**Agency Name**

**Directions:**

Select Tab on keyboard to move through fields to complete.

**Directions:**

🡨 Enter Agency Name Here Agency Name will Auto Populate throughout document.

**Fiscal Policies and Procedures**

Maintaining meaningful and well-considered policies and procedures is a critical component of a strong financial management system. They are used to establish Agency Name internal controls and for ensuring compliance with regulatory standards, as many funders expect grantees to comply with specific policy and procedure guidelines. Documenting Agency Name fiscal policies also serves as an important tool for clarifying roles and responsibilities and ultimately for ensuring that Agency Name financial data is an accurate and reliable basis for organizational decision making.

The policy and procedural guidelines contained in this document are designed to:

* Protect the assets of the organization;
* Ensure the maintenance of accurate records of the organization’s financial activities;
* Provide a framework for the organization’s financial decision making;
* Establish operating standards and behavioral expectations;
* Serve as a training resource for staff; and
* Ensure compliance with federal, state, and local legal and reporting requirements.

This document is organized into eight sections, representing the significant components of a financial management system:

1. Internal Controls
2. Financial Planning & Reporting
3. Revenue & Accounts Receivable
4. Expense & Accounts Payable
5. Procurement
6. Asset Management
7. Record Retention & Destruction

**To Unlock Document to edit:**

* Select Review
* Restrict Editing
* Stop Protection

1. Fraud & Abuse

This sample Fiscal Policies and Procedures is provided as guidance to customize in determining your organization’s policies. Each organization should carefully consider its procedures and requirements and consult with legal counsel before adopting policies.

1. **Internal Controls**

Internal Controls are a set of policies and procedures to prevent deliberate or misguided use of funds for unauthorized purposes. Agency Name employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

**Bank Reconciliation**

**Policy:**

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month. An individual other than the person posting transactions shall reconcile bank accounts, reconciliation will be completed by the Insert Position.

**Procedures:**

* All bank statements and cancelled checks will be opened, reviewed and initialed by Insert Position upon receipt.
* Once reviewed, bank statements are submitted to the Insert Position for reconciliation.
* The Director will review and approve reconciliation reports by signing and dating the report in the upper right hand corner.
* At minimum, each quarter the Director or Treasurer will provide to the Board of Directors (Board) a Treasurer report outlining all revenue and expenses and ending cash balance.

**Recordkeeping**

**Policy:**

Accounting records shall be kept by Insert Position in a locked file cabinet.

**Procedures:**

* Filing will occur at minimum Insert Frequency, confidential paperwork will be filed daily and not left where it could be compromised at any time.

**Lines of Authority**

**Policy:**

The Director has authority to approve and pay expenses up to $ Insert Amount. Expenses in excess of $ Insert Amount require Board approval. All checks over $ Insert Amount require two signatures, the Directors and one Board Member whom has signing authority.

**Procedure:**

* The Director and Insert Position shall jointly develop or recommend policies and procedures changes. All policies and procedures must formerly be adopted by the Board at a regular Board meeting and should be reviewed annually.
* Annually Agency Name budget will be developed and presented by the Director and adopted by the Board during a regular Board meeting.

**Conflict of Interest**

**Policy:**

All employees and members of the Board are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

**Procedure:**

* Upon or before hire, election, or appointment each employee and Board member must provide a full written disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually and as needed.
* Employees and Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the employee or Board member will not be permitted to participate in the transaction or decision.
* Should there be any dispute as to whether a conflict of interest exists:
  + The Director shall determine whether a conflict of interest exists for an employee, and shall determine the appropriate response.
  + The Board shall determine whether a conflict of interest exists for the Director or a member of the Board, and shall determine the appropriate response.

**Segregation of Duties**

**Policy:**

Agency Name financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of Agency Name assets while also considering efficiency of operations.

**Procedures:**

* The individual that signs checks shall not be involved in expense approval or basic accounting procedures, this shall be completed by Insert Position.
* An individual outside of the accounting function shall open and log all checks received, this shall be completed by Insert Position.

NOTE: Segregation of Duties is often met by Members of the Board volunteering to assist in such duties to ensure the Director has the assistance needed to comply with the above procedures.

**Physical Security**

**Policy:**

Agency Name maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

**Procedures:**

* Blank checks will be stored and locked by Insert Position and only Insert Position(s) shall have access.
* Passwords will be used and changed every 90 days to prevent access to accounting software and other sensitive data. Passwords will not be shared with anyone else.
* Cash and checks received will be stored and locked by Insert Position until the deposit is made.
* Deposits will be made Insert Frequency by Insert Position.

1. **Financial Planning & Reporting**

**Budgeting Process**

**Policy:**

Agency Name budget is prepared and approved annually for all departments. The budget is prepared by the Director in conjunction with the Treasurer and others as needed. The budget is to be approved by the Board prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board.

**Procedures:**

* The Director will work to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
* The Director and the Treasurer will present a budget to the Board.
* The Board will review and approve the budget prior to the start of the fiscal year.

**Internal Financial Reports**

**Policy:**

Agency Name shall prepare regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month.

**Procedure:**

* The Insert Position is responsible for producing year-to-date reports within 30 days of the end of each month.
* The Director, and Treasurer will review financial reports each month, and presents reports to the full Board of Directors on a quarterly basis.
* On a quarterly basis, the Director prepares a narrative report that summarizes the organization’s current financial position and includes explanations for budget variance.

**Federal Audit**

If Agency Name expends a total, from all income sources, of Seven Hundred and Fifty Thousand Dollars, ($750,000.00) or more of federal funds per fiscal year, then no later than nine (9) months after the end of the fiscal year, Agency Name shall have a single audit conducted in accordance with Uniform Administrative Requirements, Cost Principles and Audit Requirements 2 CFR Part 200.

If Agency Name expends less than $750,000 during the fiscal year in Federal, Agency Name shall make records available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

1. **Revenue & Accounts Receivable**

**Invoice Preparation**

**Policy:**

All grants and projects are invoiced each month to capture all billable time and expenses and ensure a regular healthy cash flow for the organization. All final invoices for the prior month are completed by the 15th of the following month (ex: June 15th for May).

**Procedure:**

* Insert Position gathers relevant expense documentation, prepares all invoices, and submits to the Director for approval by the 10th of each month.
* Following approval, the Insert Position makes two copies of the invoice. One copy is mailed to the client/customer no later than the 15th of the month and one copy is filed in the client folder.
* As part of the monthly close process, Insert Position reviews an Accounts Receivable Aging report and alerts the Director of invoices more than 60 days overdue.
* The Director determines appropriate collection efforts for long outstanding invoices.

**Cash Receipts**

**Policy:**

Funds generally come in to the organization through mail and are processed by Insert Position.

**Procedure:**

* The mail is opened by Insert Position.
* Income is coded by Insert Position and Insert Position posts receipts in the accounting system.
* Copies of checks are made by Insert Position before being deposited by Insert Position.
* Cash and checks are kept secured and locked until ready to be deposited by the Insert Position.

NOTE: Separation of duties is essential to discourage fraud by individuals that handle cash and deposits.

**Deposits**

**Policy:**

Deposits are made Insert Frequency or when the amount collected has exceeded $ Insert Amount.

**Procedure:**

* The Insert Position prepares the bank deposit slips.
* The Insert Position reviews the bank deposit slips prior to the deposit being made.
* The Insert Position takes the deposit to the bank.
* The Insert Position reviews bank receipts and files the records.

1. **Expense & Accounts Payable**

**Payroll**

Agency Name pay periods are Insert Frequency and pay dates are Insert Frequency, i.e. last Friday of month.

**Time Sheet Preparation & Approval**

**Policy:**

All employees, exempt and non-exempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes

**Procedure:**

* Employees complete time sheets and submit them to their supervisors on the due date. Paper timesheets are signed in ink by employee and supervisor.
* Supervisors review, correct if necessary, sign and submit timesheets to Insert Position within two (2) working days from the time sheet due date.
* If corrections to a time sheet are made, both supervisor and employee initial change to timesheet in ink.
* Insert Position is responsible for entering time sheet information into the payroll and accounting systems as needed.
* All paid time off balances are maintained within the payroll system, based on the information provided on approved timesheets and verified leave is available by the Insert Position before processing payroll.

**Payroll Additions, Deletions, and Changes**

**Policy:**

The Insert Position has authority to approve payroll changes with written authorization.

**Procedure:**

* Employees are added to/removed from the payroll system through a payroll authorization form signed by the Insert Position.
* New positions must first be approved by Insert Position prior to recruiting and filling.
* Unless otherwise stated in personnel policy manual or other employee agreement, only the Insert Position/Board has authority to approve salary increases.

NOTE: Typically, it’s the Board of Directors that has the authority to create new positions and approve salary increases.

**Payroll Preparation & Approval**

**Policy:**

Payroll is prepared by Insert Position. The Insert Position has primary responsibility with Insert Position as secondary**.**

**Procedure:**

* Timesheets are entered into the payroll system by Insert Position.
* The Insert Position reviews the payroll register to ensure accuracy and legitimacy prior to payroll being submitted.

**Affirmative Action/Equal Opportunity**

It is the policy of Agency Name to provide for and promote equal employment opportunity in employment compensation and other terms and conditions of employment without discrimination based on age, race, creed, color, national origin, gender, sexual orientation, disability, marital status, Vietnam Era Veteran status, genetic predisposition, or carrier status.

Agency Name is committed to assuring equal employment opportunity and equal access to services, programs and activities for individuals with disabilities. It is the policy of Agency Name to provide reasonable accommodation to a qualified individual with a disability to enable such individual to perform the essential functions of the position for which he/she is applying or in which he/she is employed. Further, it is the policy of Agency Name to provide reasonable accommodation for religious observers.

The policy applies to all employment practices and actions. It includes, but is not limited to, recruitment, job application process, examination and testing, hiring, training, disciplinary actions, rate of pay or other compensation, advancement, classification, transfer, reassignment and promotions. Agency Name designated person for issues concerning Affirmative Action/Equal Employment Opportunity Insert Name, Address, Phone #, Email Address.

**Invoice Approval & Processing**

**Policy:**

All invoices must be approved by the Director or manager of the department for which the expense was incurred. Approved invoices will be paid within 30 days of receipt.

**Procedures:**

* Invoices and bills will be opened and reviewed by Insert Position. The Director will be notified immediately of any unexpected or unauthorized expenses.
* Insert Position carefully codes invoices to the correct expense account, grant and or/project and then routes to the appropriate department manager or Director for authorization prior to payment being issued.
* Copies of all invoices paid will be filed by Insert Position. After Insert # of Years years these documents will be archived and they will not be destroyed until they meet the record retention & destruction policy.

**Cash Disbursements**

**Policy:**

Itemized invoices are required from vendors prior to dispersing of payment.

**Procedures:**

* Upon receiving an approved invoice to process, the Insert Position prepares the check.
* All checks are signed by Insert Position, if the amount is greater than $ Insert Amount then signature is required by Insert Position and Insert Position.
* Checks are mailed by Insert Position.
* Expenditure records are kept in the Insert File location Text until archived and they will not be destroyed until they meet the record retention & destruction policy.

**Petty Cash**

**Policy:**

The Insert Position known as the custodian, will keep a petty cash box not to exceed $ Insert Amount. Petty cash will be used primarily to purchase office supplies, snacks, delivery tips etc. Petty cash will be kept in a lockbox that is locked in a secured cabinet/drawer. Keys to the cash box and cabinet/drawer should be kept on the custodian’s person.

**Procedures:**

* The petty cash custodian will be given $ Insert Amount to be kept in a lockbox.
* When cash is used, a record must be entered in the individual’s petty cash spreadsheet or ledger.
* Receipts for all purchases are kept in the lock box.
* When cash is low the custodian will submit a check request form signed by Insert Position with a print out of the tracking spreadsheet and all receipts attached.
* A check will be cut in the amount to bring petty cash back to $ Insert Amount.
* It is the custodian’s responsibility to cash the check and keep track of funds in the box. Insert Position shall perform periodic audits of the petty cash fund and report any findings to the Insert Position. Audit checks shall be completed at minimum once a quarter.

**Travel Expenses**

**Policy:**

Business related travel expenses are eligible for reimbursement. GSA and IRS Mileage Rates are the standard reimbursement rates used for travel (i.e. mileage rates, per diem rates, maximum lodging rates). Pre-approval for travel outside of the local area is required by Insert Position.

**Procedures:**

* The Insert Position must authorize all travel outside the local area.
* The Board authorizes all travel outside the local area for the Director.
* A travel form must be completed prior to the trip. All receipts, etc. must be turned in immediately upon return from the trip for reimbursement.

**Expense Allocations**

**Policy:**

The organization basis of cost allocation is Insert Text. The Director and Insert Position are responsible for developing and maintaining the cost allocation system. The Board approves the system and any subsequent changes once adopted.

**Procedures:**

* Costs typically allocated are Insert Text.
* They are calculated by Insert Text and are calculated every Insert Text.
* The Insert Position is responsible for creating and posting allocation entries on a Insert Frequency basis.

EXAMPLE of Allocated Costs:

* Supplies
* Rent/Utilities
* IT Support
* Travel not directly related to a program
* Building Maintenance
* Records Storage
* Telephone
* Liability Insurance – by Time Study
* Vehicle Maintenance
* Dues/Memberships not directly related to a program

NOTE: Expenses charged across multiple funding sources that cannot be directly charged are typically distributed based on staff time spent per program.

Example:

For July – December 2016 Total Staff time captured through payroll showed 80% of staffs time was charged to Program A and 20% to Program B. For the period of January – June 2017 costs that cannot be directly charged to program A or B would be split 80% to Program A and 20% to Program B.

NOTE: The percentage of Revenue received by Agency shall not be used as the method of cost allocation.

1. **Procurement**

**Policy:**

The policy set forth in this document establishes standards and guidelines for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment.

**Code of Conduct**

A Code of Conduct shall govern the performance, behavior and actions of Agency Name, including Board members, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

* No employee, officer, director, volunteer or agent of Agency Name shall participate in the selection, award or administration of a bid or contract supported by Federal funds if a conflict of interest is real or apparent to a reasonable person.
* Conflicts of interest may arise when any employee, officer, director, volunteer or agent of Agency Name has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.
* No employee, officer, director, volunteer or agent of Agency Name shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse’s family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors.
* Agency Name employees, officers, directors, volunteers or agents shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value in excess of $ Insert Amount from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.
* As permitted by law, rule, policy or regulation, Agency Name shall pursue appropriate legal, administrative or disciplinary action against an employee, officer, director, volunteer, vendor or vendor’s agent who is alleged to have committed, has been convicted of or pled no contest to a procurement related infraction. If said person has been convicted, disciplined or pled no contest to a procurement violation, said person shall be removed from any further responsibility or involvement with grants management, procurement actions or bids, consistent with State or Federal policy.

**Solicitation and Competition**

All procurement transactions will be conducted to provide – to the maximum extent possible – free and open competition among suppliers. Agency Name must begin with an analysis of the need for the procurement, to avoid the purchase of unnecessary items (this may include an examination of lease versus purchase alternatives). The purchaser must then identify and clearly specify standards for the goods or services desired, and seek competitive offers where possible to obtain the best possible quality at the best possible price.

**In general:**

* Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted and market prices, together with discounts.
* Bids must be sought for goods and services exceeding $ Insert Amount.
* For procurements that exceed the Federal “small purchase” threshold (the federal threshold is $150,000, but the locality or State may set a lower threshold), competitive bids will be utilized and requests for these bids will be written in a way that does not restrict competition. (A clear and accurate description of the technical requirements for the material, product or service to be procured; all requirements which offerors must fulfill; and all other factors to be used in evaluating bids or proposals.)

**Procurement files must include the following:**

* Basis for contractor selection.
* Justification for lack of competition when competitive bids or offers were not obtained.
* Basis of award cost or price.

Whenever possible, Agency Name must engage in affirmative efforts to utilize small businesses, minority-owned firms, and women's business enterprises.

**Selection**

Price should be one of the factors in the evaluation of responses, but Agency Name is not

required to take the lowest price if other factors are important to the decision.

* There should be an objective method for selection, and any factors for evaluation and selection should be listed in the procurement documents.
* Awards shall be made to the bidder or offeror whose bid is responsive to the solicitation and is most advantageous to Agency Name (price, quality and other factors considered).
* A bid may be rejected when it is in Agency Name interest to do so.

**Documentation**

At a minimum, procurement records must clearly show how Agency Name:

* Executed price sampling for small purchases;
* Selected the method of procurement and the type of contract to be used;
* Determined which bids or proposals to accept and which to reject; and
* Determined the basis for the contract cost or price.

**Contract Administration**

Agency Name has an overall system of contract administration to ensure proper oversight

and management of procurement actions. Agency Name is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, interim products, inspection of goods delivered, and other such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

Agency Name contract administration system must ensure that:

* The method of procurement is documented and records maintained for six years after final payment is made;
* All activities are carried out and costs are incurred in compliance with applicable requirements; and
* Before payment is made, services performed are adequate and consistent with the contract scope of services.

1. **Asset Management**

**Cash Management**

**Policy:**

The Insert Position is responsible for administering bank accounts and/or seeking professional advice.

**Procedures:**

* The organizations bank accounts are held at Insert Bank(s). The following have access to the bank accounts Insert Position(s).
* The Insert Position has authority to make bank transfers with Insert Position approval.

**Capital Equipment**

**Policy:**

An item is capitalized rather than expensed when the dollar amount exceeds $ Insert Amount and years of useful life exceed Insert Amount.

**Procedures:**

* The organizations inventory of capitalized items is kept Insert File Location by Insert Position.
* The depreciation method used is Insert Text and schedules are maintained by Insert Position.
* Depreciation is posted to the general ledger Insert Frequency by Insert Position.
* When assets are no longer in use, the disposing of assets consists of Insert Policy.

**Operating Reserve**

**Policy:**

The target minimum operating reserve fund for Agency Name is three (3) months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

**Procedures:**

* The amount of the operating reserve will be calculated each year after approval of the annual budget, by the Board of Directors, and included in regular financial reports.
* The operating reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves.
* To use the operating reserves, the Executive Director will submit a request to the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization’s goal is to replenish the funds used within twelve (12) months to restore the operating reserve fund to the target minimum amount.

1. **Record Retention & Destruction**

**Policy:**It is the policy of Agency Name to maintain accounts and records, including personnel, property, financial and programmatic records, and other such records as may be required by all contracted funding sources, to ensure proper accounting for all contracted funds and compliance with all Agreement commitments of Agency Name.

**Procedures:**

**Retention**

Agency Name shall maintain all fiscal books, records, documents, reports and other such data in a manner consistent with generally accepted accounting principles and retained for a period prescribed by statue, but in no instances, less than six (6) years after termination of an Agreement.

**Storage**

Current records will be stored Insert Location and non-current records will be stored Insert Location. A separate locked room is provided for office and storage space designated as the central file storage room. All offices have limited locked access with lockable storage cabinets for current document filing. Records will be stored in a manner to preclude their loss or damage and shall be inventoried annually.

**Destruction**

When records are destroyed, they will be done so only after a period of six (6) years. Additionally, during the term of all Agreements and for six (6) years following termination or expiration of any Agreement, or if any audit, claim, litigation or other legal action involving the records is started before the expiration of the six (6) year period, the records shall be maintained until completion and resolution of all issues arising therefrom or until the end of the six (6) year period, whichever is later. Records can only be destroyed with authorization from the Insert Position and will be recorded in the Records Destruction Log.

| **Type of Document**  The below schedule is provided as guidance to customize in determining your organization’s document retention policy. Because statutes of limitations and state and government agency requirements vary, each organization should carefully consider its requirements and consult with legal counsel before adopting a Document Retention and Destruction Policy. http://grantspace.org/tools/knowledge-base/Nonprofit-Management/Accountability/record-retention | **Minimum Requirement** |
| --- | --- |
| Accounts payable ledgers and schedules | 6 years |
| Audit reports | Permanently |
| Bank reconciliations | 6 years |
| Bank statements | 6 years |
| Checks (for important payments and purchases) | Permanently |
| Contracts, mortgages, notes, and leases (expired) | 6 years |
| Contracts (still in effect) | Contract period + 6 Years |
| Correspondence (general) | 6 years |
| Correspondence (legal and important matters) | Permanently |
| Correspondence (with customers and vendors) | 6 years |
| Deeds, mortgages, and bills of sale | Permanently |
| Depreciation schedules | Permanently |
| Duplicate deposit slips | 6 years |
| Employment applications | 6 years |
| Expense analyses/expense distribution schedules | 6 years |
| Year-end financial statements | Permanently |
| Insurance records, current accident reports, claims, policies, and so on (active and expired) | Permanently |
| Internal audit reports | 6 years |
| Inventory records for products, materials, and supplies | 6 years |
| Invoices (to customers, from vendors) | 6 years |
| Minute books, bylaws, and charter | Permanently |
| Patents and related papers | Permanently |
| Payroll records and summaries | 6 years |
| Personnel files (terminated employees) | 6 years |
| Retirement and pension records | Permanently |
| Tax returns and worksheets | Permanently |
| Timesheets | 6 years |
| Trademark registrations and copyrights | Permanently |
| Withholding tax statements | 6 years |

**Records Destruction Log**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Dates Covered** | **Date Retention Met** | **Method(s) of Destruction** |
| *Example: Bank Statements* | *Jan 2007 – Dec 2009* | *Jan 1, 2017* | *Shredded* |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

***Statement:*** *The records listed above have met their minimum retention period(s), are not subject to ongoing or reasonably anticipated litigation, are not needed for audit or other agency business, and shall be destroyed.*

**Director Signature**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date Records Destroyed:** \_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Fraud and Abuse**

**Policy:**

Agency Name is committed to ensuring compliance with all applicable laws, rules, regulations, and policies by which we conduct our daily business activities. All representatives of Agency Name will make every effort to ensure that no fraud or abuse occurs. Agency Name shall conduct business in accordance with the highest standards of honesty, accuracy, and accountability.

**Definitions:**

**Fraud –** An intentional deception or misrepresentation made by a person with the knowledge that the deception or misrepresentation could result in some unauthorized benefit to himself or some other person(s) and includes any act that constitutes fraud under applicable federal or state law (42 CFR 455.2).

**Abuse** – Provider actions that are inconsistent with sound fiscal or business practices and result in an unnecessary cost to the program that could, or do, result in a cost with and/or charged to contractors for unauthorized or unnecessary services (42 CFR 455.2).

**Representative** – All officials, employees, agents, subcontractors and any others who represent Agency Name in any capacity.

**Compliance Plan:**

**Standards of Conduct**

Representatives of Agency Name are expected to perform duties in an honest and trustworthy manner and make all effort to protect the assets of Agency Name. These standards of conduct are adopted to ensure they are understood and met to adhere to the policy and procedures format including:

* General Standards
  + Be honest and ethical in everything we do
  + Obey the law
  + Honor confidences
  + Report conduct that concerns us
* Business and Fiscal Standards
  + Efficient and frugal stewardship of public funds and resources.
  + Utilization of public funds and resources only for the specific purposes for which these funds and resources are contractually intended.
  + Reporting only charges for reimbursement for services and procedures for which there is supporting documentation.
  + Billing only for services and procedures that were provided.
  + Efficient scrutiny and management of resources and inventory.
  + Thorough fiscal monitoring regimens and fraud and abuse investigation.

**Education and Training**All new and current employees of Agency Name will be provided with copies of this policy and the Insert Position will review the policy with them at that time. All employees will be given ongoing training on Fraud and Abuse Prevention as well as the Federal False Claims Act and Whistle Blowers Protections Act.

All providers of services to Agency Name that have the potential to be covered under this Fraud and Abuse policy will be made aware the policy and their responsibility to comply with all its provisions.

All employees will be provided with effective and ongoing training specific to their area that is covered by this policy. Such training will provide a working knowledge of each program, goods and services that are legitimate expenses covered by the provider of funds for the programs and how to recognize and report any suspected fraud and/or abuse in each program.

**Internal Monitoring and Auditing**

Agency Name has both internal and external monitoring responsibilities. Internal monitoring is an independent review function within departments to review financial, programmatic, information systems and operations as a service to management. Internal monitoring provides assistance to the Agency Name and management to assist in the efficient and effective discharge of their responsibilities. External monitoring is an independent function to review financial, programmatic and regulatory compliance or the Agency Name contracts and operations.

Internal monitoring is an ongoing compliance process that reviews the Agency Name and evaluations occur looking better and contract compliance. Attainment of the overall objective involves activities relating to:

* Reliability and integrity of information—Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information
* Compliance with policies, plans, procedures, laws and regulation—Review the Systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determine whether the organization is in compliance.
* Safeguarding of assets—Review the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
* Economical and efficient of resources—Appraise the economy and efficiency with which resources are employed.
* Accomplishments of objectives and goals for operations programs—Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as required to assure compliance, payment, and quality.

**Reporting Suspected Fraud and Abuse**Representatives are responsible for complying with this policy adopted by the Agency Name and have a duty to report any suspected wrongdoing or violation of applicable laws, regulations, or these compliance standards or policies without fear of retaliation. Suspected misconduct should be reported directly to the Insert Position, or, if the Insert Position may be involved in the Fraud or Abuse, to Insert Position.

The Insert Position or Insert Position in the case of suspected involvement, will be responsible for ensuring all reported suspected fraud or abuse and other potential violations are fully investigated and, if appropriate, are reported to the proper authorities.

* Methods of Reporting
  + Insert Position at Insert Phone #
  + Insert Position at Insert Phone #
  + Fraud, Waste, and Abuse Hotline at (800) 488-8244

Any representative that suspects that fraud or abuse is occurring in any program covered under this policy must report that suspected action promptly. The complaint should include information regarding the suspected representative and the nature of the suspected fraud or abuse. Regardless of how a report is made, to be useful in the detection and prevention of misconduct, the report should contain specific information regarding the suspected misconduct including:

* Reason you believe a violation has occurred
* When and how the conduct occurred, or is occurring
* Information regarding the specific nature of the incident and/or conduct
* Name of individual and/or group you suspect of committing the violation
* Date the situation occurred
* Other information you may have to help with the investigation or understanding of tbc situation

Representatives may report suspected violations anonymously. Agency Name encourages persons making anonymous reports to maintain contact with the Insert Position so that the Insert Position may obtain any additional information needed to properly investigate the report.

Upon determination that the issue is of credible substance, Agency Name will report fraud and/or abuse information to the appropriate funding agency including:

* The source of the complaint
* Involved representative
* Nature of fraud or abuse complaint
* Approximate dollars involved
* The legal and administrative disposition of the case

**No Retaliation**Agency Name prohibits any form of retaliation or harassment against any representative or agent for filing a bona fide report under the Agency Name reporting policy or for assisting in any investigation regarding compliance matters. Concerns about possible retaliation or harassment should be reported to the Insert Position. Retaliation against any representative, contractor, consumer or other person who reports in good faith is prohibited. Any person who retaliates against a representative or other person who reports a concern will be subject to discipline, up to and including termination.

**False Claims Act and Whistleblower Protections**

Accused representatives are also protected by the Federal False Claims Act as identified in Section 1902(a)(68) of the Social Security Act. If after investigating any report, the Insert Position determines that the report has been made in bad faith, that a representative has knowingly or willfully fabricated information regarding the report, that a representative has knowingly or willfully distorted, exaggerated, or minimized information to either injure someone else or to protect himself or herself, disciplinary action may be taken against the individual who filed the report or gave the false information up to and including termination.

Representatives making legitimate complaints of Fraud and Abuse are protected by the Whistle Blowers Protection Act and are not subject to any type of disciplinary action by Agency Name.

***Federal False Claims Act: 31 U.S.C. §3729-3733***

* + *One of the purposes of the federal False Claims Act is to combat fraud and abuse in government programs.*
  + *While the False Claims Act imposes liability only when an individual acts "knowingly," the Act does not require that the person submitting the claims have actual knowledge that the claim is false.  A person or entity who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information can also be found liable under the Act.*

***Qui Tam “Whistleblower Protection Provision”***

* + *Allows a person with actual knowledge of allegedly false claims to come forward to file a lawsuit on behalf of the U.S. government.*
  + *The Federal False Claims Act also includes protections for people who file qui tam lawsuits.  An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his employment as a result of the employee's false claims action is entitled to all relief necessary to make the employee whole.*

**Corrective and Disciplinary Actions**Once a complaint has been received, the Insert Position will take necessary steps to ensure that the matter is promptly investigated and addressed.

Agency Name shall treat reports of suspected violations or misconduct as confidential to the greatest extent possible and shall take reasonable steps to maintain confidentiality of the identity of any person providing the information, however, Agency Name cannot guarantee complete confidentiality of identity of persons who make reports due to Agency Name obligations to investigate and take appropriate action to correct violations or misconduct and is obligated to report certain issues to state and/or federal authorities. Additionally, Agency Name cannot make promises regarding a person's liability or what steps may be taken in response to the report.

If it is determined that Fraud or Abuse has occurred in the programs covered by this policy, effective corrective action will be taken. The involved representative or representatives may be subject to disciplinary action up to and including termination. All disciplinary actions will follow agency policies, procedures and that deal with personnel issues.

The Insert Position will maintain a log reflecting all compliance issues reported via the reporting line, e-mail or mail receipt and the results of investigation of those issues. The log will include the issue, the departments affected, and the resolution. A copy of the log will be provided to the Agency Name and upon request as by any contracts. The log should note any issues remaining open and/or unresolved and will be treated as a confidential document. Access to the log will be limited to Insert Position(s), and others on a "need to know" basis.

**Revisions to Policy**Agency Name procedures that pertain to the prevention of Fraud and Abuse will be modified as necessary to prevent future violations. This plan is intended to be flexible and readily adaptable to changes in regulatory requirements. The plan will be reviewed annually by Insert Position(s)/Board to assess its effectiveness and need for amendment.

**Fraud & Abuse Training Log**

These representatives of Agency Name have been provided with copies of the Agency Name Fraud and Abuse Policy. The Insert Position reviewed the policy with these representative and training was provided on the False Claims Act and Whistle Blowers Protections provisions.

**Title of Training:** Enter Name of Training

|  |  |  |
| --- | --- | --- |
| **Signature** | **Printed Name** | **Date** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Agency Name Fiscal Policies and Procedures.

Adopted by Agency Name board on \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2017

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chair Signature Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Director Signature Date