



# Financial Policies & Procedures (Best Practices)

September 23, 2016

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## Gelman, Rosenberg & Freedman CPAs

**Robert Albrecht, CPA** is an Audit Partner with Gelman, Rosenberg and Freedman CPAs, and specializes in auditing and consulting for nonprofit organizations that receive funding from agencies of the US Government. Recognized as the firm's leader with respect to international non-governmental organizations, Mr. Albrecht has traveled to over 100 countries on behalf of the firm's international clients.

**Jennifer Arminger, CPA** is an Audit Partner with Gelman, Rosenberg and Freedman CPAs and specializes in auditing and accounting services for tax-exempt organizations, both locally and nationwide. Additionally, she has extensive expertise in compliance audits in accordance with Uniform Guidance (formerly A-133), and helps manage the employee benefit plan audit practice at the firm.

## Why have Policies and Procedures?

- High standards; transparency & accountability
- Rules/requirements by funders
- Narrow financial margins; efficiency
- Public trust

## What are Policies and Procedures?

**Policies** – are the rules that nonprofits use to govern their activities

- Internal purposes: Clarifying understandings (i.e. Board role)
- Internal principles: Clarifying culture (i.e. organizational ethics)
- External rules: Compliance (i.e. tax reporting requirements)

**Procedures** – are the steps and/or actions to be taken to comply with the Policies

## Business Conduct

- Ethics Statement
- Conflict of Interest
- Whistleblower Policy
- Document Retention

## Multiple Entities

- Intercompany revenue and expenses
- Allocation of costs – (c)(3) vs. (c)(6)

## Governance Conduct

- Board Roles
- Board Actions
- Committees

## Cash and Cash Equivalents

- FDIC Limits
- Authorized signers
- Stale checks
- Foreign Cash
- Petty Cash

## Investments

- Investment Policy
- Monitoring Alternative Investments
- Endowment Investments



## Fixed Assets

- Capitalization policy
- Assets purchased with federal funds

## Travel

- Advances
- Credit cards
- Approvals
- Executive Director Expenses
- Board role

## Procurement

- Contracts
- Procurement Policies
  - Micro purchases (<\$3,500)
  - Small purchases (up to \$150,000)
  - Competitive
  - Sole Source
- Suspension & Debarment checks

## Subrecipient Monitoring

- Subrecipient versus Contractor
- Risk assessment policies
- Monitoring
  - Reporting
  - Site visits
  - Training
  - Audit reports

## Foreign Operations

- Currency exchange gain/loss
- Separate policies for field offices
- Fraud reporting
- Consolidation of field information

## IT Related Policies

- Physical safeguards
- Electronic access to software & systems

## Future Seminars

**OCT**



IRS Form 990 Reporting  
Issues\*

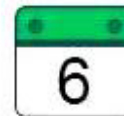
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**NOV**



Common Management Letter  
Findings for Nonprofit  
Organizations & Audit  
Preparation\*

**JAN**



Open Forum: Ask the CPA  
(Nonprofits)\*

\*Location to be determined

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## GRF Expertise

- GRF CPAs works with 500+ nonprofit organizations locally, nationally and internationally, travels to over 60 countries on behalf of our clients
- GRF CPAs annually conducts 100+ Single Audits for nonprofits, which receive federal funding and need to comply with Uniform Guidance
- Our CPAs host seminars, workshops and presentations to keep clients current with industry regulations
- GRF CPAs is an industry-recognized, award-winning firm with 35 years of experience working with nonprofits
- GRF CPAs is committed to technical excellence, personal attention, ongoing communication, staff continuity, community service and diversity
- GRF CPAs MOTTO- “Personal attention will never become obsolete”