

**52 Weeks on the CAP Services Bestseller List!
You Won't Be Able To Put It Down!**

CAP Services, Inc.

**Fiscal & Administrative
Procedures Manual**

SHOULD I MEMORIZE THIS BOOK?

magic

8 BALL SAYS...



**October 2010
10th edition**

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Sections updated since the 3/10 edition

- 9/10 – Participant Support – Added protocol for payment of supportive services for participants, prohibit payment of fines, citations, warrants or other court judgments
- 6/10 - Bonuses and Incentives – Amended to restricted bonuses to \$40 gift certificate and limit an employee to no more than 3 per year, requires an annual report to the CEO of awards made listing the recipient, date and reason
- 6/10 - 401k Plan - Added
- 6/10 – Identity Theft Prevention Program – Added (also known as the Red Flag Rule)
- 6/10 – Transitional Return to Work Program – Added
- 6/10 – Contract Compliance – Amended to include procedures for monitoring sub-awards and sub-recipients
- 6/10 – Credit Cards / Charge Accounts – Amended procedures to accommodate Purchasing Cards and semi-monthly payments and renamed section

Effective Date of Fiscal and Administrative Procedures

The financial policies and procedures described in the 7th edition of the manual are effective 2/10 and replace the 7th edition of the manual dated 12/09.

If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated in parentheses immediately following the policy heading.

Introduction (updated 9/10)

CAP Services, Inc. was incorporated in the state of Wisconsin in May, 1966. CAP Services is exempt from Federal income taxes under IRC Section 501(c)(3) as a nonprofit corporation.

CAP Services mission is to bring about a permanent increase in the ability of low-income individuals to become economically and emotionally self-sufficient.

This manual documents the general operating procedures and financial operations of CAP Services. Its primary purpose is to formalize those procedures and accounting policies and to document internal controls. This documents supplements and expands on the Employee Handbook.

The contents of this manual were approved as official policy of CAP Services by the Board of Directors in 3/10, 6/10 and 9/10. Management will update the manual as needed to reflect current practices.

General

Chain of Command

1. The Board of Directors hires the President / Chief Executive Officer.
2. The President / Chief Executive Officer works for the Board of Directors.
3. The President / Chief Executive Officer hires staff.
4. The staff work for the President / Chief Executive Officer.
5. The Agency has an Organization Chart. Employees will follow the chain of command outlined on the Organization Chart. Employees can find a copy of the Organization Chart on the CAP employee website.

Code of Conduct (updated 12/08)

1. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of CAP Services depend to a very large extent on the following considerations.
2. Each director, manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, managers and supervisors must carefully weigh all courses of action suggested in ethical, as well as economic terms, and base their final decisions on the guidelines provided by this policy, as well as their personal sense of right and wrong.
3. CAP Services not tolerate:
 - The willful violation or circumvention of any Federal, state, or local foreign law by an employee during the course of that person's employment;
 - The disregard or circumvention of CAP Services' policies or engagement in unscrupulous dealings.
4. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.
5. The officer, employee, and agent of CAP Services will not solicit or accept gratuities, favors or anything of monetary value from contractors, or parties to sub agreements. Exceptions for items of nominal value (\$25 or less such as hats, calendars, etc.) are addressed later in this manual.
6. No employee, officer, or agent 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.
7. A conflict of interest arises when a director or employee involved in making a decision is in the position to benefit, directly or indirectly, from his/her dealings with the organization or person conducting business with CAP Services. (A potential conflict of interest exists when the director or employee, or his/her immediate family {spouse, children, brother, sister and spouses of children, brother or sister} owns/receives more than 1% of the benefiting business/profits.)
8. Examples of conflicts of interest include, but are not limited to, situations in which a director or employee:
 - Negotiates or approves a contract, purchase, or lease on behalf of CAP Services and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
 - Negotiates or approves a contract, sale, or lease on behalf of CAP Services and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services;
 - Employs or approves the employment of, or supervises a person who is an immediate family member of the director or employee;
 - Sells products or services in competition with CAP Services;
 - Uses the CAP's facilities, other assets, employees, or other resources for personal gain;
 - Receives a substantial gift (valued at \$25 or more) from a vendor, if the director or employee is responsible for initiating or approving purchases from that vendor.

9. A director or employee who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.
10. The Board of Directors, senior management and staff having significant purchasing responsibility will complete conflict of interest disclosure forms annually. The forms will be reviewed for conflicts by the Department Directors and remedial actions identified.

Misconduct, Dishonesty and Fraud Policy

CAP Services' goal is to establish and maintain a business environment of fairness, ethics and honesty for all employees, customers, suppliers and other parties with whom the corporation has a relationship. To maintain such an environment requires the active assistance of every employee and manager every day. The policy that follows is a summary; the full text of the policy is in the Employee Handbook.

1. CAP Services is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.
2. Employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. Persons with supervisory or review responsibility, in addition to reporting suspected violations as is required above, have three additional responsibilities.
 - First, to become aware of what can go wrong in their areas of responsibility.
 - Second, to put into place and maintain monitoring, review and control procedures designed to prevent acts of wrongdoing.
 - Third, to put into place and maintain monitoring, review and control procedures that detect acts of wrongdoing promptly should prevention efforts fail.
3. Authority to carry out these three additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with supervisors and managers.
4. For purposes of this policy, misconduct and dishonesty include but is not limited to:
 - acts which violate the CAP's Code of Conduct as outlined in the Employee Handbook Section 4, the Fiscal and Administrative Procedures Manual, program operating manuals and contracts with funding sources.
 - theft or other misappropriation of assets, including assets of CAP or its subsidiaries, customers, clients, suppliers or others with whom the corporation has a relationship
 - intentional misstatements and other irregularities in company records, including the intentional misstatement of the results of operations
 - wrongdoing
 - forgery or other alteration of documents
 - theft or misuse of client records or information
 - fraud and other unlawful acts
 - conflict of interest or the appearance of conflict of interest
 - the solicitation and/or acceptance of gift or gratuities for personal benefit in excess of approved minimal value
 - the knowing destruction, alteration, mutilation, or concealment of any record, document or tangible object with the intent to obstruct or influence an

investigation or proper administration of any matter within the jurisdiction of CAP Services, the State of Wisconsin or the United States government, or in relation to or contemplation of any such matter or case

- any similar acts
5. CAP Services specifically prohibits these and any other illegal activities in the actions of its employees, managers, executives, volunteers and others responsible for carrying out the organization's activities.
 6. Violations of this policy will result in disciplinary action up to and including termination of employment.

Reporting and Whistleblower Protection (updated 2/10)

1. It is the responsibility of every employee, supervisor, manager and executive to immediately report suspected misconduct or dishonesty to their supervisor. Supervisors, when made aware of such potential acts by subordinates, must immediately report such acts to their Department Director who will then report it to the Chief Executive Officer. If the person suspected is the CEO, then the report should be sent to the Board Chairperson.
2. Reports of allegations of suspected improper activities are encouraged to be made in writing to assure a clear understanding of the issues raised, but may be made orally. CAP encourages the reporter to identify himself or herself, so as to assist in the investigation; however, CAP does allow anonymous reporting.
3. Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.
4. Employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. Persons with supervisory or review responsibility, in addition to reporting suspected violations as is required above, have three additional responsibilities.
 - First, to become aware of what can go wrong in their areas of responsibility.
 - Second, to design, implement and maintain monitoring, review and control procedures designed to prevent acts of wrongdoing.
 - Third, to design, implement and maintain monitoring, review and control procedures that detect acts of wrongdoing promptly should prevention efforts fail.
5. Authority to carry out these three additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with supervisors and managers.
6. Employees who feel they have been wrongfully charged under this policy may file a grievance as outlined in CAP's Employee Handbook.

Civil Rights Compliance / Limited English Proficiency (updated 2/10)

1. This policy applies to CAP Services, Inc, its subsidiaries and any contractor or sub-contractor with 25 or more employees and \$25,000 or more per year in contracts. The policy will be incorporated into contracts and agreements with vendors and contractors for services.
2. Except in cases where there are compelling reasons for demanding a specific level of educational achievement for a position, all positions for employment at CAP Services will stipulate a preferred educational level, but equivalent experience, both paid and volunteer, will be given consideration. The Agency also recognizes that, because some groups have long been excluded from opportunities, clear and specific steps to overcome the imbalance are required. These steps are detailed in the Affirmative Action Plan adopted by the Board of Directors and implemented by staff.
3. No otherwise qualified person shall be excluded from employment, be denied the benefits of employment or otherwise be subject to discrimination in employment in any manner on the basis of age (over 40), race, religion, color, sex, national origin or ancestry, disability or association with a person with a disability, arrest record, conviction record, sexual orientation, marital status, pregnancy or childbirth, military participation, genetic testing, submitting to honesty testing, or use or non use of lawful products off the employers premises during non-working hours. Employees may not be harassed in the workplace based on their protected status nor retaliated against for filing a complaint, for assisting with a complaint, or for opposing discrimination in the workplace. All employees are expected to support goals and programmatic activities relating to nondiscrimination in employment.
4. No otherwise qualified applicant for service or program participant shall be excluded from participation, be denied benefits, or otherwise be subject to discrimination in any manner on the basis of race, color, national origin, age, sex, religion, political beliefs or disability. No employee or other person shall intimidate, threaten, coerce, or discriminate against any otherwise qualified individual for the purpose of interfering with any right or privilege secured under one of the applicable civil rights laws, or because they have made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding or hearing under one of the applicable civil rights laws. Program access for persons with disabilities is covered in the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973 as amended. Under the Food Stamp Act and USDA-FNS policy, discrimination is prohibited also on the basis of religion and political beliefs or affiliation. This policy

covers eligibility for access to service delivery, and to treatment in all of the programs, services and activities. All employees are expected to support the goals and programmatic activities relating to nondiscrimination in service delivery.

5. CAP assures that both their facilities and programs are accessible to persons with disabilities.
6. TTYs are available at the Family Crisis Center and other sites accessed by participants.

Family Crisis Center TTY	715/345-5244
Waupaca DV Outreach TTY	715/256-1123
CAPsell Center TTY	920/787-4416

7. The Wisconsin Telecommunications Relay System is accessed by dialing 711. The system allows a voice telephone user to call or be called by virtually anyone who may be deaf, hard-of-hearing or speech impaired. Communication between text and voice phones is bridged through a telephone operator. Calls are confidential. Spanish is also available.
8. An assistive listening device is available for individuals needing amplification equipment for seminars or other group presentations. Contact the Human Resources Manager or their representative at the 5499 Highway 10 E office (715/343-7505) to arrange for use of this unit.
9. If interpreters for the deaf and hard of hearing are needed, they can be found at the following website. The program needing the service will pay for the service and should issue a purchase order.

<http://dhs.wisconsin.gov/sensory/>

10. When requested, documents will be printed in large type and made available to individual with limited visual acuity.
11. CAP will provide written notice in the primary language of the Limited English Proficiency (LEP) language group, of the right, free of charge, to receive culturally competent oral interpretation necessary to ensure effective communication. This applies to LEP language groups that are likely to be encountered by programs in CAP's service area. A language group is identified when the individuals who do not speak English but speak another language represent 5% of the service population. CAP currently provides Hmong and Spanish interpreters.
12. CAP will not use a family member or a friend of the recipient as the oral interpreter for any service, unless the participant wants no other interpreter. As with the use of

any non-professional interpreter, the recipient must consider issues of competence and appropriateness; CAP may require a professional interpreter be available for quality assurance. Recipients should take into consideration issues of accuracy, conflict of interest, and confidentiality when determining whether the service provider should respect the desire of the LEP person to use an interpreter of his/her own choosing. No minor may act as an interpreter. Under no circumstances may a minor son daughter or child act as an interpreter.

13. Hmong and Spanish interpreters can be accessed at 715-343-7100. Assistance for other languages can be accessed from InSync at 866-501-2002.
14. CAP will provide written translation of vital documents for each eligible LEP group. These documents are currently available in Hmong and Spanish.
15. The Civil Rights Compliance / Limited English Proficiency policy will be posted at CAP worksites.
16. New employees and managers will be informed of the policy as part of the orientation program. Current staff will be trained on the policy every three years.
17. The Civil Rights and LEP officers will be identified by management. These officers will be responsible for monitoring and evaluating compliance to the plan and for resolving any complaints from staff or clients.
18. When a complaint is made, all investigation documents will be confidential. All participants in the complaint investigation are protected from retaliation.
19. Compliance with the Civil Rights / LEP plan will be reviewed annually by management.

Prior Approval Required (updated 7/08)

1. Funding source approval varies; Department Directors should check the contacts and appropriate regulations for specific requirements. Many funding sources require prior approval for:
 - Equipment (The current definition of equipment in Office of Management and Budget Circular A-122 is \$5,000.)
 - Sub-contracts
 - Changes in key personnel
2. Board of Directors review and approval is needed for:
 - Any changes in the position or salary schedules
 - Proposals of \$10,000 or more
 - Leases of \$10,000 or more per year or longer than 12 months
 - Contracts for services for more than 12 months
 - Loans to CAP Services
 - Purchases of equipment or property of \$10,000 or more;
 - Rehabilitation or construction of property owned or leased by CAP Services costing more than \$10,000
 - Purchase or sale of all real property;
 - Cost of living adjustments, merit bonus plans, changes in fringe benefits as outlined in the Employee Handbook
 - Adding, deleting or upgrading positions
 - Changes to the Employee Handbook
 - Waivers of minimum education and/or work experience for regular full and part-time employees or limited-term employees changing to part or full-time status
3. CEO approval is needed for:
 - Purchases of \$5,000 per unit or more
 - Rehabilitation of property owned or leased by CAP Services costing more than \$5,000
 - Changes in individual salaries or wages
 - Waivers of minimum education and/or work experience for Limited Term Employees
4. Head Start Policy Council approval is needed for:
 - Hiring or firing any Head Start staff
 - Amendments to the Employee Handbook
 - Annual budget, recruitment areas, program options and design
5. This listing is not all-inclusive.
6. Repayments of M&I client loans and payments on construction loans or other contracts approved by the Board of Directors (and funding sources when necessary) do not need further approval once signed off by the Department Director or his/her delegate.
7. Payment of vendors for work done on client homes does not need Board or CEO approval but must be approved by the Department Director or designee.

Appeals, Conflict Resolution (revised 12/09)

1. CAP Services Board of Directors and staff and are committed to operating quality programs. When errors occur, they will be promptly investigated and corrected.
2. Employees should follow the conflict resolution procedure outlined in the Employee Handbook. The conflict resolution procedure should be used when :
 - an employee wishes to appeal a decision or action made by someone in authority over them to a higher level of authority, or
 - when they feel they have been treated unfairly with regard to the application of the Employee Handbook and/or Agency procedures, or
 - if they feel the Employee Handbook is in violation of the law, regulations, or grant conditions.
3. Individuals, including clients, community groups, bidders, and vendors who feel they have been unfairly denied services, assistance or consideration in hiring or purchasing by the Agency or its representative may appeal. The appeal should be in writing and submitted to the CEO at 5499 Highway 10 E. Suite A; Stevens Point, WI 54481.
4. Any person denied service will be notified of the denial in writing and advised, in writing, of the appeal process. Appeal forms may be obtained from the Director of Administration at the address given above.
5. In addition to the above remedies, CAP will observe and follow any conflict resolution or mediation procedures required by funding sources.

Board of Directors Meetings (revised 3/10)

1. The Board of Directors meets the last Wednesday of the month except for November and December when the Board meets the second Wednesday of December. The board meeting schedule is subject to change, however, depending on circumstances. Persons interested in a current schedule should contact the Highway 10 office.
2. Board meetings are not subject to the open meeting law; however, the Board has chosen to operate under the “spirit” of the law. Interested individuals and employees may attend. Only Board members and those individuals invited by the Board may speak at a Board meeting.
3. Accurate minutes of all meetings of the Board of Directors and its committees will be prepared in writing. The President/ CEO or Director of Administration will review all minutes prior to distribution. Minutes are subject to review and approval by the full Board. The Director of Administration will maintain custody of the Board minutes.
4. Notices of Board and Committee meetings and the minutes of the meetings will be posted in designated places at each CAP worksite. It is the employee’s responsibility to keep informed of Board of Director’s decisions.
5. It is the intention of CAP's board to hold a meeting at each of our scheduled dates and locations. Only if holding the scheduled meeting would place board members in jeopardy will the meeting format and time be altered. The primary condition that could place board members at risk is inclement weather (snow advisories, fog, etc). In the event that a meeting can not be safely held, it is the board's intention to meet using telephone or electronic device. If a quorum is available, the meeting will be a regular meeting. If a quorum is not available, the meeting will be held as a meeting of the executive committee and only those matters requiring immediate action will be addresses. All board members, if available, are expected to join the meeting in person or by telephone or electronic device. The meeting format will only be changed when CAP's CEO and the Chair of the Board (or Vice Chair if the Chair is unavailable) agree to announce a board meeting change. The decision to change a board meeting will be made no later than 4PM on the day of the meeting. CAP services staff will attempt to contact all board members to notify them of the meeting change and to provide instructions on how to join the meeting by telephone or electronic device.

Records Retention / Protection of Records (updated 11/09)

1. CAP Services prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, tangible object or electronic record with the intent to obstruct or influence an investigation or proper administration of any matter within the jurisdiction of CAP Services, the State of Wisconsin or the United States government or in relation to or contemplation of any such matter or case. Violations may result in disciplinary action, up to and including dismissal.
2. CAP Services retains records as required by law and destroys them when appropriate. The destruction of financial records must be approved by the Chief Financial Officers; HR records destruction must be approved by the Director of Administration.
3. Beginning in May, 2010, e-mails will be retained no more than 24 months. [Staff may delete those emails that have little material content \(confirmation of meeting dates/dates, newsletters, courtesy emails, etc.\) as soon as their relevance or timeliness passes.](#)
4. While not required by law, CAP's Board of Directors has approved a policy of voluntary compliance with Wisconsin's Open Records law when feasible.
5. CAP Services restricts access to sensitive data to CAP employees only (no temporary workers, contractors, or volunteers) and only to employees with a legitimate need for such access. CAP also requires employees to claim print jobs or faxes which contain sensitive information immediately upon printing.
6. Employees working with sensitive or confidential papers or data must take every effort to keep data secure.
7. Payroll and HR records will be in locked file cabinets with access limited to authorized individuals.
8. Financial records will be kept in secure areas. Access to source documents and ledgers will be limited to a need to know basis.
9. Client files and other sensitive data will be kept in a secure place with access to only authorized individuals for legitimate business purposes.
10. Client files will be retained as specified by the funding source.
11. Blank check stock and signature stamps shall be stored in the Accounting Department. This cabinet will be locked with a key that is kept in the Accounting Department. Access to this file cabinet shall be by keys in the possession of the Chief Financial Officer and Accountant. Staff authorized to sign checks will not be told the location of blank check stock.
12. Petty cash will be stored in a drawer locked with a key. The Petty Cash Custodian will be the only employee with keys to the petty cash drawer.
13. As stated earlier, all sensitive data must be securely stored and will be shredded when no longer needed. CAP Services will also shred all consumer information when no longer needed. Shredding will be performed on a schedule determined by each department that possesses such data and the schedule shall be made a part of the Record Retention policy
14. CAP Services uses passwords to restrict access to computer files and network servers. Employees are expected to keep their passwords secret. Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

15. CAP maintains back-up copies of electronic data files off-site in a secure, fire-protected environment. Access to back-up files shall be limited to individuals authorized by management. A log should be kept which records the whereabouts of each backup media. Multiple copies of backup media are recommended so as to not overwrite the most recent backup. Backup files will be checked weekly.

Records Retention Schedule (updated 12/09)

1. The formal records retention policy of CAP Services is as follows.
2. Financial, Human Resources and Corporate records will be destroyed after 7 years or kept permanently, as indicated below.
3. Program staff may use the following guidelines unless funding sources require records be retained longer.

Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Audit reports	Permanently
Bank reconciliations	3 Years
Bank Statements	3 Years
Chart of Accounts	Permanently
Cancelled Checks	7 Years
Client files	7 Years
Client files – Mortgage loan documents	Permanently
Client files – Weatherization	Permanently
Contracts, mortgages, notes and leases:	
Expired	7 Years
Still in effect	Permanently
Correspondence:	
General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 Years
E-mail	2 Years
Employee evaluations	3 years
Employment applications	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years
Insurance records (policy lists, claims, etc.)	Permanently
Internal audit reports	3 Years +
Internal reports	3 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	Permanently
Minute books of directors, bylaws and charters	Permanently

Notes receivable ledgers and schedules	7 Years
Payroll change notices	Permanently
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Physical inventory tags	3 Years
Property records (incl. depreciation schedules)	Permanently
Purchase orders:	
Purchasing department copy	7 Years
Other copies	1 Year
Receiving sheets	1 Year
Retirement and pension records	Permanently
Requisitions	1 Year
Sales records	7 Years
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	3 Years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher register and schedules	7 Years
Withholding tax statements	7 Years
Workers compensation claims	Permanently

General Office Security

1. During normal business hours, all visitors are required to check in with the receptionist. Visitors should be accompanied by staff at all times they are in the building.
2. After hours, a key is required for access to CAP offices. Keys are issued only to CAP Services' employees who need to open or close the office or to work evenings or weekends. Employees will sign a receipt for their office key and return it when employment ends.
3. Employees must not duplicate their office key or allow use of it by any other person.
4. Access to all CAP offices is limited to CAP staff and their guests. Visitors will be accompanied at all times they are in the CAP offices.
5. At the CAPsell Center all doors leading to the CAP offices other than the main door in the reception areas should be kept locked.
6. The last employee to leave the CAP offices each day will check each door to ensure it is locked.
7. In CAP-owned buildings where security systems have been installed a staff member will be designated to maintain and rotate tapes or recordings.
8. New staff members will be shown how to use security systems. Passwords or codes will be kept confidential and changed when an employee terminates employment.
9. Security systems will be tested on a regular basis.

Loans

1. Loans to clients are made only from authorized loan program in accordance with funding source regulations and CAP's loan manual.
2. Loans will not be made to employees except for payroll advances as outlined below, for approved training or travel or as part of CAP's authorized loan programs if the employee meets program eligibility criteria and funding source regulations.
3. Loans from Petty Cash funds are strictly prohibited.
4. Employees may request a payroll advance against the time they have already worked and any other reimbursements due them (i.e. travel). The request should be made in writing to the Chief Executive Officer. These advances are limited at the discretion of the Chief Executive Officer. A signed time sheet and/or travel voucher must be provided. The Accountant will process a payment out of General Funds and make appropriate deductions for taxes, etc. To facilitate payroll accounting, the check will be considered an account receivable and will be deducted from the employee's paycheck for the period.
5. Advances made on the employee's behalf for authorized career development, education, travel or legitimate agency purchases are recorded as accounts receivable until the employee successfully completes the activity and provides the proper documentation. Employees who fail to provide the proper documentation within a reasonable time may be subject to disciplinary action and may have the advance deducted from their paycheck or travel reimbursement.
6. CAP Services' Board of Directors, and funding sources (when required), will approve loans to the Corporation from outside sources (banks, other agencies, etc.).
7. A promissory note will be prepared and signed by the Board Chair or the CEO, if authorized, before the Corporation borrows any funds.
8. Intrafund loans are not allowed.

Joint Ventures (added 12/08)

1. CAP Services will enter into joint ventures only with the approval of the Board of Directors.
2. Senior management will evaluate proposed joint ventures and formulate an analysis and recommendation for the Board's consideration.
3. When analyzing proposed joint ventures, care will be given to safeguarding CAP Services' exempt status with respect to such ventures.

Gifts & Entertainment (updated 1/08)

General Policy Statement

The acceptance of a gift by an employee, officer, agent or a member of their immediate family from a client, vendor or business which appears to be a conflict of interest, an attempt to influence agency purchasing or the provision of services is expressly forbidden and may be considered grounds for dismissal (see Employee Handbook 4.3G). The following situations are not all-inclusive and are provided for guidance. Employees should contact their Department Director or the Director of Administration for further guidance.

Gifts From Third Parties / Entertainment And Hospitality

1. Employees may generally retain gifts under \$25.00. Unsolicited gifts of a nominal value (\$25 or less) may be accepted with the approval of the Department Director. Unsolicited gifts valued at more than \$25 should be sent to the Department Director for program use or disbursement via a drawing at a CAP-related event or meeting.
2. Regardless of the value, gifts should not be retained if:
 - to do so would be inconsistent with accepted good business practices, or
 - the gift is of a nature which could be perceived as a business inducement, or
 - public disclosure of the transaction would likely cause an embarrassment to the Agency, or
 - the transaction would be a conflict of interest perceived as an attempt to influence agency purchasing or the provision of services.
3. Entertainment or hospitality that is ordinary and reasonable in amount is generally acceptable.

Gifts To Third Parties

1. Gifts must be made in accordance with generally accepted business practices and be appropriately recorded on the Agency's books.
2. Prior approval is required from the CEO for gifts with a value in excess of \$50.00.
3. Nominal gifts, such as food, flowers and mementos are generally acceptable.

Violations

Report any apparent violation of this Policy to the Director of Administration. Appropriate disciplinary action (including dismissal) will be taken with respect to any violation per Section 4.3 G of the CAP Services' Employee Handbook.

Hiring & Salary Administration

Recruiting & Hiring (amended 12/08)

1. Each position must have a written job description that includes the minimum qualifications and responsibilities for the position. The job description should be reviewed and approved by the Department Director, Chief Executive Officer, or the Director of Administration or designee. The Personnel Committee must review and approve the Job Description and establish the salary range prior to advertising a new position.
2. The Department Director must authorize recruitment. Recruitment must be conducted in accordance with the Agency's Employee Handbook and funding source requirements, if appropriate.
3. Except when required by funding sources, it shall be the decision of the Department head whether or not to advertise a position for employment. The Department Directors may decide to only post in-house or to promote an in-house candidate when they have an opening in their department. CEO approval is needed for promotions.
4. To initiate recruitment, the position job description is reviewed, updated and given to the Human Resources Manager to be posted at each CAP office, listed with Job Service and advertised in accordance with the Employee Handbook. An application deadline is also established.
5. All applications delivered by the deadline and specifying a position will be considered. For the purpose of EEOC reporting, only individuals meeting the minimum hiring criteria will be considered applicants.
6. The Human Resources Manager prepares an applicant listing, screens all applications and identifies those that meet the minimum qualifications. The Department Director will then screen applications; any elimination prior to the interview process will be based on quantified differences in education and/or experience relevant to the vacancy. The reason for elimination must be noted on the applicant listing.
7. Interviews will be conducted in accordance with the procedures outlined in the Interviewing Prospective Employees section of this manual and within EEO guidelines.
8. CAP Services' has ***Predictive Index (PI)*** services available for its programs and staff. PI allows managers to "profile" the work environment with any position at CAP Services on four continuums (dependence/independence, social/technical, level of pace/variety and formality/detail). PI also provides profiles of current or prospective employees. Information on where they may or may not align is then available to develop effective management strategies for that person. For more information on how to access this resource, please contact your Department Director or CAP's HR department.
9. The Personnel Committee of the Board will be involved in the hiring of Department Directors. The Head Start Policy Council will be involved in the hiring of Head Start staff.
10. All staff hires must be approved by the Department Director. For all positions except Department Directors, the supervisor doing the hiring may make the final

recommendation. The best-qualified candidate should be hired. Refer to the Employee Handbook for information on preferences in hiring.

11. The Board of Directors establishes the salary schedule for the Corporation. The starting salary for a new hire is based on education and experience related to the position. Prior to making a job offer, the Department Director and the Human Resources Manager will review the applicant's qualifications and determine the starting salary. The hiring and starting salary is subject to approval by the Chief Executive Officer.
12. A waiver will be needed from the Board of Directors to hire or promote any individual who does not meet minimum qualifications. Newly hired employees who do not meet the minimums will receive the minimum pay for the position. Employees given waivers of educational requirements are expected to complete the required education within two years of hire or promotion.
13. Refer to the section of this manual titled Placing New Staff on Payroll for information on placing a new employee on payroll.
14. Once a position has been filled, the supervisor or designee will notify all candidates by letter. Candidates will be informed of the reason for their elimination if they ask. The applicant listing and all interview material, reference checks and applications/resumes must be forwarded to the Human Resources Department as soon as possible. The Human Resources Manager will keep the information on file for 1 year.
15. CAP Services is an equal opportunity employer. Any discrimination in recruiting, interviewing and/or hiring will be subject to disciplinary action. Dismissal may result.

Referral Bonuses

1. Department Directors may award up to \$50 in gift certificates for staff referring candidates for vacant positions.
2. Department Directors are not eligible to receive a referral bonus.
3. The Department Director must announce the availability of the referral bonus when posting the position.
4. The candidate must identify the referring staff at the time of application.
5. The bonus will be paid the referring staff when the new recruit successfully completes the training period.

Interviewing Prospective Employees

1. To the maximum extent possible, each applicant should be asked the same questions so as to avoid possible charges of discrimination. Questions should relate to the job. Do not ask any questions prohibited by EEO standards.
2. The Department Director, Director of Administration, or Human Resources staff must approve the interview questions prior to the interview.
3. Any program volunteers, advisory Board members or Board members should be briefed in interviewing techniques and restrictions prior to conducting an interview.

Prohibited Questions

- Questions regarding the applicant's marital status (e.g., married, divorced, single, etc.)
 - Questions regarding the applicant's age, gender, race, health or medical status.
 - Questions, direct or indirect, concerning the applicant's religion (e.g., What holidays do you observe?)
 - Questions about age, except to determine if over 21, where appropriate.
 - Questions concerning ages of children, plans about having children or child care arrangements.
 - Questions regarding the applicant's credit record unless job-related.
 - Questions about the applicant's arrest record unless bondability or licensing is an issue or an offense substantially relates to the circumstances of the job. (CAP will do a criminal background check on the candidate selected after the conditional offer of employment is made. The HR department will determine if any convictions would prohibit employment in the position offered or at the work site.)
 - Questions given to one group of applicants, but not used for another group (women, minorities, veterans, disabled, etc.)
4. The supervisor should check references using the applicant reference checklist form. A minimum of one work-related reference is required; some funding sources require additional.
 5. Applicants being interviewed should complete the CAP employment application if they haven't previously done so.
 6. Applicants should read and sign the ***Interview Checklist*** form at the time of the interview. The signature page should be kept with the application.
 7. In some instances hiring is subject to a good driving record. Human Resources staff will request a driver's abstract after a conditional offer of employment is made if the position requires driving in a CAP-owned vehicle.
 8. Consult the Human Resources Manager prior to offering an applicant a specific salary. The applicant's work and employment history will be verified and checked against the established hiring criteria.
 9. A work permit is required for any employee or trainee under the age of 18. The permit must be obtained prior to the employee's first day of work. CAP is responsible for the cost of the permit. Human Resources staff can assist program staff and the candidate in obtaining the permit.
 10. The American with Disabilities Act, which applies to CAP Services, allows an employer to require a medical exam after an offer of employment is made, and to

condition the offer on the results of the exam, as long as the policy is applied to all new employees in the same job. A physical exam is required for certain positions or procedures (i.e. Family Crisis Center staff, Head Start classroom staff, or Weatherization staff who use negative pressure respirators).

11. Under Wisconsin law, CAP must pay for any medical examination required of employees or job applicants as a condition of employment. Violations of this law subject the employer to a fine.
12. CAP Services is an equal opportunity employer. Any discrimination in recruiting, interviewing and/or hiring will be subject to disciplinary action. Dismissal may result.

Determining Starting Pay – Newly Hired Employee

1. Relevant education and work experience is used to determine starting pay.
2. In most positions, work experience can be substituted for education.
3. Internships at Head Start and the Family Crisis Center count towards work experience.
4. The candidate may receive a step increase for each full year of related work experience in excess of the minimum required for the position. However, starting pay can not exceed the maximum starting pay listed for the position. Maximum starting currently is the base salary plus 6 steps.
5. Each full school year (9 months) worked will be counted as one year of work experience for Head Start classroom positions only.
6. Program staff should determine the candidate's related work experience. Complete the ***Calculation of Starting Rate of Pay*** form and submit it to the Human Resources Manager before making the job offer.

- For example, the position requires:
Education: A BS degree, or AA degree and two years related work experience; and
Work Experience: 2 years of related work experience
- The candidate has an AA and 7 years of related experience
- Determine the excess related work experience (round in ¼ year increments and use full time equivalents) as follows:

84	Months related experience
(24)	Months needed as part of education - (AA plus 2 years in the example)
<u>(24)</u>	Months related work experience
36	Months (3 years) of related work experience in excess of the minimum requirements

Determining Starting Pay – Rehire

1. An individual being rehired for the same position within one year of resignation or layoff will be placed back on staff at the rate of pay at the time of resignation. If rehired for a different position, the beginning wage will be calculated on relevant education and work experience.
2. Personal time will not be reinstated.
3. Vacation will accrue based on the individual's tenure with CAP.
4. Insurance coverage will be effective the 1st of the month following 30 days of employment.

Determining Starting Pay – Promotions

1. Except when required by funding sources, it shall be the decision of the Department Director whether or not to advertise a position for employment. The Department Director may decide to only post in-house or to promote an in-house candidate when they have an opening in their department.
2. Competition is defined as outside advertising or in-house advertising where two or more qualified candidates apply for the job.
3. Qualified shall be defined as the candidate meets all of the minimum requirements of the position. Whether an employee is qualified or not shall be determined by the Human Resource Manager, except where there is an obvious conflict of interest. In the case of a conflict of interest, the CEO shall make the determination of qualified.
4. If the position is advertised or posted only in-house and two or more qualified candidates apply for the position, then the salary is calculated as if the promoted employee is a new hire. Relevant education and work experience, including CAP Services' experience, is used to determine the starting pay. The candidate may receive a step increase for each year of related work experience in excess of the minimum required for the position. However, starting pay can not exceed the maximum starting pay listed for the position.
5. Each full school year (9 months) worked will be counted as one year of work experience for Head Start classroom positions only.
6. If the employee competed for the position with a higher starting rate of pay and the education and work experience rated for the new job was less than or equal to the employee's current rate of pay, the employee will receive at least a one-step increase to acknowledge the promotion. This sometimes occurs when employees have been on staff an extended period of time and have received COLA and other adjustments.
7. If the employee is being promoted, but there was no competition for the job, then the employee is given the minimum wage for the new position or a 4% increase on his/her current pay, whichever is greater. Competition is defined as outside advertising or in-house advertising where two or more qualified candidates apply for the job. (Amended 8/99)
8. If an employee is applying for a job in a higher classification but does not meet the minimum qualifications, that employee should be started at the minimum for the class or their old rate of pay, whichever is higher. A waiver will be needed from the Board of Directors.
9. If an employee is applying for a position in their current classification and does not meet the minimums the employee will receive their current rate of pay. A waiver will be needed from the Board of Directors.

Determining Starting Pay –Reassessments / Demotions

1. If an employee's current position has been re-evaluated, and determined to have a higher starting rate of pay, then the employee will receive a 4% increase in responsibility or be given the new starting rate of pay for the position, whichever is greater.
2. An employee's pay will be reduced only if he/she is accepting a position in a lower classification. In this instance, determine the starting pay for the new classification by including the relevant experience gained at CAP, compare new and current pay, award the lower. Do not add the COLA since the prior year is being considered when calculating starting pay.
3. An employee returning to a prior position in a lower classification will receive their pay rate as prior to their promotion plus COLA or relevant pay band adjustments.

Cost of Living Adjustments

1. The Board of Directors determines Cost of Living Adjustments. These adjustments are usually effective 1/1 (or 4/1 for Early Childhood Development staff).
2. All employees are eligible for COLA.
3. Employees in their original 6-month training period will be given a COLA at the end of training. The COLA will be retroactive to the start of the year (1/1 or 4/1).
4. If a COLA and an increase in responsibility are effective on the same date, the COLA is given first, then the step increase is added.
5. If a COLA and a reassessment of the position occur at the same time, the COLA is given first. Then a 4% increase is added, or the employee is brought to the new minimum wage for the position, whichever is greater.

Increase in Responsibility Raises

1. Raises of one to four steps are available for increases in responsibility.
2. The Department Director and CEO must approve increase in responsibility raises on an individual basis.

Criminal and Background Checks (updated 2/10)

1. Wisconsin day care regulations for Head Start and DHFS licensing requirements for the FCC as a runaway shelter require criminal history record checks for staff at the time of hire and then periodically. Checks will also be run every four years for Domestic Violence staff and interpreters. Checks for Early Childhood staff, Finance staff and Department Directors will be completed annually.
2. Any volunteer in the Head Start program used in calculating the child/adult ratio must have a criminal history record check.
3. CAP Services will follow the regulations outlined in Wisconsin Department of Health Services Chapter 12 (Caregiver Background Checks) and Chapter 13 (Reporting and Investigation of Caregiver Misconduct).
4. CAP Services has established a procedure to obtain criminal history record checks for all employees and volunteers. The Human Resources Manager will obtain the criminal history record and have custody of it. Candidates for employment will be informed of CAP's intent to collect this information. This notification is included in the Employment Application and the Interview Checklist.
5. Wisconsin's Fair Employment Law, ss. 111.31-111.395, Wisconsin Statutes, prohibits discrimination because of a criminal record or pending charge, unless the record or charge is substantially related to the circumstances of the particular job or licensed activity. CAP Services will not refuse employment to a person with a conviction record or pending charge unless the circumstances of the conviction or pending charge substantially relates to the particular job or licensed activity.
6. Candidates will be offered employment contingent upon a satisfactory criminal record history check. Employees whose criminal record history check indicates convictions related to the job will be terminated from employment.
7. Candidates may view their criminal history record and resolve any disputes with the criminal justice agency from which CAP received the information. However, until CAP receives a correction from the criminal history record repository, CAP will assume the criminal history record is correct.
8. The Human Resources Manager will review the criminal history record. Each job and criminal record will be considered individually. The Director of Administration (DOA), Department Director and CEO will be involved in determining if convictions and pending charges are related to the job. Screening criteria will be based on convictions, not arrests. Candidates can be screened for arrests if the final disposition is pending and if a conviction would prohibit employment. If the conviction is relevant, the DOA will contact the Department Director.
9. Offenses become relevant based upon the nature of the job. For example, a person convicted of embezzlement or other financial crime would not be placed in an accounting position. Other factors taken into consideration include.
 - WI day care regulations specify which convictions prohibit an individual from employment in a day care operation. These regulations also specify when an arrest without an conviction can prohibit employment. The current regulations can be obtained from the DOA.
 - The length of time since and the circumstances surrounding the conviction.
 - The age of the individual at the time of the offense.

- Societal conditions that may have contributed to the nature of the conduct (i.e. disorderly conduct charge stemming from a civil rights protest march).
 - The probability the individual will continue the type of behavior in question.
 - The individual's commitment to rehabilitation and changing the behavior in question.
10. An employee shall report to the Human Resources Manager by the next working day information about any pending charges or conviction for a crime or investigation by any governmental agency of any act or offense that would bar employment. This includes reporting the loss of a driver's license or the change of a driver's license to occupation status if the job description requires a valid drivers license.
 11. CAP Services will not release the results of criminal background checks secured on its employees or volunteers to any other agency or business.
 12. The criminal background checks secured on clients or program participants will be released on a restricted basis; primarily only to the grantor or other entities directly involved in providing services.

Placing New Staff on Payroll

1. Complete the *Calculation of Starting Rate of Pay* form and submit it to the Human Resources Manager prior to offering an applicant a specific salary. The applicant's work and employment history will be re-verified and checked against the established hiring criteria. Candidates for salaried positions should be quoted pay in semi-monthly increments. Do not quote annualized salaries.
2. Provide a conditional letter of hire to the candidate confirming wage, starting date, etc. Send a copy to the HR Assistant.
3. When the HR Assistant receives the conditional letter of hire, she will send the supervisor a packet of information to for the new hire for use on the first day of employment.
4. The following forms and information are needed to place a person on payroll. Forms are due to the Human Resources Manager within two working days of the employee's start date. In order to receive a payroll check, forms must reach the Human Resources Manager by the 4th day prior to the close of the pay period in which the new employee starts:
 - Calculation of Starting Rate of Pay verified by HR Manager
 - CAP Services Employment Application (and Resume if available)
 - Interview Checklist
 - Applicant reference checks
 - Interview questions and notes
 - Employee Emergency Contact Form
 - W-4 Employee's Federal Withholding Certificate
 - WT4 Employee's Wisconsin Withholding Certificate
 - I-9 Employment Eligibility Verification
 - Scheduled Hours
 - Starting date
 - Request for Payroll Change form
 - Results of Physical Exam (if required of applicant)
 - Job Evaluation Scoring Sheet (if changed)
 - Authorization for Direct Deposit of Paycheck
 - Personnel Committee waivers if the candidate does not meet minimum qualifications
 - Head Start Policy Council Approval (HS staff only)

Orientation Packet Contents

The Human Resources Manager will provide orientation packets for new employees. The packets will contain:

1. Instructions for completing a time sheet, deadlines for submission and an example of a completed time sheet.
2. Instructions, forms and information including
 - Travel Vouchers
 - Request for Travel / Training / Career Development
 - Career Development Plan
 - Basic information and rates for group medical, dental and life coverage for eligible employees
 - Instructions for completing group insurance enrollment forms
 - Holiday schedule for the current year
 - Information on the 401k retirement plan
 - Information on the IRS Section 125 plan (flexible spending account)
 - Drug-Free Workplace Requirements
 - Civil Right Compliance / Limited English Proficiency page from Fiscal & Administrative Procedures Manual
 - CAP Overview / Introduction to CAP
 - Employee Handbook
 - Memo regarding salaried vs. hourly status
 - Staff phone directory
 - Worker's compensation injury information
 - Verification of employment instructions
 - EITC – Earned Income Tax Credit forms
 - EAP - Employee Assistance Program information and contacts
 - Employee emergency fund information
 - Summary Plan Documents for group insurance and retirement plans
 - Basic office safety procedures
 - Friends of CAP Services information and forms
 - A sign-off sheet acknowledging the employee has received the orientation packet and Employee Handbook and is responsible for reading the information
 - CAP overview and other agency information

Employee Orientation

1. The Human Resources Manager will provide an orientation packet to the new employee and will follow up by phone after the employee has had adequate time to read the materials. The mailing will be done with enough time to allow the employee to enroll in group insurance.
2. Orientation is held from 9:00 am to 12:15 pm on the 3rd Friday of each month (subject to change). Orientation sessions are held at 1608 W. River Drive, Stevens Point.
3. Reservations to attend orientation should be made by calling the HR Assistant at 715-343-7500.
4. New employees should attend orientation within 90 days of hire. Limited Term Employees may be granted extensions by the Department Director.
5. The Department Directors (or their delegate) will orient their staff on procedures, policies and practices that apply to the program in which the employee will be working.

Wage Comparability & Salary Schedule (updated 12/08)

1. The Board of Directors establishes the salary schedule for the Corporation using the position classification system and wage ranges typical for comparable work in similar organizations in the State. The starting salary for a new hire is based on education and experience related to the position.
2. CAP Services will perform wage comparability studies on a sampling of positions every three years to ensure wage structure is appropriate for the organization.
3. CAP Services will participate in selected wage studies when the information is collected for CAP's geographic area, for WISCAP or other Wisconsin CAP agencies or for selected trade groups (MRA, as example).
4. The compensation for senior management, including the CEO, is determined in the same manner as that of all other staff. Certain positions may have performance-based incentives, as approved in advance by the Board of Directors.

Employee Relations

Employee Handbook

1. Each employee will receive a copy of the Agency's Employee Handbook in their new employee orientation packet.
2. The Employee Handbook is not a contract. Policies are subject to change at the Board's will.
3. Each employee is responsible for knowing the Employee Handbook and complying with the Employee Handbook.
4. All changes to the Employee Handbook will be in accordance with the procedure outlined in the Employee Handbook. All changes will be published in the minutes of the Board of Director's meetings. Employees are responsible for reading these minutes so as to keep informed of changes in the Employee Handbook.
5. The Director of Administration will update the Employee Handbook manual and distribute it at CAP's annual all-staff meeting.

Notices to Employees on Vacancies, Meetings, Changes in Policies

1. CAP Services' job vacancies, notices of upcoming Board and Committee meetings and the minutes of the meetings are posted in designated sites in each office. Each site has a person designated to post these notices in an easily accessible place.
2. Employees are encouraged to read the minutes each month. The minutes show what policy and program changes are being considered or taking place. Information on position classification changes, raises, merit systems, new programs, etc. can be found in the Board minutes. It is the employee's responsibility to keep him/herself informed of the Board of Directors' decisions and policy changes.
3. Interested individuals and employees are invited to attend the Board meetings. The meetings are generally held at 7:30 on the last Wednesday of the month (except November and December).
4. The Board of Directors established the Employee Relations Committee to provide employees a formal channel of communication with the Personnel Committee and Board.

Work Expectations & Evaluations

1. Employees will be given a written set of work expectations (commonly referred to as a performance agreement). In some instances the job description will serve this purpose. The agreement is intended to outline work expectations only; it does not bind CAP Services or the employee to a specific period of employment.
2. The supervisor should ensure the employee understands the expectations. The employee must sign the document. A copy of the performance agreement will be forwarded to the Human Resources Manager.
3. Employees will be provided with written performance evaluations at least annually; the evaluation will be forwarded to the Human Resources Manager and will become a part of the employee's personnel file. Newly hired employees and those on probation must be evaluated more frequently.
4. Employees are urged to sign the evaluation to indicate they have reviewed it. If the employee refuses to sign the evaluation the supervisor should note the date the evaluation was discussed with the employee and forward it to the Human Resources Manager without the employee's signature.
5. Employees who disagree with information contained in the evaluation should discuss their concerns with their supervisor. Employees may attach a written statement to the evaluation; both the evaluation and the employee's statement will become part of the employee's permanent personnel file.
6. All newly hired employees will receive an evaluation at the end of the primary training period. If an employee receives a satisfactory evaluation the evaluation must be promptly sent to the HR Manager to signal benefit changes for the employee (accruing personal time, allowed to take vacation).
7. If an employee receives an unsatisfactory evaluation, note any personnel action (extended primary training, probation, etc.) on the evaluation and forward immediately to the Human Resources Manager. If termination is considered, contact the HR Manager prior to the evaluation. The CEO must approve the termination.
8. Employees who work at least 50% of the evaluation period should be evaluated, even if the employee has terminated employment. The supervisor should mail a copy of the evaluation to the former employee.

Predictive Index (PI)

1. CAP Services' has ***Predictive Index (PI)*** services available for its programs and staff. PI allows managers to "profile" the work environment with any position at CAP Services on four continuums (dependence/independence, social/technical, level of pace/variety and formality/detail).
2. PI also provides profiles of current or prospective employees. Information on where they may or may not align is then available to develop effective management strategies for that staff person.
3. For more information on how to access this resource, please contact your Department Director or CAP's HR Manager.

E-Mail Policy

CAP Services has established a policy with regard to access and disclosure of electronic mail messages (e-mail) created, sent or received by CAP employees and volunteers using CAP's mail system. The policy that follows is a summary; the full text of the policy is in the Employee Handbook.

CAP intends to honor the policies outlined below, but must reserve the right to change them at any time as may be required under the circumstances.

1. CAP maintains an electronic mail system. This system is provided by CAP to assist in the conduct of business within CAP Services.
2. The e-mail system hardware is CAP Services' property. Additionally, all messages composed, sent or received on the e-mail system are and remain the property of CAP Services. They are not the private property of any employee.
3. The use of the e-mail system is reserved solely for the conduct of business at CAP Services. It may not be used for personal messages during business hours.
4. The e-mail system may not be used to solicit or promote for commercial ventures, religious or political causes, outside organization, or other non-job-related solicitations at any time.
5. The e-mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, national origin, or disability.
6. The e-mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization.
7. CAP Services reserve and intends to exercise the right to review, audit, intercept, access and disclose all messages created, received or sent over the e-mail system for any purpose. The contents of e-mail properly obtained for legitimate business purposes may be disclosed with CAP Services without the permission of the employee.
8. The confidentiality of any message should not be assumed. Even when a message is erased, it is still possible to retrieve and read that message. Further, the use of passwords for security does not guarantee confidentiality. All passwords must be disclosed to CAP Services or they are invalid and cannot be used.
9. Notwithstanding CAP Services' right to retrieve and read any electronic messages, such messages should be treated as confidential by other employees and accessed only by the intended recipient. Employees are not authorized to retrieve or read any e-mail messages that are not sent to them. Any exception to this policy must receive prior approval by CAP Services.
10. Employees shall not use a code, access a file or retrieve any stored information, unless authorized to do so. Employees should not attempt to gain access to another employee's messages without that employee's permission. All computer pass codes

must be provided to supervisors. No pass code may be used that is unknown to the company.

11. Any employee who discovers a violation of this policy shall notify their supervisor.
12. Any employee who violates this policy or uses the e-mail system for improper purposes is subject to discipline, up to and including discharge.

Drug Free Workplace Requirement

CAP Services' federal contracts require CAP maintain drug-free workplaces. The policy that follows is a summary; the full text of the policy is in the Employee Handbook.

The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and action will be taken against employees, volunteers or visitors for violation of such prohibition.

1. A drug-free awareness program has been established. This includes:
 - Periodic warnings on the dangers of drug abuse in the workplace;
 - CAP's intention to maintain a drug-free workplace;
 - Information on where to obtain drug counseling and rehabilitation is available from CAP Services' Drug Enforcement Officer.
2. All employees must:
 - Abide by the terms of this statement; and
 - Notify the Drug Enforcement Officer of any criminal drug statute conviction for a violation occurring in the workplace. This notice must be given no later than five days after such conviction.
3. In the event an employee is found to have violated the policy and is suspended from work the Department Director will prepare a Request for Payroll Change indicating "disciplinary suspension" and forward it to Human Resources. Upon return to work another Request for Payroll Change will be submitted indicating that fact. The payroll accountant will monitor the collection of insurance premiums during the suspension.

Employee Assistance Program

1. CAP provides employees and their families with an Employee Assistance Plan.
2. The current provider is Associated Employee Assistance Services (AEAS).
3. AEAS does not provide CAP with names of individuals accessing the plan; **all contacts are confidential.**
4. The employee or family member is not charged a fee for counseling provided by Associated Employee Assistance Services.
5. The employee or family member may be billed for services provided by other service providers.

Associated Employee Assistance Services can be reached at:

715/344-6379 or
800/540-3758

Honorariums

1. When an employee makes a presentation to a group or organization and the presentation is given within the Agency's service area, any honorariums offered by the organization will be considered a donation to CAP Services.
2. Honorariums will be submitted to the Finance Department for deposit into CAP Services' checking account and will be included in the financial records as program income.
3. The service area will include any county in which CAP Services offers programs.
4. Employees may keep honorariums only if all of the following conditions are met:
 - The presentation is outside of the Agency's service area; and
 - The employee must claim vacation time to prepare or make the presentation if it is during regular business hours, no flex time will be allowed ; and
 - All expenses relating to the presentation, included but not limited to copying, phone calls, travel, and per diem are paid by either the employee or the organization requesting the presentation; and
 - The employee informs the organization to which the presentation is made he or she is keeping the honorariums; it is not being given to CAP Services.

Children at the Worksite

The presence of children in the workplace, under the employee parent' supervision during the employee's workday is inappropriate and is to be avoided except in emergency situations. This policy is established to avoid disruption in work, both by the employee and coworkers, reduce property liability and help maintain CAP Services' professional work environment.

1. Bringing a child to work in lieu of appropriate childcare is not permissible.
2. Sick children should not be brought into the workplace under any circumstances to avoid exposure of disease to other employees and clients.
3. If bringing a child to work with the employee is unavoidable, the employee must contact his or her supervisor (or Department Director/DOA if the supervisor is unavailable) as soon as possible to obtain permission to have the child accompany the employee to work. If permission is granted, the child's stay at the worksite will be limited to 30 minutes or less. This is offered to accommodate an unexpected need for exchange of a child between supervising parents/guardians/caregivers, for an employee who may have to pick up work projects to take home due to unexpected child care issues or other unanticipated or emergency events). The child is the parent's responsibility and the parent must supervise the child during the full stay to avoid disruptions.
4. A brief visit by a child when under the supervision of another parent/guardian/care giver is permissible without supervisor approval (i.e., spouse/child stopping by to take employee to lunch, share brief news).

Routing Disciplinary Action Notices & Employee Resignations

1. Send the Human Resources Manager a copy of any reprimand on the same day it is issued to an employee.
2. The Human Resources Manager will inform the employee in writing of his/her grievance rights; grievances must be filed within 30 days of the original complaint.
3. Employees must give two (2) weeks notice, in writing, to their Department Director or the Chief Executive Officer when resigning. Employees in positions in the top 5 pay bands on the Salary Schedule must give (4) weeks notice. Employees who fail to provide proper notice will forfeit payout of accrued personal time.
4. Department Directors should sign and date the resignation so the Agency has a record of the date it was given. Send a copy of the resignation to the Human Resources Manager as soon as it is received. This is needed to process the vacation and personal time payoffs for the departing employee and to provide COBRA notification by the legal deadline.
5. Complete and send a Request for Payroll Change to the Human Resources Department on the individual's last day of work at CAP Services confirming the actual last date the employee was physically on the job.

Resignations

1. Employees must give two (2) weeks' notice, in writing, to their Department Director or the Chief Executive Officer when resigning. Employees in positions in the top 5 pay bands must give four (4) weeks' notice. See the salary schedule in the Employee Handbook to determine the time required. Employees who fail to provide proper notice will forfeit payout of accrued personal time.
2. Employees who fail to notify their supervisor of their absence on three or more consecutive workdays will be considered to have resigned employment.
3. Employees must sign and date the resignation to provide a record of the date it was given.
4. Department Directors should sign and date the resignation and send a copy of the resignation to the Human Resources Manager as soon as it is received.
5. The Human Resources Manager will process the vacation and personal time payoffs for the departing employee and provide COBRA notification by the legal deadline.
6. Employees who do not give proper notice of resignation will not be paid their accrued personal time.
7. If an employee only verbally states an intent to resign and does not provide a letter of resignation as required, the supervisor should prepare a memo briefly explaining the matter and send that memo to the Human Resources Manager immediately.
8. Use of any personal time after the notice of resignation is given is at the discretion of the Department Director.
9. The employee's last day of work is his/her last day physically on the job. The Department Director should complete and send Request for Payroll Change to the Human Resources Department to confirm this date.

Memorials - Bereavement

1. When a CAP employee loses a member of their family flowers or a memorial donation may be made. CAP has established a \$50 guideline. Immediate family members are defined in the Employee Handbook under funeral leave.
2. The Administrative Assistant at the Hwy. 10 office or staff at the other offices will arrange for flowers or a memorial donation.
3. If a CAP employee loses someone other than an immediate family member, the employee's worksite would take responsibility in whatever form they choose (i.e. collect from co-workers for flowers or a memorial donation).

Safety

Basic Office Safety Procedures

1. Know where all exits are in your building. Review your fire and evacuation plan at least once per year.
2. Locate the fire extinguishers and become familiar with their use.
3. Know how to dial emergency services for your building and your building's address. Do you first need to dial 9 and then 911?
4. If you need to evacuate the building know where the designated meeting place is outside your building.
5. In the event of tornado, seek shelter in an interior room or basement, keep away from windows.
6. If there is a paging feature on your phone system, become familiar with how to use it.
7. Know where the first aid supplies are located at your worksite.
8. Be aware of who is in the building with you so you can do a head count to ensure everyone is safe; look out for one another.
9. Do not let strangers wander in the buildings; accompany them to and from their appointment.
10. As staff leave for the day keep tabs on who is still in the building.
11. Lock all doors if you are working alone in the building after hours.
12. Keep exit paths clear. Keep exit doors unlocked during the work day.
13. Keep floors clean, free of debris and dry.
14. Do not overload electrical outlets and circuits.
15. Report any hazards to your building supervisor.
16. Report any burnt out exit lights to your building supervisor.
17. Building and Grounds staff will arrange to have the fire extinguishers serviced annually and will test and replace fire and smoke alarm batteries at least yearly.



Injuries at the Worksite – Work Related (revised 12/09)

1. In the event of injury take the necessary steps to protect life. Administer first aid, transport for medical treatment or call an ambulance as necessary.
2. Any injury should be reported to the supervisor immediately.
3. If medical attention is necessary, the injured employee should first contact his personal family physician. If family physician not available, utilize a local Urgent Care facility. Use a hospital emergency room as a last resort.
4. The employee should indicate to the doctor or hospital that this is a work-related injury. The medical staff should contact the Human Resources Manager for coverage information.
5. If the injury results in time off work or requires emergency hospitalization, the supervisor will immediately contact the Human Resources Assistant with details on the injury and its circumstances. The supervisor should keep the Human Resources Assistant informed of the employee's absences relating to the injury. The Worker's Compensation law requires the injury be reported to the insurance company within 24-hours if the employee is absent from work due to the injury.
6. All injuries must be reported to the Human Resources Assistant using the ***Report of Injury*** form available at CAP work sites.
7. The Human Resources Assistant will report worker's compensation claims directly to the insurance company.
8. The Human Resources Assistant will provide any follow-up necessary until the claim is closed. Employees who need assistance with their claims should contact the Human Resources Assistant.
9. Claims involving injury to clients, volunteers, or visitors should be reported to the Director of Administration. The Director of Administration will report to the general liability insurer.

Injuries at the Worksite – Guests or Employees of Tenants

1. In the event of injury, take the necessary steps to protect life. Administer first aid, transport for medical treatment or call an ambulance as necessary.
2. Report all injuries to guests, clients or other visitors to the CAP's Director of Administration within 24 hours using the ***Accident Report*** form. The form is available at capnews.info.
3. The DOA will report claims to the insurance company as appropriate.
4. Injuries to employees of tenants (i.e. staff of FVTC, the school district, Job Center, etc.) should be reported to the injured party's employer. These injuries should be covered by their employer's workers compensation policy. However, notify CAP's DOA using the Accident Report form available at the capnews.info website.
5. Report all work-related injuries of CAP staff to the HR Manager within 24 hours. Use the Report of Employee Injury form available at worksites and at capnews.info.

Two Way Radios

When an employee is identified to be at some risk or threat of injury by another individual, CAP Services' policy is to identify and implement measures designed to either reduce the risk of injury or facilitate a quick response to a request for assistance. Supervisors, for example, may allow an employee to vary their start or end work times to minimize predictability with coming and going to work.

Staff identified at risk may also be issued two-way radios to alert others when there is a perceived threat of physical harm. The individual or their supervisor can request this equipment from CAP's Administrative office at 5499 Highway 10 East, Stevens Point, Wisconsin by contacting the Director of Administration or Director of Human Development.

When this equipment is issued, the following protocols will be followed:

1. The staff member at risk agrees to test the equipment when they obtain it to ensure it operates properly. They also agree to periodically check the equipment to ensure it functions properly.
2. The staff member agrees to carry the equipment with them while on CAP premises (parking lot and building).
3. The staff member agrees to activate the "call button" on the radio if they perceive a threat to their safety.
4. When the designated staff person, referred to as the "responder" (who holds the other radio) hears the call button activated, they will immediately proceed to find the staff member to assess risk or danger. They should not commence a conversation via the radio for purposes of assessing the situation.
5. If the staff member, who activates the call button, is in an office or meeting room with another individual(s), the responder will tell the staff member there is an emergency and ask that they leave with them immediately. The purpose is to get the employee at risk away from the person posing the threat.
6. If the responder cannot find the employee, the responder will immediately call 911 and proceed to evacuate the facility. If the staff member needing assistance is outside, do not evacuate the building.
7. If the employee is able to leave the room, the responder will determine if the call was intentionally made. If it was, the responder will call 911 and proceed to evacuate the facility.

An employee and their supervisor will determine the time period for which the equipment is issued. The equipment can be used as long as any potential for risk persists. When the equipment is determined to be no longer needed, it should be returned to CAP's Administrative Offices.

Payroll and Other Payments to Employees & Participants

Reimbursement Rates (updated 2/10)

Current reimbursement rates are:

1. Employee and Board of Directors travel - determined by the Board of Directors, currently 50¢ per mile.
2. Members of the Employee Relations Committee will receive a \$15 a month incentive for attendance at an ERC or Board meeting.
3. Board incidental expense reimbursement - \$25 per meeting (if not reimbursed by another source), with a maximum of one claim per day or four per month.
4. Head Start parent travel 48.5¢ per mile.
5. Head Start participant dependent care - \$3.00 per hour for one child, \$3.50 per hour for two or more children.
6. Skills Enhancement participant travel - \$0.20 per mile for Skills Enhancement enrollee.
7. Skills Enhancement participant dependent care - \$1.75 per hour.
8. Participant dependent care will not be reimbursed when a member of the household provides the care.
9. Any claim for travel or dependent care reimbursement must be submitted in writing on approved forms. Only work-related or participant training costs can be reimbursed.

Payments and Insurance for Participant Child Care

1. Participants in some programs are eligible for child care reimbursement.
2. CAP will reimburse eligible participants directly for allowable childcare expenses. Participants are expected to pay their childcare provider.
3. If the funding source requires payment to be made directly to the child care provider, the following procedures will be followed:
 - CAP will make payments directly to the child care provider only if the provider has a Federal Employer Identification Number (FEIN) issued by the IRS. The presence of a FEIN indicates the provider meets the criteria of an independent contractor under Wisconsin law and relieves CAP of worker's comp liability.
 - If the child care provider doesn't have a FEIN, payments will be made to the participant on a two party check payable to the participant and the child care provider only if the funding source requires a two-party check. Purchase orders should note a two party check is requested and should list first the participant and then the childcare provider in the payee section of the purchase order.
4. Since the childcare arrangements are made between the participant and the provider CAP will not require any certificates of insurance for child care providers. Participants should check with the child care provider if they have any concerns about insurance coverage.

Payments for Skill Enhancement Participants

1. The Skills Enhancement Program can assist with child care for up to two classes or six credits, with a maximum of 12 hours per week per child. The Program pays \$1.75 per hour per child for childcare. Any additional charges are the responsibility of the participant. Any childcare agreements are made between the child care provider and the participant.
2. Childcare providers must be over the age of 18.
3. The child care provider and the participant must submit a ***Child Care Form*** for payment. The form is signed by the provider and the participant. Childcare payments are made directly to the participant (noted as such on the purchase order).
4. The Program can assist with transportation costs to go to and from school in the form of mileage reimbursement. The first ten miles of a round trip are considered the responsibility of the participant. This model reinforces the partnership between the participant and the program and the participant's investment in reaching their goals.
5. Any miles traveled exceeding the first ten miles of each round-trip are reimbursed at the rate of \$.20/mile. Round trip transportation may include home to children's childcare to the school, back to the child care provider's and then home again.
6. Maximum allowance spent on each participant per year:
 - \$900 per semester for tuition or up to 6 credits
 - \$100 per month for mileage for each county per family
 - \$125 per month for childcare
7. If a participant is receiving financial aid or assistance from another agency, the Program can only assist with those costs not covered by financial aid grants or other assistance. In rare instances where financial aid award letters arrive late, the Skills Enhancement Program can provide tuition and book assistance in the form of a loan to the participant until financial aid monies arrive. These are the steps that must be taken:
 - A signed release must be turned in complete a credit check.
 - A credit check by CAP Services must be done within 48-72 hours.
 - The case manager and the participant must sign a promissory note for the loan to be complete; this must be attached to the purchase order so CAP's finance department knows when to expect payment from the participant. The account code to use on purchase orders in these situations is 0110-0000-0000. In the event of non-payment, the promissory note is needed should a small claim be filed in small claims court.

Participant Support (added 9/10)

1. A number of programs provide financial assistance for participant supportive services. These may include assistance with rent/utilities, child care cost, training-related books, tuition and or testing, transportation, assistance with obtaining a driver's license, health/mental health/AODA services and other support needed to remove barriers toward self-sufficiency. These funds are typically considered grants to the individuals who are deemed eligible and in need of such support.
2. When a short-term loan may be appropriate (i.e., payment of tuition pending financial aid award), staff shall develop a loan repayment plan and secure a promissory note for the same.
3. It is CAP's policy not to provide support service funds for the payment of traffic citations, fines, fines to halt arrest warrants, bail, or other court judgments. Should any funding source identify other ineligible uses of support funds, the program will comply.

Request for Payroll Change (Payroll Change Notice – PCN)

1. The Request for Payroll Change (often called a PCN) is used to obtain Department Director and CEO authorization and notify the Human Resources Manager of the following changes:
 - Hire or rehire
 - Layoff, resignation or termination to confirm last day on the job
 - Change in Department or Program
 - Change in job title
 - Change in wage or salary
 - Change in the number of hours worked (a ***Scheduled Hours*** form is also required)
 - Promotion – attach documentation
 - Demotion – attach documentation
 - Leave of absence
 - Change in worksite or supervision
 - Drug free workplace suspension and subsequent return to work
2. Requests for Payroll Change are due to the Human Resources Manager by the 4th day prior to the close of the pay period.
3. The HR Assistant will collect the PCN, verify the accuracy and obtain the CEO's approval, prepare a Payroll Transmittal summarizing the changes.
4. The authorized PCN will be used to initiate changes in the HR information system and the payroll software.
5. The HR Assistant will upload the changes to the payroll software.
6. The Payroll Accountant and HR Assistant will verify the changes have been properly made.
7. Changes in payroll will be shared as needed with finance staff who have responsibilities for allocating wages among the various programs.

Pay Periods, Direct Deposit of Paychecks & Timesheets

1. CAP Services pays semi-monthly. The lengths of the pay periods are from the first through the fifteenth of the month and the sixteenth through the last day of the month.
2. Pay day is the 10th and 25th of each month or the last working day prior to that date if the 10th or 25th falls on a weekend or holiday.
3. Employees will be paid by direct deposit to their checking and/or savings accounts. Newly hired employees should complete an ***Authorization for Direct Deposit of Paycheck*** form and send it to the Payroll Accountant.
4. Employees must inform the Payroll Accountant when they change accounts and/or banks. This is done by completing an ***Authorization for Direct Deposit of Paycheck*** form and sending it to the Payroll Accountant.
5. Payroll is prepared only from approved timesheets. Refer to the “Timesheet” section of this manual for instructions on completing timesheets. The following procedure is used in issuing paychecks:
 - The employee will mail or deliver the timesheet to his/her supervisor.
 - The supervisor will review the timesheet for completeness and accuracy and return it to the employee if corrections are necessary. Once the timesheet is accurate, the supervisor will sign the timesheet and forward it to the Department Director or designee.
 - The Department Director or designee will review and approve the timesheet and deliver it to the Payroll Accountant by noon on the second working day of the pay period. The Chief Executive Officer will review and approve timesheets of all Department Directors.
 - The Payroll Accountant will review timesheets and return any that are incomplete or inaccurate. Paychecks will be prepared only from timesheets considered accurate and complete.
 - The Payroll Accountant will prepare pay remittances and make deductions as authorized by law (taxes), court order (garnishments) or as authorized by the employee (donations, insurance, credit union, flexible spending plans, etc.).
6. Employees will be paid by direct deposit to checking and/or savings accounts. Funds will be transferred to employee checking accounts on the 10th and 25th day of the month. If those dates fall on a weekend or holiday the funds will be transferred the prior CAP working day.
7. If the employee is late in submitting his/her timesheet, the timesheet will be held and processed with the next payroll. If the delay was caused by the supervisor, Department Director or for any reason other than the employee’s negligence, the employee will be paid on the regular payday or as soon as possible.
8. Flexible spending account (section 125) reimbursements are processed with the payroll for the first half of the month.
9. Employees should contact the Payroll Accountant immediately if there is any error in payroll (improper deductions, wages, exempt or non-exempt classification, etc.). If an error is discovered by Program or Finance staff, the employee will be immediately notified. Any improper deductions or payments will be promptly investigated and corrected.

Timesheets

1. Each employee will be responsible for completing a timesheet on a daily basis. Timesheets must accurately reflect all time worked.
2. Pay periods end on the 15th and last day of each month.
3. The timesheet should be checked for accuracy prior to submitting to the Finance Department. The supervisor or Department Director may correct mathematical errors; but must notify the employee of this. Only the employee can correct errors in hours worked.
4. If a supervisor questions hours reported, they will return the timesheet to the employee for corrections, if appropriate.
5. Late, incorrect, or incomplete timesheets may result in the delay of the paycheck.
6. Completed timesheets should be reviewed and signed by the employee, supervisor and Department Director (or designee).
7. Department Directors who will not be available to sign timesheets (out of town training, on vacation, etc.) must arrange to have someone else on staff check timesheets and sign them before they are sent to Fiscal.
8. Timesheets must be received by the Finance Department by noon on the second working day of the pay period.
9. The Accountant will recheck the timesheets. Incomplete or timesheets with unauthorized alterations will be returned to the Department Director.

Lost Checks

1. In the case of lost or missing checks, the Senior Accountant will verify the check has not been cashed, issue a stop payment order and request the check be reissued.
2. The stop payment fee will be charged to the program.

Bonuses / Incentives (amended 6/10)

1. The current Directors' Bonus program is as follows:
 - To recognize exceptional performance, Department Directors, at their discretion, may award employees a gift certificate valued at \$40.
 - An employee is limited to a maximum of 3 bonuses per calendar year.
 - Staff may recommend co-workers for bonuses.
 - Department Directors should complete the Department Director Bonus Report Form and forward it to the HR Manager with supporting documentation when bonuses are awarded.
 - HR staff will prepare annual reports of bonuses awarded for review by the CEO and Management team.
2. The criteria for annual Human Capital performance incentives, and merit bonuses must be in writing and approved by the Chief Executive Officer and the Board of Directors.
3. Performance plans should be approved by the Board no later than 90 days into the start of the performance period.
4. The Personnel Committee will review performance results and approve merit payments.
5. The classes and payments to be included in Value Added Training (VAT) must be approved by the Chief Executive Officer.

Gift Cards (added 1/08)

1. Gift cards purchased by programs or donated to programs should be accounted for as if they were cash.
2. The staff person responsible for the gift cards should make copies of the cards and prepare a log indicating the amount, serial number (if any) and date the card was purchased or donated. Send copies, along with the actual gift card, to the appropriate staff program manager.
3. As gift cards are distributed, the employee should note who the card was given to, the purpose the card was awarded and the date the card was awarded.
4. Gift card logs should be retained by the program and submitted to the Finance Department or funding source, if requested.

Travel Reimbursement (updated 12/08)

1. Each employee will record expenses on the travel voucher on a daily basis. Only work related travel will be reimbursed.
2. Mileage to and from the employee's residence or any other travel considered by the IRS as commuting will not be reimbursed by CAP Services.
3. All employees using a privately owned vehicle for Agency business must carry liability insurance. Proof of coverage (a form called a *Certificate of Insurance*) must be on file in the Finance Department. Travel will not be reimbursed to an employee unless a valid Certificate of Insurance is on file. Certificates of Insurance should be requested by the employee from his / her insurance agent and sent to CAP's office at 5499 Highway 10 E Suite A; Stevens Point, WI 54482.
4. An employee may request the CEO waive the certificated of insurance if the employee's insurance company refuses to issue a certificate unless the employee purchases a commercial policy or if the company significantly increases the premium due to work-related use of the vehicle. The waiver must be requested using the *Certificate of Insurance Waiver* form. The employee will be required to provide other proof of insurance including statements indicated premiums have been paid.
5. Employees claiming travel reimbursement must have a valid Wisconsin drivers' license or be transported by someone who does have one. Employees in positions requiring work-related travel must notify his or her supervisor immediately (or when practicable) if their driver's license is suspended or revoked. Conviction for such an offense may be grounds for disciplinary action up to and including termination of employment.
6. The Agency pays a per diem rate for meals when an employee is required to be absent from her/his service area and in overnight travel status. Per diem is paid for the following periods of time:

Within Wisconsin			
Breakfast	7:00 a.m.	10:00 a.m.	\$ 8.00
Lunch	10:00 a.m.	2:00 p.m.	\$11.00
Dinner	5:00 p.m.	8:00 p.m.	\$20.00

Outside of Wisconsin			
Breakfast	7:00 a.m.	10:00 a.m.	\$12.00
Lunch	10:00 a.m.	2:00 p.m.	\$15.00
Dinner	5:00 p.m.	8:00 p.m.	\$25.00

7. Per diem is not paid when a meal is provided as part of a training session or meeting.
8. Absence of twenty-four (24) hours is reimbursable at the rate of thirty-nine dollars (\$39) per day for in-state travel and fifty-two dollars (\$52) for out-of-state travel. No receipt for per diem claims will be required if gone during the hours specified and in overnight travel status.
9. If an employee attends a training session or business meeting in their service area where a meal is an integral part of the business meeting, reimbursement for the meal will be made up to the maximum appropriate rate outlined in section 7.9E of the

Employee Handbook. Meals will also be reimbursed up to the maximum appropriate rate outlined in 7.9E when an employee is out of his/her service area but not in overnight travel status. Receipts and Department Director (or designee) approval are required.

10. Lodging will be reimbursed at reasonable rates and must be approved by the Department Director (or designee). Receipts must be submitted to Finance.
11. Employees who must travel out of state on business on Monday or Friday will be allowed to travel the preceding or following weekend at CAP expense if the cost of the weekday travel is greater than the weekend travel cost, or if starting times of business travel is such that travel the same day is not feasible.
12. All out of state travel must be approved in advance by the Chief Executive Officer in writing. This can be done by completing a Travel Training Career Development Request or requesting CEO authorization by e-mail. Out of state travel billed to certain grants must be approved in advance by the funding source; Department Directors will be responsible for securing the required authorization.
13. At the end of the month, the travel voucher expenses will be totaled, signed by the employee, signed and coded by the Department Director (or designee), and submitted to the Finance Department by 5:00 pm on the Thursday of the month.
14. Reimbursement will be based on actual miles traveled, the current mileage reimbursement rate, and any applicable travel limitations imposed by individual programs or positions. CAP does not pay for first class or charter travel. CAP does not reimburse travel for companions.
15. Travel vouchers will be processed only if the reimbursement is \$10 or more. Staff and clients who do not travel much or have limited out-of-pocket expenses are requested to accumulate expenses until the claim exceeds \$10 prior to submitting a voucher. Travel vouchers less than \$10 will be processed at the end of the contract period.
16. Checks for travel reimbursement are issued on the 3rd Thursday of each month. Employees who travel over 500 miles per month may request twice monthly reimbursement; Department Directors must indicate this by highlighting or attaching a note when approving the travel voucher. Incomplete or late travel vouchers will be held until the following month.
17. The Accountant will verify the travel voucher.
 - Check validity of travel (i.e. check against valid work days, review for commuting entries, confirm mileage)
 - Verify that out-of-state travel has been approved
 - Verify per diem claims against departure and return times
 - Verify documentation for out-of-pocket expenses and receipts
 - Verify the math
 - Refer any inconsistencies or questions to the Department Director
18. The Chief Financial Officer will approve the travel voucher for reimbursement.
19. The Finance staff will prepare check in accordance with current Agency cash disbursement procedures.

Commuting

1. Employees are reimbursed for actual miles traveled as measured on the car's odometer for approved work-related travel at a rate established by the Board of Directors. Round trip mileage will be paid when applicable. An employee will be assigned a base location at hire or when additional responsibilities are assigned. In some cases, employees who are required to be in more than one location on a weekly basis may be assigned more than one base.
2. Employees are eligible for mileage reimbursement when travel away from their base is required. Commuting is defined as travel to and from one's home to an assigned base worksite/s, client contact site or enrollee's worksite. Commuting from home to a base location is not eligible for mileage reimbursement except as follows:
 - Travel can be claimed to and from one's home for work-related activities if the employee's home is used as his/her base office each workday. Business must be transacted at home to qualify as an office.
 - Employees who do not use their homes as offices on a daily basis may claim travel reimbursement from their home only on the days they have assigned office hours in their home for the full workday.
 - If the employee has assigned office hours at home only part of the day, the mileage to and from home to the worksite, client contact site, etc. is considered commuting and is not reimbursable. After the initial travel from the home office to the first worksite, travel between worksites is reimbursable.
 - If an employee needs to be present at their base location more than once a day (i.e. return for an evening meeting) the Department Director has the option of reimbursing mileage for the second trip. This does not apply to employees who may work split shifts.
 - If an employee travels directly from his/her home or returns to the home instead of the base due to the time of day, the mileage claimed will be the lesser of the distance of their base to the destination or home to the destination. For example, an employee resides in Plainfield and has an assigned base of Wautoma. If the employee needed to travel to LaCrosse for a full day, the employee would claim the round-trip mileage from their home to LaCrosse since the home (Plainfield) is closer to the destination (LaCrosse). If the same employee needed to attend a meeting in Oshkosh, he/she would claim the mileage between Wautoma and Oshkosh since the base (Wautoma) is closer to the destination (Oshkosh). This effects the time recorded on timesheets when traveling, since staff record travel as work time consistent with this policy.
3. The Finance Department must be notified in writing in advance of assigned home office days. If no notification is given, all mileage claimed to and from one's home will be disallowed as commuting except when the preceding paragraph applies.
4. Employees who are not assigned to an office or who are assigned to do field work can claim travel from the first client contact site or worksite of the day to subsequent sites. Travel from an employee's home to the first site and from the last site back to the employee's home is commuting and is not reimbursable.

Reimbursement for Out of Pocket Expenses

The Agency attempts to keep adequate office and program supplies on hand to cover immediate needs. Employees may find it necessary to make small purchases using their personal funds. The following procedure should be followed in claiming reimbursement:

1. Receipts must be presented for each item claimed for reimbursement.
2. The receipt should be attached to the back of the employee's travel voucher. The expense portion of the voucher should be completed.
3. The travel voucher should be submitted to the Finance Department following the procedure outlined in this manual.
4. If the employee must be reimbursed prior to the regular travel voucher payment date, the employee may be reimbursed by the Petty Cash Custodian or by a purchase order payable to the employee (with receipt attached) issued by the employee's supervisor and approved by the Department Director. Purchase orders will be processed following the procedures and deadlines outlined in this manual.
5. Employees who must be reimbursed prior to either the travel voucher or accounts payable reimbursement dates should request the Chief Executive Officer to authorize a manual check. These are approved only in unusual circumstances.

Travel / Training / Career Development Request

1. A *Travel/Training/Career Development Request* form must be completed for
 - any training or travel that involves a registration fee,
 - training, meetings or travel requiring lodging expenses
 - Career Development funds
 - out of state travel
2. The employee must submit the form to the Department Director who will review the request, confirm coding of the expenses, check the calculations, and ensure the proper documentation (meeting/training announcements, registration forms, etc.) is attached.
3. The Finance Department will process the request on scheduled accounts payable dates.
4. Requests are considered accounts receivable from the employee until he/she successfully completes the travel/training.
5. The employee must submit the completion / attendance certificates or documentation of attendance to the Finance Department by the end of the month in which the travel/training took place. Documentation should include travel vouchers, lodging receipts, etc. Failure to provide backup documentation may result in disciplinary action and recoupment.
6. No receipt is required for per diem claims. The employee must complete the appropriate section of the Travel Voucher to claim per diem. Per Diem is available only if the employee is in travel status overnight.

Career Development Funds

The Board of Directors has adopted the following policy regarding Career Development Funds:

1. Career Development funds are available to all part- and full-time employees. Limited term employees may access Career Development funds with their Department Director's approval. Funds are available on a first come, first served basis.
2. No employee may receive more than \$400 total in Career Development funds in any one calendar year. No employee may receive more than \$200 for non-work related training in any one calendar year.
3. An employee may request full reimbursement (subject to the limits in #2 above) for registration and materials fees associated with work-related training.
4. Work-related training must directly enhance the skill the employee uses in his/her position at CAP. The Department Director will advise the Career Development Committee whether the request is work-related.
5. An employee may request up to \$200 on a dollar-for-dollar match basis (subject to the limits of #2 above) for registration and materials fees associated with career related training. Career related training is not necessarily related to the employee's current position but is related to the career goal identified in the employee's Career Development Plan.
6. Employees should complete a Career Development plan prior to requesting Career Development funds. Career Development plans are forwarded to the Human Resources Manager.
7. CAP Services will not reimburse hobby or recreational classes or activities.
8. If funds for work-related training are available in the employee's program budget, then the program funds must be used.
9. Travel expenses can not be reimbursed from Career Development funds.
10. Until the employee satisfactorily completes a course, the Career Development disbursement is considered a loan to the employee. The employee must present documentation of either a grade of C or better or, if no grade is given, evidence of attendance. If the employee fails to document he/she received a passing grade or failed to complete the course, the employee must promptly repay the Career Development funds.
11. An employee who has requested Career Development funds but is unable to attend the training is responsible for canceling his/her registration and requesting a refund of the registration fee. If a refund is not possible the employee must repay the loan unless exempted by the Department Director.
12. Employees who terminate employment while attending classes paid by Career Development funds should follow instruction #10 above when they complete the course.
13. All requests will be reviewed for approval by the Career Development Committee, which is comprised of one management employees and three non-management employee.
14. The Chief Financial Officer will collect the Career Development assessment from each department on a monthly basis. The current assessment is .5% of gross wages. The Administration Department does not contribute to the reserve.

Career Development Requests / Temporary Layoffs

1. Staff going on temporary lay-off (i.e. Head Start summer lay-off) may request Career Development funds for training, classes or seminars during the lay-off period.
2. If CAP pays registration fees, funds will be considered a loan to the employee until the employee presents documentation he/she has successfully completed the training.
3. Travel will not be reimbursed.
4. Employees who do not return from lay-off or fail to present evidence the course was completed will have the registration fee deducted from their vacation and personal accrual payoff or will be invoiced. Employees who do not return from lay-off but have successfully completed the course will have the loan forgiven.

Medical Deductible Reimbursement

Note – this section will not apply if CAP provides a medical policy with a Health Savings Account.

1. CAP may self-insure a portion of the group health insurance deductible. CAP purchases a group medical policy. Benefits can vary from year to year, including the amount of the deductible as well as the number of deductibles required to be met if the employee carries insurance for additional family members.
2. The employee will receive an Explanation of Benefits (EOB) from the insurance carrier on each claim submitted. To receive a reimbursement for any CAP-funded deductible, the employee sends a copy of the EOB to the Human Resources Manager. The reimbursement is calculated on the Individual Year-to-Date Deductible information on the EOB.
3. Explanation of Benefits submitted by the last day of the month will be paid on the 3rd Thursday of the month. Payments will be made to the employee only. The employee is responsible for making payments to the health care provider.
4. Employees must submit all self-funded deductible claims to the Human Resources Manager by March 15th of the following year. A reminder will be sent to staff in January. Employees who do not submit a claim by the deadline forfeit the reimbursement
5. The liability for the self-funded deductible belongs to CAP Services. CAP will fund the self-insurance pool by collecting a surcharge on the group medical premiums.

Retirement Contributions (added 12/09)

1. Employees on staff three or more cumulative years and working an average of 20 or more hours per week are eligible for retirement contributions from CAP. The Board of Directors approves the contribution percentages each year, and may change the contribution at its discretion.
2. The CAP contribution is based on a calculation of the eligible employee's gross wages for the calendar year prior to the year in which the contribution is paid. Calculations for all eligible employees for an upcoming year are prepared on a spreadsheet by the HR Manager.
3. Payments are made the month following the employees' anniversary.
4. Employees are provided information to enroll with CAP's 401k provider. Enrollment information is provided to the HR Manager, who confirms to the PR Accountant that the employee has an account. HR Manager prepares a payment request each month. PR Accountant prepares a journal entry to accrue the employer contribution for employee in their anniversary month.
5. PR Accountant prepares an online entry for 401k contributions. The HR Manager reviews and initials documentation which is attached to a funds transfer form that is initialed by a CAP check signer.
6. Quarterly 401k statements received by the Director of Administration (DOA) are used by the DOA to reconcile with CAP disbursement records of funds remitted to the trustee. Reconciliations are signed and retained by the DOA.

Insurance Premiums for Summer Lay-off

1. CAP Services will pay the employer's share of dental and employee life insurance premiums for Head Start staff during the summer lay-off. (per Board of Directors on 5/96)
2. Staff on layoff must pay the full medical insurance premium if they wish to continue medical coverage during the lay-off.

Home Offices

This section applies only to full- and part-time employees who do not have offices at CAP worksites.

1. Employees who do not have offices at CAP worksites may work from home.
Arrangements must first be made with the Department Director with notice to HR.
2. CAP will provide a cell phone with voice mail for the employee's business use.
3. The employee will use a capmail.org account for e-mail.
4. When an employee uses their own computer
 - The employee will provide a router, firewall and antivirus software and will keep the anti-virus software up to date.
 - If the internet connection is wireless, the employee is responsible for implementing security and keeping CAP data safe.
 - If the employee's computer is shared with family members, the employee will password protect the subdirectories containing CAP information and e-mail.
5. When an employee uses a CAP-owned computer
 - CAP will provide a router, firewall and antivirus software. The employee will keep the anti-virus software up to date.
 - If the internet connection is wireless, the employee is responsible for implementing security and keeping CAP data safe.
 - The CAP-owned computer may not be used by family members. Employee members will not have access to the computer via any home network.
 - Further information on use of CAP-owned computers is in the Employee Handbook.
6. If the employee uses their own printer, the employee will provide ink and paper and receive a \$10 per month stipend.
7. CAP will provide \$15.00 per month stipend toward an internet connection.
8. Office supplies (other than ink and paper for an employee-owned printer) should be signed out from the supplies at the CAP office.
9. Outgoing mail should be sent from the CAP offices.
10. Employees should claim the internet connection and the ink/paper stipend, if applicable, on their travel voucher.
11. If the employee has any CAP-owned office equipment or furniture the employee will list the items, indicate they will be kept secure and returned when the employee terminates employment. The employee will keep the list up to date and forward a copy to the Department Director and Chief Financial Officer.

401k Plan (added 6/10)

401k Plan Authorization / FEIN / Contractors

CAP Services established a 401k plan effective 1/1/2009. The name of the plan is CAP Services, Inc. 401k Plan; the Trust Identification Number (TIN) is 26-3808156. The plan year is January 1 to December 31. The plan will operate in full compliance with applicable regulations and plan provisions.

Fiduciaries	CAP Services CEO & VP Director of Administration (DOA)
Plan Advisor	Brian Lamps, Raymond James & Associates
Third Party Administrator	Shore Tompkins Actuarial Resources (STAR)
Record Keeper	Aspire Financial Services (formerly 401k ASP)
Trust Company	MG Trust Company LLC

1. The 401k plan was authored by Shore Tompkins Actuarial Resources. STAR will advise CAP when amendments are needed to comply with ERISA, DOL or IRS regulations. STAR will perform the required annual testing for the plan. Aspire Financial Services accepts the salary deferrals and profit-sharing funds via electronic funds transfer and provides record keeping. Aspire remits the 401k funds to MG Trust Company. Investment advice to CAP management and 401k participants is provided by Raymond James & Associates. Asset valuation information is provided by Aspire.
2. Board approval is needed to amend the plan. Amendments and/or Summary Plan Descriptions will be distributed to staff via e-mail or direct mail no later than 210 days after the close of the plan year in which the change was adopted.
3. Plan assets are aggregated and held in trust. The plan allows a participant to direct his or her investments in the plan.
4. Participants can access and update their accounts on-line at www.star401k.com. Statements are mailed to the employee's home following the end of each quarter. Employees should review their statements and report concerns or discrepancies to the Director of Administration for resolution.
5. The plan allows pre-tax and Roth deferrals.

401k Advisory Committee

1. The Board has designated a 401k Advisory Committee comprised of the CEO, Vice Presidents, HR Manager and an employee representative. The Committee will meet with the investment advisor twice annually to review 401k investment performance and make needed adjustments. The Committee has adopted an Investment Policy Statement to assist in making investment-related decisions in a prudent manner.
2. The employee representative to the 401k Advisory Committee will be elected by staff at the Fall Staff meeting.
3. The 401k Advisory Committee will receive and review the quarterly MG Trust report and plan summary.

401k Eligibility and Enrollment

1. There is a waiting period of 12 months before an employee is eligible to join the 401k plan. The employee must have worked at least 1,000 hours in the previous 12 months to be eligible. If the employee does not meet the 1,000 hour requirement in the initial 12 months of employment, the eligibility computation then changes to calendar years. The employee would then satisfy the eligibility requirements if they work 1,000 hours or more in any calendar year (calendar year-switch method).
2. There is no automatic enrollment into the plan. However, the default investment will be target date funds for employees who do enroll but fail to designate an investment vehicle.
3. The HR Manager will prepare a worksheet of hire dates and hours worked in the previous year. The HR Manager will monitor eligibility each month and notify staff when they become eligible to join the 401k plan. The HR Manager will send enrollment documents to staff and submit enrollment documents on-line to STAR. Eligible employees who decline to enroll will submit a waiver to the HR Manager.
4. For purposes of salary deferrals, the employee's entry date will be the first day of the month coinciding with or next following the date the employee satisfies the eligibility requirements.

401k Non-Elective Deferrals (Profit Sharing / Employer Contributions)

1. Employees are eligible to participate for purposes of profit sharing contributions when they have completed two (2) Years of Service. The CAP Board has set 2nd anniversary contributions at 0%. Contributions are determined annually by the Board in the last quarter of the year and start at the 3rd employment anniversary. A break in employment of 2 full consecutive years will impact eligibility. The years of service for purposes of calculating the employer contribution (profit sharing) will be based on the employee's last date of hire.
2. The employee must have been on staff on the anniversary date to be eligible for the employer contribution.
3. Employer contributions are remitted to the trust company in the month following the employee's anniversary.
4. The HR Manager will prepare worksheets at the start of each year to determine the amount to be contributed by CAP for each employee eligible for profit sharing. The contribution will be the net of the employee's prior year wages less vacation and personal conversions and HSA contributions. The Payroll Accountant will check the calculations.

401k Plan Distributions

1. The Director of Administration will coordinate and authorize benefit distributions from the plan by providing, reviewing and signing all required documentation as appropriate. The CEO will co-sign distribution forms, except those for terminated employees.

2. Loans are not allowed. Hardship distributions are allowed and will follow IRS regulations. The Director of Administration & CEO will review and approve hardship distributions.
3. Employees terminating employment may request a distribution. The HR Manager will provide distribution packages to all terminating plan participants.
4. Terminated employees may be forced out of the plan if their account balance is less than \$1,000. The Director of Administration and HR Manager will monitor this at least semi annually and initiate distributions, where permissible.

401k Plan Control Activities

1. The HR Manager will communicate elective and non-elective deferral information to the Payroll Accountant and the Payroll Accountant will enter deferral amounts into the payroll system.
2. The VP/Director of Administration or HR Manager will review deferrals to ensure they do not exceed annual limits.
3. The HR Manager will prepare the request for CAP profit sharing (non elective deferrals) monthly and submit to the Payroll (PR)Accountant.
4. Each pay period the HR Manager checks the STAR site to capture any changes in elective deferrals and provides the information to the PR Accountant along with the Payroll Transmittal documents. The PR Accountant updates the MAS 90 deductions.
5. After processing payroll, the PR Accountant checks the MAS 90 deduction registers and enters elective and non-elective deferral amounts onto the STAR upload spread sheet. The HR Manager checks the STAR upload spread sheet against the deduction register and the list for non-elective deferrals and initials it.
6. The PR Accountant will remit payment to Aspire Financial Services within 5 days of payroll disbursement using the STAR upload spreadsheet. Prior to the upload the VP Director of Administration or CEO will review the documents and sign off on the disbursement. Weekly and bi-weekly deferrals will be aggregated with the semi-monthly deferrals. The PR Accountant will check the Aspire website to ensure the upload has occurred.
7. The Director of Administration will reconcile CAP's 401k disbursements for deferrals against Aspire and MG Trust statements and investigate any discrepancies. Reconciliations will be done at least quarterly.
8. The Director of Administration will review Aspire participant reports at least quarterly. Employees approaching maximum deferral limits will be notified by e-mail or phone if further payroll deductions will put them over limits.
9. The quarterly MG Trust Company report and participant statement will be sent to the 401k Advisory Committee for review.
10. The Director of Administration will consult with STAR before authorizing rollover contributions into the plan. The DOA will also consult with STAR when dealing with Qualified Domestic Relations Orders (QDROs).
11. The Director of Administration will arrange for a fidelity bond to protect the plan fiduciaries and plan assets.
12. The Director of Administration will obtain and review Aspire Financial Services' SAS 70 report each year and report any concerns to the 401k Advisory Committee.

401k Plan Reporting and Valuation

1. CAP will follow Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* when valuing 401k plan assets. This standard provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. A Level 1 input will be available for many financial assets and liabilities, some of which might be exchanged in multiple active markets (for example, on different exchanges). Examples would include publicly traded stock, bonds and mutual funds. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data (market-corroborated inputs). As of 12/31/09 the 401k plan did not contain any level 2 or 3 investments.
2. Section 5.1 and 5.2 of the 401k plan outline plan valuation. The Trustee provides valuation Level 1 information on reports. Level 2 and 3 measurements are less observable and require more inputs into valuation.
3. The HR Manager and Director of Administration will provide reports to the third party administrator to facilitate annual plan testing, review the report and communicate results to the advisory committee.
4. The Director of Administration will arrange for the annual 401k audit (required of plans with more than 100 participants) and required reporting (IRS 5500) and assist in completing the reports in a timely manner. The Form 5500 is due by the last day of the 7th month after the end of the plan year. The Director of Administration will request a filing extension, if needed.
5. Employees will receive a Summary Annual Report (SAR) on or before 9/30. The SAR is a summary of the information contained in Form 5500. Employees may also request a copy of the Form 5500 by contacting the DOA.

401k Plan Fees

1. The DOA will issue purchase orders for payment of 401k fees. Fees (as of 2009) are estimated and shared as follows.

Fee	Paid by	Frequency	Cost	Paid to
Establishment fee	CAP	1 time	\$4,000.00	STAR
Enrollment books	CAP	\$25 setup & \$6.25 @	\$1,204.00	Aspire
IRS submission	CAP	1 time	\$800.00	STAR
Annual base fee	CAP	Annual	\$5,600.00	STAR
Trustee	CAP	Annual	\$1,000.00	Aspire (for MG Trust)
Special testing	CAP	Annual	\$750.00	STAR

Plan base fee	CAP	Annual	975	Aspire
Base fee – per participant	Employee	Quarterly	\$5.00	Aspire
Mutual fund expense account average expense ratio	Employee	Annual	.87% (estimated at \$4,340)	Funds
Fiduciary & participant services	Employee	Annual	1% (estimated at \$5,000)	Raymond James
Average offsets (12b-1/sub ta)	Employee	Annual	.43% (estimated as \$2,142 in credits)	Funds

401k Education

1. Employees will be provided written educational information on retirement planning and / or the 401k plan at least twice annually.
2. On-line retirement educational and planning information is available at www.star401k.com
3. Representatives of Raymond James will be invited to the Annual Fall Staff meeting to provide education and meet with participants.

Purchasing, Contracting, Paying Vendors

Purchasing Policies

Purchasing Chart (approved 7/08)

Amount of Purchase	Required Approvals	Required Solicitation	Documentation To Be Attached To PO
Rehab of CAP-owned or leased property >\$1,000 and <\$5,000	Department Director CEO	Make good faith effort to find competitive pricing to the maximum extent possible	Note on why vendor was selected; any notes on price comparison
Rehab of CAP-owned or leased property >\$5,000 and <\$10,000	Department Director CEO	3 written bids	Bids
< \$5,000	Department Director	Make good faith effort to find competitive pricing to the maximum extent possible	If any item >\$1,000 attach notes on price comparison
\$5,000 ≤ \$10,000	Department Director CEO Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 oral or written bids	Notes on price comparisons or written bids
\$10,001 ≤ \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids	Bids, Board minutes when they are available, Funding source approval, if needed
> \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids Follow competitive bid procedures (except for the purchase of real property)	Bids, Board minutes when they are available, Funding source approval, if needed
Solicitation exemptions are made for the purchase of real property and can be requested for construction. CAP's purchasing procedures will be followed when contracting for services except when waived by the Board of Directors.			

Responsibility for Purchasing

1. All Department Directors or their designees have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department Directors will inform the Finance Department in writing of all individuals that may initiate purchases or prepare purchase orders. The Finance Department shall maintain a current list of all authorized purchasers.
2. Department Directors must be aware of and comply with the procurement regulations of their contracts. Contract and grant procurement regulations may be more restrictive than the procedures detailed in this section; the more restrictive procedure should be followed. The Chief Financial Officer will document proper procurement procedures are followed. The procurement standards apply to officers, employees or

agents who are engaged in the awarding and operation of CAP Services' contracts. Invoices will be paid only if contract regulations and Agency procedures have been followed.

3. In general, equipment expenses of \$5,000 or more per unit (\$25,000 in Head Start per ACYF-PI-07-01) require written funding source approval prior to purchase; some funding sources may have more restrictive limits.
4. Department Directors must obtain the required written funding source approval prior to making any purchase.
5. The CEO must approve all purchases over \$5,000 per unit. The Board of Directors must approve all purchases over \$10,000 per unit. The request to make these purchases must contain a copy of the funding source approval (if necessary) and any required bids. The information should be forwarded to the Director of Administration at least one week prior to the Board meeting at which the Board's approval will be requested.
6. The Finance Department shall be responsible for processing purchase orders. The Chief Financial Officer has approval authority over all purchases and financial compliance.

Code of Conduct in Purchasing

1. No employee, board member, officer, or agent 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 would arise when the employee, officer, or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.
2. Officers, employees, and agents of CAP Services will not solicit or accept gratuities, favors or anything of monetary value from contractors, or parties to sub agreements.
3. Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
4. Staff shall notify their immediate supervisor if they are offered such gifts.
5. Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
6. Unsolicited gifts of a nominal value (\$25 or less) may be accepted with the approval of the Department Director. Unsolicited gifts valued at more than \$25 should be sent to the Department Director for program use or disbursement via a drawing at a CAP-related event or meeting.
7. Failure to follow proper procurement procedures will result in disciplinary action.

Competition

1. All purchasing must be done in a manner to provide, to the maximum extent practical, open and free competition and avoid any appearance of conflict of interest. Employees, officers, or agents should be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. 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.

2. Awards will be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to CAP (price, quality and other factors considered).
3. Solicitation shall clearly set forth all requirements the bidder shall fulfill in order for the bid or offer to be evaluated by CAP. Any and all bids or offers may be rejected when it is in CAP's best interest to do so.
4. Contracts should be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement and who are contractors in good standing (not disbarred by government agencies).
5. CAP Services uses female-owned, minority-owned, and small businesses whenever possible.
6. CAP Services reserves the right to reject any and all bids when it is in CAP's best interest.

Civil Rights Compliance / Limited English Proficiency (LEP) Requirements

Any contractor or vendor with 25 or more employees and receiving \$25,000 or more per year must comply with CAP Services Civil Rights / Limited English Proficiency (LEP) policy. The policy will be incorporated in contracts and agreements with vendors and contractors for services

Regulations

Regulations governing purchasing are usually listed in individual grant documents or contracts. Most contracts will refer to one of the following:

- OMB Circular A-110 (Uniform Administrative Requirement)
- 45 CFR Part 74 (HHS's adoption of A-110)
- 24 CFR Part 84 (HUD's adoption of A-110)
- OMB Circular A-122 (Cost Principals for Non-Profit Organization) lists allowable items
- State Allowable Cost Policy Manual
- Policy or procedure manuals for the individual program (i.e. WX, Head Start)

Definitions

Equipment is any item with a unit value of \$5,000 or more and a useful life of one or more years. This definition may change to correspond with any changes in OMB A-110.

Small Purchase Threshold is \$100,000 and will change to correspond with any changes in OMB A-110.

Price analysis is the comparison of prices for similar items as quoted by different vendors or sources. Price analysis can be done on the internet, by catalog or other means of comparison shopping.

Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Purchasing Procedures

1. In all circumstances:
 - Purchase only necessary items
 - Determine if it is allowable under grant regulations
 - Determine if funds are available
 - Analyze benefits of leasing vs. purchasing
 - All purchasing must be done in a manner to provide, to the maximum extent practical, open and free competition.
 - Some form of cost or price analysis shall be made for every procurement
 - Document the cost / price analysis and attach to the purchase order if any item is \$1,000 or more
 - Staff making purchases under \$1,000 per unit must exercise judiciousness in finding competitive pricing to the maximum extent reasonable
 - Avoid conflict of interest
 - Avoid overly restrictive specifications
 - Review contractor or vendor integrity and past performance
 - Determine if the vendor is prohibited from doing business with the federal government (see the list of excluded parties at the GSA website)
 - Purchase items manufactured from recycled materials when cost-effective and practical
 - Purchase metric based items when cost effective and practical
 - Use small business, minority and/or female-owned business when practicable
2. Contracts should be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement.

Prior Approval - Purchasing

Purchasing Chart (approved 7/08)

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Rehab of CAP-owned or leased property >\$1,000 and <\$5,000	Department Director CEO	Make good faith effort to find competitive pricing to the maximum extent possible	Note on why vendor was selected; any notes on price comparison
Rehab of CAP-owned or leased property >\$5,000 and <\$10,000	Department Director CEO	3 written bids	Bids
< \$5,000	Department Director	Make good faith effort to find competitive pricing to the maximum extent possible	If any item >\$1,000 attach notes on price comparison
\$5,000 ≤ \$10,000	Department Director CEO Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 oral or written bids	Notes on price comparisons or written bids
\$10,001 ≤ \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids	Bids, Board minutes when they are available, Funding source approval, if needed
> \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids Follow competitive bid procedures (except for the purchase of real property)	Bids, Board minutes when they are available, Funding source approval, if needed
Solicitation exemptions are made for the purchase of real property and can be requested for construction. CAP's purchasing procedures will be followed when contracting for services except when waived by the Board of Directors.			

Department Directors should check the grant and contracts for more restrictive purchasing policies, especially for equipment and purchases of \$5,000 or more

Purchases Less than \$5,000

- Obtain at least 3 bids (catalog, phone, etc.)
- Attach bid notes to purchase order if any item is \$1,000 or more

Purchases of \$5,000 +

- Equipment definition (as of 9/99), cost per unit of \$5,000 or more with life of 1 or more years (OMB A-110); Head Start equipment is \$25,000 per ACYF-PI-HS-07-01
- If equipment, obtain prior written approval from funding source (OMB A-122)

- Obtain approval from CEO
- Obtain at least 3 bids (catalog, phone, etc.)
- Attach bid notes to purchase order

Purchases of \$10,000 +

- Obtain at least 3 written bids (catalog, brochure, written bid, etc.)
- If equipment (\$5,000 or more, life of 1 or more years), obtain prior written approval from funding source; Head Start equipment is \$25,000 per ACYF-PI-HS-07-01
- Obtain approval from CEO
- Obtain approval from CAP Board of Directors
- Attach bid notes to purchase order

Purchases of \$100,000 +

- OMB A-110 competitive bid threshold (as of 10/94)
- Obtain prior written approval from funding source
- Follow competitive bidding procedure outlined in A-110
- Obtain approval from CEO and CAP Board of Directors
- Attach bid notes to purchase order

The funding source should review and approve any competitive bid in excess of \$100,000 which is:

- awarded without competition, or
- only one response to the request for bid is received, or
- a brand name is specified in the request for bid should be reviewed by the funding source

Be sure to check grants and contracts for more restrictive purchasing policies, especially for equipment and purchases of \$5,000 or more.

Cost or Price Analysis

1. Some form of cost or price analysis should be done in every transaction and documentation or notes must be attached to the purchase order when the price exceeds \$1,000 per item. Price analysis may be done in various ways, including comparison of price quotations submitted or knowledge of the market price for an item.
2. In addition to price, the following factors should be considered when purchasing:
 - Location of delivery point.
 - Quality of goods/services to be supplied.
 - Conformity with specifications and Agency need.
 - Purpose for which the goods/services are required.
 - Date of delivery
3. Cost / price analysis for routine supplies or services may be performed at the beginning of the year to identify a vendor to be used for the entire year; such items will be priced in total, not by individual item.

Purchase Orders & Packing Slips

1. Purchase orders will be prepared at the time of purchase or placement of an order for all purchases. Department Directors must approve all purchases for their program; if the Department Director delegates this responsibility, the Finance Department must be notified in writing. Purchase orders are not needed for travel reimbursement or Travel/Training/Career Development requests.
2. The employee signing the purchase order and the Department Director approving purchase orders must:
 - Purchase only necessary items
 - Determine if it is allowable under grant regulations
 - Determine if funds are available
 - Analyze benefits of leasing vs. purchasing
 - All purchasing must be done in a manner to provide, to the maximum extent practical, open and free competition.
 - Some form of cost or price analysis shall be made for every procurement
 - Document the cost / price analysis if any item is over \$1,000 per unit and attach this to the PO.
 - Avoid conflict of interest
 - Avoid overly restrictive specifications
 - Review contractor or vendor integrity and past performance
 - Determine if the vendor is prohibited from doing business with the federal government (see the list of excluded parties at the GSA website)
 - Purchase items manufactured from recycled materials when cost-effective and practical
 - Purchase metric based items when cost effective and practical
 - Use small business, minority and/or female-owned business when practicable
3. Contracts should be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement.
4. Packing slips for goods received should be attached to the purchase order. The person receiving the goods should initial and date the packing slip to indicate he/she received the shipment, and verified the quantity and condition of the goods.

Bids & Competition

Purchasing Chart (approved 7/08)

Amount of Purchase	Required Approvals	Required Solicitation	Documentation To Be Attached To PO
Rehab of CAP-owned or leased property >\$1,000 and <\$5,000	Department Director CEO	Make good faith effort to find competitive pricing to the maximum extent possible	Note on why vendor was selected; any notes on price comparison
Rehab of CAP-owned or leased property >\$5,000 and <\$10,000	Department Director CEO	3 written bids	Bids
< \$5,000	Department Director	Make good faith effort to find competitive pricing to the maximum extent possible	If any item >\$1,000 attach notes on price comparison
\$5,000 ≤ \$10,000	Department Director CEO Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 oral or written bids	Notes on price comparisons or written bids
\$10,001 ≤ \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids	Bids, Board minutes when they are available, Funding source approval, if needed
> \$100,000	Department Director CEO Board of Directors Federal funding source if purchasing equipment (except HS where the threshold is \$25,000)	3 written bids Follow competitive bid procedures (except for the purchase of real property)	Bids, Board minutes when they are available, Funding source approval, if needed
Solicitation exemptions are made for the purchase of real property and can be requested for construction. CAP's purchasing procedures will be followed when contracting for services except when waived by the Board of Directors.			

1. All purchases (except for real property) require some form of cost and price analysis. Bids can be price quotes, quotes on file (catalog, recent purchase, etc.), telephone or other oral bids.
2. Purchases of \$10,000 - \$99,999 require at least three written bids. Bids can be price quotes, quotes on file (catalog, recent purchase, etc.), telephone or other bids.
3. Telephone and oral bids should be documented in writing by the employee along with the name of the firm and contact person providing the bid, the date, price quote, delivery information and any thing else that is pertinent.
4. The basis for selection should be noted on the purchase order since factors other than price may determine the award.
5. Procurement documents will be retained on any purchase of \$5,000 or more. Forward documentation to the Finance Department along with the purchase order.

Competitive Bids

1. Purchases of \$25,000 or more (aggregate) with Weatherization funds require competitive bids. This aggregate total is for the term of the Weatherization contract.
2. Purchases of \$100,000 or more (aggregate) require competitive bids. In any instance when these purchases contain items of \$5,000 or more per unit, Prior Approval procedures (outlined previously) must be followed, as they pertain to the situation, in addition to obtaining competitive bids.
3. Competitive bid specifications for purchases made with grant funds must satisfy the requirements of OMB Circular A-110 Attachment O or A-122 and contract requirements. Bid procedures must:
 - Set the specifications for goods or services to be acquired.
 - Specifications citing a brand name must also accept the equivalent (“brand name” or equal).
 - Meet or exceed specifications set by the funding source, if applicable.
 - Include language that clearly prohibits a cost-plus percentage of cost-type pricing.
 - Comply with the Equal Rights provision of OMB Circular A-110 or A-122.
 - Include language indicating cost and other factors will be considered in awarding the bid. Other factors may include timeliness of delivery, quality of product, warranty, location of service, duty cycles, etc.
 - A clear and accurate description of the technical requirements for the material, product or service to be procured. Descriptions shall not contain features which unduly restrict competition.
 - Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled “Evaluation of Alternative Vendors” for required criteria)
 - Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
 - The specific features of "brand name or equal" descriptions that bidders are required to meet when appropriate.
 - The acceptance, to the extent practical, of products and services dimensioned in the metric system of measurement.
 - Preference, to the extent practical, for products and services that conserve natural resources and protect the environment and are energy efficient.
 - Preference for recycled products pursuant to EPA guidelines.
 - If required, assurance wages will be compliant with the Davis-Bacon act and the vendor will file the requisite reports.
 - A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent.
 - The date by which proposals are due and the method in which they should be submitted.
 - Required delivery or performance dates/schedules.
 - Clear indications of the quantity(ies) requested and unit(s) of measure.
 - Comply with the Equal Rights provision of OMB Circular A-110 or A-122, if using federal or state funds.

4. Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, an extension may be granted if a prospective offeror so requests.
5. Vendor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be so marked on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.
6. When items are purchased using the competitive bid procedures outlined above, the procurement records and files for the purchase will include:
 - The basis for selection.
 - The basis for award cost or price.
 - Copies of the bid specifications.
 - Copies of all bids received.
 - Copies of the prior approval given by the funding source.
 - Justification for lack of competition when competitive bids or offers are not obtained
7. The funding source should review and approve any competitive bid in excess of \$100,000 which is:
 - awarded without competition, or
 - only one response to the request for bid is received, or
 - a brand name is specified in the request for bid should be reviewed by the funding source.

Evaluation of Alternative Vendors

1. Vendors shall be evaluated on the following criteria:
 - Adequacy of the proposed methodology
 - Skill and experience of key personnel
 - Demonstrated experience
 - Other technical specifications designated by department requesting proposals
 - Compliance with administrative requirements of the request for proposal (format, due date, etc.)
 - Vendor's financial stability
 - Vendor's demonstrated commitment to the nonprofit sector
 - Results of communications with references supplied by vendor
 - Ability/commitment to meeting time deadlines
 - Cost
 - Minority- or women-owned business status of vendor
2. Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.
3. After a vendor has been selected and approved by the Department Director, the final selection shall be approved by the CEO (and Board, if necessary) prior to entering into a contract.

Special Purchasing Conditions

1. In emergencies, where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of CAP's property is involved.
2. Sole source purchases will be made only when solicitation of multiple vendors is not feasible and one of the following conditions apply:
 - The item or service is only available from one source,
 - The situation is a public emergency,
 - The awarding agency approves the purchase, or
 - Competition is deemed inadequate (insufficient bidders)
3. A cost/price analysis is required and approval from the funding agency may be necessary if the purchase is over the small purchase threshold.

Purchasing from Small, Minority or Women-Owned Businesses

1. CAP Services will purchase from small, women-owned or minority-owned business whenever possible.
2. A listing of small, minority or women-owned businesses is available at the State of Wisconsin Department of Administration's website.

Provisions Included in All Contracts Charged to Federal Funds

CAP Services, Inc. includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases, defined as \$100,000 or less) with vendors and subgrants to grantees:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
2. **Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and subgrants in excess of \$2,000 for construction or repair awarded by Example GFP and its subrecipients shall contain a provision for compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.” This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. CAP Services will report all suspected or reported violations to the Federal awarding agency.
3. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** If required by a Federal funding source, all construction contracts of more than \$2,000 awarded by Example GFP and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. CAP Services will place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. CAP Services shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. CAP Services shall report all suspected or reported violations to the Federal awarding agency.
4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** [Where applicable] All contracts awarded by CAP Services in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is

compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended: Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
6. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): For all contracts or subgrants of \$100,000 or more, Example GFP shall obtain from the contractor or subgrantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Example GFP shall provide such certifications in all situations in which it acts as a subrecipient of a subgrant of \$100,000 or more.
7. Debarment and Suspension (E.O.s 12549 and 12689): For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000 in 2005), Example GFP shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs.
8. Remedies: All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000 in 2005) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
9. Termination: All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (\$100,000 in 2005) shall contain suitable provisions for termination by Example GFP, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Consultants and Contractors

1. Consideration will be made of in-house capabilities to accomplish services before contracting for them.
2. The Agency's purchasing procedures will be followed when contracting for services except when waived by the Board of Directors.
3. The qualifications of the consultant and reasonableness of fees will be considered when hiring consultants.
4. Written contracts clearly defining work to be performed will be maintained for all consultants and contract services.
5. Contractors must provide certificates of liability and their Federal Employer ID number prior to performing services. The FEIN is required by the State of Wisconsin to prove they are an independent contractor for worker's compensation purposes.
6. Consultants will be paid as work is performed.
7. Any contractor or vendor with 25 or more employees and receiving \$25,000 or more per year must comply with CAP Services Civil Rights / Limited English Proficiency (LEP) policy. The policy will be incorporated in contracts and agreements with vendors and contractors for services.
8. In addition, the Board of Directors must approve contracts in excess of 12 months duration and any contracts with employees or their families.
9. Delegate agency contracts and subcontracts for the performance of all or part of a grant must be approved by the funding source as required.
10. See the section titled Independent Contractors – Required Paperwork and the section titled Provision Included in All Contracts Charged to Federal Funds for more information.

Vendors

1. To ensure only legitimate vendors are in our accounting system Finance staff will periodically supply a list of current vendors to the Department Directors. Department Directors are asked to review the list, place a check mark next to the vendors they use in their program, sign the coversheet that will be attached to the list and return the list to the Finance Department.
2. Department Directors or their designee will be asked to approve all new vendors before payments are made. When a new vendor needs to be added to the MAS 90 system, the Finance staff will ask the Department Director by e-mail to approve the vendor.
3. Finance staff will check the internet and local phone directories to validate the legitimacy of new vendors.
4. Program staff will provide and collect W-9 forms and evidence of insurance from new vendors and provide vendors with evidence CAP Service is exempt from Wisconsin sales tax.
5. Additional paperwork as described in the following sections is required of independent contractors and contractors and subs doing work on CAP-owned buildings.
6. Vendors that have not been utilized for over 24 months will be made inactive.

Independent Contractors – Required Paperwork

Many independent contractors who do not have employees may not have Federal Employer Identification Numbers (FEIN) since they file their taxes using their social security number. This poses considerable liability for CAP Services. The State of Wisconsin identified nine conditions that must be met for a contractor to be considered independent for the purpose of Worker's Compensation coverage; one condition is the contractor have a federal ID number. If the contractor can't produce the federal ID number, CAP Services is liable for any injury incurred by the contractor while performing services for us. The program using the contractor will be charged the Worker's Compensation premium on them.

Follow this procedure when employing contractors:

1. Request certificates of insurance from the contractor; please request they send certificates for both their general liability coverage and worker's compensation coverage.
 - Ask them to have CAP Services named as additional insured on the policy.
 - Review the insurance certificates to ensure coverage is adequate (\$1,000,000 of general liability coverage).
 - Send a copy of the certificate/s to the Finance staff.
 - Independent contractors who do not have any employees are not required to have worker's compensation.
2. Have the contractor complete a ***W-9 form (Payer's Request for Taxpayer Identification Number and Certification)***. Independent contractors will have to provide CAP Services with their Federal Employer ID Number (FEIN). This is not the same as the social security number. According to the IRS, if the contractor had a FEIN issued in the past under a different business name, the number is still valid even though the contractor may have closed the particular business. If the contractor can't remember the number, ask him/her to call the IRS. CAP will not issue payments unless a W-9 is on file in the Finance office. The IRS imposes a \$50 penalty for failure to obtain a W-9. Copies of the W-9 form can be obtained from the Finance Office.
3. If the independent contractor does not have a FEIN (most likely this will be the case if the person does not have any employees), give the contractor an ***IRS SS4*** form. This is the form used to request a FEIN. Ask the contractor to complete SS4 and to provide you a copy of the completed application. Caution the contractor that CAP will not make a payment to them unless we have a copy of the completed SS4. Wisconsin law says the contractor must hold or have applied for the FEIN in order to be considered an independent contractor. Offer to mail the completed SS4 as a courtesy to the contractor. Copies of the SS4 form can be obtained from the Finance Office.
4. Contractors doing work on CAP owned or leased buildings must complete an ***Associated General Contractors*** form prior to starting work. This form is available from the Director of Administration.
5. The Finance staff must have the following items in order to process payments for contractors.

- Certificate of Insurance (program staff obtains this)
 - W-9 form (program staff obtains this)
 - If the W-9 does not have a FEIN, a copy of the SS4 form used by the contractor to apply for a FEIN (program staff obtains this)
 - A copy of the purchase order
 - A copy of the invoice.
6. A record will be maintained on all vendors to whom a 1099 is required to be issued. 1099 forms will be prepared and mailed by the Accountant.

Contractors and Subcontractors – Risk Management Procedures

Approved by Board 2/06

Amended insurance 8/06

1. Written contracts are required for all contract work in excess of \$1,000.00. Contractors must obtain approval from CAP Services prior to subcontracting any part of a contract.
2. Any contractor or vendor with 25 or more employees and contracting for \$25,000 or more in work per year must comply with CAP Services Civil Rights/Limited English Proficiency (LEP) policy. The policy will be incorporated in contracts and agreements with vendors and contractors for services. A sample plan can be obtained from the Director of Administration.
3. Certificates of Insurance naming CAP Services as additional insured will be required from all contractors and subcontractors prior to the start of any work. Program staff will request updated certificates when necessary. The Finance Department will maintain these records and will send a listing of insured contractors to staff each month. Contractors and subcontractors must maintain commercial liability, bodily injury and property damage insurance against any claim(s) which might occur in carrying out their agreement/contract. Minimum coverage shall be one million dollars (\$1,000,000) per occurrence liability for bodily injury and property damage including product liability and completed operations. Contractors and subcontractors must provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out their contract. Worker's Compensation coverage is required if the contractor has any employees.
4. A liability pollution occurrence rider is required for all weatherization work done under the State of Wisconsin Weatherization contract. Required limits are \$500,000 per occurrence, \$500,000 aggregate, for the policy term; and \$2,500 deductible per occurrence, unless otherwise specified by the Agency.
The Agency reserves the right to require higher or lower limits where warranted.
5. When work is to be done to on a CAP-owned or CAP occupied building, CAP Services requires use of *Associated General Contractors of America Document No. 604 Standard Short Form Agreement Between Contactor and Subcontractor* or other documents acceptable to CAP's legal counsel, funding sources and insurers. These documents will be filed at the finance office and must be submitted prior to the start of any work. Copies of the form are available from the Director of Administration.
6. Contractors shall provide a safe and healthful working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or resulting from the operation of the contractor's facilities. During the performance of any agreement, all products, services, use of equipment, working conditions, employee training or licensing requirements, and activities performed by the contractor or the contractor's subcontractors shall be in full compliance, if applicable, with the Federal Occupational Safety and Health Act, and all other applicable federal, state, and local laws, rules, regulations, and ordinances.

7. Consultants and contractors will be paid as work is performed. Lien waivers may be required.

Invoicing Errors, Vendor Disputes, Credits

1. Disputed billing can result from failure to receive goods or materials, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc.
2. The employee making a purchase is responsible for contacting and following up with the vendor on any erroneous charges, disputed items or returns as soon as possible. (Most issues can be resolved this way).
3. If the employee is unable to reach agreement with the vendor, the next step is to contact Accounts Payable. Accounts payable will work with the vendor to research any prior payments, outstanding invoices, misapplied payments or credits.
4. In the event of suspected fraud, notify your Department Director.
5. Documentation should be kept explaining each credit received for returns or exchanges.

Accounts Payable Deadline

1. Submit any accounts payable to the Finance Department by 5:00 on Thursday. If a holiday falls on Thursday, accounts payable are due on Wednesday at 5:00.
2. Purchase orders received by 5:00 Thursday are paid and mailed the following Thursday. Any purchase orders received by the Finance Department after 5:00 on Thursday will be set aside and processed the following week.
3. Department Directors must ensure each purchase order is properly coded and has the necessary documentation (original invoice, packing slip, prior approval documentation etc.). Purchase orders that are not properly coded or documented will be returned to the Department Director for correction. If the corrected purchase order is received after the 5:00 Thursday deadline, it will not be paid on the following Thursday.
4. Department Directors or their designee must initial each purchase order to indicate they have approved the payment and that
 - the expenditure is budgeted
 - funds are available for the expenditure
 - the expenditure is allowable under the grant
 - the expenditure is necessary to the program
 - procurement procedures relative to the funding source have been followed
5. The Finance Department will pay invoices on or before the Thursday prior to the due date.

Purchase Orders and Purchase Order Registers

1. Purchases from third parties require a purchase order. The purchase order should be issued **at the time of purchase**.
2. Do not issue a purchase order for these:
 - Travel reimbursement
 - Travel/Training/Career Development requests
3. Blank purchase orders can be obtained from the Finance Department.
4. Purchase orders should be used in numerical order.
5. The white copy of the purchase order should be given to the vendor at the time of purchase. The yellow copy should be submitted to the Finance Department with the invoice and packing slip when requesting payment. The program issuing the purchase order should keep the pink and blue copies.
6. Complete the purchase order register when you issue a Purchase Order. The Purchase Order register is a software program and is installed on your computer. The register is transmitted to the Finance Department. Instructions for transmitting the register vary by network. Please check with Finance staff for more information.
7. After paying the purchase order, Finance will note the check number on the purchase order register. Purchase order registers are used to track purchase orders issued but not paid. They are also a quick way to locate a check number for specific payments.
8. The Finance Department will arrange for printing of purchase orders and will keep them in a secure place.
9. Purchase orders shall be prenumbered, kept in a secure area in the Accounting Department, and issued upon request from an authorized purchaser. Purchase orders are issued to staff in packages of 100.

Grants & Contracts

Proposals

1. Individual departments are responsible for preparing proposals for a project the department intends to pursue. However, all proposals will be reviewed by the CEO prior to submission to government agencies or other funding sources.
2. Proposals in excess of \$10,000 will be forwarded to the Planning Committee and Board of Directors for their approval. The Department Director will prepare a Proposal Review Fact Sheet for this purpose.
3. Action by the Board indicates approval of the grant proposal and the related budget.

Grants and Contracts

1. The Chief Executive Officer will review and sign-off on proposal budgets over \$10,000.
2. All grants and contracts will be immediately forwarded to the Chief Financial Officer upon receipt.
3. The CEO will distribute copies of grants and contracts to Department Directors and Chief Financial Officer. The Department Director will give a copy of the supporting detail for the budget to the Chief Financial Officer who will verify the budget and establish the necessary accounts.
4. The Chief Financial Officer will prepare a general journal entry to record each grant award.
5. The Chief Financial Officer will carefully review each grant award to ensure compliance with financial provisions.
6. The Department Director will carefully review each grant award to ensure compliance with all program objectives.
7. A copy of all grants and contracts will be maintained in the Chief Financial Officer's office. Grant and contract files will be filed by funding source and program year.
8. The Senior Accountant will record all Finance reporting deadlines for each grant and contract upon a calendar.
9. The Finance Department will keep copies of all financial reports.

Budgets

1. Department Directors will prepare budgets for their proposals.
2. The CEO and Board of Directors will review and approve the budget for each proposal and the annual budget for on-going contracts or programs.
3. Department Directors will review expenditures and monitor budgets each month to ensure expenditures are appropriate and contracts are not over or under spent.
4. Department Directors will request prior approval for budget amendments following guidelines outlined in each contract and appropriate regulation.
5. Department Directors will provide a copy of the initial and amended budgets to the Chief Financial Officer.

Post Award Procedures

After an award has been made, the following steps shall be taken:

1. The CEO and Department Director will verify the specifications of the grant or contract.
2. The Finance Department shall review the terms, time periods, award amounts and expected expenditures associated with the award. A Catalog of Federal Domestic Assistance (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
3. The Chief Financial Officer will create new accounts for the receipt and expenditure categories in line with the grant or contract budget.
4. The Chief Financial Officer will establish a file for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.
5. The Finance Department shall make available copies of applicable laws regulations to the grant manager (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations). OMB circulars are available on the web.
6. The Department Director shall identify and communicate to staff and Finance any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
7. The grant manager shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the “OMB Circular A-133 Compliance Supplement,” and communications with Federal awarding agency personnel.
8. The grant manager shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The grant manager shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

Reports

1. The Chief Financial Officer is responsible for the final draft, distribution and maintenance of backup for all financial reports to funding sources.
2. Reports will be filed on time. The Senior Accountant will record all financial reporting deadlines for each grant and contract on a calendar.
3. CAP will request reimbursement after expenditures have been incurred, unless an award specifies another method.
4. The Senior Accountant will submit reports to the Chief Financial Officer for review, approval and signature prior to submission.
5. All financial reports or requests for reimbursement will reflect the actual amounts posted to the general ledger.
6. When it is necessary to adjust a report, the Senior Accountant will attach reconciliation to the backup copy of the report.
7. If the year-end audit results in adjustment to amount previously reported to funding sources, revised reports will be prepared and filed in accordance with the terms of the award.
8. Department Directors will ensure the non-financial reports to funding sources are filed in an accurate and timely manner.
9. Department Directors will submit monthly progress reports by contract deadlines. Copies will be submitted to the Finance Department for inclusion in the contract file.

Contract Compliance (amended 9/10)

1. CAP Services receives funds under rules established by our funding sources and Board. These are outlined in a contract that includes terms and conditions, a statement of work to be completed during the contract period, performance goals, and a budget.
2. Contract compliance is achieved in a number of ways
 - Timely preparation and monitoring of financial and program performance reports
 - Program evaluation
 - Monthly CEO report to the Board of Directors
 - Segregation of duties and internal controls
 - Funding source monitoring visits / reviews
 - Annual financial and compliance audit and audit presentation to the Board of Directors
3. Staff are expected to bring any areas of concern regarding compliance to the attention of their supervisor.
4. In the case of an adverse finding or non-compliance, the CEO will instruct staff to prepare a response and timeline for correction. The Board of Directors will be informed.
5. When CAP Services Inc. uses federal funds to make sub-awards to other organizations, CAP Services is subject to a requirement to monitor sub-recipients to provide reasonable assurance that sub-recipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.
 - Sub-award agreements will include all information necessary to identify the funds as Federal, including applicable Catalog of Federal Domestic Assistance (CFDA) title and number, Award name, name of federal agency, and amount of award
 - Sub-award agreements shall identify all applicable federal requirements, including audit requirements in accordance with OMB Circular A-133
 - Sub-award organizations shall submit financial and program reports as specified in the sub-award agreement with CAP Services
6. Monitoring of sub-recipients during the contract period may include any or all of the following:
 - Regular contacts regarding program activities
 - Review of programmatic and financial reports prepared and submitted by the subrecipient
 - Site visits to review records and assess compliance with applicable program requirements, laws and regulations
 - Technical assistance if needed
 - Documentation of contacts, deficiencies noted, follow-up, and other contracts

Year End and Contract Closeout Procedures and Costs

These procedures are to be followed at the expiration of a contract period and/or at the end of the Corporation's fiscal year on December 31st.

1. A purchase order will be written for each payable outstanding on the last day of the contract period. Department Directors will submit all purchase orders to the Finance Department by the final day of the contract. Not all purchase orders will have corresponding invoices at that time.
2. The Finance Department will journalize the purchase orders as liabilities for the terminating contract and return the purchase orders to the Department Director. The Department Directors will ensure all invoices are received and paid within the timelines governing the contract.
3. Federal regulations allow 90 days to liquidate payables.
4. Accrued vacation costs will be charged quarterly to each contract and at its expiration if the contract is not being renewed. Vacation time used by program staff during the year will be charged directly to wages and salaries. Accrued vacation will be adjusted against the prior year's accrual. Vacation accruals for the Administrative staff will be made each month.
5. Accrued personal time costs will be charged quarterly and to each contract at its expiration if the contract is not being renewed. The amount accrued will be 25% of the total personal accrual at the end of the period. Personal time used by program staff during the year will be charged directly to wages and salaries. Accrued personal time will be adjusted against the prior year's accrual. Personal time accruals for the Administrative staff will be made each month.
6. The payment of personal and vacation accruals becomes the liability of the corporation upon expiration of the contract and the recording of the accrual transaction. Each contract is considered to terminate at the time specified in the individual contract or purchase order.
7. Merit payments, if appropriate, will be accrued at the close of each contract year.
8. Where contracts allow the storage of records or equipment as a closeout cost, the Finance Staff will make an estimate of storage costs and make a one-time payment to the Corporation. Storage costs payable to non-CAP landlords will be disbursed from the corporate account.
9. The Chief Financial Officer will adjust Grant Receivable accounts to reflect only the amounts actually earned on grants.

Grants Receivable Management

1. Upon receipt of the grant, the entire grant will be recorded as a receivable and as grant revenue.
2. During the year, when cash is received for expenses incurred, the grant receivable account is reduced.
3. At the end of the fiscal year, the grant receivable and grant revenue accounts are reconciled based on the actual amounts earned and due on the contract.
4. The Senior Accountant will reconcile grants receivable each month and follow up on any item that appears to be delayed.

Cost Sharing and Matching (In-Kind)

1. CAP Services values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or regulations identify specific values to be used.
2. CAP shall claim contributions as meeting a cost sharing or matching requirement of an award only if all of the following criteria are met:
 - They are verifiable from CAP Services records.
 - They are not included as contributions for any other federally-assisted project or program.
 - They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
 - They are allowable under OMB Circular A-122.
 - They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
 - They are provided for in the approved budget when required by the Federal (or state) awarding agency.
 - They conform to all provisions of OMB Circular A-110.
3. In the case of donated space, (or donated use of space), the space is subject to an independent appraisal to establish its value.
4. CAP Services will recognize cash contributions as in-kind income in the period in which they are spent on allowable program costs.
5. Any discounts received on goods or services are recognized as in-kind only if such discounts are not available to the general public.
6. If the purpose of the contribution is to assist the Organization in the acquisition of equipment, building, or land, the total value of the donated property may be claimed as matching with prior approval of the awarding agency.
7. If the purpose of the donation is to support activities that require the use of equipment, buildings or land, depreciation or use charges (e.g. rent) it may be claimed at matching, unless the awarding agency has approved using the full value as match.
8. Equipment, buildings or land are valued at its fair market value as determined by an independent appraiser. Information on the date of donation and records from the appraisal will be maintained in a property file. The Board of Directors must approve the donation of any building or land.
9. Space will be valued at the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality. Information on the date of donation and records from the appraisal will be maintained in a property file.
10. If the space is donated in a less than an arms-length transaction, it will be valued based in actual allowable costs not to exceed fair market value. Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor will be included in in-kind if the services are an integral and necessary part of the program.

Invoicing, Accepting Cash Payments, Using Petty Cash Funds, Accepting Donations

Invoicing

1. CAP Services' Finance Department is responsible for invoicing funding sources or clients and collection of outstanding receivables.
2. Any invoices issued by staff other than Finance should be sent to the Senior Accountant for mailing. The Senior Accountant will make a copy of the invoice and place the original invoice in the mail.
3. Any adjustments to invoices must be done by the Finance Department and approved by the Chief Financial Officer.
4. At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable will be recorded in the general ledger.

Cash Handling Procedures – Remote Offices

Management strongly encourages payments to be made at the Highway 10 office rather than at the remote sites to ensure cash received is appropriately directed, recorded and deposited on a timely basis. In any case, employees should follow these procedures.

1. Receipts will be issued for all cash or checks received from clients. Employees should use the triplicate receipt book provided by the Finance Department.
2. The receipt should indicate the name of the payee, the date of payment, the amount written in numerical terms (\$50.00) and alpha terms (Fifty and no/100), whether the receipt was cash, check or money order, the check or money order number and the purpose of the payment (i.e. DAAP fee, rent, etc.). Distribute the receipts as follows:
 - original copy(white) give to the client
 - second copy(yellow) send to Finance along with the cash or check
 - third copy(pink) keep in the receipt book
3. Receipts should never be altered. If a mistake is made, void the receipt and issue a correct receipt.
4. All receipts, including voided receipts should be sent to Finance the day they are received.
5. Employees who accept cash receipts from clients or funding sources must remit the funds to Finance daily. Funds should be remitted intact; do not keep cash. Because Finance staff prepares deposits between 12:00 and 12:30; please have cash and checks to Finance by 12:00.
6. All cash and checks payable to CAP Services will be deposited into the CAP checking account. Employees must never deposit cash or checks into their personal accounts.
7. Do not cash checks for clients or staff using client receipts, petty cash or other Agency cash on hand. If staff want to cash checks for clients, they may do so using their own personal funds. Staff needing to cash checks should do so at a local business or bank.
8. Receipt books should be sent to Finance when they are filled up so they can be used for audit purposes.

Cash Handling Procedures – Finance Office

1. The Administrative Clerk Typist will open the mail and prepare a listing of receipts in the Cash Control workbook.
2. The Finance staff will prepare the deposit; t a designated Finance employee will review and sign off on the deposit slip. If the deposit slip does not match the receipt listing the discrepancy will be investigated and resolved.
3. Bank deposits will be made daily.
4. Donors who make out a check to a third party and remit the check to CAP so goods or services can be purchased for a program will receive an In-kind form acknowledging receipt of goods or service, not cash. Staff will attach a receipt to CAP's copy of the In-kind form. Donors wishing to purchase items and donate them to CAP will be issued an in-kind receipt for goods.
5. Finance will notify either the staff person or the Department Director when the amounts forwarded to the Finance Department do not match the receipts or other documentation sent with the cash or checks. The person contacted by Finance will investigate why the cash doesn't match the documentation and report the findings to Finance.
6. Staff will not cash checks for clients or staff using client receipts, petty cash or other Agency cash on hand.. Staff needing to cash checks should do so at a local business or bank.
7. On a periodic basis the Chief Financial Officer or designee will reconcile the initial cash receipts listing to the bank deposit on the monthly bank statement. Any discrepancies will be investigated

Cash Receipts Child Care Center (amended 12/09)

The Child Care Program Assistant generates the parent invoices, records amounts due and paid on each child's account and provides summary accounting records to the Finance Department.

1. Parents deposit payments in lockbox on wall outside Children's Discovery Center (CDC) office
2. Cash payments are made to center manager who provides a receipt with family name, amount, date
3. Center manager removes payments daily to bank bag which is locked in office.
4. ECD administrative personnel pick up the bank bag 2x weekly (Monday, Wednesday) and deliver to Cashier at Hwy 10.
5. Cashier at Hwy 10 alphabetizes checks, enters checks and cash into cash control. Account Clerk makes one scan and one copy of checks for deposit. Scanned file is named for the date the checks are received from CDC (CDC check receipt 11 20 2009). Account Clerk also copies back-up for cash received for scan labeled CDC cash 11 20 2009. Cash and documentation is deposited with other CAP cash received. Checks are deposited daily.
6. Account Clerk emails the scanned check and cash files, on the day received, back to CDC program assistant for use in posting payments to EZ Care2 software system.
7. CDC Program Assistant uses .pdf files to enter receipts into EZ Care2 system within one working day after receipt of the payment data. The payment (posting) date in EZ Care system corresponds to the date on the .pdf file. A report is generated from the system, listing the family names and amounts for this posting date. The report is converted to an electronic document (file name CDC posted 11 20 2009) and emailed to Hwy 10 (AD-Finance (Deanna) and Account Clerk (Jan)). This EZ Care posting report will be emailed back to Finance as soon as it is completed.
8. Account Clerk prints CDC Posted report and attaches to the payment photocopy as additional documentation for receipts updated to the general ledger.
9. At month end, or when holidays or other scheduling interfere with this receipting schedule, CDC and Finance personnel will modify as needed to get payments posted and deposited to provide updated parent statements and CDC financial statements.

Petty Cash

1. Petty cash funds will be maintained on an imprest basis. The Senior Accountant will maintain a list of petty cash funds and custodians.
2. Each petty cash custodian will sign a receipt for his/her fund. These funds are considered accounts receivable from the custodian.
3. All petty cash funds will be kept in a secure place. A locked cash box placed in a locked file cabinet is suggested. Only the petty cash custodian should have access to the funds.
4. Requests for petty cash should be made to the custodian. The person requesting petty cash should sign a receipt (petty cash voucher) for the amount of cash received. A receipt for all purchases must be attached to the petty cash slip. The purchaser must return all unspent petty cash to the petty cash custodian. The purchaser is liable for all unspent petty cash funds or any purchases not documented by a receipt.
5. At all times, the petty cash box will contain receipts and cash totaling the amount of the fund.
6. Periodically (as needed) the petty cash custodian will total disbursements by program and account classification and submit the recap and all receipts to the Accounts Payable Accountant for replenishment of the fund. The Finance Department may request reconciliation of particular accounts due to grant closings or if the account has not shown regular activity.
7. Petty cash fund reimbursement checks will be made payable to the petty cash custodian.
8. The Senior Accountant will periodically conduct unannounced reviews of petty cash funds.
9. Any irregularities in the petty cash fund will be immediately reported to the Chief Financial Officer.
10. Loans will not be made from petty cash funds.
11. When a Petty Cash Custodian terminates his/her job, all unused cash and receipts should be returned to the Accounts Payable Accountant, with notice of termination.

Charitable Donations

1. CAP Services is a 501c(3) organization. Donations to CAP are deductible to the extent allowed by law. The IRS requirements for documenting deductions taken for charitable donations were amended in 1994. All donations must be supported by a receipt from the charitable organization. For additional information see IRS Publication 1771 available at www.irs.gov.
2. CAP values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.
3. Provide a signed ***In-Kind*** form to the donor. Keep a copy of the In-Kind form if the donation exceeds \$5,000.
4. For gifts of money, note whether the donation was cash or check. All gifts of money must be sent to the Finance Department when received and will be deposited into CAP's checking account.
5. CAP will comply with all lawful restrictions placed by donors on donations.
6. A thank-you letter should be sent for donations. Note the type of donation and the value of the donation in the letter. Examples that meet IRS requirements include:
 1. Thank you for your cash contribution of \$300 that CAP Services received on December 12, 2001.No goods or services were provided in exchange for your contribution.
 2. Thank you for your cash contribution of \$350 that CAP Services received on May 6, 2001. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of \$60.
 3. Thank you for your contribution of a used oak baby crib and matching dresser that CAP Services received on March 15, 2001.No goods or services were provided in exchange for your contribution.
 4. Thank you for your contribution of \$450 to CAP Services made in the name of its Joanna Sherman scholarship program. No goods or services were provided in exchange for your contribution.

Equipment, Buildings, Business Insurance

Injuries and Property Loss

1. In the event of injury first take the necessary steps to protect life. Administer first aid, transport for medical treatment or call an ambulance as necessary.
2. Report all work-related injuries to the HR Manager within 24 hours. Use the ***Report of Employee Injury*** form available at worksites and at capnews.info.
3. Report all injuries sustained by guests, clients or other visitors to CAP's Director of Administration within 24 hours using the ***Accident Report*** form. The form is available at capnews.info.
4. Injuries to employees of CAP tenants should be reported to the injured party's employer. These injuries should be covered by their employer's workers compensation policy. However, notify CAP's Director of Administration using the Accident Report form.
5. Report property damage within 24 hours to the Director of Administration using the Accident Report form.
6. The Director of Administration will report claims to the insurance company as appropriate.
7. The insurance company may need to send an adjuster to inspect larger property claims. The Director of Administration will advise program staff whether or not to proceed with repairs.
8. Program staff will arrange for repairs after approval is given by the Director of Administration or their Department Director.
9. The program incurring the loss is responsible for paying the deductible or for any repairs not paid by the insurance company.

Insurance – Property & Casualty

1. The organization purchases insurance to protect against catastrophic losses.
2. The Finance Committee works with the Director of Administration to review proposals submitted by qualified brokers and to determine the most appropriate limits of liability, deductibles and carriers given the resources, risks and requirements of the organization.
3. Department Directors should notify the DOA in writing when property or exposures need to be added, deleted or changed on CAP's insurance policies.
4. Staff should use the ***Construction Notice*** form to notify the DOA of insurance changes for construction projects.
5. Insurance policies will be placed with companies licensed to do business in the State of Wisconsin.
6. Detail on premium allocations will be provided by the insurance company.
7. Premiums on policies will be expensed to programs benefiting from the policy using appropriate cost allocation methods. For example, the premium for personal property, crime, computers, and valuable papers would be allocated based on staff census.
(Premium for coverage ÷ total CAP staff x weatherization staff = premium allocated to WX for this exposure)
8. The Director of Administration will prepare and maintain an insurance register.

Property & Equipment

1. Use of CAP equipment for employee's personal use is restricted to the Agency premises after working hours. Power tools and vehicles are not available for personal use.
2. Equipment purchase requirements vary by funding source and contract. Department Directors should check their contracts prior to purchasing equipment. Department Directors are responsible for obtaining any necessary approvals from funding sources prior to purchasing.
3. The purchase of all equipment will comply with the procedures outlined in the Purchasing and Procurement section of this manual and with grant and contract requirements.
4. All staff will work to ensure property is safeguarded from loss. This includes locking buildings and vehicles. Report any losses or damage to your Department Director.
5. Minor equipment is defined as all items (purchased, government excess or donated) with a unit cost of \$50 to \$4,999 and a useful life of more than one year. Major equipment shall be items of \$5,000 or more with a useful life of more than one year.
6. Major equipment (\$5,000 +) will be recorded in the general ledger as an asset. Minor inventory (\$50 - \$4,999) will be recorded as an asset only if required by the funding source.
7. Department Directors must obtain written approval from the funding sources, if needed, prior to purchasing major equipment with grant funds.
8. The Department Director will forward a copy of all invoices for the purchase of equipment to the Finance Department. Location of equipment and serial numbers, if any, should be clearly noted by the Department Director. Funding source approval of the purchase, if required, should be attached to the invoice.
9. When processing payments for equipment, the A/P Accountant should check the invoice, verify funding source approval has been secured (if necessary) and check coding. If the purchase exceeds \$5,000 for a single item, please consult the Chief Financial Officer for specific coding instructions.
10. The Assistant Director of Finance will maintain property records for all major equipment as required by funding sources and will take a physical inventory of equipment valued over \$5,000 biannually. Program staff will inventory any property valued at less than \$5,000. Property records will include:
 - A description of the property
 - A manufacturer's serial number, if any
 - The CAP Services property number, if any
 - The source of the property (i.e. what funding source/s paid for the property)
 - Who holds title to the property if other than CAP Services
 - The date the property was acquired
 - The cost of the property
 - Percentage of federal dollars used
 - The current location of the property
 - The current condition of the property
 - The disposition date, disposition approvals, sale price or trade-in allowance

11. The Accountant will reconcile the physical inventory with the property records and the prior year's inventory. All discrepancies must be properly explained.
12. The Assistant Director of Finance will be immediately notified of all cases of loss, damage or transfer of equipment and will make a report to the Chief Financial Officer. The Assistant Director of Finance will initiate the journal entries to remove lost, damaged or obsolete equipment from the asset accounts; the Chief Financial Officer will review and approve the entry.
13. If the total cost of leasing equipment over a three -year period or less exceeds the purchase price, the equipment should generally be purchased.
14. Only items of equipment necessary to the completion of a program will be purchased for that program.
15. The employee designated as responsible for equipment will ensure a custody receipt is prepared and on file for all equipment prior to removal from the premises of the Corporation.
16. Vehicle logs will be maintained for all motor vehicles owned by the Agency. Department Directors are responsible for the maintenance of vehicle logs and should submit them to the Finance Department upon request.
17. Inventories of consumable supplies will not exceed what is necessary for the efficient operation of the programs. Perpetual inventories will be maintained by the Accountant for Weatherization materials and Administrative office supplies. The Accountant will perform a physical count of these inventories at least quarterly.

Disposal of Equipment and Property

1. The Chief Executive Officer, Senior Vice President or Chief Financial Officer must approve of disposal of equipment (initial acquisition cost of \$5,000 or more with a life or 1 or more years). The request should be made in writing and should include the date, a description of the item including the serial number, if any, and the reason for disposal. Send a copy of the disposal authorization to the Finance Department.
2. The Board of Directors must approve the transfer of any real estate.
3. Where necessary, the Department Director will obtain permission from the funding source for disposal of the equipment prior to requesting the Chief Executive Officer's approval. OMB A110 requires prior approval from the funding source for disposal of items of equipment with a fair market value of \$5,000 or more. Fair market value is determined at the time of disposal.
4. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the Federal agency awarding the grant. Department Directors should check their contracts for any exception to this.
5. Any proceeds from the sale of equipment purchased with grant funds will be handled in a manner consistent with current federal regulations.
6. The Assistant Director of Finance will update the property records to indicate the date of disposal, the sale price or trade-in allowance and attach any necessary disposal approvals to the item's property record.

Vehicle Use Policy

1. CAP owned vehicles may only be used for legitimate agency business.
2. CAP vehicles will not be used to transport passengers who are not directly or indirectly related to CAP business. Family members or friends shall not be transported in CAP vehicles.
3. CAP shall not be liable for the loss or damage of any personal property transported in the vehicle.
4. Employees are expected to keep CAP vehicles clean, and to report any malfunction or damage to their supervisor immediately.
5. Employees should check fluid levels and tire pressure at least weekly.
6. Employees assigned vehicles for commuting purposes are expected to park the vehicles in safe locations.
7. Employees must wear seatbelts during operation of the vehicle.
8. Employees may not operate CAP vehicles under the influence of alcohol, illegal drugs, or prescription drugs or medications which may interfere with effective and safe operation.
9. Employees who operate CAP vehicles must have a valid motor vehicle license issued by the state of Wisconsin and may be required to provide proof of valid motor vehicle license once every year.
10. Drivers abstracts will be obtained for all staff authorized to drive CAP owned vehicles and will be checked annually.
11. Employees driving CAP vehicles shall obey all applicable traffic and parking regulations, ordinances, and laws.
12. Fines resulting from traffic or parking violations are the obligation of the driver.
13. Employees who are issued citations for any offense while using a CAP vehicle must notify their supervisor immediately when practicable, but in no case later than 24 hours. Failure to provide such notice may be grounds for disciplinary action.
14. An employee who is assigned a CAP vehicle and who is arrested for or charged with a motor vehicle offense for which the punishment includes suspension or revocation of the motor vehicle license, whether in his or her personal vehicle or in a CAP vehicle, must notify his or her supervisor immediately when practicable, but in no case later than 24 hours. Conviction for such an offense may be grounds for loss of CAP vehicle privileges and/or further disciplinary action up to and including termination of employment.
15. No employee may use a CAP vehicle for out of state use without advance approval of the CEO.
16. In the event of an accident:
 - First take necessary steps to protect life.
 - Contact the police.
 - Comply with policy instructions.
 - Do not assume or admit fault. Others will determine liability or negligence after a thorough investigation.
 - Report the accident to your supervisor, who will notify the Director of Administration.

Cell Phones (updated 2/10)

Purpose and Scope

CAP Services wishes to provide the most consistent, convenient and cost effective cellular telephone services possible to those employees requiring cell phones for their employment. This policy applies to all staff of CAP Services.

Cellular Service Vendors

CAP Services may at its discretion enter into contracts with cellular telephone service providers. The relationship with cellular providers will be managed through the Director of Administration. With authorization of the Department Directors, the HR Assistant will place all orders for cell phones and services with the contracted vendor.

Plans, Handsets, Features and Accessories

CAP Services will contract for a set of usage plans, handsets, features and telephone accessories that will serve the needs of most employees. An employee wishing to have features other than those offered in the available programs must have approval of his or her supervisor. Camera phones will not be provided, when possible. Staff who do have camera phones will use cameras only for legitimate business purposes.

Eligibility & Approval

1. Cellular phones and services may be provided to certain CAP Services employees to conduct activities incident to their CAP employment that either cannot be conducted on a land-line telephone or for which it would be inefficient to use a land-line telephone.
2. Requests for cell phones must be approved by the employee's supervisor (who will determine need), and the employee's Department Director.
3. Employees will sign a receipt for the cell phone and promptly return the cell phone and any accessories to CAP upon termination of employment.
4. The supervisor is responsible for making sure the employee returns the cellular telephone when the employee terminates employment.

Business Necessity

Employees are expected to keep their cellular telephone turned on during times agreed upon with their Department Director to assure that they can be reached.

Personal Calls

1. CAP Services provides cell phones to employees for the purpose of conducting CAP business. The use of CAP-owned cellular equipment to make or receive personal calls is discouraged, although it is understood that usage for personal reasons may be necessary in emergency or travel situations. Personal use exceeding \$10 per billing cycle will be brought to the attention of the Department Director and could result in a warning, admonition or more serious disciplinary action. Employees must realize that although personal calls made within the local calling region and under the usage limits provided by the employee's plan do not result in additional charges, they do

count toward the overall time limits established under the service agreement. Any overage, long distance, roaming or other charges realized by the employee for personal calls will be the responsibility of the employee.

2. Employees will receive a copy of the bill for their cell phone each month. Employees should identify the personal phone calls appearing on their cell phone number and promptly submit reimbursement to the HR Assistant. If no personal calls were made, the employee should sign the copy of the bill and return it to the HR Assistant.

Damage, Loss or Theft

1. Handsets or other equipment damaged in the course of business should be brought to the HR Assistant who will contact the vendor for replacement or repair. Lost or stolen cellular equipment should be immediately reported to the employee's supervisor, who will notify the HR Assistant so that the service can be cancelled.
2. All costs incurred for replacement or repair will be the responsibility of the employee's department. However, if the Department Director determines the loss was due to the employee's negligence the employee will be responsible for the repair or replacement.

Usage While Driving

1. Employees are prohibited from using cell phones while driving.
2. If an employee needs to make or receive a call while driving on CAP business, he/she should locate a lawfully designated area to park and make the call.
3. Employees who are charged with a traffic violation resulting from the use of their cell phone while driving on CAP business will be solely responsible for all liabilities that result from such action.

Personal Cell Phones

1. Employees should turn off their personal cell phones while at work.
2. If it is necessary to be reached on a personal phone, the employee should have it on vibrate.
3. Because of the prevalence of camera phones and the need to protect the confidentiality of clients and documents, employees who need to use their personal cell phone during business hours should go outside the building to do so. This should be done whether or not the employee has a camera phone.
4. Employees using their personal cell phone for CAP business will be reimbursed at the cost per minute currently contracted with CAP's vendor at the discretion of their Department head. Employees should attach a copy of their cell bill to their travel voucher and identify the work-related calls.
5. Designated interpreting staff may be exempted from the provisions governing personal cell phone use and would instead conform to their department's procedures.

Program Management

1. The relationship with cellular provider shall be managed through the Director of Administration.

2. With authorization of the Department Directors, the HR Assistant will place all orders for cell phones and services with the contracted vendor and take delivery of equipment.
3. The HR Assistant will contact employees ordering equipment when it arrives. The employee will pick up the equipment from the HR Assistant or make arrangements to have it sent to them.
4. Management staff and the HR Assistant will monitor plans and overall usage and suggest changes in service agreements to provide the most convenient and economical plan to the employee.

Employee Responsibilities

1. Employees should be aware that cellular transmissions are not secure. Employees should use discretion in relaying confidential information. No privacy should be expected.
2. Employees possessing CAP cell phones are required to care for the phone in a responsible manner, and to take appropriate precautions to prevent theft, damage and vandalism. Report any loss or damage to the HR Assistant in a timely manner. Employees are expected to retain all phone accessories, including the manuals, and to turn them in when a new phone is requested or at the termination of employment.
3. Employees are not to access and/or download online features (such as ring tones) to their cellular telephone. These features can result in extra charges and expose the cellular telephone to viruses. This conduct would be considered a violation of this policy and the employee may be required to reimburse CAP for any expenses incurred, and would be subject to disciplinary action.
4. An employee may not operate a personal business from a CAP cell phone.

Phone Calls

1. Personal use of agency phones/lines should be kept to a minimum.
2. Employees must bill personal long distance calls to their home phone or use a personal prepaid calling card.
3. Prepaid calling cards to be used for agency business will be provided to employees at the request of the Department Director. These cards are for Agency business use only. Unauthorized use of the Agency's telephone credit cards may result in disciplinary action.
4. Employees who use a CAP-owned cell phone will be billed each month for personal calls made on the phone. Staff will be provided a copy of the bill and will identify personal calls. Payment is due upon receipt of the bill. An employee may not operate a personal business from a CAP cell phone.
5. Employees will turn in their prepaid calling cards and/or agency cell phone when terminating employment (or when requested by the Department Director).

Laptop Policy

1. A laptop is intended for use for CAP Services business only. It is not intended as a replacement for any computers that may be owned personally. Personal use of the laptop is prohibited.
2. Any employee issued a laptop computer must sign a receipt for the computer.
3. Ownership of the laptop computer will reside with CAP Services. The laptop and all accessories must be returned when employment ends. Laptops should have a sticker indicating it is the property of CAP Services and include CAP's address.
4. The employee should review the Employee Handbook section on computer, internet and e-mail use for additional information, especially regarding the downloading of software.
5. It is the employee's responsibility to take appropriate precautions to prevent misuse, damage to or loss/theft of the laptop computer. The employee may be responsible for certain costs to repair or replace the computer if the damage or loss is due to negligence or intentional misconduct.
6. If the laptop is lost or stolen it must be reported to the employee's supervisor immediately. A police report must also be filed by the employee. The police report should include the serial number for the lost computer. A copy of the police report must be sent to the Director of Administration within 48 hours of the discovery of the loss.
7. The laptop will be configured with a standard suite of programs that are appropriate for the type of computer based on CAP's software standards. Periodically, CAP changes software versions; when software versions change, the employee must bring the laptop in for update. Unauthorized or unlicensed software should not be downloaded to the laptop.
8. Employees connecting a lap top computer to a network at a CAP office must be sure to have up to date anti-virus software on the laptop. When disconnecting the computer from the network, employees must first log-off the network; this helps ensure the nightly network backup runs without errors.
9. Employees are responsible for maintaining an appropriate backup of the laptop, especially of the work-related documents and data files created that are not restored when reinstalling the operating system and programs.
10. Employees are responsible for ensuring that security updates take place on laptops in their care. Antivirus software must be up to date and a personal firewall must be used. Employees must not use their laptop on wireless networks unless property security measures are active. Employees must bring the laptop to the office at least annually for inspection and maintenance by CAP's IT consultant.
11. Additional information on allowable use of computers, e-mail and internet is in the Employee Handbook.

Information Technology

Additional Information technology (IT) procedures have been developed and are contained in a separate manual.

1. CAP Services' network file servers have a backup tape device installed on the server. The type of backup tape device varies with the model of the server and the volume of data to be backed up. Most servers have internal tape drives instead of external drives.
2. CAP Services backup software on the network server is used to control the backup processes. Designated staff at each CAP Services site will ensure all backups are completed successfully and review the backup process on all network servers daily. Logs are maintained to verify the amount of data backed up and the unsuccessful backup occurrences.
3. Full backups of servers will occur every business day after closing hours. In the event that a full backup of a server consumes more than one tape, an alternate schedule will be established by Applied Tech.
4. To reduce backup tape costs and to promote an efficient and reliable backup, the following schedule is defined for the CAP Services network server backup tape rotations:
 - Daily backups (Monday – Thursday) with tapes replaced annually
 - Backup on Fridays to tapes designated for use on the 1st Friday of the month, 2nd Friday, etc.
 - Special backups may be made for longer retention periods before or after system upgrades, major business projects, or for financial reporting periods.
5. Staff responsible for the backup will keep the tapes offsite.

Agency Owned Building Expense (updated 12/09)

Many CAP programs operate from space in CAP owned property. Following is the method of allocating building expense to CAP program tenants.

1. Program usage is assumed to be month-to-month.
2. Pro-rated building expense reimbursement will be billed and collected in advance.
3. Building expense reimbursement will be charged to programs based on the actual space used in Agency-owned buildings. The cost will be determined on a square foot basis.
4. The following calculation will be used to determine the cost per square foot:
For each building:
 - The total area occupied by all tenants will be calculated. The common area will not be included. Common area will include but not be limited to: restrooms, hallways, and common storage.
 - The total annual operating costs will be calculated using the approved budget for the upcoming year. Total annual operating costs will include but not be limited to: maintenance and supplies; utilities; repairs and minor improvements; mortgage interest; insurance; depreciation; and salaries and fringe directly charged maintenance and management of the building.
 - The annual cost per square foot of leased area will be calculated by dividing the total annual operating cost of the building by the total non-common area. For those programs with variances in allowable expense (mortgage P&I, depreciation) unallowable items will be subtracted from the total annual cost of the building prior to calculating the annual cost per square foot for that particular program. The Agency will allocate the cost of unallowable items in these cases consistent with contract requirements
5. The Agency recognizes that actual costs may vary from budget estimates from year to year. Variances in the actual cost on which charges are based may be “rolled forward” to the following year and included in that year’s calculation.
6. Certain programs (Early Childhood Development) have chosen, because of program requirements, to be assessed actual building expenses on a current basis, rather than as a monthly amount that is adjusted to actual expenses annually. Square footage is determined as in #4 above. Based on the program’s percentage of square footage in this calculation, actual expenses are reclassified to ECD programs at the end of each month. The remaining expenses in the building are attributable to the remaining building space.

Reserves - Property

1. Property budgets will include reserves for any building that is not 100% CAP occupied. These funds will be segregated during the year but reversed into net assets prior to audit.
2. Maintenance reserves will be used for replacement of equipment / furnishings / improvements that have not yet reached the end of their useful life. This can include furnaces, roofs, cabinetry, etc.
3. Maintenance reserves will be budgeted and accrued as follows
 - 5% of expenses for commercial buildings
 - \$250 per unit for special needs housing
 - \$200 per unit for senior housing
 - \$250 per unit for all other housing
4. Operating reserves will be accrued for use in providing cash flow when property is vacant.
5. At year end any property having an excess of revenue over expenses, including depreciation, will have the excess revenues set aside as operating reserves.
6. Reserves for housing will be segregated from reserves for commercial sites.
7. The Building and Grounds Director will recommend disbursements be coded to maintenance reserves. The Department Director will review and approve / disapprove the recommendation.
8. The Department Director will approve use of operating reserves.

Use of Employee-owned or 3rd Party Owned Property

1. Leases must be maintained on donated space and equipment that is loaned to CAP Services.
2. Employees or 3rd parties using their own tools, furnishings or equipment at their CAP office or a CAP worksite must fill out the form titled **Donation Lease – Use of Space and/or Equipment** this form outlines who is responsible for loss or damage to the property.
3. The Chief Executive Officer or Chief Financial Officer must approve the in-kind lease in advance. Contact the Chief Financial Officer for the correct form.
4. CAP is not responsible for loss or damage to employee-owned or 3rd party owned equipment or tools unless a written agreement is in effect at the time of the loss.

Davis Bacon Act

1. Department Directors responsible for programs using federal funds covered by the Davis Bacon act to construct or renovate buildings should follow appropriate procedures.
2. The Davis-Bacon Act is a federal law which requires that “prevailing wages” and fringe benefits must be paid to all laborers and mechanics employed under some federal contracts and certain other (usually federally financed) construction and renovation projects. The law requires that the advertised specifications for every covered contract in excess of \$2,000 shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the city, town, village or other civil subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there...
3. Davis-Bacon requires that all covered employees be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, the full amount accrued at the time of the payment, computed at rates not less than those in the advertised specifications, regardless of any contractual obligation which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics.
4. The Act imposes record keeping and filing requirements on the contractor, the grantee, and the Federal agency which funds the grantee. When the Davis-Bacon Act applies contracts of construction or renovation must include certain clauses governing minimum wages to be paid to laborers and mechanics (including the basic hourly rate of pay and the amount contributed by the contractor or subcontractor for certain fringe benefits), limitations on wage withholding, payroll and basic records which must be kept, compliance with anti-kickback provisions/subcontractors, termination of the contract for breach of Davis-Bacon requirements and other related matters. This mandatory contract language is known as the labor standards clauses.
5. CAP Services will comply with Davis Bacon when required.
6. Davis Bacon records will be retained for 3 years from completion of the contract.

Davis Bacon Act and Head Start

Effective 10/1/94 Head Start must follow Davis Bacon regulations for any construction and renovations to sites occupied by Head Start when renovations exceed \$2,000.

Any request for proposal and construction contract should state:

Contractor shall pay Davis Bacon rates and provide CAP Services with DOL form ***WH-347***.

Prevailing wage rates are available through DILHR or the US Department of Labor.

1. CAP Services will comply with Davis Bacon when required.
2. Davis Bacon records will be retained for 3 years from completion of the contract.

Conservation Easements (added 12/08)

1. When CAP or one of its subsidiaries holds a conservation easement, staff will inspect the site at least annually and report in writing to senior management. More frequent inspections will be conducted if construction is taking place at or near the easement.
2. Senior Management is responsible to ensure enforcement of the easement.

Financial Procedures

Cash Management

1. Receipts will be deposited daily following procedures outlined in this manual. All deposits will be made intact; cash will not be withheld from deposit.
2. Receipts will be deposited into the Agency's checking account.
3. The Senior Accountant will request Federal funds based on need and will strive to minimize the time between receipt and disbursement of grant funds.
4. Draw downs from funding sources will be made weekly in conjunction with the Accounts Payable disbursements and/or Payroll schedule.
5. The Senior Accountant will draw cash from the US Treasury based on a calculation of cash drawn to date less expenses to date. The calculation is made weekly, and cash is drawn if the balance is negative.
6. Periodically, adjustments in the general ledger will result in a positive cash on hand. If this is the case, it is netted in the next week's calculation of cash to be drawn.
7. Federal cash on hand will be reconciled as follows for the purpose of estimating cash needs:

+	xxx	Federal cash drawn to date
-	<u>xxx</u>	YTD expenses as of the current date (from P&Ls)
		Estimated cash on hand today
\$	XXX	Amount to be requested (estimated, adjust for varying needs)

8. When possible, advances on contracts will be requested.
9. Claims for reimbursement will be filed in a timely manner.
10. Accounts Payable will be paid as they become due.
11. Cash Control records will be updated daily to reflect receipts, disbursements, ACH activity and sweeps.
12. Checking accounts will be reconciled monthly. The Senior Accountant will issue stop payments on checks outstanding 90 days or more.
13. The Bank will automatically sweep excess cash to the revolver account. The Senior Accountant will note the sweeps activity in the cash control worksheet.
14. At the end of each month the Senior Accountant will reconcile cash received to date to expenses to date and will follow up with any funding sources where expenses exceed cash received or payments on grants have been delayed.
15. The Director of Administration will make arrangements with the bank to transfer all sweeps back to the checking account on 12/31 of each year.

Checking Accounts & Wire Transfers

1. The Board of Directors must approve the creation of any checking account and designate signators.
2. Two signers are required on all checks. One signature may be electronic, the other must be original.
3. All cash and credit card deposits are made into the general checking account.
4. The Board may authorize the transfer of excess funds to short-term investments or higher interest-bearing cash equivalents.
5. The Director of Administration will maintain current lists of checking accounts.
6. The Senior Accountant will review the on-line bank account each day to identify any unusual activity. This includes reviewing the account electronic fund transfers, bank credit and debit activity and exceptions to the positive payee. Any unusual items will be investigate and brought to the Chief Financial Officer's attention.
7. Checking accounts will be reconciled monthly by the 15th of the month.
8. The Director of Administration is authorized to initiate any wire transfer. Department Directors must present a purchase order and documentation to substantiate the transfer.

Revolver Loan for W. River

1. CAP Services has negotiated with its bank to have excess cash swept against the W. River Drive mortgage daily. This has the effect of reducing the daily mortgage balance and results in mortgage interest savings on the cash sweeps.
2. The definition of excess cash is determined by the bank. Some funds must be left in the checking account to generate revenue for the bank to offset their service fees. These “retained funds” can be adjusted periodically by the bank to ensure their fees are covered by the earnings. Currently the bank keeps approximately \$200,000 in the checking account; funds in excess of that are swept to the mortgage.
3. Mortgage note (#6013) has the sweeps credited against it. This note is at LIBOR plus 225 points and is due on 8/27. The bank has set a declining limit on the outstanding note balance for each renewal date (8/7 of each year). CAP will make a annual payment by year end to reduce the loan to the level indicated by the bank.
4. Two journal entries need to be done each month:
 - The interest expense will be billed monthly to the accounts for each building using the percentages given above using the monthly statement from M&I that shows actual interest charged. The percentages represent each building’s share of the appraised value of the site.
 - Compare the actual interest charged on the bank’s monthly statement to the amortization schedule and expense the difference to the buildings using the percentages given above. The offsetting credit will be to Revenue Corporate Interest - Unrestricted in the 0200 P&L. This revenue account represents the savings earned from the sweep of the excess cash. The interest savings credited to this account will be allocated to CAP programs at the Board’s discretion.

Cost Allocation Plan (updated 2/10)

1. CAP Services charges costs that are reasonable, allowable, and allocable to a Federal award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.
2. Direct costs include those costs that are incurred specifically for one award or non-Federal function. CAP Services identifies and charges these costs exclusively to each award or program.
3. Joint costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular grant or program. Joint costs benefit more than one, but not necessarily all, awards. Examples of joint costs include finance and human resources operations. Per federal guidelines, each grant will be charged its fair share of costs. Any costs not covered by other funds will be charged to corporate or other funds that may cover indirect or joint costs after the allocation process is complete.
4. CAP Services does not have an approved indirect cost rate. Most grants will budget for direct administrative services (accounting, HR) and be billed for those services monthly via time identified on the Administrative staff's time studies.
5. Direct and joint costs are allocated to the benefiting programs under the following methodology:
 - Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources. Internet service, for example will be billed based on the number of computers connected.
 - As much as possible, costs will be charged directly to benefiting programs.
 - All remaining joint costs will be allocated on the most meaningful measures, including
 - Facilities and related costs will be allocated based on square footage occupied
 - Phone expenses are allocated by the number of phones in each payroll base
 - Wage and fringe for program staff working in more than one program allocated based on 100% time study.
6. Joint program-related costs will be allocated based on relevant activity measures, such as number of meals served, number of children or clients served. For example, costs for shared program supplies in the Early Childhood Development Department are allocated based on program census.
7. Plans that are developed based on specific programmatic or funding needs are approved by the Department Director and Chief Financial Officer. These plans are modified from time to time when circumstances change.

Cost Allocation – Corporate Administrative Expenses

1. Corporate Administrative time will be billed on a direct basis as identified by the Administrative staff's perpetual time studies. Program staff may also be required to complete time studies for cost allocation purposes.
2. Cost allocation for Corporate Administrative costs will be as follows:
The Chief Financial Officer will determine projected working hours for the year for the entire Administrative staff. The billable hours for an individual full-time (37 ½ hour) employee will be calculated as follows:

1,950	paid hours / year (52 weeks x 37 ½ hours)
- 80	vacation hours (this will vary by seniority)
- 90	personal hours (sick time)
- 75	paid holiday hours
1,705	total projected working hours per year billable to programs (TPWH)

The total projected working hours (TPWH) for all Administrative staff (excluding the CEO) will be added together.

The TPWH will then be divided into the anticipated annual expenses for the Administrative department. This will provide a cost per working hour (CPWH) including wages, fringe and overhead. For example:

The department has three 37 ½ hour employees and a \$150,000 budget.

Employee A projected working hours / year	1,705
Employee B projected working hours / year	1,705
Employee C projected working hours / year	<u>1,705</u>
Total Projected Working Hours (TPWH)	5,115

$\$150,000 \text{ budget} / 5,115 \text{ TPWH} = \$29.33 \text{ cost per working hour (CPWH) per person}$

3. Administrative staff will complete time studies each day allocating time worked on each project. Staff will submit their time studies with their timesheet at the end of each pay period.
4. At the end of the month the total hours worked by all Administrative staff will be calculated for each project as identified on the time studies and billed to that project based on the hours indicated on the time studies multiplied by the CPWH. The following example shows billing for one week:

Employee	A	B	C	Total Hours	Hourly Rate	Total Admin Billed
Head Start	10	19.5	21.5	51	\$29.33	\$1,495.83
WX	15	5.5	15.	35.5	\$29.33	\$1,041.22
FCC	7.5	12.5	1	21	\$29.33	\$ 615.93
	<u>32.5</u>	<u>37.5</u>	<u>37.5</u>	<u>107.5</u>	<u>\$29.33</u>	<u>\$3,152.98</u>

5. The time not readily identifiable to a specific program (general management) but necessary for the operation of all Agency programs will be charged to the programs on a pro rata basis using the time studies for the period. In the above example Head Start will be billed 47% of the “general administration” time (51 hours / 107.5 hours = 47%).
6. Time identified as Personnel will be billed based on the employee census (i.e. and department with 50% of the total agency staff will be billed for 50% of the time identified as Personnel).
7. Time for salaried employees will be billed as identified on their time study.
8. For those grants requiring administration to be billed by budget lines such as salary, fringe and/or overhead the Chief Financial Officer will determine what percentage of the CPWH is allocable by dividing the salary budget, as example, by the total expense budget.
9. Adjustment for over and/or under collections of Administrative charges will be made at the end of each quarter. Non-material over or under collections at the fiscal year will be carried forward to the next year.
10. The CPWH will be updated when the expense portion of the Administrative budget is updated.
11. The CEO costs will be billed separately based on his/her actual cost per hour and the time actually worked in each project as identified on the time study.

Net Assets

1. Net assets of CAP Services will be classified based upon the existence or absence of donor-imposed restrictions as follows:
 - Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.
 - Temporarily Restricted Net Assets - Net assets subject to funder imposed stipulations that may or will be satisfied through the actions of CAP Services and/or the passage of time.
 - Permanently Restricted Net Assets - Net assets subject to funder imposed stipulations that CAP Services permanently maintain certain contributed assets. Generally, funders of such assets would permit CAP to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes. Permanent restrictions do not pass with the expiration of time, nor can they be removed through CAP's actions. Currently there are not permanently restricted net assets.
2. Net assets accumulated that are not subject to donor imposed restrictions, but which the Board of Directors of CAP Services has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.
3. Restrictions may be associated with either a time period (e.g. a particular future time period) or a purpose (e.g. specific programs). A purpose stipulation will be considered a restriction only if it is more specific than the broad limits resulting from the nature of CAP Services, the environment in which it operates, and the purposes specified in CAP Services, Inc. Articles of Incorporation and Bylaws.
4. CAP Services will report in its statement of activities a reclassification from restricted to unrestricted net assets if any of the following events occur:
 - Fulfillment of the purpose for which the net assets were restricted (e.g. spending restricted funds for the stipulated purpose)
 - Expiration of time restrictions imposed by funders
 - Death of an annuity beneficiary
 - Withdrawal by the funder (or by a court) of a time or purpose restriction
5. If a funder stipulates multiple restrictions (such as a purpose and a time restriction), reclassifications from temporarily restricted to unrestricted net assets shall be reported only upon the satisfaction of the final remaining restriction.
6. If CAP Services receives a restricted contribution from a funder who further stipulates that CAP set aside a portion of its unrestricted net assets for that same purpose, CAP will report in its statement of activities a reclassification of net assets from unrestricted to temporarily or permanently restricted, based on the specific nature of the restriction.
7. CAP Services discloses in a footnote to the financial statements the different types of temporary and permanent restrictions associated with the Organization's net assets as of the end of each fiscal year.

Cash Disbursements (amended 12/08)

The Chief Financial Officer will ensure the following procedures are followed:

1. Checks will be pre-numbered. Unused checks will be kept in a locked cabinet and accessible only to those staff authorized to input data for Accounts Payable. Staff authorized to sign checks will not be told the location of the blank checks.
2. The AP Accountant will keep a summary sheet showing the serial numbers of checks issued. The Chief Financial Officer will verify these match the MAS 90 check registers. The Chief Financial Officer will request the stock of unused checks be periodically checked to ensure none are missing.
3. All original invoices will be forwarded to the Finance Department for payment. No bills will be paid from statements or without an invoice.
4. The AP Accountant will handle cash disbursements as outlined in the Accounts Payable section of this manual.
5. Two signatures will be required on all checks - one live and one stamped. The Chief Executive Officer, Senior Vice President or Director of Administration and the Chairperson or Treasurer will sign all checks. The Board of Directors will grant check signing authority and approve changes as needed.
6. Checks will be presented for signature with the appropriate documentation attached.
7. Once checks are signed the Clerk Typist will place the check in the envelope and mail it. Signed checks will not be returned to staff who are responsible for preparing accounts payable.
8. The Clerk Typist will stamp all invoices "Paid" and note the check number and date of payment.
9. The backup copy of the check will be filed numerically and will have all supporting documentation attached.
10. If documentation is not attached to the file copy of the check, then the file copy will be clearly referenced to where the documentation can be located.
11. Voided checks will have "Void" stamped on the face of the check and the signature portion of the original check will be cut out. The voided check will be filed numerically with the other checks. The Senior Accountant will follow the procedures outlined in the accounting software manual to adjust the voided check in the accounts payable system.
12. When new check stock is received from the printers the Chief Financial Officer will assign a staff member not responsible for cash disbursements will check the boxes as they are opened to ensure all check numbers are present.

Accounts Payable Process

The Chief Financial Officer will ensure the following procedures are followed:

1. The AP Accountant will receive purchase orders, invoices and statements from the Department Director. The AP Accountant will collate the purchase orders, invoices and statements.
2. The AP Accountant will verify amounts noted on invoices and statements.
3. The AP Accountant will ensure that the Department Director or his/her authorized staff member approves each invoice.
4. The AP Accountant will verify that the Department Director has coded each invoice to the proper program and expense account; and that prepaid expenses are properly coded.
5. The AP Accountant will verify that any necessary procurement documents (approvals, bids, etc.) are attached to the invoice.
6. The invoices will then be given to the Chief Financial Officer for approval.
7. The Chief Financial Officer or Senior Accountant will review the invoices and:
 - Determine that the procurement procedures relative this manual to the funding source have been followed.
 - Determine that the AP Accountant has verified the footings and the Department Director or designee has correctly coded the purchase and the necessary documentation is present.
8. The Chief Financial Officer will notify the Chief Executive Officer of any questionable invoice/purchase; or initial the invoice and authorize a check to be drawn if the above criteria are met.
9. An Account Clerk will enter the invoice into the accounts payable system in the general ledger and produce and check the accounts payable reports for completeness and accuracy prior to printing checks.
10. The AP Accountant will prepare and transmit the positive payee files to the bank.
11. The Account Clerk will enter the disbursements into cash control.
12. The Account Clerk will attached the unsigned check to the backup documentation and obtain the authorized signatures on the checks. The signer will give the checks to the Account Clerk for mailing.
13. The Account Clerk will insert checks into envelopes and place them in the mail.
14. The Clerk Typist or Account Clerk will update the purchase order register to indicate the purchase order has been paid, will stamp each invoice "Paid" and will indicate the date of payment and check number.
15. The Chief Financial Officer will maintain accounts payable documentation in a manner consistent with grant/audit regulations, Agency practice, and generally accepted accounting principles.
16. A record will be maintained on all vendors to whom a 1099 is required to be issued. 1099 forms will be prepared at year end and mailed by 1/31 by the Accountant.

Accounts Payable Management

1. The AP Accountant will prepare a detailed accounts payable and prepaid expense report each month and reconcile it to the general ledger.
2. The AP Accountant will investigate any unusual item and bring it to the attention of the Chief Financial Officer.
3. The Chief Financial Officer or designee will notify the Department Director of any invoices outstanding over 90 days, and follow up on any purchase orders outstanding over 90 days.
4. Payroll is accrued at month-end. The Chief Financial Officer will ensure that all payables are accrued at contract and year end.
5. Department Directors should refer to the section titled contract closeout procedures for information on handling accounts payable at the end of a contract.

Accounts Receivable Management

1. CAP Services' Finance Department is responsible for invoicing funding sources or clients and collection of outstanding receivables.
2. Any invoices issued by staff other than Finance should be sent to the Senior Accountant for mailing. The Senior Accountant will make a copy of the invoice and place the original invoice in the mail.
3. Any adjustments to invoices must be done by the Finance Department and approved by the Chief Financial Officer.
4. The Chief Financial Officer will ensure that all significant receivables are accrued at month end.
5. The AR Accountant will prepare detailed accounts receivable reports each month and reconcile it to the general ledger.
6. The AR Accountant will investigate any unusual items and bring it to the attention of the Chief Financial Officer.
7. The Chief Financial Officer or designee will notify the Department Director of any invoices outstanding over 60 days.
8. The Chief Financial Officer will authorize any adjusting entries to accounts receivable .
9. All available means of collecting accounts receivable will be exhausted before write-off procedures are initiated. Write-offs are initiated by the department associated with the amount to be written off, in conjunction with the Accounting Department. If an account receivable is deemed uncollectible, the following approvals are required before the write-off is processed:

<u>Amount</u>	<u>Authorized in writing by</u>
Less than \$100,000	CEO
Over \$100,000	CEO and Board

10. Once a write-off has been processed, appropriate individuals in the originating department will be advised so that further credit is not granted and to update the master list of bad accounts. Customers listed as poor credit risks will be extended future credit only if the back debt is paid and the customer is no longer deemed a collection problem.
11. Loans Receivable are written off against the account titled Allowance for Bad Debt.

Cash Receipts Process (Deposits)

The Chief Financial Officer will ensure cash receipts are processed as follows:

1. The Clerk-Typist will open the mail and photocopy all checks. The Clerk Typist will record all cash receipts into the cash control worksheet when they are received.
2. Undeposited cash receipts will be kept locked in a secure place.
3. Deposits will be prepared and made daily by a Finance staff member using duplicate deposit tickets. Each check will be endorsed as payable to CAP Services; the stamp supplied by the bank will be used. All checks and cash will be deposited intact.
4. The deposit slip will be compared to the cash control listing prepared by the Clerk Typist. Any discrepancy will be investigated and reconciled.
5. The validated bank deposit receipt will be attached to the duplicate deposit slip and the copies of the cash receipts. Each receipt will be numbered serially. The backup documentation will be coded with the account to be used for the general ledger. The person preparing the deposit will enter the deposit number in the cash control worksheet.
6. The Chief Financial Officer or designee will review the cash receipts listing and approve the coding of all cash receipts and input data to the general ledger system.
7. The Senior Accountant will maintain a check request and receipt records indicating the amount of each grant, each request for reimbursement, the date and the amount of each reimbursement and the balance of cash due on the grant.
8. At the end of each month the Senior Accountant will reconcile cash received to date to expenses to date and will follow up with any funding sources where expenses exceed cash received or payments on grants have been delayed.

Credit Cards / Purchasing Cards / Charge Accounts (updated 9/10)

1. Corporate Visa, Mastercard, Discover cards will be limited to as few employees as practicable. The Board of Directors must approve the issuance of these cards.
2. Personal use or misuse of a corporate credit card or charge accounts is prohibited and will result in disciplinary action and could include termination.
3. Employees issued a card must:
 - Keep the card in a secure place.
 - Enter information into the Purchasing Card Log each time it is used and obtain the proper authorizations for the purchase
 - Sign the receipt.
 - Attach the store receipt to the Purchasing Card Log and follow CAP's established procedure for payment of purchase cards.
 - Purchase Card Logs and receipts are submitted to the employee's supervisor on the 16th and last day of the month and due to Finance on the 20th and 5th of the month.
 - If another CAP employee needs to use the card:
 - the employee assigned the card must keep a written log of who has the card, the date it was given to them and the date it was returned.
 - have the individual sign the card in and out.
 - collect the and receipt from them and enter the transaction into the Purchasing Card Log
4. Employees must return the card when terminating employment.
5. The Accountant will match the charges on the statement to those submitted by the employee on the Purchase Card Log and investigate any items where a purchase order is missing.
6. Employees using their personal credit cards for CAP Services expenses should attach invoices and associated backup to their travel voucher. Expenses will be reviewed and reimbursed following the procedures for out of pocket expenditures. Where expenses are significant the employee may request reimbursement earlier.

Billings & Account Reconciliations

The Chief Financial Officer will ensure the following procedures are followed:

1. The Chief Financial Officer will ensure that Accounts Receivable (A/R) and Accounts Payable (A/P) backup information and files are current.
2. The Chief Financial Officer will ensure items such as office supplies, UC, general liability, group health premiums, loans, administrative charges, etc. are invoiced each month.
3. The Chief Financial Officer will ensure that all A/P and A/R are journalized properly.
4. The Chief Financial Officer will ensure that all administrative charges are billed and collected monthly and that the cumulative schedules are kept up to date.
5. The accountants will prepare A/R, A/P and prepaid reconciliations on a monthly basis and following up on any unusual item. The Chief Financial Officer will review.
6. Other balance sheet accounts will be reviewed monthly by the Director of Administration or the Chief Financial Officer.
7. To facilitate billing, the Chief Financial Officer will ensure that all appropriate personnel complete perpetual time studies.
8. The Chief Financial Officer will update all fixed rates used for billings as needed.

Bank Reconciliation Process / Stale Checks

The Chief Financial Officer will ensure the following procedures are followed:

1. Bank statements will be received directly, unopened, by the Senior Accountant. After reviewing, the Senior Accountant will forward to the Account Clerk for reconciliation by the 15th of the month.
2. Paid checks in excess of \$100,000 will be examined for date, name, cancellation and proper endorsements.
3. The reconciled bank balance will be compared to the Cash In Bank account in the general ledger and cash control. Any discrepancies should immediately be reported to the Chief Financial Officer.
4. The Senior Accountant will review and approve the reconciliation and any journal entries needed as part of the reconciliation.
5. The Senior Accountant will be notified of all checks outstanding 90 or more days and assign a staff member to follow up.
6. When a check has been outstanding more than 60 days, the Clerk Typist will notify the payee in writing that the check will not be honored after the 90-day period.
7. The Senior Accountant will authorize a stop payment request for all checks uncashed over 120 days. The Cash account will be debited and A/P Misc will be credited. Replacement checks will not be issued unless requested by the payee. At the end of 18 months, the A/P will be credited to the current year contract if the payee has not requested a replacement check.

Payroll Process

The Chief Financial Officer will ensure the following procedures are followed:

1. The Human Resources Manager or designee will receive and verify new employee information, payroll change notices, etc. from Department Directors or their designee.
2. The Human Resources Manager or designee will enter the information into the ABRA HR information system and transfer the information from ABRA to the MAS 90 payroll system.
3. The Chief Financial Officer or designee will verify the accuracy of the updated information after entry and before payroll processing
4. The PR Accountant will
 - Collect the timesheets
 - Verify timesheets are properly prepared and signed
 - Verify overtime status and authorization
 - Verify the employee has enough accrued leave to cover that being claimed
 - Check timesheets to ensure claims comply with agency policy
 - Prepare a worksheet for independently aggregating payroll totals
 - Input payroll data in t MAS 90 from timesheets.
 - Compare MAS 90 payroll register with the worksheet
 - Provide the timesheets, worksheet and Data Entry Register to the HR Manager to review timesheets and data entry
 - Printout the MAS 90 payroll register and present it to the Chief Financial Officer
5. The Chief Financial Officer or designee will compare the worksheet to the payroll registers and authorize checks or direct deposit to be prepared.
6. The PR Accountant will prepare any paychecks and prepare and transmit direct deposit transactions.
7. The check signer (CEO, VP, DOA) will sign paychecks and review, sign and initial the check and direct deposit register. Any unusual items will be investigated.
8. The PR Accountant will make deductions (United Way, donations, AFLAC, 403b, Prepaid Legal, etc.) as authorized by employees and remit payments in a timely manner.
9. The PR Accountant will deduct and remit garnishments as specified by the court.
10. The PR Accountant will make health insurance deductions as authorized by employees and specified by the Human Resources Manager.
11. Employees should contact the PR Accountant immediately if there is any error in payroll (improper deductions, wages, exempt or non-exempt classification, etc.). If the error is discovered by Program or Finance staff, the employee will be immediately notified. Any improper deductions or payments will be promptly investigated and corrected.
12. The PR Accountant will ensure all payroll taxes are paid in an accurate and timely manner.
13. The PR Accountant will process payroll advances as needed and as outlined in this manual.

14. The Account Clerk will verify the payroll register against the timesheets. The check number and date paid will be recorded on the time sheet. Discrepancies will be reported immediately to the Payroll Accountant.
15. To help verify employees actually exist, the HR Manager and HR Assistant will register employees at the All Staff meeting.
16. The Chief Financial Officer will review the payroll accounts and general ledger monthly to ensure that the payroll register is accurate and that it reconciles to the general ledger.
17. The PR Accountant will update the employee leave accruals.
18. The PR Accountant will maintain time and attendance files and issue employees quarterly statements of accrued personal and vacation time.

Payroll Management

1. The PR Accountant will add, delete, change employee information or wage and deductions only if authorized in writing through a Request for Payroll Change.
2. Changes to the payroll master file will be verified by the HR Manager, Senior Accountant or Chief Financial Officer.
3. The Payroll Accountant will prepare pay remittances and make deductions as authorized by law (taxes), court order (garnishments) or as authorized by the employee (donations, insurance, credit union, flexible spending plans, etc.).
4. Payroll is prepared only from approved timesheets. The Payroll Accountant will review timesheets and return any that are incomplete or inaccurate.
5. Using the authorized timesheets, the Accountant will prepare a spreadsheet summarizing hours to be paid and input this into the payroll software.
6. The Accountant will verify the hours and to be paid match between the software and the payroll spreadsheet.
7. The Chief Financial Officer will review and approve payroll register prior to checks being issued.
8. The Human Resources Manager will periodically and randomly check MAS 90 payroll reports and the payroll spreadsheet against the personnel file to ensure data matches.
9. Each quarter the HR Manager will send a listing of current staff and their rate of pay to the Department Directors. Department Directors should review the list, sign off on it and return it to the HR Manager. If there are any corrections needed, Department Director should initiate a Payroll Change Notice to correct the problem. Department Directors should contact the HR Manager immediately if there are any questionable names or pay rates listed.

Prepaid Expenses

1. CAP Services treats payments of expenses that have a time-sensitive future benefit as prepaid expenses and will amortize these items over the corresponding time period. For purposes of this policy, payments of less than \$500 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.
2. Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

Unemployment Compensation

1. The Human Resource Manager or PR Accountant will complete all required Unemployment Compensation reports required by DWD.
2. The PR Accountant will complete the report submitted quarterly with the UC tax payment.
3. The Agency will not allow UC benefits to be paid unless required to do so by law.
4. Effective 1/1/86 the UC tax will be billed as follows:
 - Each Program will be taxed the basic UC rate on its UC-covered gross payroll. The basic rate is determined by DWD and is found on form **UCT-100B Notice to Employer as to 20XX Rate**. This form will be kept in the Chief Financial Officer's UC file.
 - The total UC taxable wages for each Program will be multiplied by the UC basic rate to determine the program's non-experience UC tax. The non-experience taxes for all programs will be subtracted from the total tax due DWD. The total tax due DWD is the basic rate plus a solvency rate. The solvency rate is determined by DWD based upon the Agency's reserve balance in the State's UC account and reflects UC benefits paid to former Agency employees.
 - The Chief Financial Officer will then calculate actual use (UC payments to former employees) for each department based on the prior 3-year period. The Chief Financial Officer will use the DWD form **UCB-70, Notice of UC Checks Paid to Your Employees and Charged to You**, to determine the amount of UC payments, per Program, made by DWD.
 - The Chief Financial Officer will determine the level of "excess benefits" paid by subtracting the total benefits paid the prior twelve months from the total basic UC taxes paid for that period.
 - The Chief Financial Officer will calculate each Program's excess benefits by subtracting the total benefits paid to former program employees from the total basic UC tax paid by the program.
 - A solvency tax rate will then be determined for each program by dividing the total excess payments made by the Agency into the excess paid by specific programs. The resulting percentage will be applied against the total revenues necessary to pay the DWD identified solvency tax.

Program	A	B	Total Agency
200X UC benefits paid out	\$X	\$X	\$X
Minus 200X UC basic rate	-Y	-Y	-Y
Excess benefits payment	Z1	Z2	Z3

$Z1 / Z3 = \text{Program A's percentage of UC Experience Tax to be paid.}$

Weatherization Inventory Reconciliation

1. At the end of each month the weatherization inventory accounts will be reconciled to the physical count of inventory as follows:

	Inventory per General Ledger beginning of month
+	Inventory purchases during month (be sure to add inventory received before month end but not yet invoiced and/or paid for)
+	Inventory removed from warehouses and installed in homes
-	<u>Inventory removed from warehouses due to damage</u>
=	Inventory per General Ledger end of month
2. Weatherization staff will count inventory monthly and let Finance know if they've received inventory at month-end but haven't yet submitted the purchase order for payment; Finance will need to adjust their accounts for this. Wx staff will check work in progress to be sure all completed homes and haven't are properly accounted for.
3. At the end of each calendar quarter the physical count is conducted by the Finance staff.
4. As the result of each physical count, the Chief Financial Officer will authorize the general ledger to be adjusted for the following:
5. + Excess inventory per physical count OR
6. - Shortage of inventory per physical count
7. Shortages are credited to the inventory asset accounts and debited (charged) to the grant. Overages are debited to the inventory asset accounts and the grant materials account is credited.
8. The allowable variance on the Weatherization contract is .25% of the total operations expenditures. The Corporation is responsible for any deviation from the .25%

GENERAL LEDGER	PHYSICAL COUNT
START WITH Balance at end of month (after JE for homes closed out)	START WITH Physical count at end of month
ADD Inventory received from vendors but not yet paid for	ADD Work in progress - items placed in homes in progress and inventory on truck at month end
INVENTORY ON HAND	INVENTORY ON HAND

Issuing Checks for JBD Loans

1. The Department Director must approve all payments on JBD loans prior to the check being issued.
2. The CEO must approve all payments over \$1,000 on JBD loans prior to the check being issued.
3. The Accountant must first verify all loan paperwork has been received and approved by the Department Director or CEO prior to any check being issued.
4. Once all approvals are obtained, checks will be issued using the following guidelines:
 - issue a check to the JBD client to reimburse the client for item/s already purchased, provided receipts are presented; or
 - issue a check to the vendor in payment of items already purchased, receipts are required (code to accounts receivable); or
 - issue a check to the vendor for items to be purchased by the client; BUT the client will need to submit a price list to CAP first and send the receipts to CAP after making the purchase.
5. The Department Director or his/her staff is responsible for any follow-up in collecting receipts and submitting them to the Finance Department.

Accounting for Interest in Other Entities (updated 12/09)

1. Entities in which CAP Services has a greater than 50% ownership interest are consolidated into CAP's financial statements.
2. Entities in which CAP holds a 50-percent or less interest, but over which the CAP exercises significant influence over operating and financial policies, shall be accounted for using the equity method of accounting. Under this method of accounting, an asset account is maintained to track the Organization's investment in the entity, and this asset account shall be adjusted upwards or downwards based on the Organization's share of the entity's profits or losses.
3. If the Organization holds less than 50 percent of an entity, or does not exercise significant influence, ownership shall be accounted for at the lower of cost or market value.

Elimination of intercompany transactions

When entities are consolidated in the CAP Services financial statement, intercompany transactions, (for example borrowing, rent) are eliminated in accordance with GAAP.

Developer fees

Certain investments in other entities (less than 50% interest) may include transactions for which CAP Services earns developer and other miscellaneous fees. Such fees are earned pursuant to contractual agreements outlining performance requirements. Fees are accrued on the CAP Services financial statement as earned. Some fees are deferred in the agreement, and/or subject to future cash flows of the other entity. Management estimates collectability, based on the document provisions and operating circumstances, and has created an allowance for uncollectible fees based on those estimates. Estimates are reviewed and revised annually, and adjustments made accordingly. CAP Services' CEO reviews annual recommendations and authorizes any deferred fees paid, subject to cash flow.

Notes receivable

Certain investments in other entities (less than 50% interest) may include loan transactions between CAP Services and the entity. As funds are drawn by the entity, that portion of the loan is recorded by CAP Services. Interest on these loans generally accrues annually and is recorded as an accrual as it is earned. Repayment of interest on such loans is generally subject to future cash flows of the other entity. Management estimates collectability, based on the document provisions and operating circumstances, and has created an allowance for uncollectible loan interest based on those estimates. Estimates are reviewed and revised annually, and adjustments made accordingly. CAP Services' CEO reviews annual recommendations and authorizes any accrued payments made, subject to cash flow.

Document Storage

Legal documents relating to interests in other entities are housed in the corporate files of CAP Services, Inc. Scanned (pdf) versions are also saved on the corporation's electronic network.

Fixed Assets & Equipment

1. Physical assets acquired with unit costs in excess of \$5,000 are capitalized as property and equipment on CAP Services' financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.
2. If an awarding agency requires a lower amount for equipment, CAP Services will adhere to that dollar amount only for that program or contract.
3. Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as further described.
4. Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for CAP's financial statements, these assets will be capitalized and depreciated according to these policies.
5. Assets with fair market values in excess of \$5,000 (per unit) that are contributed to CAP Services shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.
6. Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as further described.
7. Property and equipment are depreciated over their estimated useful life using the straight-line method.
 - Furniture and fixtures Up to 10 yrs
 - General office equipment 5 yrs
 - Computer hardware and peripherals 3-5 yrs
 - Computer software 2-3 yrs
 - Leased assets life of lease
 - Leasehold Improvements remaining lease term
8. If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Chief Financial Officer.
9. When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in CAP's statement of activities.
10. For example, if in the fourth year of an asset's life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between 4/5 of the asset's basis (accumulated depreciation at the end of year four) and 3/7 of the asset's basis (accumulated depreciation at the beginning of the year).

11. Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.
12. Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.
13. If equipment is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).
14. The Chief Financial Officer approves the disposal of all capitalized fixed assets that may be worn out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Financial Officer and Director of Administration. If not located, this property will be written off the books with the proper notation specifying the reason.
15. Procedures to request disposal of assets is elsewhere in this manual.

Financial Statements

1. The objective of the Finance Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:
2. All entries into the financial statements (receipts, disbursements, journal entries) will be prepared by the Accounting staff, proper documentation will be attached and the entry will be reviewed and approved by the Chief Financial Officer prior to posting.
3. Journal entries will have the initials of the individual who originated the entry as well as the staff approving the entry and keying it into the system.
4. A standard set of financial statements shall be produced on a monthly basis, by the 10th working date of each month with exceptions for December and June. The standard set of financial statements will be supplemented by the following schedules:
 - Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
 - Comparisons of actual year-to-date revenues and expenses with budgeted amounts
5. The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the end of the month, and actual depreciation expense.
6. The Chief Financial Officer will review and approve the financial statements prior to being issued by the Finance Department.
7. The Department Directors and CEO will receive electronic access to financial statements.
8. Department Directors will review the statements for their programs each month and bring any questions or requests for adjustments to the attention of the Chief Financial Officer prior to 25th day of the following month.
9. The Chief Financial Officer will prepare any supplementary reports such as summaries by program or trend reports necessary for Department Directors to effectively manage programs.
10. Department Directors should submit requests for budget adjustments quarterly and should maintain the justification for the change. If awarding agency approval is needed for a budget adjustment the Department Director will submit the request.
11. The Chief Financial Officer will prepare monthly summary financial reports for the Board of Directors and the Finance Committee. The Finance Committee will receive the balance sheet at the end of each quarter. The Chief Financial Officer will keep the Committee and Board informed of any material variances and how they will be resolved.
12. An annual audit will be completed and the results will be presented to the Finance Committee and the Board of Directors at the June Board meeting.

Budgeting & Monitoring Performance

1. Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of CAP Services' financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of CAPs programs and activities simultaneously in light of the available resources.
2. Budgets are also prepared for funding sources and each grant manager must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. CAP Services will document and follow all such requirements.
3. Department Directors will prepare their budgets. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds. Department Directors should be prepared to explain all material fluctuations in budgeted amounts from prior years, if asked.
4. The CEO will review each corporate budget prior to presenting it to the Board. Budgets for proposals will be summarized on the Grant Review Fact sheet and considered approved as part of the proposal review process.
5. CAP Services monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.
6. On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted amounts shall be produced by the Finance Department and distributed to each employee with budgetary responsibilities.
7. Department Directors should submit requests for budget adjustments quarterly and should maintain the justification for the change. If awarding agency approval is needed for a budget adjustment, the Department Director will submit the request.
8. In addition, Department Directors shall submit monthly performance (non-financial) reports to the CEO.

Government Returns (amended 12/08)

1. The Director of Administration and Chief Financial Officer shall be responsible for identifying all filing requirements and assuring that CAP Services is in compliance with all such requirements. CAP Services will file complete and accurate returns with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns.
2. Filings made by CAP Services include, but are not limited to, the following returns and reports:
 - Form 990 - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for CAP Services' is due on May 15th. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
 - Form 990-T - Annual tax return to report CAP Services' unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on May 15th. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.
 - Form 5500 - Annual return for CAP Services' employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
 - W-2's and 1099's - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to Federal government by February 28.
 - Form 941 - Quarterly payroll tax return filed with IRS to report wages paid to employees and Federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.
 - State of Wisconsin Form 1952 – Wisconsin Supplement to Financial Report is due June 30th. No extensions are available. However, the IRS 990 must be filed with the Form 1952 and the State will need to be informed the IRS 990 deadline has been extended.
 - Form PR 230 - State of Wisconsin Property Tax Exemption Request must be filed by February 28th to request exemption on newly-acquired property.
 - Form PC 220 or PC 220A - State of Wisconsin (multi-parcel) property tax exemption reports are due March 31st of even-numbered years.
 - Form 17 Wisconsin Nonstock Corporation Annual Report is due June 30th.
3. CAP Services will comply with regulations for public inspection of government returns. Copies of the IRS 990 and 990T will be posted at capservices.org and at the Guidestar website. Copies are available at the CAP Services office on Highway 10 for \$1 for the first page and 15¢ for subsequent pages. Copies will be made available within 5 working days of the request, provided payment has been made. Individuals may inspect the returns in person at the Highway 10 office if arrangements are made at least 4 hours in advance.

4. The IRS 990 and 990T will be reviewed by the CFO and CEO prior to filing and presented to the Finance Committee and Board.

Unrelated Business Activity

1. CAP Services properly identifies and classifies income-producing activities that are unrelated to CAP's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger in order to facilitate tracking and accumulation of unrelated trade or business activities.
2. In addition to segregating income associated with activities that are unrelated to CAP Services' exempt purpose, the CAP's general ledger shall also provide accounts for expenses associated with each such unrelated activity. These expenses shall be offset against unrelated business revenue in arriving at unrelated business taxable income. Expenses that shall be offset against gross unrelated business income shall be limited to those expenses directly associated with the production of such income, including reasonable allocation of indirect costs that benefit each activity, in accordance with expense allocation policies described elsewhere in this manual.
3. CAP Services will file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements.
4. CAP Services shall also report taxable income from unrelated trade or business activities that are subject to state or local income or franchise taxes on the appropriate returns.

Annual Audit

1. CAP Services will arrange for an annual audit of the CAP's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the Board of Directors will be required to communicate directly with the CAP's Finance Committee upon the completion of their audit. In addition, members of the Finance Committee and Executive Committee are authorized to initiate communication directly with the independent accounting firm.
2. Audited financial statements, including the auditor's opinion, will be submitted and presented to the Board of Directors by the independent accounting firm at the June Board of Directors meeting, after the financial statements have been reviewed and approved by the Finance Committee.
3. CAP Services will review the selection of its independent auditor in the following circumstances:
 - Anytime there is dissatisfaction with the service of the current firm
 - When a fresh perspective and new ideas are desired
 - Every 5 years to ensure competitive pricing and a high quality of service (there is not a requirement to change auditors every five years; simply to re-evaluate the selection)
4. CAP Services will be actively involved in planning for and assisting with CAP's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall provide assistance to the independent auditors in the following areas:
5. Planning – The Chief Financial Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.
6. Involvement – CAP staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.
7. Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the CAP Services' year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. CAP staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.
8. Throughout the audit process, CAP Services will make every effort to provide schedules, documents and information requested by the auditors in a timely manner.
9. Upon receipt of a draft of the audited financial statements from its independent auditor, the Chief Financial Officer shall perform a detailed review of the draft, consisting of the following procedures:
 - Carefully read the entire report for typographical errors
 - Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of CAP Services
 - Review each footnote for accuracy and completeness

10. Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Chief Financial Officer.
11. It shall also be the responsibility of the Chief Financial Officer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.
12. In addition, the Single Audit Clearinghouse form shall be completed and a copy submitted to the Finance Committee.

Identity Theft Prevention Program (Red Flags Rule) (added 6/10)

Introduction

1. CAP Services, Inc (“CAP”) developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission **Red Flags Rule**, which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003.
2. This Program has been reviewed and adopted by the CAP Services, Inc. Board of Directors on June 30, 2010.

Purpose and Contact

1. This Program is intended to identify, detect, prevent and mitigate incidents of identity theft related to the creation of new CAP accounts or changes in existing CAP accounts. The Program is designed to: a) protect against the establishment of false new accounts, b) develop methods to ensure existing accounts were not opened using false information, c) create measures to respond to such events and d) secure the personal information CAP obtains from its clients.
2. Contact information for program manager: Director of Administration (715) 343-7510

Definitions used in this Program

1. **Identifying Information** is any name or number that may be used alone or in conjunction with any other information to identify a specific person, including: name, address, telephone number, Social Security Number, date of birth, government-issued driver’s license or identification, alien registration number, government passport, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol (IP) address, or routing code.
2. **Identity Theft** means fraud committed or attempted using the identifying information of another person without authority.
3. A **Covered Account** means:
 - An account offered or maintained primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts and savings accounts. The majority of accounts relevant at CAP Services include home purchase or improvement, business and vehicle loans.
 - Any other account that is maintained for which there is a reasonable foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation or litigation risks.
4. **Red Flag** means a pattern, practice or specific activity that indicates the possible existence of identity theft.

Risk Assessment

1. Using guidelines provided by the FTC at its website, CAP has conducted an internal assessment on May 24, 2010 to evaluate how at-risk the organization is at allowing clients to create a fraudulent account, and if current accounts are at risk for identity theft.
2. This risk assessment evaluated CAP's history of identity theft incidents, the nature and purpose of CAP accounts covered by the ruling, and how new accounts were opened and the methods used to access the account information. Using this information CAP was able to identify red flags, and create measures that are effective in minimizing susceptibility to identity theft.
3. This assessment concluded that CAP is at a low risk of identity theft based on the following.
 - CAP Services, Inc. has been in existence for over 40 years. To date, there have been no reports of stolen personal information or identity theft to get products or services offered by CAP.
 - CAP has established policies that secure the personal data of our clients in many programs. Such steps are included in the individual program policies, as well as the Fiscal and Administrative Policy Manual, information technology policies found in the employee handbook and capnews.info website.
 - Many clients are known personally by members of staff. It is unlikely that an identity thief can defraud you by impersonating someone you already know.
 - New accounts are opened in person, and the natures of accounts are not those most targeted by identity thieves.

Identification of Red Flags

CAP has identified the following red flags to detect potential fraud. These are not intended to be all-inclusive, and other suspicious activity may be investigated as necessary.

1. Notifications and warnings from credit reporting agencies or other sources include:
 - Notice from a client, a victim of identity theft, a credit reporting agency or title company, a law enforcement agency, or someone else, that an account has been opened or used fraudulently
 - Notice of a credit freeze from a consumer reporting agency or notice of an address discrepancy or notice of unusual account activity from a consumer reporting agency
 - Indication from a credit report of activity that is inconsistent with a client's usual pattern or activity
2. Suspicious documents include:
 - Identification documents that appear to be altered, forged or photocopied
 - Photo and physical description do not match appearance of applicant
 - Application appears altered or destroyed, and reassembled
 - New document with information that is not consistent with existing customer information

3. Suspicious identifying information include:
 - Inconsistencies in the information the applicant has provided
 - Social Security number not issued, or listed as deceased
 - Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number, or a phone number associated with answering service/pager)
 - Social Security number, address, or telephone number is the same as that of another applicant
 - Client fails to provide all information requested
 - Personal information provided is inconsistent with information on file for client in another CAP program, or with another associated agency's program
 - Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
 - Identity theft is reported or discovered within court records
4. Suspicious account activity of unusual use of account include:
 - Change of address for an account followed by a request to change the account holder's name
 - Payments stop on an otherwise consistently up-to-date account
 - Mail sent to the account holder is repeatedly returned as undeliverable
 - Notice to CAP that a client is not receiving mail sent by CAP
 - Breach in CAP's computer system security
 - Unauthorized access to or use of client's account information

Detection of Red Flags

In order to detect the red flags identified above, CAP shall take the following steps related to the Covered Accounts:

1. New Accounts
 - Require, document and copy (as appropriate) in its new account files certain identifying information such as date of birth, residential and/or business address, principal place of business for an entity, telephone number, Social Security Number, driver's license or other identification
 - Verify the customer's identity through a driver's license photo or other photo identification
 - Review documentation showing the existence of a business entity
 - Independently contact the client, as appropriate
2. Existing Accounts
 - Verify the identification of clients if they request account information in person, by telephone, facsimile or email
 - Verify the validity of requests to change billing addresses
 - Verify changes in banking information given for billing or payment purposes

Responding to Red Flags

1. Any employee that has detected one or more of the red flags identified above or has suspicions of any incident of identity theft must report the red flag or incident to CAP's Program Manager/Director of Administration. After detection, the employee must take the following step:
 - Do not provide any products or services until the inconsistency has been resolved
 - Do not open the account
 - Close or freeze an existing account if actual or suspected identity theft has occurred respectively
 - Do not attempt to collect against the account
 - If client states that their identity has been stolen, and they do not want to incur questionable charges, ask for proof that an identity theft claim has been filed
2. After receiving a report of potential identity theft and further investigating the report, CAP's Program Manager/Director of Administration may, as appropriate,
 - Document the report of potential identity theft, including copies of any information which identify the red flag/identity theft
 - Notify the proper authorities (Police or County Sherriff) of any attempted or actual identity theft
 - Continue to monitor an account for evidence of identity theft
 - Notify the impacted client
 - Change any passwords or other security devices that permit access to client's accounts
 - Determine that a response is not required under the circumstances
3. The facts of a particular case may warrant using one or several of these options; or a more client/case specific response. In determining its response, CAP will consider whether any extenuating circumstances heighten the risk of identity theft to other clients and respond appropriately.

Preventing Identity Theft - CAP'S Personal Information Security Procedures

1. CAP has in place the following security procedures to protect client information, and to prevent unauthorized access to personal client data (sensitive information).
 - Paper documents, files, and electronic media containing clients identifying information will be stored in file cabinets in employee offices. All CAP facilities are locked each day while employees are not present to monitor their files.
 - CAP obtains a copy of photo identification (i.e. driver's license) of all loan clients and it is retained in the client file for future confirmation of identity.
 - Only employees who have a programmatic or administrative need to access client files will be designated to access offices, file cabinets, and keys associated with that client or program.
 - Files containing client's identifying information are kept in cabinets except when an employee is working on a file.
 - Employees will not leave documents containing client's identifying information out on their desks when they are away from their workstations.

- Employees are to properly store client account files when leaving their work areas, and at the end of the day.
- Visitors who must enter areas where client account files are kept must be escorted by an employee.
- No visitor will be given any passwords, or be allowed unescorted access to an office. CAP's Information Technology policies will be followed. These can be found in the Employee Handbook and on the capnews.info website.
- Access to client account information will be controlled using "strong" passwords. Employees must choose passwords with a mix of upper and lower case letters, numbers, and characters. Employees' individual user names and passwords will be different.
- Passwords are required, and will not be shared or posted near workstations.
- When installing new software, employees will immediately change vendor-supplied default passwords to a more secure strong password. Permission to install new software must be granted by the Director of Administration who will first consult with the Department's Director and the Director of Information Technology.
- Anti-virus and anti-spyware programs will be kept up to date and run on individual computers and on servers daily.
- All employees will log out of their computers when they leave their workstations. Computers will be set to timeout after 15 minutes of inactivity. A password will be needed to log back into computers.
- Laptop computers will be stored in a secure area.
- Employees will never leave a laptop computer unattended, visible in a car, at a hotel luggage stand, or packed in checked luggage. If a laptop computer must be left in a vehicle it must be locked in a trunk.
- CAP's computer network will have a firewall where the network connects to the internet.
- Portable storage devices are encrypted and password protected.
- IT and program staff will monitor incoming and outgoing traffic for signs of a data breach.
- CAP will check references and conduct background checks before hiring employees.
- New employees sign an agreement to follow CAP's confidentiality and security standards for handling sensitive data.
- Access to client's personal identity information is limited to employees with a "need to know"
- Procedures exist for making sure that workers who leave or transfer to another part of the company no longer have access to sensitive information.
- Implement a schedule of new employee training.
- Employees are required to notify their direct supervisor and the Director of Administration immediately if there is a potential security breach, such as a lost or stolen laptop.
- Employees who violate security policy are subjected to discipline, up to, and including, dismissal.

- Service providers notify you of any security incidents they experience, even if the incidents may not have led to an actual compromise of data.
- Paper records containing client information will be shredded before being placed into the trash.
- Any data storage media will be disposed of by shredding, punching holes in, or incineration.
- Require and keep only the client's information which is necessary for covered accounts.
- Require, by written contract, that any vendors or outside service providers who may gain access to client's identifying information through CAP's computer system or otherwise, maintain the confidentiality of this information and/or have policies or procedures in place to prevent any breaches of client's identifying information.

Staff Training

1. Appropriate employees have been trained on the contents and procedures of this Identity Theft Prevention Program. New CAP employees handling covered accounts will be trained on the Program at the time of hire.

Program Updates

1. The Program shall be updated and revised periodically to reflect changes in risks to CAP's clients or to the safety and soundness of the organization from identity theft based on the following considerations:
 - CAP's experiences with identity theft
 - Changes in methods of identity theft
 - Changes in methods to detect, prevent and mitigate identity theft
 - Changes in the types of accounts that CAP offers or maintains

Transitional Return-to-Work Program (TRTW) for Employees on Workers Compensation Leave (added 6/10)

1. This program is designed to return all employees of CAP Services to work as soon as they are physically able following a work related injury or illness. It is designed for temporary placement of employees but management will review permanent restrictions as well.
2. CAP Services is firmly committed to providing employees with a safe and healthy work environment. It is a matter of company policy that all employees report work-related injuries to their supervisor as soon as possible.
3. CAP Services is also committed to bringing injured employees back to work quickly and safely to meaningful work that will not aggravate the injury or illness. This improves and shortens the healing process and reduces the financial burdens during the recovery period. CAP Services will attempt to accommodate all temporary work restrictions. Consideration will be given to the injured employee's work restrictions, skill set, the type of work available, the resources needed to orient and train the employee for new duties and the financial ability of the program or organization to integrate the employee into transitional or temporary work.

Management Commitment and Employee Involvement

1. An effective Transitional Return-to-Work Program involves:
 - Identification of potential tasks for modified duty
 - Prompt reporting of injuries and illnesses
 - Accident investigation
 - Communications between the employer, the injured employee, the medical provider and the insurance company
 - Education of employees and supervisors
2. CAP Services management, supervisors and employees have important roles to play in this Transitional Return-to-Work Program. CAP Services will provide the necessary resources and training required for a successful program. This includes designating a Transitional Return-to-Work Coordinator, maintaining job descriptions with essential job functions and physical requirements, and providing training materials. All employees are expected to actively support and contribute to this program.

Responsibilities

1. The Director of Administration will be the Transitional Return-to-Work Coordinator and have overall responsibility for the Transitional Return-to-Work Program at CAP Services. Additional assistance will be provided by human resources and other staff as needed. The Transitional Return-to-Work Coordinator will be the focal point of the injury management process and will oversee the implementation of the program.

CAP Services will provide necessary resources to ensure that the program is effective.

2. The following positions have responsibilities for the Transitional Return-to Work Program:
 - Develop, implement and coordinate the Transitional Return-to-Work Program – Director of Administration
 - Provide employee information and training pertaining to the company’s Transitional Return-to-Work Program – Director of Administration and HR staff
 - Complete the first report of injury form and other necessary paperwork – Supervisor will complete and send a copy to the HR Assistant, or in the absence of a supervisor the employee will complete the form and send to the HR Assistant
 - Communicate with the insurance company, physician and management – HR Assistant
 - Maintain contact with the injured employee – Supervisor, HR Assistant
 - Act as liaison between the injured employee and CAP Services – HR Assistant
 - Establish a specific return to work plan with targets and goals for each injured employee – Director of Administration, Vice President and Assistant Directors and/or Program Coordinators
 - Provide the medical provider with employment related information such as essential job functions and physical requirements – HR Assistant
 - Evaluate and update the Transitional Return-to-Work Program as needed – Director of Administration, Vice Presidents
 - Keep records pertaining to the program – HR Assistant
3. All supervisors will actively support this Transitional Return-to-Work Program and assist the Transitional Return-to-Work Coordinator in implementing this program. Responsibilities of all supervisors include:
 - Get the injured employee prompt medical attention
 - Immediately notifying the HR Assistant whenever an employee reports an injury or illness
 - Ensure an accident/incident form is completed within 24 hours whenever an injury or illness occurs and forwarded to the HR Assistant
 - Conduct an accident investigation to determine what went wrong, whether safe work practices were being followed and how to avoid injuries in the future and report findings to HR
 - Contact or visit the injured employee regularly (minimum of weekly) until they return to work.
 - Keep informed of the injured employee’s progress
 - Assist the Transitional Return-to-Work Coordinator with identifying light duty tasks or activities when employees have medical work restrictions
 - Ensure employees working under restricted duty remain within work limitations
4. Employee participation in the Transitional Return-to-Work Program is critical. Employees have a unique perspective on the specific jobs they perform on a routine basis and have in depth knowledge of the specific job tasks. Employee responsibilities include:
 - Follow all company policies and procedures relating to health and safety

- Promptly report all injuries and illnesses to their immediate supervisor
- Complete all requested paperwork
- Maintain contact with the employer when off work
- Provide regular (minimum of weekly) updates on their medical condition to the HR Assistant
- Follow the treating physician's recommendations
- Do not work beyond the medical work restrictions

Identification of Modified Tasks

1. The Transitional Return-to-Work Coordinator, Supervisors and other staff will develop an essential function analysis for each job. These analyses will be given to the treating physician when an injury occurs and will also be used to identify jobs and tasks to meet specific work restrictions. A list of transitional work activities will be developed and maintained for recovering employees.

Medical Management

1. CAP Services will provide prompt medical management when an employee reports an injury or illness. Health care providers will be responsible for determining the employee's physical capabilities and any work restrictions. CAP Services is committed to providing temporary restricted duty tasks, whenever possible, for employees who have had a work related injury. Complete removal from work will be avoided if possible. Consideration will be given to the injured employee's work restrictions, skill set, the type of work available, the resources needed to orient and train the employee for new duties and the financial ability of the program or organization to integrate the employee into transitional or temporary work.
2. As part of the medical management program, CAP Services may coordinate Transitional Return-to-Work related activities with medical providers. The medical providers will be offered tours of the facility and descriptions of job tasks and job descriptions and other information. This information will allow the provider to become familiar with operations so they can make informed decisions pertaining to work restrictions and opportunities for restricted duty work.
3. The HR Assistant will be responsible for contacting the medical provider and supplying pertinent information as necessary after an injury occurs. Medical providers will be given the following information when an employee requires medical authorization to return to work.
 - The Job Function Analysis / Essential Functions of the employee's job
 - Descriptions of available tasks or temporary alternative tasks to fit the employee's capabilities during recovery
 - Notice to Physician of Temporary Modified Duty Availability
 - Attending Physicians Report Return To Work Recommendations Form
 - When possible, send a copy of the Employee's Job Function Analysis and an Attending Physicians Report Return To Work Recommendations Form with the employee when they go for medical treatment.
4. Medical providers will be asked to provide the following to CAP
 - The work-related medical conditions

- Recommended work restrictions, where necessary, and any follow-up for the employee during the recovery period
 - A statement that the employee has been informed of the results and any necessary restrictions
 - The health care provider should provide a copy of the written opinion to the employee.
5. Whenever an employee is working under restrictions, it will be the responsibility of the employee's supervisor to ensure that the employee's job tasks are consistent with these restrictions. The supervisor will monitor the employee to ensure the employee does not work outside restrictions.

Transitional Return to Work Period

1. Once the employee gets medical attention and the insurance carrier and physician have been contacted, the Transitional Return-to-Work Coordinator will begin the process of getting the employee back to work.
 - The HR Assistant will contact the injured employee within 24 hours of an injury to give support and outline the claims process
 - HR will send a get well card to the employee if the employee is expected to be off work more than 4 days
 - The supervisor and /or HR Assistant should contact the employee every week until they come back to work to see how the employee is doing,
 - The HR Assistant will contact the employee's treating physician and General Casualty every 2-4 weeks to discuss the status of the claim.
 - HR staff will work with the Vice Presidents, employee's physician, case nurse and other parties to identify alternate duty tasks within the physicians restrictions
2. Once the treating physician has authorized the employee to return to work with restrictions, the employee will be contacted so they can return as soon as possible, and a written transitional return to work offer will also be made. The offer will be specific and will describe the terms of the transitional return to work offer. Send the letter by certified mail with return receipt. A copy of the physician's restrictions will be attached to the letter. A copy of the letter will also be sent to General Casualty.
3. Employees may be returned to their regular job with restrictions or they may be returned to transitional task assignments that accommodate their restrictions. Consideration will be given to the injured employee's work restrictions, skill set, the type of work available and the financial ability of the program or organization to integrate the employee into transitional or temporary work.
4. Before the employee returns to work, the Transitional Return-to-Work Coordinator will discuss the employee's work restrictions with the employee's supervisor. The supervisor should have a clear understanding of the restrictions to ensure they are not exceeded. When the employee returns to work, the employee's supervisor should monitor the employee's activities to ensure the employee does not work outside restrictions.
5. A copy of the Attending Physicians Report Return To Work Recommendations Form should be sent with the employee each time the employee visits the treating physician during the restricted period since restrictions may change. As restrictions change, the

Transitional Return-to-Work Coordinator and Supervisor will ensure that work restrictions are not exceeded until the employee is released to full duty.

Training, Evaluation, Recordkeeping, HIPPA

1. Training is essential to an effective health and safety program and will be conducted by the HR staff. Injury reporting and Transitional Return-to-Work information will be provided to all new employees at time of hire and at new staff orientation. Existing staff will receive information via mailing or as handouts at the Fall Staff meeting. Information will include:
 - The company's Transitional Return-to-Work Program and the employee's role in the program
 - The importance of early reporting of injuries and illnesses
 - Injury and illness reporting procedures
2. The CAP Services Transitional Return-to-Work Program will be evaluated annually or whenever deficiencies are noted. The program will be updated by the Transitional Return-to-Work Coordinator.
3. Detailed records pertaining to the Transitional Return-to-Work Program will be maintained by the HR Assistant. Records will include:
 - Employee reports of injuries or illnesses
 - Accident investigation reports
 - Essential functions analysis
 - Work restrictions, time off work and medical opinions
 - Employee training records
4. Records will be kept for at least 7 years after the end of employment. All medical records are protected health information and subject to HIPPA rules.