel and sundry items. It is not intended for purchases that can be made with designated suppliers. Activities or needs should be planned ahead so necessary funds will be available in the petty cash account.

Receipts or itemized slips are required for every petty cash disbursement. The Executive Director or his/her designee will be responsible for verification of receipts and cash.

Whenever petty cash is used, a pre-numbered "Receipt of Petty Cash" slip must be filled out. A completed slip will include date, the amount taken and returned, the cash category and the total spent. When a staff person receives cash, he/she will sign on the "Received By" line of the petty cash log. Items purchased should also be listed on the log, unless the receipt that must always be clipped to the log lists items purchased. The Executive Director or his/her designee will sign on the "Approved By" line of the petty cash log.

The Finance Officer will be responsible for the reconciliation and replenishment of the petty cash account.

Cash Receipts

Someone other than the person making deposits is responsible for opening the daily mail, making a log of cash receipts, restrictively endorsing the payment, making note of any restrictions on the log entry, and account coding the receipt by receivable or revenue account.

The Executive Director or an authorized person should prepare all bank deposit slips, listing each item separately.

Receipts are deposited daily or kept in a safe. For all deposits the bank's stamped duplicate deposit slip should be attached to the remittance documentation.

The deposit log with the duplicate deposit slips should be forwarded to the Financial Officer for verification and data entry.

All cash should be deposited in the appropriate bank account based on funding restrictions.

SAMPLE

SAMPLE SEGREGATION OF DUTIES

TWO PERSON DISTRIBUTION OF DUTIES	THREE PERSON DISTRIBUTION OF DUTIES	FOUR PERSON DISTRIBUTION OF DUTIES
Individual A	Individual A	Individual A
Open and review bank statements Open mail and prepare list of checks received Review accounts receivable aging Void invoices and/or create credit memos Approve invoices Sign checks Review accounts payable aging Void checks and/or create debit memos Approve employee timesheets Sign payroll checks Distribute payroll checks Sign employee contracts Perform interfund transfers Reconcile petty cash	Open and review bank statements Review accounts receivable aging Void invoices and or create credit memos Approve invoices Sign checks Review accounts payable aging Void checks and/or create debit memos Approve employee timesheets Sign payroll checks Distribute payroll checks Sign employee contracts Perform interfund transfers Reconcile petty cash	Open and review bank statements Review accounts receivable aging Sign checks Review accounts payable aging Sign payroll checks Perform interfund transfers Reconcile petty cash <div style="text-align: center;">Individual B</div> Physical access to petty cash or undeposited funds Create invoices Enter records into general ledger Approve payroll Sign employee contracts
Individual B	Individual B	Individual C
Physical access to petty cash, and/or undeposited funds Reconcile bank statements Create invoices Enter records into general ledger Prepare bank deposit Write/print checks Approve payroll	Physical access to petty cash and/or undeposited funds Create invoices Enter records into general ledger Approve payroll <div style="text-align: center;">Individual C</div> Reconcile bank statement Open mail and prepare list of checks received Prepare bank deposits Write/print checks	Open mail and prepare list of checks received Prepare bank deposit Write/print checks <div style="text-align: center;">Individual D</div> Reconcile bank statements Void invoices and/or create credit memos Approve invoices Void checks and/or create debit memos Approve timesheets Distribute payroll checks

Individual A = Executive Director or other top manager/board member
 Individual B = Primary accounting assistant or office manager
 Individual C = Second accounting assistant or another manager level employee
 Individual D = Another manager level employee

Cash Disbursements

All cash disbursements should be made by check (with the exception of petty cash).

General Ledger Account Coding

All cash receipts and disbursements should be accounted for, coded, and reviewed by the Executive Director, or authorized person.

Funding from multiple sources may be kept in a bank account with other funding; however, it must be tracked independently. [org. name] will establish separate set of account for each grant within its chart of accounts and general ledger.

Supporting documentation should be noted as paid and include the check number, date paid, and general ledger account code.

Account coding for each payment is reviewed for accuracy.

[org. name] finance and accounting staff will ensure that all costs paid through the utilization of external funding sources are recognized as ordinary, necessary, within the budget, are arms-length transactions, and do not deviate from established practices of the organization.

Revenue

Revenue is earned using the accrual basis of accounting.

Cost reimbursement grants or contracts earn revenue when the expenses are incurred (not committed).

Expense and Cost Allowability

When there are Federal funds involved, [org. name] will follow 2 CFR 200 Subpart E, the cost principles. In these instances, programs and grants will not be charged for 2 CFR 200 unallowable items such as, but not limited to: entertainment, fundraising expenses, lobbying, selling and marketing, bad debts, fines or penalties or interest on debt.

Before [org. name] seeks reimbursement from a funder, it will ensure that the costs are considered allowable under the federal grant. Costs cannot be considered allowable unless they:

- a) are necessary, reasonable and allocable to that funder and within the grant period
- b) are adequately documented,
- c) have not been allocated to or included as a cost of used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except when allowed by federal law or regulation.
- d) Expenses are charged to grants based upon a shared cost rationale when the direct charge cannot be established. A cost will not be assigned to a federal award as a direct cost if any

other cost of the same purpose in like circumstances has been allocated to the federal award as an indirect cost.

Expenditures for each grant, loan, or contract are to be recorded according to the budget categories for that particular funding source. For each funding award, [org. name] will maintain records that allow for a comparison of outlays with approved budget amounts.

Loan Loss Reserve (Only Applicable for Organization's that Make Loans)

Periodically, members of the Executive Committee, the Executive Director, and members of the finance and accounting department should meet to review the adequacy of the organization's loan loss reserve. Necessary adjustments should be determined and made at least quarterly.

Collection of Delinquent Accounts.

[org. name] may utilize outside collection agencies if all past efforts to collect outstanding debt are exhausted.

Upon approval from the Board of Directors, the Executive Director has discretionary authority to submit delinquent debts (over 90 days) to an outside collection agency.

Write-off of Delinquent Debts/Charges

Before writing off any delinquent debts records must indicate that all efforts to obtain payment have been exhausted.

The Executive Director of [org. name] has the discretion to approve debt write-offs of a board-authorized amount. Any amount above the board-authorized amount should be re-submitted to the board for approval.

If collection is made of a debt previously written-off as uncollectible, it will be recognized as revenue in the current period.

Financial Reporting Procedures

The Chief Financial Officer or _____ will be responsible for compiling monthly and year-to-date reports by revenue source, expense code, and asset and liability account balances.

Financial reports are reconciled to the general ledger and accounting records prior to submission to the funding source.

If an expenditure is different from an external funding source's approved budget, prior approval must be obtained from the funding source prior to the submission of the financial report.

Monthly financial reports which analyze [org. name]'s financial position and the effectiveness of its management and programs will be presented to the Executive Committee of the Board of Directors and also reported within the board packets.

Periodic reports will be provided to all funders as requested or required by contract.

[org. name]'s finance and accounting staff will maintain records that identify the source and application of funds for all activities. These records shall contain information pertaining to awards, authorizations, obligations, assets, outlays, income and interest. Records will also include copies of contracts, invoices, proof of payments and allocation tracking when costs are distributed among several funding sources.

Investment/Banking Policies

The [org. name] Board of Directors will approve the placement of assets not needed for immediate operations assuring compliance with all contractual requirements and using the principles identified below.

Principles:

Minimize Risk: The Board will define a minimum risk strategy that will be reviewed annually to ensure appropriate discharge of responsibilities to donors, lenders, and contractual relationships.

Maximize Investment Return: Within the parameters defined in "minimum risk", funds will be invested at the highest interest rate/return available at the time of decision.

[org. name] will support local, women-owned and minority-owned banks and institutions, if economically feasible: "local" is defined as having a physical presence within [org. name]'s service area.

_____ will maintain advances of federal funds in the best reasonably available interest bearing account, unless 2 CFR 200.305(b)(8) apply.

_____ account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

[org. name] will keep all funds available not already invested in a federally insured bank.

Procedures:

Each quarter, the Executive Director or his/her designee will review with the Executive Committee the projected cash needs of the corporation and the assets available for investment.

Each quarter, the Executive Committee will provide the Executive Director or his/her designee with guidance regarding investments and institutions.

The Executive Director or his/her designee will contact local institutions as needed to determine the best rate of return for investments.

Each year, the Board of Directors will define a policy for minimizing risk and review it annually.

Budget Principles/Procedures

The structure of the budgetary process should be made in accordance with the mission, by-laws of the organization and align with the requirements of any funding partners.

Budget Principles

The budgetary process shall comply with the organization's funding partners and in accordance with applicable state and federal laws.

The budgetary process shall comply with the guidelines and principles set forth by the Board of Directors.

Annually, each program area shall identify and develop a plan for its operation. Each budget must be approved by the Board of Directors or Executive Director.

Procedures

The organization's Executive Director will prepare and submit an operating budget to the Board of Director's 30-60 days prior to the beginning of the new fiscal year.

Differences in budget line items between the organization's operating budget and a funders' approved budgets will be resolved in negotiations between the Executive Director and the funding agency.

Adjustments in Budget/Spending Plans

Any adjustments or changes in spending policies/budget plans which vary by more than 10% from the original approved budget must be initialed by the Executive Director and submitted for approval to the Board of Directors.

These changes will be communicated in writing to funding sources or s required by contractual agreements.

If proposed changes are unsatisfactory to the funder, the Executive Director will communicate this response to the Board of Directors, who may authorize:

Changing the budget/plan to one which is satisfactory to the funder; or

Entering into negotiations to develop a compromise satisfactory to the funder and the Board of Directors.

After all parties have approved the changes, the changes will be communicated in writing to all affected management staff.

Audit Procedure

An independent audit should be performed by a Certified Public Accountant (CPA) at the conclusion of each fiscal year.

The auditor(s) should complete the audit within _____ months of the conclusion of the fiscal year.

The auditor(s) should test accounting mechanisms in accordance with generally accepted auditing standards for not-for-profit organizations and as contractually required by funding sources.

The audit should conduct an A-133 audit, if the [org. name] expends over \$500,000 in federal funding. Audits of fiscal years beginning on or after January 1, 2015 will increase threshold to \$750,000.

A formal written report of the audit will be presented to [org. name]'s Board of Directors and if necessary each principal funding source.

Whistleblower Policy

The [org. name] requires Board of Directors members, officers, other employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the [org. name] must practice honesty and integrity in fulfilling their responsibilities and comply will all applicable laws and regulations.

Each Board Member, volunteer, and employee of the charity has an obligation to report in accordance with this Whistleblower Policy (a) questionable or improper accounting or auditing matters, and (b) instances where one suspects that employees and representatives of the _____ did not practice honesty and integrity or comply with all applicable laws and regulations.

Should a director, officer, employee, contractor, volunteer or agent of the _____ have a concern or complaint regarding the accounting, auditing or reporting of, or the internal controls practices and procedures relating to the organization's funds, the following guidelines shall be followed:

Contact the Executive Director of the by telephone (_____), mail (_____) or in person to submit the complaint. If the complaint involves the Executive Director contact the Board Chair. Updated contact information for the individuals shall be posted on the website of the _____. Submissions may be made anonymously.

Upon receipt of the complaint, the Executive Director (or the Board Chair) shall conduct an initial screening of the complaint to assess its nature, legitimacy and significance. If in the course of the

initial screening or at any time thereafter, it is determined that the complaint may implicate the Executive Director, he or she shall notify the Board Chair of that fact, and the Board Chair shall determine whether the Executive Director may continue with the investigation or appoint another person to assume the investigation instead.

Upon conclusion of the initial screening, the Executive Director (or the Board Chair or the Executive Director's appointee) shall decide whether to report the complaint in full to the Board of Directors, proceed with further investigation or close the file. Any complaint involving (i) the existence of material inaccuracies in the _____'s financial reports or (ii) fraud or other intentional misconduct with respect to its accounting, auditing, reporting or internal controls, shall be reported promptly to the Board of Directors following the initial screening thereof. All other matters shall be reported at a minimum in summary form to the Board of Directors.

All submissions, inquiries and discussions will be documented by the Executive Director (or the Board Chair) and will be kept confidential, specifically in a confidential file. Access to the confidential file shall be restricted to the Board Chair, the Executive Director or the Executive Director's appointee, and their designated agents. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the _____ from potential civil liability. All such confidential files shall be maintained for at least seven years following the final disposition of the matter.

All other concerns and complaints not relating to the accounting, auditing or reporting of, or the internal controls practices and procedures relating to the _____'s funds shall be handled pursuant to the current policies and procedures applicable to such matters.

The _____ shall take all appropriate steps to prevent retaliation by the _____, its directors, officers, employees, volunteers or agents, against any person submitting a complaint on account of that submission. This Whistleblower Policy is intended to encourage and enable directors, officers, and employees to raise concerns within the organization for investigation and appropriate action. With this goal in mind, no one who, in good faith, reports a concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences.

Any employee or volunteer who is found to have engaged in retaliation contrary to this policy will be subject to discipline, up to and including termination of employment (or removal in the case of volunteers.)

PROCUREMENT POLICIES

Introduction and Scope

The purpose of this policy is to ensure that _____ achieves the best value for goods and services procured, following a transparent and cost effective process. The policy aims to safeguard an adequate level of competition in order to increase the integrity of the procurement process, ensure good stewardship of funds and meet requirements of funding agencies.

The following policies and procedures will be followed at all times when [org. name] is using federal funds to procure goods and services from an external source.

[org. name] will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP) and avoid purchasing unnecessary items. Any procurement of goods and services shall be made by the procurement officer/authorized agent, in the best interest of the [org. name], upon considering the totality of the circumstances surrounding the procurement, which may include but not limited to price, quality, availability, reputation and prior dealings.

The Federal regulations pertaining to procurement standards are set forth in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). The standards included in 2 CFR 200.318 through 200.326 must be complied with when any procurement of supplies and other expendable property, equipment, and services made by _____ involves the use of Federal funds, including funds directly awarded to _____ by a government agency or department, as well as pass-through federal funds awarded to _____ by local or state agencies (e.g. CDBG awards).

_____ staff is expected to review and comply with the procurement requirements, if any, under the applicable funding source agreement.

Code of Conduct

Requirements and Protocol

2 CFR Section 200.318 requires that _____, as a recipient of federal funds, maintain written standards of conduct covering conflict of interests and governing the performance of its employees engaged in the award and administration of contracts.

All _____ employees who are engaged in the award and administration of government contracts must adhere to a code of professional conduct. All employees, including those employees who purchase goods or services, or otherwise administer contracts, must follow [org. name]'s Conflict of Interest Policies.

Conflicts of Interest. No employee, officer, or agent of _____ shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent of _____, any member of his or her immediate family, his or her partner, or an organization that 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.

Prohibited Conduct. No employee, officer, or agent of _____ must solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Further, no employee, officer, or agent of _____ shall accept gratuities, favors, or anything of monetary value (other than an unsolicited gift of a nominal value) from contractors or parties to subcontracts.

Organizational Conflicts of Interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate or subsidiary organization, a person or organization is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. _____ employees responsible for the procurement shall identify and evaluate potential organizational conflicts of interest as early in the procurement process as possible and avoid, neutralize, or mitigate significant potential conflicts before contract award. If necessary, _____ employees are directed to seek counsel from _____ in the evaluation of potential organizational conflicts of interest and in developing any necessary solicitation provisions and contract clauses. If it is determined that a conflict of interest exists and cannot be avoided or mitigated, before determining to withhold an award based on conflict of interest considerations, the _____ employee responsible for the engagement shall contact the contractor regarding the existence of a conflict of interest and provide the contractor with an opportunity to respond. If the employee responsible for the engagement determines that it would be in the best interest of _____ to award the contract notwithstanding a conflict of interest, the _____ employee shall request a waiver and authorization to proceed from the _____.

Disciplinary Actions

Any _____ employee who violates the requirements and protocol above, may be subject to disciplinary action, based on the seriousness of the violation.

Acquisition Planning

Principles of Acquisition Planning

_____ employees shall make purchase decisions based on necessity and shall avoid purchasing unnecessary or duplicative items with _____ funds. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, _____ may enter into inter-entity agreements where appropriate for procurement or use of common shared goods or services.

Procedures and Documentation Requirements

Prior to purchasing goods or services, _____ employees shall:

- a) Conduct (where appropriate) an analysis of lease and purchase alternatives to determine the most economical and practical procurement vehicle.
 - Documentation may consist of notes made by the _____ employee(s) making the purchase decision, estimates/cost projections for lease and purchase alternatives (obtained from contractors directly or through reputable Internet resources), quotes from contractors, etc. Such _____ employee(s) should consider (without limitation) the duration of the need for such item, financing terms, and the requirements of the applicable funding source.

- b) Show a demonstrated need for all items purchased.
 - Documentation may consist of notes made by the employee(s) making the purchase decision, a copy of the applicable work plan or agreement which the purchase/engagement fulfills, etc.
- c) Review current inventories and goods on order to prevent duplicative purchases.
 - Documentation may consist of the inventory record dated on or about the date of the purchase decision.
 - employees are 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.
- d) Assess whether the services can be performed more economically by direct employment rather than contracting.
 - Documentation may consist of notes made by the employee(s) making the procurement decision (including cost projections for direct employment and contracting). Such employee(s) should consider the duration of the need for such services, whether similar services will be required over time, the scope of work, and costs of engagement (as employee and contractor, respectively), among other factors (as the situation might require) in his or her assessment.
- e) When appropriate and applicable, it is recommended that staff 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.

Retention of Documentation

[org. name] staff shall maintain documentation in support of his/her observance of the requirements of the section above, for as long as required pursuant to 's record retention guidelines or as required by the funder pursuant to the applicable funding agreement, whichever is later.

Solicitations for Goods and Services

Objective

All procurement transactions shall be conducted in a manner providing full and open competition. Full and open competition in the contracting process should ensure cost effectiveness and reduce the potential for favoritism and conflicts of interest (including organizational conflicts of interest).

Principles

Basic Principles of Solicitations. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated.

Solicitations for goods and services must include the following:

- a) A clear and accurate description of the technical requirements for the material, product or service to be procured. The description should not be worded such that it unduly restricts competition. Detailed product specifications should be avoided if at all possible.

- b) All requirements that the offeror must fulfill and all other factors to be used in evaluating bids or proposals (including any specific criteria related to deliverables, payment of expenses, payment schedules and timeliness, all of which make up the decision criteria; provided, however, that such specific criteria shall not be unduly restrictive of competition).
- c) The submission deadline and the anticipated award date.
- d) A description, whenever practicable, of technical requirements in terms of functions to be performed and services required, including a range of acceptable characteristics or minimum acceptable standards.
- e) When 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/that bidders are required to meet. The specific features of the named brand which must be met by offers must be clearly stated

Small and Minority Firms, Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms. employees must take all necessary affirmative steps to assure small and minority

firms, women’s business enterprises, and labor surplus area firms are used whenever possible.

Affirmative steps employees must take, include the following:

- a) Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
- b) Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
- c) 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;
- d) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises;
- e) Using the service and assistance, as appropriate, of such organizations as the Small Business Administration and Minority Business Development Agency of the Department of Commerce; and
- f) Requiring any prime contractor, if subcontracts are to be let, to take the same affirmative steps.

Unfair Competitive Advantage. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitation for bids and/or, requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to , price, quality and other factors considered. Some of the situations considered to be restrictive of competition include but are not limited to:

- a) Placing unreasonable requirements on firms in order for them to qualify to do business;
- b) Requiring unnecessary experience and excessive bonding;

- c) Noncompetitive pricing practices between firms or between affiliated companies;
- d) Noncompetitive contracts to contractors that are on retainer contracts;
- e) Organizational conflicts of interest;
- f) 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
- g) Any arbitrary action in the procurement process.

Monitoring Contractors’ Practices. shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition.

Prohibited Use of Geographical Preferences. staff shall conduct procurement in a manner that prohibits the use of statutorily or administratively imposed state or local 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.

Prequalified Lists of Persons, Firms or Products. shall 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. shall not preclude potential bidders from qualifying during applicable solicitation periods.

Procurement Methods (Types of Solicitations)

employees must use ONE of the following methods of procurement, for each instance of procurement:

Procurement by Micro-Purchases. Contracts up to \$3,000

Procurement by Small Purchase Procedures. Contracts from \$3,001 to \$[Not to exceed \$150,000 (2 CFR 200.88)].

Procurement by Competitive Proposals. Contracts in excess of \$.

Procurement by Sealed Bids - Construction.

Procurement by Noncompetitive Proposals.

Procurement by Micro-Purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if considers the price to be reasonable.

Procurement by Small Purchase Procedures. Contracts from \$3,001 to \$[Not to exceed \$150,000 (2 CFR 200.88)].

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 (\$). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources, not less than three (3).

May be solicited verbally; however price and rate quotes obtained verbally must be confirmed in writing, via email, facsimile, or other acceptable documentation. Moreover, the staff responsible for the engagement and oversight of the contractor shall maintain documentation of its solicitation and engagement process.

***Tip: Requests for Proposals might be recommended for certain procurement transactions, particularly where a significant award is contemplated or where the services are of a complex nature – in order to ensure that potential contractors are all being providing with the same information.*

- a) Price or rate quotations must be obtained from an adequate number of qualified sources, not less than three (3).
- b) employee(s) may contact persons and firms included on lists of prequalified contractors.
- c) “Qualified” means the supplier/contractor is able to meet required licensing or certification requirements, is not prohibited from participating in the procurement action, and can fulfill ’s requirements.
- d) employee(s) responsible for the initiation of the solicitation and selection of the contractor shall document its decision rationale in its file. The documentation must include the performance requirements and the organizations/individuals that were contacted. Specifically, the documentation should include, but not be limited to:
 - The name of the individual soliciting the information;
 - The names of the companies/individuals solicited and the individuals providing the price or rate quotation;
 - The date the information was provided;
 - The goods or services to be purchased, including the quantities upon which the price or rate quote was provided;
 - All pertinent terms or conditions imposed by either party;
 - The duration of the price or rate quotation. A new solicitation must be conducted for purchases that will be made after the current quotation expires; and
 - Responsiveness of the bid/quotations to the selection criteria contained in the solicitation (including comparative analysis of the bidding individuals/companies).
 -

***Tip: Requests for Proposals might best accomplish this for certain procurement transactions, particularly where a significant award is contemplated or where the services are of a complex nature.*

When a proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the simplified acquisition threshold, the protocol on procurement by competitive proposal shall be followed.

Procurement by Competitive Proposals. Contracts in excess of the Simplified Acquisition Threshold- \$

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:

- a) Requests for proposals (“RFPs”) 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;
- b) Proposals must be solicited from an adequate number of qualified sources; written responses must be obtained from an adequate number of qualified sources, not less than two for any RFP. It is strongly recommended that at least three (3) price or rate quotations be obtained for each RFP to strengthen the price analysis for the procurement action;
- c) “Qualified” means the supplier is able to meet required licensing or certification requirements, is not prohibited from participating in the procurement action, and can fulfill’s requirements.
- d) must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- e) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

If needed/applicable, 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.

Contracts in Excess of the Simplified Acquisition Threshold:

Must be solicited utilizing written Request for Proposals (RFPs)

Minimum Components:

- a) All of the requirements for solicitations under section above.
- b) Any contract requirements mandated by the applicable funder.
- c) Written Requests for Proposals may be posted on or printed in (as applicable):
- d) website
 - Local chamber of commerce
 - Idealist.org
 - Local or national (as feasible or necessary) newspapers
 - Trade or industry newsletters, journals, or periodicals
 -

***Tip: Objective is to elicit an adequate number of responses from qualified bidders. The employee(s) should be able to defend that the selected medium/media fosters open and free competition.*

Tip: It may be a good practice to post or print Requests for Proposals on a public forum, even if prequalified contractors have been identified through a Request for Qualifications process, to further ensure maximum open and free competition.

Responses to the Requests for Proposals must be in writing.

Program staff shall regularly monitor and evaluate the contractor's performance against the agreed-upon specifications, milestones, or scope of work and promptly address deficiencies. Program staff shall maintain records of its monitoring and evaluation activities with respect to the contractor in accordance with requisite record retention policies.

Procurement by Sealed Bids - Construction (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 of 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 following conditions apply. In order for sealed bidding to be feasible, the following conditions should be present:

- a) A complete, adequate, and realistic specification or purchase description is available;
- b) Two or more responsible bidders are willing and able to compete effectively for the business; and
- c) 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.

If sealed bids are used, the following requirements apply:

- a) The invitation for bids will be publicly advertised and 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;
- b) 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;
- c) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- d) 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
- e) Any or all bids may be rejected if there is a sound documented reason.

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:

- a) The item is available only from a single source;
- b) The public exigency or emergency for the requirement will not permit a delay resulting from

competitive solicitation;

- c) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- d) After solicitation of a number of sources, competition is determined inadequate.

Procurement Instruments (Type of Contract)

Objective

The type of procuring instruments used shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved.

Procedures

will determine the type of procuring instruments in order to ensure that goods and services are obtained in the most efficient, cost effective manner, without barriers to full and open competition and free of any potential conflicts of interest

Government awarding agencies may impose limitations on contractor compensation. staff procuring contractors with government funds should familiarize themselves with specific contract requirements, including those imposing maximum hourly or daily rates of compensation for contractors. In such cases, strongly prefers to enter into deliverable-based or fix price contracts.

Procurement Instruments

Deliverables-Based or Fixed Price Contracts: Contractors will be engaged to perform specific and discrete tasks and/or create specific deliverables and will be paid a flat fee upon completion of each specific/discrete task and/or delivery of each satisfactory final deliverable.

- a) Responsive bids will include flat fee for the applicable task(s) and/or deliverable(s) and projected expenses for which the contractor will seek reimbursement for from (which shall be reimbursed at actual cost).
- b) Fees do not fluctuate based on time spent by the contractor to complete the work.

***Tip: The fees quoted by the contractor should nevertheless be "reasonable". The reasonableness of the fee may be determined by a comparison of the responding contractors' fees for the requested task(s) and/or deliverable(s), and an evaluation of the fees charged by the contractor historically for similar tasks and/or deliverables.*

Time-Based (Hourly/Daily Rate) Contracts: Contractors will be engaged to perform specific tasks and will be paid based on time spent by the contractor to complete the work.

- a) Time-Based Contracts should **only** be used after a determination has been made that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.
- b) Responsive bids should also include projected expenses for which the contractor will seek reimbursement for from (which shall be reimbursed at actual cost).
- c) The contract shall be subject to a ceiling price that the contractor exceeds at its own risk.
- d) Rates shall not fluctuate once a contract is awarded.
- e) Projected time shall not fluctuate without significant extenuating circumstances.

employees awarding such time-based contracts must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

***Tip: Since time-based contracts can generate an open-ended contract price, which provides no positive profit incentive to the contractor for cost control or labor efficiency, such contracts must set a ceiling price that the contractor exceeds at its own risk.*

Responsive bids will include a rate based on time (hourly/daily) and the projected number of hours/days (depending on the rate increment charged by the contractor) to complete the scope of work.

Other Procurement Instruments: If a different procurement instrument is contemplated for use, staff should contact _____ for guidance prior to issuance of solicitations.

- a) Neither “cost-plus-a percentage-of-cost” nor “percentage of construction cost” methods of contracting shall be used.
- b) Time and material type contracts may only be used after a determination has been made that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost is the sum of (i) the actual cost of materials; (ii) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. _____ employees awarding such time-based contracts must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Additional Considerations for Procurement of Office Supplies and Equipment

The procedures outlined below are in addition to _____’s procurement procedures established in Accounting and Finance Policy Manual and the _____ Manual. _____ staff should also be guided by this document and 2 CFR Sections 200.453 and 200.439, as applicable.

Please be aware that federal disposition requirements apply for equipment purchases in excess of \$5,000, with government funds. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.

Office Supplies. Office supplies are small items used in the office to maintain daily functionality (e.g. writing implements, paper products, office calculators, extensions cords, staplers, etc.).

Examples of large items not included in this definition are office equipment and furniture.

Approved Vendor: _____ is _____’s only vendor for office supplies (effective _____). Payment for approved office supplies orders will be processed through _____.

Software, Hardware (including computers) and General Office Equipment are purchases and leases of general office equipment and computer software, hardware and any computer-related equipment that is to be used by [org. name] staff for [org. name] business purposes. No software, hardware, or general office equipment should be purchased without first receiving the appropriate approval from _____.

and it must be compatible with systems and/or meet corporate standards. This will be determined by .

Purchased with Government Funds: Office supplies, software, hardware and general office equipment to be used by staff for business purposes and charged to government funding sources will be subject to the test of allowability, allocability and reasonableness, in accordance with the principles established by 2 CFR Part 200. The following parameters shall be used to make this determination:

- a) Whether the cost is a type generally recognized as ordinary and necessary for the organization or the performance of the award.
- b) Whether the cost is incurred through an “arm’s length transaction,” and do not deviate from established practices of the organization.
- c) Whether the cost does not exceed, in nature or amount that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.
- d) Whether the cost is consistently charged to both government and non-governmental (private) programs.
- e) The cost is incurred specifically for the award.
- f) The cost benefits both the award and other work and can be distributed in reasonable proportion to the benefits received.
- g) The cost is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.
- h) Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.
- i) The cost is allowable according to 2 CFR Part 200 Subpart E.
- j) Hardware (including computers) and software and general office equipment purchases to be made by as part of a government contract and to be used by another party for programmatic purposes require the participation and approval of Department which will work with the program responsible for initiating the procurement process in order to identify hardware and software requirements, develop technical specifications for vendors, request at least three (3) quotes from vendors and participate in the negotiation process, as described above.

Contract Cost and Price and Other Selection Criteria

Requirement

shall perform a cost or price analysis (and document such analysis in the procurement files) in connection with every procurement action **in excess of the Simplified Acquisition Threshold**, including contract modifications.

Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of Executive Orders 12549 and 12689, "Debarment and Suspension."

Procedures

Awards should be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to , price, quality and other factors considered. reserves the right to reject any and all bid offers, if deemed to be in 's best interest.

shall enter into contracts only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity; record of past performance; financial and technical resources or accessibility to other necessary resources.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, **must make independent estimates before receiving bids or proposals.**

Offers and proposals received by shall be evaluated according to the following parameters:

Contract Cost and Price. The employee responsible for the procurement action shall perform a cost or price analysis with every procurement e made by in excess of the Simplified Acquisition Threshold, including contract modifications. This analysis shall be documented , and supplemented by other supporting documentation maintained by such employee, for all government funded actions. *Modifications* that change the work beyond the scope of the contract must be justified, and may require additional competitive bidding.

Price Analysis: A comparison of price quotations submitted, market prices and similar indicia, together with discounts. It is the evaluation of the proposed price (i.e. lump sum) without analyzing any of the separate cost elements that comprise the proposed price. shall compare an offeror's price to others, previous prices paid for similar services, catalogue prices or other similar data.

***Tip: When to Use: Whenever you are comparing lump sum prices (not cost estimates).*

Competition: Compare two or more *responsible* (not debarred or suspended, etc.), competing independently. *The greater the number of offers/bids, the greater the competition and the better the pricing.*

Cost Analysis: A review and evaluation of each element of cost to determine reasonableness, allocability and allowability. Cost analysis is done when offers are broken into various elements of cost (i.e.: training services broken by fees, travel, materials, etc). shall analyze the costs associated with the offer and determine the reasonableness of the amounts (by each component) included in the total cost and the necessity of each element of cost.

***Tip. When to Use: Whenever you do not have price competition –*

Non-Competitive (or Negotiated) Proposal: Acquiring professional, consulting, architect/engineering services, where bidders are required to submit cost proposals that show the elements (labor, materials, overhead, profit, etc.).

Sole Source: Not soliciting competitive bids or offers. Sole source selection must be appropriate and justified. Used when award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following applies: (i) the item/service is available only from a single source; (ii) the exigency/emergency for the requirement will not permit a delay resulting from competitive solicitation; (iii) the awarding agency authorizes noncompetitive proposals; or (iv) after solicitation of a number of sources, competition is determined inadequate.

***Tip: Note:* Sole source justification is available in limited circumstances and may require consultation with the applicable government funder. If justification is available, all documentation in support of such position must be maintained by the local or National office responsible for the engagement.

Only One Bid Received and Bid Differs Substantially from Independent Estimate of the Contract Price: If you determine that the bid is unreasonable and decide to not recomplete (market survey tells you that you will not get competition), then you may formally cancel the solicitation and negotiate a contract price with the single bidder. You must obtain a cost breakdown of the contractor's proposed cost – not a lump sum proposal – before negotiating the change in contract price.

Modifications to a Contract: If modification changes the work authorized under the contract, and changes the price or total estimated cost, either upwards or downwards, you must obtain a detailed breakdown of the contractor's proposed cost – not a lump sum proposal – before negotiating the change in contract price.

Cost Analysis and Fees: The non-Federal entity 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:

- a) The complexity of the work to be performed (the more difficult the work, the more profit a contractor may be entitled to);
- b) The risk borne by the contractor (the higher the risk, the higher the profit/fee);
- c) Contractor's investment (labor, oversight, etc.) (the greater the investment of resources, the higher the profit/fee);
- d) Subcontracting (the more complex the contract, the higher the profit/fee);
- e) Quality of the contractor's past performance (profit/fee rewards contractor for proven record of high quality performance); and
- f) Industry profit rates in the surrounding geographical areas for similar work ("going rate") – Be careful to not pay going rates when the work required is not really covered by those rates (you should not pay specialty rates for routine work).
- g) 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 the non-Federal entity under Subpart E—Cost Principles of this Part. The

non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

Federal Debarment Standard

When purchasing goods and services using federal funding, employees must ensure that the contract awardee is not debarred or suspended from doing business with the federal government nor delinquent in a debt to the United States. Before a contract is awarded, the employee responsible for such procurement should check the System for Award Management (“SAM”) and verify that the contractor is not so debarred or suspended from doing business with the federal government and that the contractor does not have any active exclusions in SAM. A printout or electronic record will be kept as a way to demonstrate compliance with the requirement.

Office of Foreign Assets Control (OFAC)

When purchasing goods and services using government funding, shall comply with OFAC’s regulations against doing business with targeted terrorists and other criminals. Prior to entering into an agreement, will use a web-based watch list screening tool to ensure compliance with this requirement.

Contractor Monitoring

Monitoring Performance.

Program staff shall regularly monitor and evaluate the contractor’s performance against agreed-upon specifications, milestones, or scope of work and promptly address deficiencies. Program staff shall maintain records of its monitoring and evaluation activities with respect to the contractor in accordance with requisite record retention policies.

Procurement Records

Requirement

staff must maintain procurement records sufficient to detail the history of a procurement action. These records shall include the following at a minimum:

- a) Rationale for the method of procurement
- b) Selection of contract type
- c) Contactor selection or rejection; and
- d) Basis for contract price.

Solicitation Documentation

must maintain procurement records in connection with every procurement action.

Solicitation Documentation: Staff shall maintain information used to solicit and select a contractor, in addition to information documenting the actual purchases made from the successful contractor. This information may include:

- a) Copies of solicitation documents;
- b) Names and dates of contractors contacted by phone;

- c) Copies of letters, e-mails and faxes soliciting price or rate quotations;
- d) Trip reports identifying contractors contacted in person;
- e) Copies of price or rate quotations received, including telephone quote confirmations;
- f) Notification to the successful contractor;
- g) Purchase documents, such as invoices, bills of lading and canceled checks; and
- h) Such other documentation as recommended elsewhere in this document.

Federal Agency Reviews.

On request, shall provide the Federal awarding agency or pass-through entity with technical specifications on proposed procurements should the 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 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. The Federal awarding agency or pass-through entity may also conduct a review of the technical aspects of the proposed purchase after a solicitation has been developed by

On request, must provide the Federal awarding agency with pre-procurement review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

's procurement procedures or operation fails to comply with the procurement standards set forth in 2 CFR Part 200.

- a) The procurement is expected to exceed the current simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to the solicitation;
- b) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product;
- c) The proposed award over the simplified acquisition threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- d) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the Simplified Acquisition Threshold.

Contract Provisions and Bonding Requirements Award and Administration

Requirement

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. employees responsible for each procurement action shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

Other Award Administration Requirements

Contract Provisions. There are certain procurement provisions contained in 2 CFR Part 200 which must be included in all contracts that involve the use of Federal funds.

Bonding Requirements. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, minimum requirements set forth 2 C.F.R. Section 200.325 must be applied.

Contract Administration. must maintain a system for contract administration to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow-up of all purchases. shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms and conditions of their contracts.

SAMPLE

PROPERTY/EQUIPMENT STANDARDS

When purchasing property (both real property and equipment), the following procedures will be followed:

- a) Title to all property purchased with federal funds will vest with the [org. name].
- b) Property records will be kept showing the general name of the property, identification number, original cost, and depreciated value. These records will be reviewed and necessary revisions made on an annual basis at the end of [org. name]'s fiscal year.
- c) [org. name] will provide the equivalent insurance coverage for real property and equipment regardless of how the property was acquired by the organization.
- d) Equipment purchased, with a purchase price in excess of \$5,000, with federal funds is generally considered the property of the federal government and must be disposed, if necessary, through a set procedure. When disposing equipment with an acquisition cost in excess of \$5,000, [org. name] will follow the respective funding program's disposal regulations.
- e) A physical inventory of equipment purchased with government funds will be taken and the result reconciled with the equipment records once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records will be investigated to determine the causes of the difference. will verify the existence, current utilization and continued need for the equipment.

RECORDS MANAGEMENT POLICY

To ensure that all programs operated by [org. name] are properly managed and reported on, [org. name] will establish and monitor a comprehensive records management policy.

- a) To ensure that pertinent records are properly managed, [org. name] will implement file maintenance and disposition plans for each project/funding source when that project becomes inactive. When a project is closed a file maintenance and disposition plan form will be filled out and filed for each project. The form includes, but is not limited to, the date the project began, the date the project ended, amount of contract, name and signature, a contact number for project's manager, a description of the files within the storage case and their filing arrangement, and disposition instructions. Once the "File Maintenance and Disposition Plan" form has been completed, it will be filed and the storage box will be sent to [org. name]'s off-site storage facility.
- b) Financial records, supporting documents, statistical records, and all other records pertinent to an award of funding from an external source shall be retained for a period of three (3) years from the date of the submission of the final expenditure report. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings have been resolved and final action taken.
- c) Records for real property and equipment acquired with federal funds must be retained for three (3) years after final disposition, replacement, or transfer of said property.

See table below:

SAMPLE

BUSINESS RECORD RETENTION SCHEDULE			
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ACCOUNTING AND FISCAL	TERM	CORPORATE	TERM
Accounts Payable Records	3	Certificate of Incorporation	P
Accounts Receivable Records	3	Charter	P
Audit Reports	P	Annual Reports	P
Audit Reports Internal	3	Contracts (After Expiration)	3
Bank Statements and Reconciliation	3	Copyrights	P
Canceled Checks	3	Correspondence (General)	3
Check Registers	3	Correspondence (Legal)	P
Cash Receipts Book	3	Insurance Policies (After Expiration)	3
Expense Analysis & Distribution Schedules	3	Inventories	3
Financial Statements	P	Leases (after expiration)	3
Fixed Assets Records	P	Legal Briefs	P
General Ledgers	P	Licenses	P
Invoices	3	Merger Acquisition Records	P
Journals/Cash Books	3	Board Minutes	P
		Office Equipment Records (after disposition)	3
PERSONNEL		Patents	P
Employment History	P	Profit and Loss Statements	P
Individual Employee Records	P	Property Records	P
Payroll Register	P	Trademark Records	P
Time Cards and Sheets	3		
Unclaimed Wages(given to state after 3 yrs)	3	TAXATION	
Cancelled payroll checks	3	Annuity or Deferred Payment Plan	P
Retirement and Pension Plans	P	Payroll Tax Returns	3
Group Insurance Records	P	Withholding Tax Statements (W-2s)	3
Training Materials	3	Tax Bills and Statements	3
Employee Travel and Expense Reports	3	Federal Tax Returns & Work Papers	P
Interim Payroll Registers	3	State Tax Returns & Work Papers	P
		Sales and Misc. Tax Returns	3
		Depreciation Schedules	P

This information is provided as guidance in determining your organization's document retention policy. Legal requirements may vary, please consult your accountant or lawyer for specific needs. (Numerals indicate number of years records should be stored, P = Permanently)

DRUG-FREE WORK PLACE POLICY

[org. name] is a drug-free work place and following is the organization's drug-free work place policy:

[org. name] does and will continue to provide a drug-free work place by:

- a) Publicly posting a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the during normal working hours and on [org. name]'s properties.
- b) Provide each employee engaged in the performance of a grant be given a copy of the statement specified in paragraph A, above.
- c) When an employee of [org. name] works on a government-funded project or activity that has funding with a drug-free work place certification, [org. name] will notify effected employees that they are required to abide by the terms of the statement; and, notify the employer in writing of his/her conviction for a violation of a criminal drug statute occurring in the work place no later than five calendar days after such conviction.
- d) Within 30 days of being informed by an employee that he/she had been arrested on drug charges and convicted, [org. name] will:
- e) Take appropriate personnel action against such employee, up to and including termination, consistent with the Rehabilitation Act of 1973, as amended; or
- f) Require the employee to participate and satisfactorily complete a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
- g) [org. name] will strive to make a good faith effort to continue to maintain a drug-free work place through implementation of paragraphs A through F, above.

COMPUTER AND INTERNET SECURITY

The Internet and e-mail

Access to the internet is provided to employees for the benefit of [org. name] and its partners and clients. Employees are able to connect to a variety of business information resources around the world.

Internet use carries risks. To ensure that all employees are responsible and productive Internet users and to protect [org. name] interests, the following guidelines have been established for using the Internet and e-mail.

- a) The email system is intended for official business. All communications are for professional reasons and that they shall not interfere with the employees' productivity.
- b) Know and abide by all applicable policies dealing with security and confidentiality of company records.
- c) Employees must not use the Internet for purposes that are illegal, unethical, harmful to the company, or nonproductive.
- d) Email messages created, sent, or retrieved over the internet are the property of and may be regarded as public information. reserves the right to access the contents of any messages sent over its facilities if the company believes, in its sole judgment, that it has a business need to do so. All communications, including texts and images, can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.
- e) Employees shall not transmit copyrighted materials without permission.
- f) Employees shall avoid transmission of nonpublic information. If it is necessary to do so, employees are required to take steps reasonably intended to ensure that information is delivered to the proper person who is authorized to receive such information for a legitimate use.

Computer viruses

Computer viruses are programs designed to make unauthorized changes to programs and data. Therefore, viruses can cause destruction of corporate resources.

- a) [org. name] shall install and maintain appropriate antivirus software on all computers, utilizing a multi-tiered anti-virus defense with workstation and server-based components as well as a third-party email scanning services for inbound and outbound email.
- b) Employees shall not knowingly introduce a computer virus into company computers.
- c) Employees shall not load flash drives, CDs or DVDs of unknown origin.
- d) Incoming flash drives, CDs or DVDs shall be scanned for viruses before they are read.
- e) Any employee who suspects that his/her workstation has been infected by a virus shall IMMEDIATELY POWER OFF the workstation and call .

Access and passwords

The confidentiality and integrity of data and Personally Identifiable Information (PII) stored on company computer systems must be protected by access controls to ensure that only authorized

employees have access. This access shall be restricted to only those capabilities that are appropriate to each employee's job duties.

shall be responsible for the administration of access controls to all company computer systems. will process adds, deletions, and changes upon receipt of a written request from the end user's supervisor.

- a) Each employee shall be responsible for all computer transactions that are made with his/her User ID and password.
- b) Managers and supervisors should notify promptly whenever an employee leaves the company or transfers to another department so that her/his access can be changed or revoked. Involuntary terminations must be reported concurrent with the termination.

Physical security

It is policy to protect computer hardware, software, data, personally identifiable information (PII), and documentation from misuse, theft, unauthorized access, and environmental hazards.

Employee responsibilities

The directives below apply to all employees:

- a) Flash drives, CDs and DVDs should be stored out of sight when not in use. If they contain highly sensitive or confidential data, they must be locked up.
- b) Flash drives, CDs and DVDs should be kept away from environmental hazards such as heat, direct sunlight, and magnetic fields.
- c) Critical computer equipment, e.g., file servers, must be protected by an uninterruptible power supply (UPS). Other computer equipment should be protected by a surge suppressor.
- d) Environmental hazards to hardware such as food, smoke, liquids, high or low humidity, and extreme heat or cold should be avoided.
- e) Employees shall not take shared portable equipment such as laptop computers without permission.
- f) Employees should exercise care to safeguard the valuable electronic equipment assigned to them. Employees who neglect this duty may be accountable for any loss or damage that may result.
- g) Employees shall protect any confidential, proprietary business information and personally identifiable information (PII) such as home contact information, individual demographic data or individually identifiable information collected from contracts and/or partners.

Copyrights and license agreements

- a) It is policy to use licensed software only in accordance with the terms of its license agreement. Violating a license agreement is not only unethical –it is also illegal and can subject and the responsible employee to criminal prosecution and substantial monetary penalties.
- b) To help us adhere to this policy, employees may not do any of the following without permission from the .
- c) Make a copy of any software program, for any reason.
- d) Install a software program on a home computer.

- e) Install a personal software programs (that is, software owned by the employee) on any computer.
- f) Download any software program from the internet to a computer.
- g) The may audit -owned computers at any time to ensure compliance with this policy.

SAMPLE

PRIVACY AND DATA PROTECTION POLICY

[org. name] has legal, regulatory, contractual, and ethical obligations to protect personally identifiable information (PII), sensitive PII (SPII), protected health information (PHI), and any confidential information that are entrusted to the company during the performance of [org. name]'s business, as well as the PII, SPII and PHI of [org. name]employees, temps/interns, and third parties (if any).

This policy applies to all [org. name]employees. This policy also applies to [org. name]third parties that collect, use, store, process, transmit, or destroy corporate information, especially confidential information, on behalf of [org. name].

Definitions

Personally Identifiable Information (PII): Information that can be used to distinguish or trace an individual's identity, such as name, home address, telephone number, Social Security number (SSN), or biometric records (e.g., finger prints, DNA profile, voiceprints, etc.) alone, or when combined with other personal or identifying information that is linked or linkable to a specific individual, such as date of birth or mother's maiden name. Also known as "personal information."

Protected Health Information (PHI): A specific type of PII, as defined under the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and associated amendments. PHI is a type of regulated personally identifiable information that relates to the past, present, or future physical or mental health of an individual, the provision of health care to an individual, or the payment for the provision of health care to the patient, and can be reasonably used to identify the individual. PHI includes a number of identifiers that are unique to an individual, including demographic, biometric and genetic information. All references to PII in this policy include PHI.

Sensitive PII: A subset of PII that if released would pose a higher risk of subsequent identity theft or personal harm. For example, an individual's SSN is sensitive PII. Sensitive PII also includes an individual's name, home address, or telephone number in combination with any of the following:

- Government-issued identification number, such as a SSN, driver's license number, or Taxpayer Identification Number;
- Date or place (e.g., zip code) of birth;
- Financial account information, such as bank or credit card information, account numbers and balances, PINs, passwords, and security codes/questions;
- Biometric records;
- Medical Information protected under the Health Insurance and Portability Accountability Act of 1996; and/or
- Background investigations including reports or databases.

Confidential Information: All PII, PHI, and SPII created, compiled, modified, or received by [org. name]or by any person on behalf of [org. name], whether that information belongs to [org.

name]or to a third party. In general, Confidential Information should be used only for the benefit of [org. name]and must comply with all applicable laws and corporate policies.

Information is considered “**Confidential Information**” if:

- its unauthorized disclosure could adversely affect business operations or cause harm to [org. name];
- it falls under the definition of PII, PHI, and SPII; or
- it is information that [org. name]is obligated to keep confidential under applicable law or the terms of an agreement with a third party.

Confidential Information should be disclosed only to those who have a [org. name]business-related need to know the information and, with respect to disclosures to third parties, only after an appropriate non-disclosure agreement or provision (NDA) has been signed. Confidential Information must be handled in a manner designed to ensure that it remains confidential.

Business Process Owner: The [org. name]department, group, or individual that can be considered to be the owner of a specific business process that initially collects PII, SPII, PHI, and confidential information. The business process owner may be the department or group that funds the development of applications and systems to support their business process, or it may be the individual or office which has responsibility for oversight over third parties performing services that include the collection of PII, SPII and PHI; these are illustrative but not exhaustive examples of who may be the business process owner. The business process owner functions as the information steward with the operational responsibility to follow established controls for the generation, collection, processing, dissemination, security, and disposal of PII, SPII, PHI, and confidential information and primary responsibility for monitoring compliance with such controls.

Collection and Use

PII, SPII, PHI and confidential information must be collected and used in accordance with this policy and associated standards, guidance, and procedures. Before initiating a process, or program initiative that involves collecting, reporting, or sharing data that includes PII, SPII, and PHI, [org. name]personnel must notify to ensure that privacy requirements have been satisfied.

Business Process Owners must ensure that all PII, SPII, and PHI information are relevant to the business purposes for which it is to be used and take reasonable steps to ensure that all processed PII, SPII and PHI are accurate and maintained up to date. Confidential information should only be processed for the original specified business purpose and should not be subsequently used or further communicated outside of this purpose without the approval of the data subject.

The guidelines in this policy must be considered at the earliest planning stages for new business processes, initiatives, and applications and be referenced consistently through development into deployment and ongoing operations. For existing business processes and applications, the guidelines in this policy should be reviewed in reference to legacy applications and processes by [org. name]. The requirements within this policy should be included in planning whenever a legacy application

or process is being modified. Where a privacy vulnerability is recognized, the [redacted] will work with the business process owner to identify remediation options.

Before collecting confidential information, employees must:

- Identify and document the purpose(s) for which the information is collected and how the information will be used, controlled, and protected;
- Verify that [org. name] has legal authority to collect the information; and
- Verify that the data collection will be limited to what is relevant and is necessary to conduct official [org. name] business.

When third party service providers collect, process, or store confidential information on [org. name]'s behalf, [redacted] will ensure that the third party has a similar level of security measures in place.

Employees must also adhere to the following requirements regarding the usage of confidential information:

- Only access or use Confidential Information on a “need to know” basis (i.e., when the need for the information relates to official duties) and within the requirements of [org. name] business needs.
- Do not use or disclose information in a manner that violates any third party rights or agreements.
- Obtain approval from [redacted] for the use of confidential data for any purpose that is not consistent with the original purpose for which the information was obtained.

Transfer and Sharing

[org. name] must only disclose/transfer confidential information to third parties or share PII, SPII, PHI and confidential information with other departments, groups, or individuals if this transfer and use are consistent with the original business purpose. Controls designed to avoid unauthorized use or communication of data should also be implemented. Confidential information records may be shared or transferred only if authorized by law or with the express written consent of the affected individual. Sharing is limited to the portion of the record necessary to complete the task requested.

Before sharing confidential information outside of [org. name], [org. name] personnel must contact [redacted] to ensure such sharing complies with applicable privacy laws and [org. name] policies, except for disclosures of records for law enforcement purposes. All contracts with third parties that receive Confidential information from [org. name] must include contractual clauses related to data protection, authorized use, and breach notification procedures. All transfers of confidential information to and from third parties must be conducted in a secure manner as directed by [org. name].

When confidential information is collected, [org. name] must provide individuals with reasonable access to their own PII, SPII, and PHI held by [org. name] for review and update. Any request by an

individual to access their confidential information must be responded to promptly and generally no later than 30 days after receipt of the access request. All access requests are to be recorded with the date of initial request and details on request fulfillment. All access requests or complaints about [org. name]'s handling of an individual's confidential information should be forwarded to .

Employees must adhere to the following requirements when sending confidential information via email:

- Do not send confidential information in the body of an email. Rather, send confidential information as an encrypted and password protected attachment. Send the password in a separate communication.
- Do not send emails containing confidential information to recipients outside of [org. name] prior to obtaining approval from .
- Do not send emails containing confidential information to personal email accounts, such as Yahoo, Gmail, or Hotmail.

Employees must adhere to the following requirements when copying, printing, or faxing confidential information:

- When making copies containing sensitive confidential information, always retrieve originals and all copies from the copier.
- Retrieve documents containing confidential information from shared printers as soon as they are printed.
- When faxing documents containing sensitive confidential information, promptly retrieve the original from the sending fax machine and alert the recipient to promptly retrieve the copy from the receiving fax machine.
- When expecting a faxed document containing sensitive confidential information, monitor the fax machine closely and retrieve the fax as soon as it arrives. When available, use fax machines located in secured rooms.

Employees must adhere to the following requirements when sending or transferring physical documents containing confidential information within [org. name] facilities:

- Hand deliver physical confidential documents to the intended recipient whenever possible.
- If physical confidential documents must be sent between [org. name] locations, place documents in a sealed envelope that clearly identifies the recipient, mark the envelope "to be opened by addressee only" or with a similar notation, and confirm that the individual has received all intended documents.

Employees must adhere to the following requirements when sending physical documents containing confidential information outside of [org. name] facilities:

- Verify the recipient is authorized to receive the information as part of his/her official duties.
- Send records in encrypted electronic files whenever possible (e.g., via portable media, such as a CD).
- Place paper documents in a sealed envelope that clearly identifies the recipient and is marked "to be opened by addressee only" or a similar notation.

- Require an authorized signature upon delivery.
- Track the shipment and follow-up with the recipient within 24 hours to ensure that the items sent have been received.

Employees must adhere to the following requirements when carrying or transporting confidential information:

- Avoid carrying paper documents or unencrypted portable media containing confidential information outside of a [org. name] facility.
- If documents containing confidential information must be carried outside of a [org. name] facility, transport them in a secure package (e.g., sealed envelope) or briefcase.
- Secure and maintain control of briefcases, bags, and laptops when traveling. For example, when leaving a laptop in a vehicle, store it in the trunk and lock the vehicle.

Before sharing Confidential Information outside of [org. name], employees must contact to ensure that sharing the information complies with applicable privacy laws and [org. name] policies. Prior to contacting , employees must:

- Identify what information will be shared, why the information will be shared, and with whom the information will be shared; and
- Verify that [org. name] has legal authority to share the information (e.g., third party agreement restrictions, existing NDAs, etc.).

Data Security

[org. name] must take reasonable technical and organizational security measures to protect confidential information from loss, misuse, and unauthorized access, disclosure, alteration, and destruction. These security measures include the implementation of appropriate physical and logical controls (e.g., authorization processes, user IDs and passwords, limited access rights, storage rooms, locked filing cabinets, encryption technologies, etc.) and are detailed within this policy. When third party service providers collect, process, or store confidential information on [org. name]'s behalf, [org. name] must ensure that the third party has a similar level of security measures in place.

Employees must adhere to the following requirements regarding the protection of confidential information:

- Access to confidential information should be restricted to only those individuals who need the information to perform their official duties.
- User IDs with access to confidential information should be protected by strong passwords that are changed regularly and never shared between employees.
- Approval from must be obtained prior to providing other business units or third parties copies of, or access to, confidential information. (Business owners/managers must request said approval via email to .
- Servers containing confidential information should be secured away from general office space when possible.
- All servers and computers containing confidential information should be protected by

- approved security software and a firewall (if applicable).
- Auditing controls should be enabled to record all access to and modifications of confidential information stored in source systems.
- Highly confidential information, such as PII, SPII, and PHI should be encrypted or redacted when stored outside of source systems (an information storage system that is the authoritative system where the data resides).
- Confidential information should be backed up regularly by _____ and/or the third party.

Standard Statements

[org. name]employees must consult with _____ when considering data collection involving confidential information from an individual, another organization, or an agency to determine what privacy requirements may apply. Examples of data collections that may trigger privacy requirements include the following:

- Developing or modifying a [org. name]system;
- Creating a data collection form;
- Publishing a data collection form on [org. name]websites;
- Sending out an employee survey asking for Confidential Information; and
- Procuring a new system or service that will gather or store information about individuals.

Before collecting confidential information, employees must:

- Identify and document the purpose(s) for which the information is collected and how the information will be used, controlled, and protected;
- Verify that [org. name]has legal authority to collect the information; and
- Verify that the data collection will be limited to what is relevant and is necessary to conduct official [org. name]business.

Confidential Information Accuracy

Employees must adhere to the following requirements regarding the accuracy of Confidential Information:

- When Confidential Information is collected directly from individuals, provide the ability for them to review this information. This includes providing individuals with a solution to keep this information accurate and current.
- Ensure that the Confidential Information collected is correct (e.g., confirming an individual's details during the initial collection) and update data as inaccuracies are discovered.
- Regularly review Confidential Information to ensure that it is still required to meet the documented business purpose.

Confidential Information Storage

Employees must adhere to the following requirements regarding the storage of physical copies of confidential information:

- Appropriately label all documents containing confidential information so that others are aware of the sensitivity of the information and associated protection requirements.
- When not in use, paper documents or files should be kept in a locked drawer or filing cabinet.
- Do not leave paper documents where unauthorized individuals could see them, like on a printer or an unattended desk.

Employees must adhere to the following requirements regarding the storage of electronic copies of confidential information:

- Appropriately label all files and portable media containing confidential information so that others are aware of the sensitivity of the information and associated protection requirements.
- Secure laptops with cable locks and electronically lock computers (using ctrl, alt, delete) when not in use or when left unattended.
- Keep portable media containing confidential information locked away securely when not in use.
- Confidential information should be stored on designated network drives and file shares (i.e., locations with access restricted to those individuals who need the information for business needs).
- Confidential information should never be saved directly to laptops or other mobile devices, such as tablets or smartphones.
- Do not store confidential information on personal computers or devices not approved for use by .

Confidential Information Disposal

Employees must adhere to the following procedures when disposing of confidential information:

- Retain confidential information for only as long as necessary to fulfill the purpose(s) for which it was originally collected, subject to any legal or regulatory obligation to maintain the information.
- Shred paper documents containing confidential information; do not place them intact in a trash can or recycling bin.
- Securely delete electronic files containing confidential information within 90 days of when they are no longer needed in accordance with [org. name]'s Document Retention Policy.
- will oversee the wiping and destruction (if decommissioned) of hard drives and portable media used to store confidential information when no longer needed.

Staff Responsibilities

Responsibility for protecting PII, SPII PHI, and complying with associated policies and standards is assigned to every member of the organization. This responsibility may not be transferred. Personnel responsibilities include:

- Collecting, using, and protecting confidential information in accordance with applicable laws, regulations, policies, and procedures;
- Being able to identify confidential information material in their possession and take

- appropriate safeguards to protect it;
- Avoiding the unnecessary collection and maintenance of confidential information;
- Restricting access to only those people who need the confidential information to perform their official duties;
- Reporting any known or suspected breaches of confidentiality to _____ ;
- Completing security awareness training and education; and
- Properly disposing of any confidential information when no longer needed.

Enforcement

Each business process owner must actively monitor compliance with [org. name]'s policies, regulatory requirements, and contractual obligations. Business process owners must work with the _____ Department and _____ to train [org. name] personnel on their obligations related to the protection of confidential information that are effective during and after employment or engagement. This includes responsibilities regarding reporting known or suspected breaches of confidentiality and the procedures that must be followed in the event of such incidents.

Failure to comply with this policy and associated practices, standards, and procedures may result in the revocation or limitation of access to [org. name] resources, as well as disciplinary actions up to and including legal action and/or termination of employment or contract.

The _____ is responsible for working with _____ to train [org. name] personnel on their obligations related to the collection, accuracy, usage, sharing, transmission, storage, protection, and disposal of confidential information that are effective during and after employment. This includes responsibilities regarding reporting known or suspected breaches of confidentiality and the procedures that must be followed in the event of such incident.

Managers are responsible for:

- Ensuring that all personnel are made aware of, understand, and comply with this standard and related policies, standards, and procedures;
- Creating appropriate performance standards, control practices, and procedures designed to provide reasonable assurance that all employees observe this standard; and
- Identifying deviations from this standard and initiating corrective and, if appropriate, disciplinary action.

Failure to comply with this standard and associated practices, standards, and procedures may result in the revocation or limitation of access to [org. name] resources, as well as disciplinary actions up to and including legal action and/or termination of employment.

POLICY REVIEW

The _____ Department will review this policy no less than annually, or if significant changes occur, to ensure its continuing suitability, adequacy, and effectiveness. Any proposed updates to this policy will be reviewed and approved by _____ .

SAMPLE

ACKNOWLEDGEMENT FORM

I, _____, acknowledge that I have read the **Policy Prohibiting Unlawful Harassment, Including Sexual Harassment**, which is contained in Section Two of this Policies and Procedures Manual, and I agree to the terms and provisions contained in such policy.

Name of Employee: _____

Title: _____

Date: _____

Witness: _____

I, _____, acknowledge that I have read the [org. name] **Policies and Procedures Manual**, and I agree to comply with the terms and provisions contained in this manual.

Name of Employee: _____

Title: _____

Date: _____

Witness: _____