

FINANCIAL MANAGEMENT PROCEDURES

I. INTRODUCTION.

Wise and compliant management of federal funds is an expectation of all grant recipients. The federal government mandates that grantees minimize the amount of time that grant funding may exist in recipient financial accounts. All grantees are expected to closely manage cash flow. Organizations are expected to have a clear understanding of expenses and sources of income and should schedule grant drawdowns as closely as possible to the anticipated need of the funds. Projecting cash flow with reasonable accuracy requires detailed knowledge of the existing budget as well as knowledge of in-hand and expected invoices and reimbursement requests. It also requires general knowledge of past expenditure trends and any current expenditure anomalies.

For a current grant cycle, budget, income, and expenditure information should be compiled based on realistic projections including any abnormal or changing expenditure needs. While initial reviews should be conducted prior to the beginning of each grantee fiscal year, a continuing cycle of periodic reviews should occur throughout the budget year on a frequency that ensures the grantee can accomplish competent financial management and conform to all grant recipient requirements.

These Procedures outline many general approaches and some specifics, but not necessarily all steps that must be taken through the entire financial management process. Metro 4/SESARM staff shall maintain written, step-by-step instructions for entry of deposit and payment information, production of checks and reports, and other common financial tasks. See Section VIII. D.

II. BUDGETING.

- A. A Metro 4/SESARM comprehensive budget for the coming fiscal year should be drafted as early in the current fiscal year as possible. In some cases, an initial draft budget for multiple fiscal years will have been created as part of the grant application process. However, such a budget is usually only a rough estimate and will require additional work prior to presenting it for approval of the Metro 4 and SESARM Boards of Directors.
- B. It is desirable to present a first draft of the draft budget for the next fiscal year to the Metro 4/SESARM Budget and Funding Committee by the end of May or early-June each year. This will give adequate time for review, dialogue, editing, and finalization of a proposed budget by mid- to late-summer each year.

- C. The Metro 4/SESARM Budget and Funding Committee is not expected to approve the draft budget. Its responsibility is to recommend approval of a proposed budget to the Metro 4 and SESARM Boards of Directors and the Metro 4/SESARM Executive Director.
- D. An adequate budget to cover all expected costs for Metro 4/SESARM services should be approved by September 30 of each year where possible. If that date is not attainable, the proposed budget should be approved as early in the next fiscal year as possible.

III. FUNDING NEEDS ANALYSIS.

- A. Metro 4/SESARM shall prepare a funding needs analysis for the next fiscal year as early as possible in the current fiscal year. Typically, this analysis must occur before EPA initiates its holdback certification process which is usually in late winter or early spring of each year. The funding needs analysis will include an evaluation of anticipated costs for administrative operations, events including semi-annual air directors' meetings and periodic program manager workshops, training, technical projects (if any), and agency support cost expectations.
- B. As part of each funding needs analysis, the administrative staff of Metro 4/SESARM shall review expenditures year-to-date against the approved budget, project expenditures to the end of the current fiscal year, calculate net expected available funds at the end of the current year, estimate costs for the coming fiscal year from the draft budget for the coming fiscal year, compare projected expenses to the end of the coming fiscal year against available funds for the end of the current year, and identify additional grant funds necessary to sustain necessary office operations and services. This information should be provided to the Metro 4/SESARM Budget and Funding Committee for a quick analysis, followed by transmittal to EPA.

IV. GRANT APPLICATIONS AND AWARD REQUESTS.

- A. Metro 4/SESARM shall consult with U.S. EPA Region 4's administrative and technical grants management staff as necessary to obtain all pertinent information required to support preparation and submittal of accurate and comprehensive applications.
- B. Grant applications will include a project period of one or more years, and preferably two to three years. Funding needs estimates and a written work plan outlining activities that will comprise the project are basic grant application requirements.
- C. Metro 4/SESARM must have a plan in mind for the sources of funding to cover future year expenditures. Funds sources may include special allocations by Congress or EPA, national holdbacks of State and Tribal Assistance Grant (STAG) funds (primarily of training funds), and regional holdbacks of STAG funds, all of which will be awarded as grant funds to Metro 4/SESARM. In addition, other sources, more minor in nature, may

include member agency direct contributions to operations and special projects and registration fees which are typically used to support Technical Workshops.

- D. EPA will award applicable funds that are available on the approval date as part of the funding under a new grant. When additional funds become available, sometimes in the same year, they may be awarded as an incremental grant award when the total funding previously awarded is less than the total project cost. In cases where there is not enough estimated project cost to cover an additional funding period need, an updated grant application and work plan is required by EPA outlining the needed funds and their intended uses, and a supplemental grant award will be made upon approval by EPA.
- E. It is helpful to fund costs through the end of the next fiscal year with a combination of previous year and current year funds. This is called "forward funding" and is desired because Metro 4/SESARM grant awards are not usually received until the middle or latter portion of each fiscal year. If Metro 4/SESARM relied on current funds to cover current year costs, there would be cash flow issues in many years.
- F. EPA grants management staff in the Air and Radiation Division at Region 4 are extremely helpful. Metro 4/SESARM staff shall regularly communicate with them to stay abreast of any forthcoming grant expectation and processing changes and allow the most expedient grant application and award process to occur.

V. GENERAL FINANCIAL PROCEDURES AND OTHER INFORMATION.

- A. Mandate for Operation of a Financial Management System.

Metro 4/SESARM shall develop, maintain, and operate a financial management system that is sufficient to provide all accountability and reports and to document all financial transactions for grant and non-grant work. This shall include the capabilities to track the receipt and use of all grant funds and program income.

- B. Regular Review of Accounts.

The Metro 4/SESARM staff shall regularly review bank balances, check registers, and bank statements. All register entries and bank statements shall be reconciled on a monthly basis, in a timely fashion after the end of each month. Copies of all bank account reconciliation documentation shall be transmitted to the respective Metro 4 and SESARM Treasurers.

- C. Categorization and Tracking of Expenses.

The financial management system shall be designed and operated to ensure that revenues and expenditures associated with each distinct federal grant can be differentiated and separately reported. Likewise, financial transactions of Metro 4 and SESARM shall be distinctly and separately reported when separate banking accounts

exist. If funds for Metro 4 and SESARM are comingled in a single checking account, subaccounts shall be established and maintained to allow proper accountability to each corporation.

D. Expense and Budget Reviews.

The Metro 4/SESARM staff shall review, at least quarterly, budgeted amounts versus costs year-to-date for each line item. This information shall be shared, at a minimum, with the Metro 4 and SESARM Treasurers. Necessary budget and/or grant action shall be initiated to resolve any significant errors in previous projections of expenses that require budget line item or grant object class category adjustments. The Boards of Metro 4 and SESARM may wish to approve substantive deviations from the approved budget, depending on their arrangement with the current Metro 4/SESARM Executive Director.

E. Expense and Object Class Category Reviews.

The Metro 4/SESARM staff shall periodically review grant award object class category allocations of existing funding against expenditures to ensure that encountered expenditures are consistent with the amounts outlined in the object class categories for each grant award. EPA will require reallocation of expenses within the object class categories when cumulative expenditure overages are expected to exceed 10% of the total project cost as indicated in the most current grant award document. The cumulative amount noted in this paragraph is not a net amount but the sum of only those categories exceeding their original projected expenditure levels. Sometimes such adjustments may be made as part of a supplemental grant update, but if one is not in the offing and expense overages are expected to exceed the 10% threshold before a future grant award will occur, Metro 4/SESARM staff should submit via e-mail to the EPA grants staff at Region 4 a request for reallocation of the current awarded funds to better reflect the way that actual expenses are occurring in each category.

F. Fiscal Year Closeout Reporting.

At the end of each fiscal year, after any prescribed audit has been completed and the books have been closed, a final fiscal year summary of budget expense projections versus actual expenditures shall be produced, reviewed, and provided to the Metro 4 and SESARM member agencies.

G. Responsibility for Vigilance and Investigation.

The Metro 4/SESARM staff shall be vigilant, cautious, and inquisitive about any information within the financial management system and/or the bank accounts that suggests an error or an inappropriate transaction. The Treasurers of Metro 4 and SESARM shall be notified immediately upon confirmation that a problem exists, and

appropriate action shall immediately be taken to further investigate and resolve any such anomaly. If any substantive issues are identified, the Boards of Metro 4 and SESARM shall be immediately notified. Proper action shall be taken in any such case, swiftly and appropriately.

H. Federal Financial Reports.

A Federal Financial Report (FFR) shall be submitted to EPA Region 4 within 90 days after the end of the first twelve-month reporting period for a grant, and annually thereafter. An FFR is also required at the time of submittal of the closeout package to EPA for each expired grant. FFR information shall be entered on Standard Form SF-425, or a successor form as instructed by EPA Region 4 staff.

I. Disadvantaged Business Enterprise Reports.

1. A Disadvantaged Business Enterprise (DBE) Report indicating utilization of Minority Business Enterprises and Women's Business Enterprises for procurements shall be filed with EPA Region 4 no later than October 30 for each fiscal year, if budgeted expenditures for the fiscal year exceeded \$150,000, and, as part of a grant closeout process, within 120 days of expiration of a grant, for expenditures covering the grant's entire budget and project period.
2. A report of utilization of Minority Business Enterprises and Women's Business Enterprises for procurements during the previous fiscal year must be submitted on Form 5700-52A which asks for financial data on total expenditures during the year and expenses paid to DBEs.

J. Separation of Bookkeeping/Accounting Duties.

1. Metro 4 and SESARM shall establish and maintain, to the extent practical, a separation of bookkeeping/accounting duties.
2. Since the organization is supported by a small staff, multiple tasks must be conducted by an individual staff person. Assignments shall be made to maximize the system of checks and balances, including alternating multiple duties where it is not feasible to have individual staff persons solely dedicated to certain duties that the most extensive checks and balances system might suggest.
3. To the extent that available personnel resources allow, receipts shall be received and deposits shall be made by the same individual, but a separate individual shall enter the deposit transaction into the financial management system. See Section V. L. 3.
4. The financial manager shall receive, audit, and process payments and produce checks for signature. The package for each pending transaction shall be provided to

the Executive Director or delegate for review. Each transaction shall be properly quality-assured for conformance to accounting procedures, proper allocation of costs to categories and line items, and accuracy of payment amounts and payee information. The checks shall be signed by the Executive Director when available, or by another staff person with signature authority as designated by the Executive Director on a case-by-case basis. See Section VIII. B.

5. Monthly checking account reconciliation shall be conducted by the financial manager or an accounting firm, if applicable. The monthly reconciliation documents shall be shared with the Metro 4 and/or SESARM Treasurer as applicable. Any discrepancies shall be discussed and resolved between the financial manager and the Executive Director, with assistance from an accounting firm where necessary.
6. Financial advisor services are utilized as needed to design and maintain the financial management system to meet the majority of the organization's financial tracking needs. Metro 4/SESARM staff shall use the financial management system to the fullest possible extent to manage transactions, maintain data, and produce critical reports.
7. Independent of financial advisor services, CPA and auditing services are obtained from a separate firm. Tax returns and audits are conducted completely separate from the financial advisor services. The two entities may consult with one another to clarify questions and ensure that the organization's books are functional and meet all federal requirements.

K. Grant Funds Drawdowns.

1. ASAP.gov.
 - a. Metro 4/SESARM shall conduct grant drawdowns using the Department of Treasury's Automated Standard Application for Payment (ASAP) drawdown tool found at www.asap.gov. The Metro 4/SESARM Executive Director or designee shall be authorized to conduct the grant drawdown.
 - b. Funds drawn down through the ASAP system are deposited into the corresponding organization's checking account the same day if the amount is smaller and the drawdown is conducted earlier in the day, or the next business day if the amount and timing are not conducive to same-day deposit. Metro 4/SESARM shall utilize an interest bearing checking account for deposit of grant funds.
 - c. Bank account information must be established in the drawdown profile on ASAP.gov in order to ensure that grant drawdowns reach the intended accounts. Metro 4/SESARM staff shall annually, or upon a relevant change in information,

review and update as necessary the bank account information in the drawdown profile on ASAP.gov and the Metro 4 and SESARM registration information, including executive compensation, in the respective profiles on SAM.gov.

2. Timing of Grant Drawdowns.

- a. Metro 4 and SESARM shall schedule routine payments at mid-month and the end of each month to coincide with the payroll schedule, except that payments may be made at other times when more immediate payment is critical and unavoidable.
- b. Metro 4/SESARM shall support each set of payments with a corresponding grant drawdown, minus any grant and/or non-grant funds that are eligible to offset a portion or all of the forthcoming payments.
- c. The time elapsing between the deposit of grant funds from the U.S. Treasury and the expenditure of said funds shall be minimized per 2 CFR § 200.305. The general interpretation of the requirement to minimize elapsed time is a period of five business days. However, minimization of elapsed time may exceed five business days in certain unavoidable circumstances, which these procedures authorize. Metro 4 and SESARM will make the best possible estimates of anticipated payment due dates and will schedule drawdowns accordingly.

3. Drawdown Amounts.

- a. Table A of these Procedures, or an equivalent calculation and documentation tool, will be used to manage deposits and accounts payable, document the allocation of expenses to proper class and budget line item categories, and aid the CPA firm when they assist with deposit and payment entries into the financial management system.
- b. Metro 4 and SESARM shall, where possible, draw down precise grant funds amounts from the Federal Treasury that reflect the amount of all pending payments, minus any offsetting grant and/or non-grant funds already in the bank account.
- c. Table B of these Procedures, or an equivalent calculation and documentation tool, will be used to define each grant drawdown amount and the bill payments for which the grant funds will be expended.

L. Receipts and Deposits of Other Funds.

1. Metro 4 or SESARM may, on occasion, receive funds from training course, meeting, and workshop registration fees. These receipts may be by check or from the infrastructure supporting online payments on the Metro 4/SESARM website. In

addition, SESARM may receive organization membership participation payments from one or more of its member agencies via check. The Metro 4/SESARM staff shall create and maintain a record of receipt and deposit of all received funds in its deposit archives and in the financial management system.

2. Metro 4 and SESARM shall deposit receipts the same day they are received if possible, and at the first available opportunity if immediate deposit is not feasible, but no later than two business days after receipt.
3. To the extent that available personnel resources allow, there shall be a division of duties whereby the person receiving the incoming funds and preparing and making the deposit is not the person who enters the deposit transaction into the corporation's financial management system.

M. Timing of Bill and Invoice Payments.

1. It shall be the goal of Metro 4 and SESARM to make payments during the next semi-monthly payment process when an invoice or request for reimbursement has been received in time to fit the semi-monthly schedule. In no avoidable case should a payment be completed after the vendor's due date, except that some invoices may have "due upon receipt" indications which cannot be met. If an invoice or reimbursement request is received too close to mid-month or the end of a month and the payment cannot be included in that payment queue, it shall be prepared for the next semi-monthly payment queue. Timely payment is especially important to creditors as the organizations maintain credit in the business community. It is equally relevant to customer service efforts for expense reimbursements for travel support provided to staff of member agencies.
2. Metro 4/SESARM staff shall promptly enter bills into the financial management system with an indication of the payment due date, so that the system can inform staff of payments that are approaching their due date or that have become delinquent.

VI. COST ALLOCATION PLAN.

This section addresses all elements of costs incurred by Metro 4 and SESARM and identifies shared services.

A. Shared Costs.

Currently SESARM has an active federal grant from EPA to cover shared administrative expenses serving local and state air pollution control agencies through a Metro 4/SESARM Memorandum of Agreement. SESARM is the recipient organization but is committed to serving the collective local and state agency needs.

B. Time Accounting.

Metro 4 and SESARM staff shall generate and maintain documentation of time spent on various activities supported by the concurrent consolidated SESARM grant and any future grants that either organization may receive. Time sheets must reflect the amount of daily time to the quarter hour spent on various activities and such time accounting shall include the grant(s) to which these activities are related. The Executive Director of Metro 4/SESARM shall periodically evaluate personnel and operational costs compared to original grant application estimates and budget estimates and shall make necessary adjustments where prescribed.

C. Direct Costs.

Direct costs are defined in 2 CFR Part 200 as those costs that can be identified specifically with a particular final cost objective; e.g., a particular award, project, service, or other direct activity of the corporation. Costs identified specifically with awards are direct costs of the awards and are to be assigned directly thereto. Costs identified with other final cost objectives of the organization are direct costs of those cost objectives and are not to be assigned to other awards either directly or indirectly.

D. Indirect Costs.

1. Indirect costs are defined in 2 CFR Part 200 as those costs that have been incurred for common or joint objectives and that cannot be readily allocated to a particular final cost objective. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefitting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose in like circumstance has been assigned to an award as a direct cost. Metro 4 and SESARM have no costs that cannot be directly allocated to a final cost objective of relevant grant awards.
2. Based on a review in the 2000s of the former OMB Circular A-122, 2 CFR Part 200, EPA grant guidance, and discussions with EPA Region 4 during that time period, Metro 4 and SESARM concluded jointly with EPA that development of an indirect rate was not required. Further, in 2006 SESARM's grant management consultant discussed Metro 4's and SESARM's situation with a representative of OMB who is responsible for interpreting and revising OMB circulars relative to allowable costs. It was also the OMB staff person's opinion that it was not necessary for Metro 4 and SESARM to develop an approved indirect cost rate. There has been no change in that conclusion in recent years. If, at a time in the future, Metro 4 and/or SESARM learn that EPA has different rules or interpretations making the previous conclusion incorrect, Metro 4 and/or SESARM, as applicable, will engage in discussions with EPA to address the issue.

VII. PROCESSING AND REVIEW OF PAYMENTS.

- A. Metro 4/SESARM staff maintain written, step-by-step instructions for reviewing invoices, approving payments, conducting drawdowns, and signing checks. See Section VIII. D.
- B. The Metro 4/SESARM staff assigned financial responsibilities shall make careful efforts to complete their duties consistent with the Financial Management Policies and these Procedures. Staff are responsible for determining the correct amount of payment, preparing a check for the correct amount of the payment, making timely payment, and ensuring that adequate documentation is in the payment package that is archived.
- C. The Executive Director of Metro 4/SESARM shall be the primary responsible staff for overseeing compliance with these Procedures and for signing checks. The Executive Director may delegate the responsibility for signing checks or processing electronic payments to another Metro 4/SESARM staff person with an understanding of financial processing and credentials to use the online banking systems.

VIII. QUICKBOOKS FINANCIAL ACCOUNTING SYSTEM.

- A. Metro 4 and SESARM utilize QuickBooks financial management software. This software is intended to assist Metro 4 and SESARM in meeting all generally acceptable accounting principles that apply to the financial transactions of Metro 4 and SESARM, to comply with all grant conditions, and to provide all necessary financial information needed to properly manage grants, run the Metro 4/SESARM offices, ensure transparency and accountability, and be good stewards of the federal funds that the organizations are awarded.
- B. The QuickBooks system is utilized for tracking all bill payments and for generating most of the financial reporting required by Metro 4/SESARM staff, the Metro 4 and SESARM members, EPA, and the organizations' accountants. It is the policy of Metro 4 and SESARM to use QuickBooks to monitor all checking accounts, to enter all debits and deposits, to record all bill payments, and to produce reports. Handwritten checks shall not be produced unless special approval is granted from the Executive Director or the Metro 4 or SESARM Treasurer, and then only if subsequently the transaction(s) are recorded in QuickBooks when it becomes available. Handwritten checks should only be produced under special, critical circumstances, only for a limited number of checks, and only after establishing clear documentation of the necessity for such variation from standard operating procedures.
- C. Metro 4 and SESARM utilize accountants and financial advisors to assist with quality control of the financial management system, prepare tax returns, and conduct financial and/or grant audits when required. The system is routinely backed up to ensure that data is not lost.

- D. Metro 4/SESARM staff shall maintain written, step-by-step instructions for entry of deposit and payment information, production of checks and reports, and other common financial tasks, and shall periodically, but at least annually, update the step-by-step instructions to ensure they are consistent with current practices, updates to the financial management system software, revisions to federal web sites, and other similar changes.
- E. It shall be the goal of Metro 4 and SESARM to ensure that a combination of QuickBooks software, other office software including Microsoft Word, Excel, and Access, and associated procedures shall be utilized to achieve the following goals at a minimum:
1. Ensure that Generally Acceptable Accounting Principles are achieved;
 2. Provide accurate and complete financial information for each grant so that required federal reports can be submitted;
 3. Identify the source and use of funds for project activities;
 4. Provide for effective control and accountability for all funds;
 5. Provide for comparison of outlays with budget amounts for grant awards;
 6. Minimize the elapsed time between grant drawdowns and actual expenditures of funds;
 7. Provide accurate records of deposits, expenditures, invoice payment approvals, grant drawdowns, and electronic or hard copies of critical documents that will maintain a credible paper trail for the office; and
 8. Assess expenditures against major budgetary line items and grant object class categories.
- F. Metro 4 and SESARM maintain routine contact with their team of accountants as well as with EPA's project and grants staff to ensure that proper accountability is being demonstrated while utilizing public funds that have been awarded to the organizations. Metro 4 and SESARM are committed to a process of continuous improvement as they strive to achieve and maintain a high level of credibility, accountability, efficiency, cost-effectiveness, and stewardship of grant funds.

IX. TAXES AND AUDITS.

A. Taxes.

1. Metro 4 and SESARM shall retain a tax preparation specialist for each organization each year, where needed, to prepare tax returns for timely submittal to the Internal Revenue Service.
2. Metro 4/SESARM staff shall ensure that the Metro 4 or SESARM subset of the Audit and Tax Committee has an opportunity to review and accept the respective annual tax return before formal transmittal to the IRS.
3. The tax return may be signed by the Metro 4/SESARM Executive Director or a designee such as the Metro 4 and SESARM Treasurers, respectively, or authority may be granted to the accounting firm via an IRS Form 8879-EO to file a tax return electronically on behalf of either organization.

B. Audits.

1. Single Audits.

- a. If Metro 4 or SESARM grant expenditures for any fiscal year equal or exceed \$750,000, services of a qualified accountant shall be procured to perform a single audit in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of 2 CFR Part 200.
- b. Metro 4/SESARM staff shall ensure, where applicable, that the Metro 4 or SESARM subset of the Audit and Tax Committee has an opportunity to review and accept any required single audit before formal transmitted to EPA.
- c. Completed single audits shall be submitted to the EPA Clearinghouse by the Executive Director after final review and acceptance by the appropriate Audit and Tax Committee group.
- d. Final single audit reports shall be provided to EPA within nine months of the end of the subject fiscal year. Based on the October-September fiscal years of Metro 4 and SESARM, this would make a single audit report due, when required, no later than June 30 of the following year. A copy of the completed single audit shall also be provided to each member of the Board of Directors.

2. Financial Audits and Financial Reviews.

In years when an organization does not have grant expenditures triggering a single audit, the Board of either organization may require a financial review, or a more in-

depth financial audit. Both are less rigorous than a single audit. In such case, the audit or review would be solely at the initiative of the respective organization Board, and the completed report only has to be filed with the respective Board but not with any external entity. As with tax returns and single audits, the Audit and Tax Committee's representatives from the involved organization shall have an opportunity to review and comment on the findings of the review or audit before it is distributed to the Board of Directors and the member agencies of the organization.

C. Board Approval of Tax Returns and Audits.

The Metro 4/SESARM Executive Director shall provide to each Board the recommendation for approval of the tax return, single audit, financial audit, and/or financial review, as applicable, from the respective Audit and Tax Committee. The respective Board shall vote on approval at a formal business session and the resultant decision shall be reflected in the minutes for that formal business session.

D. Management of Tax and Audit Obligations.

1. Metro 4/SESARM staff shall:

- a. Function during each fiscal year in a manner that is cognizant of the information needed to produce accurate and acceptable tax returns;
- b. Conform to grant requirements applicable to grant recipients and follow policies and procedures with the end goal of having no material findings at the end of any financial review, financial audit, or single audit; and
- c. Document all transactions (credits and debits) in a manner that classifies them adequately to support production of needed fiscal year accounting reports.

2. Metro 4/SESARM staff shall prepare and transmit in a timely manner vendor files and other financial records to the accountant(s) responsible for completing tax returns and audits. Generally, the schedule for this work shall aim for the following timelines:

- a. September 1 – Remind member agencies, service providers, and other vendors of the need to prepare and submit final fiscal year invoices and reimbursement requests as early in October as possible, but no later than October 31.
- b. October 1 – November 30 – Complete all final transactions and begin generating reports and quality-assuring financial data in the financial management system.
- c. December 1 – January 1 – Prepare final accounting reports and other documentation and transmit to accountants for tax preparation and/or audits.

- d. January 1 – February 1 – CPA review and preparation of draft tax and audit document.
- e. February 1 – 10 – Transmit draft tax return and audit, if applicable, to the respective Audit and Tax Committee and allow time for review and feedback.
- f. February 15 – Authorize electronic filing of federal tax return and file state tax return.
- g. February 15 or earliest date thereafter where necessary, accept audit, if applicable, after review and resolution of any questions and concerns. Transmit financial review or financial audit report to Board of Directors when Committee review is completed.
- h. June 30, or much earlier if possible, file with EPA the single audit report, if required.
- i. At the earliest date of a formal business session of the Metro 4 or SESARM Board, achieve Board acceptance of each tax return and financial review, financial audit, or single audit, as applicable.

X. ASSESSMENT.

Metro 4 and SESARM are committed to compliance with these financial management procedures and shall require administrative staff adherence to them on a continual basis. Through periodic staff evaluations, informal reviews, and annual accountant reviews for tax and/or audit purposes, conformance will be assessed and corrective measures will be taken promptly to correct any deficiencies identified.

XI. CERTIFICATION AND SIGNATURE.

This certifies that these Financial Management Procedures have been prepared for the exclusive use of Metro 4 and SESARM, that they will be made available to all Metro 4/SESARM staff and the Metro 4 and SESARM Boards of Directors, and that the requirements herein will be explained in adequate detail to ensure that all Metro 4/SESARM staff and representatives are aware of, comply with, and fully implement them.

Greg DeAngelo, Executive Director
Metro 4/SESARM

Financial Management Procedures—Table A

QuickBooks Payment Entry Sheet

The following Table A Payment and Deposit Entry Sheet is necessary when QuickBooks entries are being handled by an outside CPA vendor. This or a substantially similar sheet should be completed in advance of payment deadlines to ensure that entries can be made, drawdown needs can be determined, drawdowns can be conducted, checks can be printed, and payments can arrive by the prescribed due dates. Metro 4/SESARM staff will prepare this sheet and submit it when using a CPA vendor. Other approaches and forms may be used at the discretion of Metro 4/SESARM. This sheet may not be needed when Metro 4/SESARM staff are comfortable that they know the various QuickBooks entry requirements for each bill without referencing a sheet such as this one.

Financial Management Procedures—Table B

Available Funds and Drawdown Needs Worksheet

The following Table B Drawdown Summary Form may be utilized to identify and ensure early use of any in-hand grant and/or non-grant balances that qualify to offset the amount of federal grant funds that would otherwise have to be drawn down. Other approaches and forms may be utilized if deemed more effective and/or efficient to use for these purposes.

