

# RECORDKEEPING POLICY EXAMPLE

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**Instructions:** This document is intended as an aid to assist non-State entities in establishing a recordkeeping policy. It is not intended to be used verbatim, but rather to serve as a template for nongovernmental organizations as they craft their individual recordkeeping policy. Each organization that chooses to use this template should take care to make changes that reflect the individual organization. An organization should maintain records described in this section that are considered by the organization to be relevant and material to the proper administration of all of its financial and programmatic activities. While policies and procedures should be established for the organization as a whole, if your organization relies heavily on grant funding, consider patterning policies and procedures after those required by the grantors.

### **Organization's Intent:**

It is the intent of this organization to maintain records that are relevant and material to the proper administration of its financial and programmatic activities. Those records shall include, but not be limited to:

- Written policies and procedures that address personnel issues and financial policies and procedures that address items such as cash receipts, cash disbursements, payroll, travel, and purchasing practices;
- Supporting documentation such as pre-numbered receipts, canceled checks, time sheets, invoices, and contracts, which support the accounting records;
- Budgets with supporting documentation such as budget requests and approval notifications;
- Formal accounting records such as check registers, journals, and general ledgers.

### **Purpose of Records:**

The primary purposes for these records are to assist with routine internal financial management activities and to assure the reliability and verifiability of the organization's external financial reports. Formal books of accounts will be maintained for the organization.

### **Executive Director's Responsibility:**

It is the responsibility of the Executive Director to draft written policies and procedures for the organization which will be approved by the Board of Directors. The policies and procedures will be maintained to support internal controls and will include a set of written guidelines, policies, and actions. These policies and procedures will express management's position on how certain operational matters should be handled. Policies should seek to maximize fiscal accountability and minimize the likelihood of the misuse of funds. Financial checks and balances should be clearly established based on the structure of the organization. Such policies and procedures should be reviewed on an ongoing basis and changes made to adapt to changing needs.

### **Specific Policies Required:**

Specific policies and procedures will address the following areas:

- Personnel procedures, including specifics on
  - Employment (including orientation, grievance, and termination procedures).
  - Salaries (including who can authorize salary increases, how often salaries can be changed, merit raises, overtime, and compensatory time).
  - Benefits:
    - Group insurance -how much, what kind, the organization's share, employee's share, who authorizes plans, who is included or excluded,
    - Retirement plan -how much, what kind, organization's share, employee's share, vesting, administration.
    - Sick leave - how accumulated, rate of accumulation, definition of sick leave upon termination.
    - Annual leave -how accumulated, rate of accumulation, how small a unit can be taken; notice required before taking, amount paid on termination, maximum amount that can be accumulated.
    - Administrative leave - military duty, jury duty, emergencies.

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- Other leave – family, maternity or paternity, other.
  - Rights of employee and employer.
- Travel addressing approval required in state, out of state, rate of mileage reimbursement, airfare, per diem, who is reimbursed, how, travel advances, documentation required.
- Purchasing procedures that establish guidelines and regulations governing the purchase of supplies, equipment, contractual services, and other items, to ensure that funds are expended in accordance with an approved budget and management's wishes, with consideration of the availability of funds to pay for such purchases, and in compliance with relevant laws and regulations. Supporting documentation should be maintained and available to justify each journal entry.

**Budget:**

The Executive Director is responsible for developing and implementing an organizational budget, which shall be approved by the Board of Directors. The Executive Director will also be responsible for having developed a separate budget for each grant for which application is made.