

Santa Clara FireSafe Council

Accounting Policy and Procedures

Policy

1. All SCFSC expenditures related to federal and other large grants must be accounted for by grant (i.e., on a per-grant basis), or other source of funding, using the SCFSC Chart of Accounts (see below). Smaller donations can be combined with similar donations by purpose or other restrictions.
2. SCFSC financial books and records are to be maintained in an accounting system approved by the SCFSC Officers and Directors (currently QuickBooks Online) on an Accrual Basis. Reports will be generated as needed, on an Accrual or Cash Basis, for quarterly and annual reports, grants reports, tax returns and other purposes.
3. Entries in the SCFSC accounting system will be made following the SCFSC Chart of Accounts guidelines below, which may be updated as needed for new expenditure classifications, grant reports and other purposes. The SCFSC Chart of Accounts will be maintained on the accounting system and may be updated as needed.
4. The SCFSC fiscal year is the calendar year. SCFSC annual reports (Statements of Financial Information) will match the tax returns unless otherwise authorized by the SCFSC Officers and Directors (differences are required for In-Kind Donations of Products and Services).
5. The SCFSC books and records will be closed at the end of each calendar quarter and entries made as needed to ensure quarterly reports are accurate on an Accrual Basis.
6. All SCFSC funds and expenditures are to be recorded as they are received or disbursed.
7. All accounting entries must be supported by approved source documents such as invoices and expense reports. All SCFSC expenditures must be approved at an SCFSC meeting, or by a majority of the SCFSC Officers and Directors, or by the SCFSC President and CEO.
8. Two authorized signatures are required on all checks over \$5,000. Multiple checks cannot be written for one expense to circumvent this policy. The payee and the check signer cannot be the same (e.g., another authorized signature is required if someone writes a check to themselves for expense reimbursement or other purposes). Bills may be paid electronically (e.g. Wells Fargo Bill Pay or Direct Pay) but a second written approval (e.g., at SCFSC meetings or by E-mail) is required for all payments over \$5,000.
9. Since SCFSC does not have any employees, facilities, equipment, property or indirect expenses, no SCFSC expenditures or accounting entries are authorized for salaries, employee benefits, rent, equipment, property or indirect expenses. All administrative expenses must be directly related to and funded by grants or other sources of funding until we receive a grant which permits and funds indirect expenses.
10. The SCFSC threshold for equipment which must be capitalized and depreciated is \$1,000. Equipment is nonexpendable, tangible personal property (as opposed to real property) with a useful life of more than one year. Items which cost less than \$1,000 do not need to be capitalized and can be expensed following the other provisions of this policy and procedure.

Santa Clara FireSafe Council

Accounting Policy and Procedures

11. All SCFSC purchasing, travel and communications accounting entries and expenses must also follow the applicable provisions of those policies and procedures.
12. All In-Kind contributions must be recorded, including the dollar rate at which these services are valued and the source of that rate.
13. All grant funds and expenditures must follow the restrictions and requirements of the individual grant agreements. An example of our grant agreements is attached to this policy. SCFSC grant agreements supersede any conflicting SCFSC policies and procedures.
14. All SCFSC accounting entries and expenditures must be in accordance with the SCFSC By-Laws and Articles of Incorporation.
15. The SCFSC Treasurer and Grant Coordinator(s) are responsible for maintaining the SCFSC accounting records and supporting documentation. The SCFSC Treasurer and President are responsible for arranging for accounting services, audits and year-end Federal and State returns.
16. SCFSC Grant Coordinator(s) are responsible for preparing and filing grant reports as required. Grant reports are to be submitted to the SCFSC Officers and Directors for review. All grant reports must be filed on time.
17. Grant reports will be made on a Cash or Accrual Basis as required for each individual grant. Currently, all SCFSC federal grants reports are Accrual Basis reports. Any changes must be coordinated with the Grant Administrators for the individual grants (the California Fire Safe Council is the Grant Administrator for our current federal grants).

Procedures

1. The SCFSC Treasurer and Grant Coordinator(s) are responsible for implementing the procedures necessary to implement the policy above.
2. Accounting system users are responsible for using the SCFSC Chart of Accounts, Subaccounts and Classes to ensure accurate and consistent entries.
3. Documented telephonic, e-mail or other electronic forms of communication are acceptable.

Santa Clara FireSafe Council

Accounting Policy and Procedures

SCFSC Chart of Accounts

The SCFSC Chart of Accounts is used to maintain our accounts and to classify income and expenditures as required for financial reports, grant reports and year-end Federal and State returns.

The four primary expense accounts used are Contractors/Professional Fees; Grants to Others; Other Expenses; and Printing, Publications and Mailing. Subaccounts can be added to the these primary expense accounts as needed but additional primary expense accounts should not be added without considering the tax return and grant reporting implications. Accounts used in previous years should not be redefined or deleted without considering the effect on earlier entries.

Bank Subaccounts are used to maintain our bank account by grant or groups of donations. Classes are used to maintain our expenses by grant or groups of donations. These Subaccounts and Classes are used for our grant reports and must be maintained for each grant or group of donations. To maintain the integrity of our grant records, Subaccounts and Classes used in previous years should not be reused or renamed for new grants or be deleted.