



FINANCE DEPARTMENT

FINANCIAL CONTROLS POLICIES AND PROCEDURES

Resolution No. 8424, Approved November 20, 2018

Table of Contents

INTRODUCTION	3
I: ACCOUNTS PAYABLE/CONTRACTS PAYABLE	
A: PAYMENT PROCESS	
B: ACH/WIRE PAYMENT PROCESS – ACCOUNTS PAYABLE	
C: UTILITY BILLS	
D: DISSEMINATION OF A/P CHECKS	
E: SCHEDULE OF OUTSTANDING PAYABLES	
II: PAYROLL	
A: PROCESSING TIME AND ATTENDANCE	
B: DEDUCTIONS	
C: PAYROLL TAXES	
D: LEAVE PAYMENT REQUESTS	
III: GENERAL ACCOUNTING	
A: DAILY CASH AND MISCELLANEOUS RECEIPTS	
B: BANK RECONCILIATION	
C: JOURNAL ENTRIES	
D: 3rd PARTY MANAGEMENT REVIEWS	
E: FINANCIAL STATEMENTS AND BOARD REPORT PREPARATION	
F: BUDGETS	
G: CAPITAL FUND GRANT REPORTING	
H: PETTY CASH POLICY	
I: CREDIT AND GAS CARD POLICY	
J: YEAR-END CLOSING	
K: UPDATING CHART OF ACCOUNTS	
L: TRAVEL POLICY	
M: CAPITALIZATION POLICY	
N: DISPOSITION POLICY	
O: COST ALLOCATION PLAN	
P: INVESTMENT POLICY	19
Q. DONATION POLICY	
R. CAPITAL FUND USAGE POLICY	
S. COCC FEE-FOR-SERVICE MONTHLY BILLINGS.....	21
V: HUD FORMS	
A: PUBLIC HOUSING OPERATING FUND CALCULATION	
B: FINANCIAL DATA SCHEDULE (FDS)	
C: PERFORMANCE AND EVALUATION REPORTS	
V: ATTACHMENTS	

INTRODUCTION

Financial control is both the process of managing and reporting the financial position of the Agency and the procedures for authorizing and expending funds that provide adequate oversight and safeguards to ensure use of public funds in accordance with policy, regulation, and public trust.

It is LMHA's intent to establish financial control policies to ensure that financial management procedures enable the maximum amount of efficiency and flexibility to support ongoing operations and provides the most effective and accountable financial controls.

These policies are intended to allow a maximum amount of authority for the management of the Agency's finances while providing appropriate oversight of the agency's financial condition and trends.

LMHA will, unless specifically acknowledged and authorized by the Board of Commissioners, maintain its finances such that at the end of each fiscal year the department is within budget and finances are managed in a manner in compliance with this policy and other U.S. Department of Housing and Urban Development (HUD) financial management, procurement, and audit rules and regulations.

Financial Management of Agency

The President and CEO, working in conjunction with the Director of Finance, is responsible for the overall financial management of the Agency. The leadership of LMHA will develop an annual budget approved by the Board of Commissioners and is authorized to expend funds in accordance with the annual budget.

The Director of Finance is responsible for monitoring the overall financial condition of the Agency and providing monthly financial reports and analyses to the Board of Commissioners. Should any event or trend occur that is projected to result in a material deviation in the budget projections, the Director of Finance must formally notify the Board of Commissioners in writing of the deviation after having formally advised the President and CEO in writing of the deviation. The notice should give the specifics of the situation, including cause, and the effects on the year-end budget projections.

The Director of Finance is responsible for managing the Finance Department and LMHA's financial processes consistent with the duties and responsibilities for that position set out in the applicable Job Description. The Director of Finance should work with leadership and at the direction of the President and CEO to ensure that the processes and procedures implemented by LMHA further its, and the department's mission. The Board of Commissioners will examine and approve the annual budget and any requests for changes in the budget that may fall into the categories of the Agency's mission, strategic plan, and financial condition.

Accounting Manager

The Accounting Manager is responsible for providing budget forecast and impact analysis for all plans and decisions involved in the operations of the Agency consistent with all duties assigned to that position under the applicable Job Description. The Accounting Manager is responsible for the day-to-day accounting, cash management, budgeting, financial forecasting, report management, and financial management, and will defer to the Director of Finance on any decisions regarding priorities, need, and use of resources. The Accounting Manager will prepare monthly financial reports and submit them to the Director of Finance for final review and approval, including but not limited to, income statements, balance sheets, and any other report requested by the Director of Finance or the President and CEO. If applicable, the Accounting Manager will assist the Consultants hired or retained by LMHA to assist it in managing or responding to inquiries from HUD, any other governmental agency or entity, including, but not limited to assisting with all audit related inquires.

The Accounting Manager has an affirmative duty to report a violation of policy and procedure known to that person.

I: ACCOUNTS PAYABLE

A: PAYMENT PROCESS

Purpose

To make payments to vendors, employees, financial institutions, creditors, residents and other parties in an accurate, prompt and efficient manner.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

Policy

The Accounting Specialist A/P will process payments timely, accurately, and in a manner consistent with Housing and Urban Development (HUD) guidelines and Generally Accepted Accounting Principal (GAAP) standards.

Condition

Accounts Payable must receive all check requests and invoices through Spring CM no later than noon on Wednesday. Check run days are weekly on Thursdays.

Associated Materials

Purchase Requisition (Purchase order, Pre-approved contract, etc.)
Proof of Delivery/Services
Check Requests
Invoices
Related e-mails documenting authorizations and approvals

Procedure

Responsibility and Actions

All Departments

Must submit electronic or paper requisitions to Purchasing for the issuance of a Purchase Order. No payment will be made without a Purchase Order for routine goods and services. For one-time purchases under \$2,000, check requests may be used.

Purchasing Department

Creates Purchase Orders for orders of goods and services once the requisitions have been entered by the requestor and approved by finance and the department head.

All Departments

Originating departments must ensure input or authorize electronically the receipt of goods or services for a PO.

The Accounting Specialist A/P– Finance Department

1. Receive invoices daily via email, mail and vendor portal after departmental approval.
2. All invoices are stored in the vendor portal during every segment of processing.
3. All invoices are then checked for a valid PO number, if not then the originating department is contacted via electronic correspondence and asked to obtain a PO so payment can then be processed.
4. If a received invoice has a PO issued, A/P will verify if the good or services were electronically received against the PO in Applicable electronic system s/b Emphasys accounting system. If not, then the invoice is returned to the department with an electronic note or a follow-up e-mail requesting the originating department to receive the goods/services.
5. If problems arise due to lack of responsiveness from the originating department that will result in an invoice being paid beyond 30 days from receipt, then the Accounting Specialist will attempt to resolve the issue.
6. Once the goods or services are received against the PO, it is reconciled and the invoice becomes ready for payment. The Accounting Specialist will ensure that the costs and the goods or services ordered per the invoice agree to the PO.
7. On daily basis the Accounting Specialist A/P will generate a Batch Commitments report listing all invoices ready to be posted to the General Ledger.
8. The Batch Commitments are reviewed by the Accounting Specialist in A/R, and then forwarded to the Accounting Manager for GL review and system posting.
9. The Accounting Specialist A/P will request and reconcile monthly vendor statements to ensure all invoices are recorded in the financial system.

Public Housing (PH) and Section 8 Housing Choice Vouchers (HCV), Payables

Condition

All checks and ACH payments are processed by the Finance Department. No HCV or PH staff have the security access to run checks or create the bank's ACH file.

Procedure

Responsibility and Actions

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

A bi-monthly check run is processed that pays Housing Assistance Payments (HAP) to Landlords and Utility Assistance Payments (UAP) to the residents and/or participants. The process may include adjustments covering multiple months for new leases or reinstated contracts.

1. A check run is produced three days before the first of the month and again on or before the 15th of the month, depending on the day the 15th falls on
2. A deadline is arranged in the Applicable electronic system s/b Emphasys accounting system and all payments, adjustments, or recoupments shall be entered into system before the deadline in order to make the check run process.
3. Pre and Post batch reports will be printed for both beck and ACH batches for the check run and further processing.
4. The Accounting Specialist A/R then prints checks and documents check totals and ACH totals for submission to bank.
5. Bank balances must be confirmed to ensure funds are in proper accounts
6. Transfer forms are prepared and processed the banking system.
Once the checks are printed and the ACH file is prepared both are sent to the Bank for processing. (Note the bank generally needs at least 1 working day to process the ACH file)
7. The Information Technology department is notified that the ACH file is ready for the Direct Deposit statements to be printed and mailed to clients.

B: ACH/WIRE PAYMENT PROCESS – ACCOUNTS PAYABLE

Purpose

To make vendor payments using electronic deductions from the Authority's bank account.

Policy

The LMHA will process payments timely, accurately and in a manner consistent with the U.S. Department of Housing and Urban Development (HUD) guidelines.

Conditions

LMHA does currently make ACH/wire payments via Fifth Third Bank. Wire/ACH form is generated and initiated by the Accounting Manager or Accounting Coordinator and approved by the Director of Finance.

Associated Material

None

Procedure

Responsibility and Actions

Bank Transfers are also required to ensure funds are in proper accounts. Accounting Manager calculates and prepares forms for transfers. Transfer is then initiated and approved by 2 of 3, Accounting Manager, Accounting Coordinator and Director of Finance.

C: UTILITY BILLS

Purpose

To pay utility bills timely and efficiently.

Policy

LMHA has engaged a 3rd Party Utility Processor (AES), who handles tracking and monitoring of utility processing for all sites.

Conditions

All utility bills must be received and reviewed for accuracy. They will be classified appropriately based upon a Unit Master Listing provided by LMHA to Third Party Utility Processor. Each Tuesday, the 3rd Party Utility Processor sends electronic notice by email that reports are available. Custom Reports for consumption and cost are available to the Finance Staff for General Ledger Expense and accrual posting. The Accountant reviews the information for accuracy and works with AES for any correction needed on the report. AES also reports to LMHA of any late fees assessed and missing accounts. The Accountant contacts the utility company to waive the late fees. The payable is recorded in Spring CM by AP Accounting Specialist and payment is processed.

Associated Material

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

Access to a Vendor Portal
Applicable electronic Accounting software for reporting/reference needs

Procedure

Responsibility and Actions

1. Accountant automatically receives through email notification of available Custom Funding Report, GL Import, and Invoices Received and Processed every Tuesday
2. Any paper bills that are received by LMHA are forwarded electronically to a 3rd Party Utility Processor email address for processing
3. Accountant uses custom reports to record Utility expenses in the Accounting Software
4. Accountant checks the Vendor Portal for any errors, questions or issues, and responds with appropriate processing directions
5. Consumption reports can be reported on at any time through the Vendor Portal for HUD Reporting

D: DISSEMINATION OF A/P CHECKS

Purpose

To disburse A/P checks in a systematic and efficient manner.

Policy

All checks will be reviewed for accuracy and mailed in a timely manner.

Procedure

Responsibility and Actions

Accounting Specialist AP

1. Accounting Specialist AR will print checks and give checks to Account Specialist AP.
2. Accounting Specialist AP will place signed checks in envelope where address can be seen through the window.
3. Give checks to the Front Desk Receptionist who will process postage and mail them or hold the checks to be picked up in person when requested.
4. Issued/mailed checks should be cross-referenced to A/P check register to ensure all submitted checks have been issued and are accounted for.

E: SCHEDULE OF OUTSTANDING PAYABLES

Purpose

To provide the Director of Finance/Accounting Manager with a weekly detailed list of open accounts payable.

Policy

The "Accounts Payable Aging Report" will be generated and presented to the Director of Finance by the Accounting Manager for review weekly.

Associated Materials

Outstanding Aging Report

Procedure

Responsibility and Actions

The Accounting Manager

1. Generate a schedule of outstanding accounts payable at the end of the week from open invoices.
2. This report must include:
 - a) The date of the invoice.
 - b) Dollar value of the invoice.
 - c) Name of venter (entity or person submitting) the invoice.
 - d) Due Date of invoice, number of invoice days open (i.e. under 30, 31-60, 61-90+)
3. Submit to the Director of Finance for review.
4. Select list of invoices for payment. Invoices over 30 days, utility invoices, employee check requests and special requests are selected for payment based on cash flow availability.

5. Record accrued Payables with assistance of Accounting Specialist or Accountant at end of each month.

II: PAYROLL

A: PROCESSING TIME AND ATTENDANCE

Purpose

To accurately record time worked, attendance and pay employees the correct amount.

Policy

LMHA will ensure that employee's time and attendance is accounted for daily and that the employee receives the correct amount of pay. LMHA utilizes an electronic timekeeping system. All timesheets must be completed online by the employee and due to payroll every two weeks on the Monday prior to the Friday's pay date. Supervisors' review and approval of timesheets are due the Monday before Friday's pay day. PTO is also tracked through an electronic portal identified by the time management company, and requests for time off are sent directly to the supervisor for online approval and timesheet population. Employees are required to record 80 total hours for the 2-week pay period, comprising of worked hours, PTO hours, Company Holiday hours and/or unpaid hours. No Overtime hours are permitted without preapproval from an authorized member of management.

Associated Materials

Log in User Name and Password for third-party time management portal
Internet Connection

Procedures

Responsibility and Actions

All Employees

1. Will ensure that all time and attendance is recorded on their electronic timesheet every two weeks that reflect a total of 80 hours. All requests for time off are requested through the electronic portal, and approved requests are auto-populated onto the employees' timesheet upon supervisor approval. Call offs or unplanned sick days are recorded onto timesheets by supervisor. Union employees are directed to phone the Call Off Line directly and state the reason for the absence.

All Supervisors, Managers, and Department Heads

2. Review and approve all time submitted timesheets for their direct reports, including time off for vacation and sickness., Approved timesheet are due by 10am on the Monday before Friday's pay date.
3. Day of processing, a Time Exception report for all incomplete/unapproved timecards will be generated and reviewed. Send out email reminder that approvals are due by 10am.
4. Ensure timesheets, are correctly recorded and approved by management.
5. Create the timesheet audit report to preview the payroll timesheet data-entry progress and status.
6. Provide pre-post payroll journal report and wage and tax analysis report if requested by the Director of Finance to approve before payroll is submitted.
7. Confirm the check date and the pay period dates.
8. Process the payroll. The deadline is noon on the Wednesday of the payroll week.
9. Process records for general ledger posting, (Interfaces a text file to the GL for posting).
10. Provide Director of Finance all payroll and deduction reports and requested for review and approval.

B: DEDUCTIONS

Purpose

To appropriately and accurately take the correct amount of deductions from employee's wages.

Policy

LMHA will deduct the correct amount of payroll deductions from employees and post to general ledger.

Associated Materials

Federal W-4 Form
State OH-4 Form
State IT-4 Form
Medical
Dental

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

Life Insurance
Child Support/Civil Garnishments
IRS Liens
Student Loans
Deferred Compensation
OPERS - Ohio Retirement Plan
Union Dues
Employee Donations/Pledges

Procedure

Responsibility and Actions

Human Resources/Benefits Representative

1. Record or document employee's choices regarding elected benefits selected by each employee.
2. Enters elected benefits into Paycor Perform with effective dating and ACA benefit offering tracking.
3. Maintains copy of this information in employee's personnel file.
4. Enters payroll changes such as pay rate changes and employee classifications.
5. Sends copy of payroll change form to Payroll Administrator for their review and verification of change and to file in the payroll employee files.

Accountant/Payroll Administrator

6. Updates or changes an employee's information when notified by HR or when properly requested by an employee.
7. Enters miscellaneous deductions and goal amounts pertaining to various employee contributions, donations/pledges to charitable organizations.
8. Cooperates with HR, Legal and IT, regarding all general access issues.

C: PAYROLL TAXES

Purpose

To prepare payroll tax returns in a timely and accurate manner.

Policy

LMHA has engaged Paycor Tax Services to produce, file and pay on behalf of LMHA. Taxes are prepared and processed through Electronic Funds Transfers (EFT) transactions for Federal, State, and Local withholdings. LMHA will ensure that tax returns are prepared and paid in a timely and accurate manner.

Associated Materials

Federal 941 Payroll Tax Form (Due by 4/30, 7/31, 10/31, and 1/31 of each year)
W- 2s (Due by 1/31 of each year)
State Withholding (Due by 4/30, 7/31, 10/31, and 1/31 of each year)
Local Withholding (Due by 4/30, 7/31, 10/31, and 1/31 of each year)

Procedures

Responsibility and Actions

Accountant/Payroll Administrator

1. Ensures that the tax report has been produced and filed to the proper authorities per IRS schedules through Paycor's Tax and Banking Portal.
2. Download and retain electronic copies of all filings locally from Paycor.

D: LEAVE PAYMENT REQUESTS

Purpose

To provide payments to employees of earned leave as requested. When approved by the supervisor/manager, the leave payment request will be processed with LMHA's regular payroll cycle. The Paycor Attendance on Demand module tracks leave accumulation, usage, and balances, and will not pay employees for leave time requested unless there is the necessary leave time in the employees' balance.

Policy

LMHA will pay employees earned leave as requested with the Authority's regular payroll cycle.

Associated Materials

LMHA Personnel Policies

Procedures

Responsibility and Actions

All Employees

1. Submits a request for time off electronically.
2. An automated email is sent to supervisor, informing that there is a request pending their approval.
3. Supervisor electronically reviews, and performs an Approve, Deny or Change action on the request.
4. If approved, the leave is automatically populated on employee's timecard. If denied, an automated email is sent to the employee informing them of the rejection.

Refer to LMHA Personnel Policy Manual for more detailed description of each leave benefit.

III: GENERAL ACCOUNTING

A: DAILY CASH AND MISCELLANEOUS RECEIPTS

Purpose

LMHA receives electronic cash transfers in from HUD and other sources for the various programs. These are reviewed and recorded daily. LMHA Finance department receives about 20-30 'miscellaneous receipts' each month in the form of checks. To properly record and deposit the daily cash receipts and miscellaneous cash receipts to the appropriate general ledger account.

Policy

LMHA will ensure that all receipts are appropriately accounted for and deposited into the correct account within 24 hours.

Associated Materials

Daily Bank Reports for funds received.

Copies of checks or money orders

Deposit slips

Procedures

Responsibility and Actions

Miscellaneous Receipts/Electronic Cash Recording

Accounting Manager and/or Accounting Coordinator – Finance Department

1. Logs into online banking daily and reviews the "Previous day summary and detail" reports for all active accounts.
2. Records the daily electronic cash activity by manually researching and verifying each deposit/withdrawal amount and identifies the nature of the cash entry, (AMP operating subsidy, HCV or Mod/Rehab subsidy, CFP draws etc.). Prints documentation from banking system supporting any manual bank book entries needed.
3. Prepares a package for data entry support, including the printed bank reports, assignment of GL code, and copy of any other backup to support the bank book journal entry, and placed in the central file for data entry into the bank book system of the Applicable electronic system s/b Emphasys accounting system.
4. The Director of Finance will sign off on all journal entries before it is posted to the financial system.
5. The Accounting Manager maintains a hardcopy file of all the daily journal entries with backup in a monthly file for later review, use in bank reconciliations, and for audit purposes.

Section 8 and Public Housing Repayment Agreement Receipts

Section 8 Program or Public Housing and Accounting Specialist – Finance Department

Section 8 and Public Housing clients may enter into repayment agreements for monies owed to LMHA for fraud or other reasons. These payments are received for the agreements from the Section 8 or Public Housing department staff, as walk ins, or in the mail, and are forwarded to the Accounting Specialist for data entry into the software system and to scan in to the bank for deposit.

PH Tenant Rent Receipts

Associated Materials

Copies of the deposit slip
Checks
Money Orders
Reconciliation report

Property Management Staff and Accounting Specialist – Finance Department

2. Checks are received for rent payment from property managers. All checks must be deposited with the bank within 24 hours of receipt.
3. For each deposit batch received by a management site, (batched by receipting drawer), Property Management staff will prepare and reconcile the batch, produce a batch listing report, and submit all to the Accounting Specialist for confirmation and posting in the LIPH Tenant Accounting system.
4. The Accounting Specialist will then electronically scan the batches of checks/money orders in to the banking software.

Resident rent payments received at the central office location, directly from the resident via drop box, will be batched and entered by the Accounting Specialist, who will then electronically scan the batch of checks in to the banking software.

5. Resident rent receipts paid via the bank lockbox mail-in system are downloaded daily by the Accounting Specialist for posting directly to the resident accounts.

Miscellaneous Receipts

Any miscellaneous checks received is given to the Accounting Specialist to electronically scan via the banking software to record the deposit. Any cash received is deposited after a deposit ticket is created and taken to the bank.

B: BANK RECONCILIATION

Purpose

To ensure that the General Ledger accounts are properly reflecting current banking information for all bank accounts. All bank statements should be reconciled monthly and any required journal vouchers should be made upon completion of reconciliation. Completed bank reconciliations will be reviewed and approved by the Director of Finance and then filed for review by Auditor or other parties.

Policy

Reconcile bank statements promptly after the end of the month.

Associated Material

Bank Statement
Applicable Payroll, Payables, cash receipt, and general ledger data
Bank Reconciliations

Procedures

Responsibility and Actions

Accounting Manager

1. Monthly bank statements shall be pulled down from the banking system by the second business day of the following month and saved in the shared drive under Finance and Accounting.
2. Electronic cleared check will be obtained from online banking system and saved in Shared Drives in computer system.
3. The bank statements will be reconciled using the bank book software, and to the general ledger using the supporting documents.
4. Once the statements are completed they shall be reviewed by the Director of Finance. All documentation used for reconciling must be attached. The Director of Finance will initial and date once approved.
5. The bank reconciliation shall be filed for audit review.
6. Bank Accounts which carry balances that exceeds the FDIC insured limit must be fully collateralized.

C: JOURNAL ENTRIES

Purpose

To ensure that journal entries are prepared and entered in an accurate and timely manner. Maintain monthly journal entry list and check-off recurring entries. LMHA will follow standard procedures for the preparation, review, approval and posting of all entries.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

Policy

Accountant, Accounting Manager and Accounting Coordinator will prepare journal entries based on a standard format to be recorded into the Authority's General Ledger through the Applicable electronic system s/b Emphasys accounting system Software. Accountant post Journal Entries to the General Ledger. The Director of Finance reviews posted entries.

Additional Materials

None

Procedures

Responsibility and Actions

Finance Department Staff

1. Will prepare and set up all Journal Entries into the system using the Authority's standard entries and provide clear concise explanations and descriptions for all entries based on available data
2. Will prepare all supporting documentation for all entries prepared
3. The Director of Finance will approve all journal entries posted to the General Ledger.

D: 3rd PARTY MANAGEMENT REVIEWS

Purpose

3rd Party Management reviews are performed by the Accounting Manager and approved by the Director of Finance.

Policy

Accounting Manager will review 3rd Party management Trial Balances and Financial Statements for accuracy and compliance

Additional Materials

Trial Balance by Property
Financial Statement by Property
Balance Sheet by Property

Procedures

Responsibility and Actions

1. Account Reconciliations are reviewed by the Accounting Manager as related by the 3rd Party Management Companies
2. Accounting Manager reviews GL Transactions for each 3rd Party Managed sites for accuracy and Intercompany settle-ups.

E: FINANCIAL STATEMENTS AND BOARD REPORT PREPARATION

Purpose

To provide Management and the Board of Commissioners with timely and accurate financial information. LMHA will prepare and present monthly financial statements to the LMHA leadership and to the Board of Commissioners. The Director of Finance is responsible for the preparation of those reports.

Procedures

Responsibility and Actions

Accounting Manager

1. A Statement of Retained Earnings with Annual budget report has been created from the applicable electronic Accounting Software. This report contains all income and expense accounts for all funds and programs. This report is distributed to the President, Senior Vice-President and the Senior Management staff prior to the monthly board meeting.
2. The senior leadership team also has the access to view financial reports in the applicable electronic system.

F: BUDGETS

Purpose

To ensure that LMHA submits accurate budgets and amended budgets to the Board of Commissioners and/or HUD and other funding sources in a timely manner. Budgets and amended budgets will be forwarded to the appropriate funding source by the established deadlines.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

LMHA will prepare budgets and amended budgets as prescribed by HUD. Annual Calendar Year LIPH Operating Fund Calculations Budgets are due to HUD by the date stipulated by HUD. Additionally, Finance will prepare budgets for internal use for all programs that need budgets for management and operational purposes.

Associated Materials

Annual Contribution Contract (ACC)
Operating Budgets
Operating Fund Calculation
Funding Requisitions
Financial Statements
Prior Year Budget

Procedure

Responsibility and Actions

Director of Finance

1. Provide budget guidance based on Agency strategic priorities, specifically as they relate to HUD funding levels

Accounting Manager

2. Public Housing Subsidy Budget data necessary to calculate Public Housing Operating Fund:
 - a. Rent rolls for the 6 months prior to the beginning of the fiscal year or sooner if it changes at all
 - b. HUD's change factor for the rent roll
 - c. Occupancy report-done by Property Manager as of June 30th
 - d. HUD's inflation factor
 - e. 3 years of utility consumption and dollar amounts to compute the rolling base
 - f. Current utility rate and costs
 - g. Units out of occupancy and why they are out of occupancy
3. Housing Choice Voucher Subsidy Budget data necessary to calculate HCV:
 - a. VMS reporting for the prior calendar year
 - b. Current Net Restricted Assets (NRA) and current Unrestricted Net Assets (UNA)
 - c. Calculation of Program Reserves held at HUD Headquarters
4. Compile data necessary to calculate estimated budgeted expense and income for the next year at least 4-5 months prior to year-end for all funds.
5. Facilitate budget kick off meeting to provide pertinent information to Public Housing area managers, Section 8/HCV Manager, and Executive Director as well as gain insight/ input from staff on anticipated budget issues for next fiscal year.
6. Meet with the Senior Management of the Authority as needed to review estimates and make adjustments based on data and input from staff.
7. Operating Budget for all programs will be established, and once approved by the Director of Finance, will be submitted to the Board of Commissioners for approval prior to the beginning of the fiscal year. LMHA's fiscal year begins January 1st.
8. The Board Chairman then signs Form HUD 52574 which is sent to HUD and maintained in Finance Department's files.
9. During the fiscal year, the Director of Finance has the authority to make budget transfers within the department, program or fund to match expenses and revenues received so long as the overall total of the approved budget is not changed. In addition, line items can be changed between line items within controlled categories. Controlled categories will include Administration, Tenant Services, Ordinary Maintenance and General Expense. In no case will salaries, labor or employee benefits be revised without formal approval. Unused costs related to non-routine items can be reallocated to operating line items as approved by the Director of Finance.

G: CAPITAL FUND GRANT REPORTING

Purpose

To report grant activity to HUD in an accurate and timely manner in accordance with HUD deadlines.

Policy

LMHA will maintain source documentation for all grant receipts and expenditures by grant number and award date. Grant receipts and expenditures will be reconciled monthly. The responsibility for grant draws and the grant accounting process is assigned to the Accounting Coordinator and Accounting Manager.

Associated Materials

Grant Contracts
Trial Balance detail

Procedures

Responsibility and Actions

Accounting Coordinator/Accounting Manager

1. Must ensure that Form HUD 50075.1 Annual Statement/Performance and Evaluation Report and associated detail spreadsheets are maintained and updated, reflecting the grant expenses reported in the general ledger and draws for each grant.
2. Calculate amount to draw. Drawdowns are executed in the HUD E-LOCCS system by the Accounting Manager or Director of Finance, to ensure a segregation of duties.
3. Reconcile the grant spreadsheets to the General Ledger each month.
4. Ensure expenditures are posted to the grant general ledger as it relates to the budget detail of the grant.
5. Capital Funds Program Manager reviews final closeout files and ensures the close out information is sent to the HUD Local office in a timely manner. The close out information is in the documentation of the grant contract.

H: PETTY CASH POLICY

Purpose

When other disbursement methods cannot be used, petty cash funds can provide cash to employees to cover minor unforeseen expenses, such as mail services, emergency office supplies, items purchased for an event within 24 hours, generally not to exceed \$75. LMHA requires each petty cash fund to have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds. Wherever possible, local units should use other disbursement methods instead of petty cash.

Petty Cash Funding Level

- Central Office - \$500
- Resident Services - \$500
- Housing Choice - \$500
- Asset Management - \$500
- All AMPS - \$200

Petty cash funds are subject to audit, without the need for prior notification, by the Finance Department.

Procedures

1. Understand appropriate uses of petty cash.

Petty Cash is usually the mechanism of last resort to access cash for payments, when other disbursement methods are impractical or cannot be used. Petty cash funds must not be used as an operating fund, i.e., to pay invoices for goods or services, to pay mileage reimbursements, to cash personal checks, to pay salaries or wages, or to make advances or loans. Finance will send out a reminder for quarterly reconciliation, and semi-annual audits.

2. Designate a petty cash fund Custodian.

- a) Each fund must have a Custodian approved by the Director of Finance.
- b) When a change in Custodian occurs; the petty cash account must be reconciled and closed out by the Finance Department before the new Custodian takes control of the funds.

3. Establish the petty cash account.

- a) To establish a petty cash account, departments must submit a Petty Cash Action Form (Attachment E) signed by Custodian and the Director of Finance.
- b) Accounts Payable cuts checks to designated Custodians upon receipt of a check request with an attached Petty Cash Action Form signed by the Director of Finance.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

4. Safeguard the cash.

- a) Keep petty cash funds in a secure area such as a locked drawer or small safe.
- b) Ensure segregation of duties. Custodians should not self-approve replenishments or other changes to the petty cash account.
- c) Reconcile the log of petty cash expenses to the amount in the cash box at least monthly and submit to the Finance department for replenishment.
- d) In the event of theft, the Custodian should notify his/her immediate superior as well as the Director of Finance. In the event it is found that the custodian did not properly account for all cash issued or safeguard the funds, they will be responsible for reimbursing LMHA for the missing funds.

Any items deemed impermissible via LMHA's Procurement Policy are also impermissible for purchase using petty cash funds. Using funds for impermissible transactions is a violation of the petty cash policy and may result in non-reimbursement and disciplinary action up to termination.

I. CREDIT and GAS CARD POLICY

Purpose

The purpose of the Credit Card Policy is to facilitate the purchase necessary for Lucas Metropolitan Housing Authority (LMHA) operations, lodging and travel for approved LMHA functions, and to facilitate other necessary transaction in an efficient manner. The gas card may not be used for anything other than the purchase of fuel for LMHA vehicles. The purpose of the use of credit card(s) is "not" to override the procedures set forth in LMHA's Procurement Policy, but to provide an alternative method of purchase for necessary goods and services.

Policy and Procedures

Refer to Attachment B for Credit Card Policy & Procedure

Refer to Attachment C for Gas Card Purchasing Authorization

J: YEAR-END CLOSING

Purpose

To ensure LMHA submits timely and accurate year-end financial statements to HUD in the un-audited FDS and to the Auditors. The Director of Finance and Accounting Manager will ensure that the books of accounts are closed timely and accurately. The Authority's fiscal year ends on December 31.

Policy

LMHA will close its books of accounts in a timely and efficient manner.

Associated Materials

General Ledger
Financial Report

Procedures

Responsibility and Actions

Finance Department (Accounting Team)

1. Accrue all payables (salaries, employee benefits, utility expenses, vendors and contractors, Section 8 portables).
2. Accrue all receivables (interest on investments, Section 8 portables, and any other income receivables).
3. Verify that the insurance register pre-paid at the end of the year is correct and agree to the G/L.
4. Reconcile all bank accounts and record all adjustments.
5. Compare management companies reports and GL for consistency
6. Reconcile all receivables and payables and prepare detailed analysis of any balances:
7. Update the property depreciation schedules ensuring it agrees to the asset accounts, for additions as well as dispositions. Propose journal entries to correct discrepancies.
8. Record pre-paid rent for all programs (deferred revenue).
9. Reconcile FSS accounts for the Public Housing program and Section 8 program ensuring the FSS detail ledgers agree to the liability accounts and the investments accounts agree to the bank accounts and the bank accounts are fully funded.
10. Ensure all ledgers and the inter-fund accounts are in balance.
11. Make entries to record receivables/payables due to/from HUD for Section 8 and update reserve accounts.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

12. Compute compensated absences for employees and record on G/L.
13. Complete analysis of grant expense versus grant income requested through LOCCS and accrues income receivable due from HUD and other granting agencies.
14. Accrue contract retention expense per contract register.
15. Review allowance for doubtful resident accounts and make proper adjustments submitted by management companies
16. Close the Income and expense accounts out for the year.
17. Prepare a GAAP trial balance report and a Financial Data Schedule (FDS).
18. Maintain a copy of the REAC transmission and the year-end financial statements submitted to HUD.

K: UPDATING CHART OF ACCOUNTS

Purpose

To account for all transactions in a manner suggested by the Department of Housing and Urban Development (HUD) and the HUD Real Estate Assessment Center (REAC). LMHA uses the FDS chart of account coding system as the GL chart of accounts.

Policy

LMHA will account for all transactions in accordance with GAAP. LMHA also considers the applicability of GASB regulations over accounting and reporting.

Associated Materials

Real Estate Assessment Center (REAC) Sample Chart of Accounts
LMHA Chart of Accounts

Procedures

Responsibility and Actions

Accounting Manager (with Accountant as backup)

1. Ensures accounting classifications used throughout LMHA are in accordance with OMB A-87 and REAC guidelines.
2. Adds accounts as necessary, for internal control purposes. Only the Accounting Manager and Accountant are authorized to edit the GL chart of accounts. When an account is added to the GL chart of accounts, the account may need to be added to any customized system generated financial reports.
3. Performs a new account review on a quarterly basis ensure proper coding and classification in the General Ledger.

L: TRAVEL POLICY

General Travel Procedures

LMHA travel procedures are found in Section 6.01 of the Personnel Policy manual.

M: CAPITALIZATION POLICY

Purpose

The capitalization policy of LMHA shall provide all parties associated with it a comprehensive statement of policy and actions which will be used as the criteria for governing the control and accountability of personal property of the housing authority.

Real Property. Real property comprises all land and buildings and all fixtures permanently attached thereto or installed in a fixed position, such as water heaters; all heating equipment (except space heaters not connected to ducts or pipes for the distribution of heat); water, gas, and electric meters; fixed cabinets, and shelving, and other similar appurtenances.

Personal Property. Personal property comprises all material and supplies, equipment, and fixtures not attached to the land or building and not installed in a fixed position, such as ranges, refrigerators, screens, window shades, movable kitchen equipment, individual space heaters not connected to ducts or pipes for the distribution of heat, playground equipment, benches, clothes poles, and flag poles not permanently installed in a fixed position. Personal property is divided into three classes:

1. Material and Supplies- defined as items of property which (a) can be used only once, such as fuel, cleaning supplies, etc. (b) are spent in use, such as brooms, brushes etc. or (c) lose their identity or become integral part of other property

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

when put into use, such as nails, lumber, cement, repair parts of other property. The term "materials and supplies" also includes items of small tools and equipment having a value of less than \$5,000.00.

2. Expendable Equipment- defined as items of equipment having a useful life of less than one year and having a value of \$5,000 or less. The cost of such property will not be treated as a capital expenditure.

3. Non-expendable Equipment- defined as items of equipment having a useful life of more than one year and having a value of \$5,000 or more. The cost of such property shall be treated as a capital expenditure with financial control maintained through appropriate accounts in the general ledger.

LMHA tracks capital items electronically. The information should include, but is not limited to, the following:

- a. Description of item;
- b. Serial and/or model number;
- c. Purchase price of item;
- d. Purchase date; and
- e. If applicable, the sale or disposal date of item.

Guidelines for Life of Capitalized Assets

LMHA will use the following guideline for establishing the life span of the capitalized equipment and buildings. Depreciation will be done on a half year convention. Regardless of when the asset(s) were purchased, a half year depreciation will be taken in the first year.

No. of Years	Description
0	Land
5-7	Computer software and equipment
5-15	Dwelling and non-dwelling equipment that cost more than \$5,000 and has a useful life of greater than 1 year
5-7	Office equipment that cost more than \$5,000 and has a useful life of greater than 1 year.
5-7	Vehicles
15	Site Improvements
15-40	Building and building improvements that cost more than \$5,000 and has a useful life of greater than one year

Fixed Assets

LMHA shall take a physical inventory and count of all non-expendable equipment, at least every two years. The physical inventory shall be compared with the inventory records and reconciled. Any differences between the inventory records and physical inventory shall be investigated and appropriate entries made in the records to correct or adjust the differences.

The Director of Finance or, if no Director of Finance then the Accounting Manager, is charged with the responsibility of caring for and safeguarding LMHA owned property. If the physical inventory disclosed that items of equipment have been lost, stolen, or destroyed, the Senior Vice President of Operations (or authorized designee) shall obtain all the facts relating to each case and determine (1) whether the person who had custody of the property is to be held responsible; and (2) the amount, if any, such person shall be required to reimburse the housing authority if held responsible for the loss.

Depreciation

All capitalized equipment shall be depreciated over its useful life. The depreciation expense shall be computed annually as part of the year-end closing and deducted from operating income in determining the net income (loss) from operations.

Administration of Policy

Administration of this Policy shall be as consistent as possible. Minor variation and costs from time to time of like or similar items shall not influence the classification as between expendable and non-expendable equipment. Also, the Accounting Manager shall use discretion to classify non-expendable equipment those items of equipment costing less than \$5,000 which, due to the anticipated useful life or other relevant factors, should properly be so classified. Similarly, the Accounting Manager shall use due discretion to classify as expendable equipment those items of equipment costing more than \$5,000 which due to the anticipated useful life of such equipment or other relevant factors, should be so classified.

Other Capitalized cost – Any purchase of land or cost associated with the purchase of new assets or construction or improvement of an existing property will be capitalized if it meets the following criteria:

- a. Useful life of greater than one year and/or,
- b. Any addition or betterment that extends the useful life of more than one year and/or,

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

- c. Equipment cost that equals or exceeds \$5,000 or more will be capitalized
- d. Building or site improvements cost that equals \$5,000 or more will be capitalized

N: DISPOSITION POLICY

Purpose

LMHA has a responsibility to ensure its property is properly managed.

Policy

LMHA's policy for disposition of assets is set forth in a separate Disposition Policy, which is referenced and incorporated herein.

O: COST ALLOCATION PLAN

Purpose

All costs that have a direct correlation to a program or programs are allocated directly to those programs. These costs could include: Maintenance repairs, Capital Improvements, Legal expenses, Lease payments, Temporary Assistance, Contract costs, Utility expense, Consulting fees, Architecture and Engineering fees, Interest expense, Audit costs, Accounting Fees, Travel costs, Training costs and other Administrative expenses.

Policy

Costs that pertain to the entire Authority are allocated on a per unit bases for all Authority Units. This could include items such as: Maintenance materials, Property Insurance, Vacant Unit Rehab, Garbage collection, Vehicle maintenance, Lawn Care and other Administrative expenses.

For costs that need to be allocated across multiple programs one of the following guidelines should be used for allocation:

Rental space - based upon square footage of direct usage

General office expense - based upon the square footage of direct usage

Salaries - based upon contemporaneous time records- time sheets

Intake - based upon estimated number of clients served- HCV to Low Rent

Other - based on actual/estimated employee and department usage, or employee to program ratio

Invoices are reviewed by the Accounting Manager to decide what type of allocation should be used or if a direct allocation is needed. The Allocation methods will determined, and if necessary altered by the Director of Finance and any other appropriate member of leadership or the Finance Department. The allocation methods of choice will be in accordance to OMB A-87 and all allocation plans will be approved by the Board of Commissioners at the same time as the fiscal year budget.

P: INVESTMENT POLICY

Purpose

LMHA's policy is to invest its funds in a manner that will provide the highest investment return with the maximum amount of security, while assuring the availability of cash for daily needs.

Governing Standards

The Investment Policy of the LMHA is governed by:

24 CFR 85.20

PIH Notice 96-33 "Required HA Cash Management and Investment Policies and Procedures"

Objective

It is the objective of LMHA to establish and adhere to policies governing investments with the specific intent of maximizing return on all assets by investing the maximum amount of money in prudent investment vehicles. LMHA has adopted all provisions of PIH Notice 96-33

Investment Policy Statement

LMHA will complete and maintain a General Depository Agreement (HUD Form 51999) for any program funds that are invested as required by the Annual Contributions Contract (ACC).

Selection of a Bank

LMHA selects banks through competitive solicitation via a request for proposal (RFP). All banks must be insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF).

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

LMHA ensures that all investments exceeding Federal (FDIC Stated) limit are 100% collateralized by pledging U.S. Government Securities. All banks must sign a Depository Agreement, HUD Form 52736-A if the Housing Authority will be depositing federal funds into the bank.

Investment Strategy

LMHA considers the following in making investments

1. Safety- Safety shall be achieved by adherence to a HUD approved list of transactions (discussed below).
2. Yield- LMHA will strive to achieve the highest yield consistent with other factors of this Investment Policy.
3. Liquidity- All investments must be capable of being liquidated on one day's notice.
4. Maturity- Maturity dates will be similar to the date that the cash will be needed. In addition, maturity dates cannot be later than 3 years from the date of purchase.
5. Amount – LMHA will consider the amount available for investment.
6. Administrative Cost- LMHA will consider the administrative work involved when choosing an investment.

Approved Investments

HUD publishes a list of approved investments that the LMHA will strictly follow. A summary of the list is as follows:

1. US Treasury Bills with 3, 6, 9, and 12-month maturities
2. US Treasury Notes and Bonds
3. Money Market Deposit Accounts
4. CDs or Certificates of Deposit
5. SLMA (Student Loan Marketing Associations) Obligations
6. Small Business Administration (SBA), Small Business Investment Corporation (SBIC) Debentures
7. TVA (Tennessee Valley Authority) Notes and Bonds
8. FHLB (Federal Home Loan Bank) Consolidated Obligations
9. FHLMC Mortgage Participation Certificates (PC) and Collateralized Mortgage Obligations (CMO's)
10. FNMA (Federal National Mortgage Association) Debentures, Notes, Short-Term Discount Notes, and Capital Debentures
11. GNMA- Government National Mortgage Association, Mortgage Backed Securities (GNMA I and GNMA II)
12. Repurchase Agreements
13. Short-term cash and money market sweep accounts
14. Mutual Funds

Recordkeeping

1. The Accounting Manager will maintain a detailed investment registers summarizing the following:
 1. Amount of investment securities purchased from each fund
 2. A complete description of the investment instrument
 3. Date of purchase
 4. Purchase price
 5. Interest rate
 6. Applicable date of sale of maturity
 7. Value at date of maturity

The Accounting Manager also reconciles, or reviews monthly/quarterly reconciliations provided internally or by third parties, invested cash and associated securities purchased/sold balances.

Authority to Make Investments

All investments transactions must be authorized by the President and CEO with Board Approval.

Recordkeeping and Safekeeping

Investments will be maintained in a trust or custodian account, in the name of LMHA. Reconciliations will be performed monthly, from the investment statements to the investment ledger.

Q. DONATION POLICY

Purpose

The purpose of this policy is to serve as the framework to follow when accepting cash and non-cash donations.

Policy

LMHA may receive donations from various sources. The following policy statements will ensure that these donations are managed properly:

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

1. The Board of Commissioners must formally accept all cash and non-cash donations exceeding \$250 in value.
2. LMHA may accept individual cash donations not exceeding \$250 and individual non-cash donations not exceeding \$250 in value without preparing a Board Agenda Item (BAI). However, LMHA must submit an itemized listing of all donations which meet these criteria to be included in the approval process at the next Formal Board meeting. All other donations must be individually noted on a separate BAI.
3. LMHA will ensure the following activities are completed as defined below:
 - a) Prepare a BAI to request Board approval to accept cash and non-cash donations if exceeds \$250 in value. It is LMHA's responsibility to specifically define any/all restrictions regarding the use and disposition of the donated asset(s). Please note, it must be in the overall best interests of the Housing Authority to accept a donation. In addition, it is the direct responsibility of LMHA to ensure the compliance with any restriction placed upon the donated asset.
 - b) Maintain an itemized listing of all cash and non-cash donations that meet the criteria in Section 2. The date of the donation, description of item, restricted or non-restricted and the value of the item must be part of the itemized listing.
 - c) Deposit all cash donations into a donations general ledger account for tracking.
 - d) For non-cash donations the value of the asset should be recorded at fair-market value in accordance with GAAP.

R. CAPITAL FUND USAGE POLICY

Purpose

The purpose of this policy is to distinguish the usage of the Capital Funds for Property Improvements.

Policy

LMHA is allotted funds for property improvements to Public Housing Properties. The funds are contracted and confirmed through a Consolidated Annual Contributions Contract (ACC) number. The Authority is responsible for the obligation and expenditures of these funds to the proper Asset Management Projects (AMPS).. Capital Fund work items shall be on a HUD approved 5-year action plan and have undergone Environmental Review by the Responsible Entity, if required, prior to proceeding with obligation and expenditure.

Procedure

Any/all invoices charged to Capital Funds must have the signed approval of the Capital Fund Program Manager, or his/her designee.

S. COCC FEE FOR SERVICE MONTHLY BILLINGS

Purpose

To ensure that the COCC Billings to the AMPS, HCV program and other programs are for the maximum supportable amounts that are consistent with HUD policies and regulations.

Policy

The Accountant shall bill the AMPS, HCV program and other programs monthly, and record such billings in the general ledger.

Associated Material

Electronic spreadsheets showing support and calculations for the amounts billed.

Procedures

1. The Accountant will update the HCV and AMP billings spreadsheet monthly for units occupied
2. The Accountant will prepare a journal voucher in Excel for the amounts billed and provide the journal voucher to the Accounting Manager.
3. The Accounting Manager will review the journal voucher and attached documentation if the entry is outside normal amount.
4. The Accountant will post the journal voucher in Housing Management Accounting Software.

IV: HUD FORMS

A: PUBLIC HOUSING OPERATING FUND CALCULATION

The Public Housing Operating Fund Calculation Forms that are required for submission to HUD will be briefly discussed in the following sections.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

Revisions and amended Operating Subsidy Calculations are limited by HUD to error corrections.

Form 52574- PHA Board Resolution

The Authority's Board Chairman is required to sign this form to certify that the Board has reviewed the budget submission.

Form 50071 -Certification of Payments to Influence Federal Transactions
(Lobbying Disclosure)

The Authority certifies that no appropriated funds will be used to influence a Member of Congress or any government agency.

Form 52722- Calculation of Allowable Utilities Expense Level

This form calculates the amount of Allowable Utilities expense that HUD will fund for the Authority for a fiscal year. The calculation is based on the prior three fiscal years' actual data.

Form 52723 -Calculation of Operating Subsidy

This form is used to calculate the actual amount of Operating Subsidy due to the Authority for a particular fiscal year. This form incorporates calculations made on other supporting forms/schedules.

Form SF 424- Application for Federal Assistance

This form must be filled out by any agencies that require federal funds. A signature on this form binds LMHA to all terms and conditions associated with HUD funding.

B: FINANCIAL DATA SCHEDULE (FDS)

The Unaudited Financial Data Schedule is due 2 months after the fiscal year end with a 15-day grace period. This form is electronically submitted to the Real Estate Assessment Center.

The Audited Financial Data Schedule is due 9 months after the fiscal year end (there is no grace period). This form is electronically submitted to the Real Estate Assessment Center, after the auditor has performed the attestation function.

C: PERFORMANCE AND EVALUATION REPORTS

Starting with the 2018 Capital Fund Grant HUD forms 50075.1 Annual Statement/Performance and Evaluation Report and 50075.2 Five Year Action Plan will be generated and approved by HUD through the Energy and Performance Information Center (EPIC). Annual statements for active grants prior to 2018 will be submitted to HUD in paper format to amend the budget and when the grants are closed. A copy of the most recent HUD approved 5-year action plan shall be submitted each year with the agency plan. LMHA's 5-year plan is rolling requiring revision each year.

For the period ending each year on 6/30 LMHA shall have on file, and available for HUDs request, updated Annual Statements for each active grant year.

VI: ATTACHMENTS

- A: Per Diem procedure for Residents
- B: Credit Card Policy and Procedure (4 pages)
- C: Gas Card Purchasing Authorization
- D: Purchasing Authorization Levels
- E: Petty Cash Action Form

Attachment A: Operating Procedure for Issuance of Per Diem

Definition of Per Diem

When appropriate as identified below and a resident is eligible to receive a daily allowance for expenses to cover living expenses, LMHA will provide such expenses. There are ten areas in Ohio for which location-specific per diem rates are specified by the federal government. The Toledo area have not specified per diem rates, the general per diem rates are used.

Per Diem Rates for Ohio through June 30th, 2018

Meals and Incidental Expenses= \$51.00

Is intended to cover the costs of a single days' worth of meals and incidental costs (such as tips and parking) based on the Ohio general per diem rates. If you spend less than the \$51.00 per diem, you can generally keep the remainder.

Lodging = \$93.00

Is intended to cover the costs of one night's lodging at a hotel in Toledo, based on the general daily rate in the local lodging industry. Many hotels and motels offer business travelers rooms at exactly the local per-diem rate.

Per Diem Amounts per Household

One per diem check will be issued per household.

Reasons for Issuance of Per Diem

Any time a resident is displaced for 24 hours or more due to a unforeseen situation; and the resident does not have alternate accommodations to lodge (i.e. family or friends). An LMHA initiated action includes but not limited to, renovations, maintenance emergency, building shut down, etc. Before issuance of a per diem check, approval from the Vice President of Asset Management must be obtained electronically. For LMHA initiated actions that will cause a resident to be displaced for more than 7 days, a transfer must be initiated and submitted to Occupancy ***before*** the LMHA initiated action occurs. In emergency cases when this is not foreseeable, a transfer must be submitted ***immediately***. ***NOTE* According to the LMHA lease, LMHA reserves the right to transfer a resident in these instances.**

Issuing a Per Diem Check Process

The Property Manager will work with their Resident Services Coordinator to secure alternate accommodations other than lodging at a local Hotel for any family affected by an LMHA initiated action that causes a resident to be displaced for 24 hours or more. The Property Manager must have a documented reason for issuing a per diem check which must accompany the request to the Vice President of Asset Management office. A check request must be completed with the appropriate documentation to include the household size, number of days to be lodged, Head of Household name, Social Security number, copy of the GSA schedule (attached to this protocol) and submitted to Finance. Only in rare or emergency circumstances will per diem checks be provided outside of Friday's. If an Emergency occurs outside of normal business hours the per diem amount paid to the household may be paid from Petty Cash for one day or until a check can be obtained to cover any remaining days displaced. Documentation must be provided if these rare or emergency situations occur. All documentation upon issuing a per diem check must be maintained in the residents file.

Attachment B: Credit Card Policy and Procedure

LMHA CREDIT CARD POLICY AND GUIDELINES

- 1. Card issuance and cancellation** - The Director of Finance and Accounting Manager shall be responsible for the issuance, accounting, monitoring, retrieval and general oversight of the compliance with this Credit Card Policy, may designate some of that authority to other senior management staff.
- Credit cards shall only be issued to the President/CEO, Senior VP of Operations, Chief Legal Officer, VP of Resident Services, VP of Asset Manager, VP President of HCV Programs and Finance Director. Credit card transactions made on behalf of LMHA may be made by authorized LMHA employees.
 - All credit cards issued must have a signed agreement form from the cardholder. All cardholders must be current full-time employees of LMHA. A copy of the signed agreement form is kept in the safe located within the Accounting Department.
 - Cards are to be returned immediately to the Director of Finance or Accounting Manager upon a change in the cardholder's job assignment, when they no longer require a card or upon separation from LMHA employment for any reason. Upon termination, Human Resources will immediately notify the Director of Finance or Accounting Manager and assist in obtaining the card.
 - If a card becomes lost/stolen, cardholders must report this to the Director of Finance or Accounting Manager immediately. The Director of Finance or Accounting Manager will notify the vendor of the situation.
 - LMHA credit cards shall only be used for the purchases of goods and services that are the official business of the Lucas Metropolitan Housing Authority. Credit cards may be used for any authorized LMHA purchase where the vendor or merchant accepts credit card payments and credit cards are the most expeditious or preferred form of payment.
 - All vendors shall be notified of the LMHA's tax exempt status and provided with appropriate verification to insure LMHA is not taxed for tax exempted purchases.
 - Documentation detailing the goods and services purchased with LMHA credit cards shall be required for all transactions. Adequate documentation shall consist of, but not be limited to, original sales receipts, credit slips, etc. At no time shall the LMHA approve payment of credit card invoices with adequate documentation. Documentation shall detail the goods or services purchased, the cost of goods or services purchased, the date of the purchase and the official business for which the goods or services were purchased.
 - The cardholder does have the responsibility to use the credit card in an appropriate manner, as described in the policy and cardholders will be required to reimburse LMHA for any expenditure that is deemed inappropriate or cannot be supported by appropriate documentation.
 - Any employee of the Authority who violates the provisions of this Credit Card Policy shall be subject to disciplinary action, up to and including discharge and/or civil or criminal activity.
 - LMHA credit cards shall not be used for personal uses, personal cash advances, or the merchant category exclusions, (i.e. alcoholic beverages, tobacco products, etc.)
 - The Finance Department shall be responsible for ongoing monitoring of the card accounts that have online access in an effort to detect any evidence of fraudulent credit card activity.

- The Director of Finance or Accounting Manager shall review and recommend approval or denial of credit card invoices prior to submission of payment. The balance due on any credit card account shall be paid in full by the due date listed on the invoice but in no event later than sixty (60) days from the initial statement date.

2. Credit card limitations and restrictions – Department-level financial authority controls constitute a cardholder's profile.

- Director Level has a \$5,000.00 threshold.
- Executive Office has a \$10,000 threshold.
- Legal Department has a \$15,000 threshold.
- The Finance Department will maintain a file of all cardholder agreements and cardholder information.

3. Credit card security- physical card and policies

- Use of the credit card is limited to the LMHA employee whose name appears on the face of the card. It should not be loaned to another person in the Agency under any circumstances.
- Each cardholder is responsible for the security of his/her card. All precautions should be used to maintain confidentiality of all information relating to the card, such as the cardholder account number, pin number and expiration date. The account number should never be left in a conspicuous place. Each cardholder should examine all receipts to make sure that their account number does not become attainable.
- The credit card should always be treated with the same level of care as you do with your own personal credit cards. Do not leave them unguarded or unprotected at any time. **No supervisors should ever know, use or keep a written record of a cardholder's account number.**
- Guard the credit card account number carefully! Do not post it at your desk, write it in your day planner or store the number in an e-mail/ word document.

Reconciliation and payment of invoices

- The cardholder will turn in his/her receipt to the finance department within 7 days after use. The card holder will complete a credit card expense report and forward the report, along with the receipts, to the accounting department immediately.
- Accounting will reconcile the receipts to the invoice monthly.
- The Accounting Coordinator is responsible for ensuring that all cardholder accounts are reconciled on at least a monthly basis.
- The Accounting Coordinator is responsible for maintaining a system of retaining documentation of purchases and other information supporting the purchase transactions.
- Payments must be processed according to the terms of vendor agreement.

GENERAL CARD PROCEDURES

General cardholder instructions

When you make a transaction using an LMHA credit card, please follow the procedures below:

1. Retain all receipts.
2. Make sure that all receipts have at least: (1) vendor name, (2) date of purchase and (3) description of items/services purchased on it.
3. Follow LMHA's procedures for forwarding the expense report with the retained sales slips/invoices.



Lucas Metropolitan Housing Authority
435 Nebraska Avenue, PO Box 477
Toledo, Ohio 43697-0477
419-259-9400 Fax 419-259-9494
TRS: Dial 711
www.lucasmha.org

USER AGREEMENT FOR LMHA-ISSUED CREDIT CARD

The following user agreement must be signed by all authorized employees of LMHA with access to a credit card.

I understand LMHA has authorized my use of a credit card for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the following terms and conditions.

- I will use the card issued to me only for the payment of authorized expenses consistent with my Housing Authority responsibilities and to satisfy by department needs.
- I will not use the card to obtain cash advances.
- I understand that I am the only authorized card user.
- I will not use the card for personal use or for any other non-Housing Authority purposes.
- I understand the card shall be used for only the types of merchants approved by the Housing Authority.
- I understand that I am responsible to provide appropriate documentation for credit card transactions charged to be card.
- I will surrender the card to the Director or Finance or the Accounting Manager in the event of my transfer within or separation from the Housing Authority.
- I understand that any charges against the credit card that are not properly identified or not allowed by the Housing Authority shall be paid by me by check, United States currency or salary deduction. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the President/CEO or designee.
- I will immediately report any stolen or lost card to the Finance Department at 419-259-9526.

Please circle card as a (*Visa, Mastercard*)

I understand that any variance and/or violation of the above conditions will result in cancellation of my credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges.

All Housing Authority credit cards are subject to examination by Finance Department.

The Housing Authority shall have unlimited authority to revoke use of any credit card issued and upon such revocation shall not be liable for any cost subsequently charged to the credit card.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name _____
Employee Id _____
Credit Card # _____

Signature _____ Date _____



LUCAS METROPOLITAN HOUSING AUTHORITY

CHARGE CARD EXPENSE REPORT

DATE OF THIS REPORT: _____

EMPLOYEE COMPLETING THIS REPORT: _____

DESCRIPTION OF PURCHASES: (Attach receipts)	G/L EXPENSE ACCOUNT:	AMOUNT:
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total Amount Charged		\$ _____

Circle the card being used:

ED ED2 DD AD FD MD RS S8

I certify that the above are actual expenses incurred as authorized by the Lucas Metropolitan Housing Authority:

EMPLOYEE: _____ DATE _____
 (Signature)

AUTHORIZED BY: _____ DATE _____
 (Signature)

Form 533C
 5/2013

This expense report must be submitted within seven (7) business days of card use.

Attachment C: Gas Card Purchasing Authorization

ACKNOWLEDGEMENT OF RECEIPT

I, _____ acknowledge that I have received the Wright Express Fleet gasoline card, (Card No. _____) on this _____ day of _____, 20____. My ID (PIN) number assigned to my card is: _____.

I understand that it is my responsibility to safeguard the Wright Express Fleet gasoline card as well as my ID (PIN) number. This card may not be used for anything other than the purchase of fuel for the LMHA vehicle that is assigned to me. Any ineligible charges made on this card will be my responsibility and will be subject to disciplinary action.

In the event that my Wright Express Fleet gasoline card or ID (PIN) number is lost or stolen, I must contact my Supervisor and Rosie Recker immediately.

In the event of termination of my employment, for any reason, from LMHA, I will immediately return my Wright Express Fleet gasoline card, (Card No. 0050-1) to LMHA.

By signing below, I acknowledge receipt of my Wright Express Fleet gasoline card provided by LMHA and shall abide by the directive attached.

Employee Signature

Employee #

Attachment D: Purchasing Authorization Levels

**AUTHORIZED SIGNATORIES
LUCAS METROPOLITAN HOUSING AUTHORITY
Authorized Signatures for LMHA's Contracts**

Revised Pursuant to Resolution No. 8419 October 2018

1. Lucas Metropolitan Housing Authority ("LMHA") per RESOLUTION NO. 8297, established, by job title, staff who were authorized to execute contracts, purchase orders and change orders. LMHA updated its job titles. LMHA proposes to update the spending thresholds and authority levels, by updated staff listing as set below:
2. President and CEO's spending threshold is \$50,000 and President and CEO will execute all contracts and purchase/change orders more than \$25,000;
3. Chief Operations Officer executes all contracts and purchase/change orders up to \$25,000;
4. Senior Vice President of Operations executes all contracts and purchase/change orders up to \$ 25,000; and,
5. Chief Real Estate Officer executes all contracts and purchase/change orders up to \$15,000;
6. Director of Finance executes all contracts and purchase/change orders up to \$ 20,000;
7. Chief Legal Officer executes all contracts and purchase/change orders up to \$15,000;
8. Director of Security Operations executes all contracts and purchase/change orders up to \$10,000;
9. Vice President of Asset Management executes all contracts and purchase/change orders up to \$7,500;
10. Vice President of Housing Choice Voucher Programs executes all contracts and purchase/change orders up to \$7,500;
11. Vice President of Resident Services executes all contracts and purchase/change orders up to 7,500;
12. Procurement and Contract Manager executes all contracts and purchase/change orders up to \$3,000;
13. Associate Vice President of Compliance and Business Development Manager executes all contracts and purchase/change orders up to \$3,000;
14. Capital Fund/504-ADA Program Manager executes all contracts and purchase/change orders up to \$3,000;
15. Executive Assistant II executes all contracts and purchase/change orders up to \$3,000;
16. Manager of Modernization executes all contracts and purchase/change orders up to \$3,000;

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

17. Associate Vice President of Housing Choice Voucher Programs executes all contracts and purchase/change orders up to \$3,000; and,
18. Construction Manager executes all contracts and purchase/change orders up to \$2,000;
19. Project Coordinator executes all contracts and purchase/change orders up to \$2,000;
21. Manager of Occupancy and Leasing executes all contracts and purchase/change orders up to \$2,000;
22. Human Resources Manager executes all contracts and purchase/change orders up to \$2,000;
23. Property Managers execute contracts and purchase/change orders up to \$2,000 for their AMPs;
24. Purchasing Manager executes contracts and purchase/change orders up to \$2,000;
25. Grants Manager/Assistant Manager of Resident Services executes all contracts and purchase/change orders up to \$2,000;
26. Executive Assistant I execute contracts and purchase/change orders up to \$2,000;
27. Public Housing Compliance Manager executes contracts and purchase/change orders up to \$1,500;
28. Housing Choice Voucher Compliance Manager executes contracts and purchase/change orders up to \$1,500;
29. Information Technology Coordinator executes all contracts and purchase/change orders up to \$1,500;
30. Section 3 Compliance Coordinator executes contracts and purchase/change orders up to \$1,000;
31. Paralegal executes all contracts and purchase/change orders up to \$1,000;
32. Maintenance Supervisors may execute contracts and purchase/change orders up to \$600 for their AMPs.
33. The President and CEO may change the limit of a position manager or lower up to a limit of \$5,000, without requiring Board Approval.
34. LMHA per RESOLUTION NO. 6893, authorized certain persons to execute documents for the transfer of real property. The Resolution is updated as follows: President and CEO executes documents for the transfer of real property. If the President and CEO is unavailable to execute such documents, then the Chief Operations Officer or the Senior Vice President of Operations may execute such documents. If the Chief Operations Officer or Senior Vice President of Operations is unavailable to execute such documents, the Chief Legal Officer may execute such documents.

Attachment E: Petty Cash Action Form

Petty Cash Action Form

I, _____, dated _____ have accepted the role of custodian of the petty cash funds. I agree to comply by the following guidelines.

Policy Statement

This policy establishes the proper uses and administration of petty cash funds. When other disbursement methods cannot be used, petty cash funds can provide cash to employees to cover minor unforeseen expenses, such as mail services, emergency office supplies, items purchased for an event within 24 hours, generally not to exceed \$75. LMHA requires each petty cash fund to have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds. Wherever possible, local units should use other disbursement methods instead of petty cash.

Petty cash funds are subject to audit, without the need for prior notification, by the Finance Department.

Procedures

1. Understand appropriate uses of petty cash.

Petty Cash is usually the mechanism of last resort to access cash for payments, when other disbursement methods are impractical or cannot be used. Petty cash funds must not be used as an operating fund, i.e., to pay invoices for goods or services, to pay mileage reimbursements, to cash personal checks, to pay salaries or wages, or to make advances or loans.

2. Designate a petty cash fund Custodian.

- a) Each fund must have a Custodian approved by the Director of Finance.
- b) When a change in Custodian occurs; the petty cash account must be reconciled and closed out by the custodian and reviewed by the Finance Department before the new Custodian takes control of the funds.

3. Establish the petty cash account.

- a) To establish a petty cash account, departments must submit a Petty Cash Action Form signed by Custodian and the Director of Finance.
- b) Accounts Payable cuts checks to designated Custodians upon receipt of a check request with an attached Petty Cash Action Form signed by the Director of Finance. This form will be kept in the employee's personnel file.

4. Safeguard the cash.

- a) Keep petty cash funds in a secure area such as a locked drawer or small safe.
- b) Ensure segregation of duties. Custodians should not self-approve replenishments or other changes to the petty cash account.
- c) Reconcile the log of petty cash expenses to the amount in the cash box at least monthly and submit to the Finance department for replenishment.

Lucas Metropolitan Housing Authority
Financial Controls Policies and Procedures

- d) In the event of theft, the Custodian should notify his/her immediate superior as well as the Director of Finance. In the event it is found that the custodian did not properly account for all cash issued or safeguard the funds, they will be responsible for reimbursing LMHA for the missing funds through direct payment or have the funds deducted from their pay check.

Any items deemed impermissible via LMHA's Procurement Policy are also impermissible for purchase using petty cash funds. Using funds for impermissible transactions is a violation of the petty cash policy and may result in non-reimbursement and disciplinary action up to termination.

Custodian Signature

Date

Director of Finance Signature

Date