

Internal Controls



Mail

ALL MAIL, including packages, shall be delivered to the Office Manager (OM) who will disperse the mail accordingly. This includes mail addressed to individuals as well as PCL in general. The OM will separate and deliver individual mail as addressed. However, any mail delivered to the office address is subject to be opened as many donors address the envelopes to the individual they are supporting even though that person might be overseas. Some donors also address the envelope to the Financial Administrator or to the Executive Director (ED) or other personnel they have met thinking this is appropriate. Therefore, any mail thought to contain a donation may be opened. All checks, donations of any kind, and bills will be given to the OM (*see cash receipts section for further details*).

Note: If/when the OM is out of town the mail is to be stacked on their desk until they return unless otherwise personally indicated by the OM.

The monthly bank statement will be *mailed* to the Executive Director's home address. After review, the ED will provide this report to the FA who will reconcile the bank account. Reconciled bank reports shall be given to the ED and OM monthly along with bills paid and deposit files.

Cash Receipts

The OM will total the amount of checks and cash, keeping a record of the total and then transfer the checks/cash to the Administrative Assistant (AA) or other designated personnel who will endorse the checks and make photocopies of each check/cash for deposit. The original checks will then be delivered to the FA and the photocopies to the OM. The OM will then compare the photocopies to the previous total. The FA will record the donations in the financial software, print the deposit slip and take the deposit to the bank.

The FA provides the bank receipt along with the deposit report from the financial software to the OM who then compares with the photocopies. The photocopies are then attached to the deposit slip/details and kept in a file drawer in the FA's office.

Deposits are made weekly on Thursdays unless the total on hand exceeds \$10,000. The FA will provide receipts and/or thank you letters to all *new* donors and when requested by any other donor.

A monthly report of all donations will be provided to the ED, the Director of Programs (DP), the Director of Donor Relations (DR) and the OM at the end of every month. This may be in the form of a joint meeting or individually.

100% of donations received for a designated project are posted to the designated project. All administration expenses are raised separately from project funds.

Online Donations and Financial Accounts

All online accounts such as but not limited to credit card accounts, paypal account, egiving account connected to websites and all social media accounts are to be opened in the name of peopleforcare and not with a personal name or information. Email login identities should be with setup with an official pcl email address that is received by more than one person, such as donate@pcl.is. This is to protect all parties involved. Security questions, login info, and passwords are to be given to the OM and kept up to date if changed. All passwords and user names for office computers and for office voicemail must also be listed with the OM.

US Cash Disbursements

The OM delivers all mailed invoices to the FA for payment.

Invoices are paid once per week unless an invoice due date is approaching. All invoices should be paid well in advance so as not to incur a late fee.

The FA enters the invoices into the financial software and generates the checks for payment. All checks should be written in chronological order. After payment, each invoice should be stapled to the written check stub and filed in the paid invoices file to be given to the OM for review who will deliver to the ED for signature. Any voided checks should also be placed into the paid invoice folder for review. Checks will not be released without the original invoice. Checks should be immediately placed in the mail upon return from the OM/ED.

The FA will provide a monthly financial report, including a list of written checks, to the ED. This report should be delivered to the ED with or without his request.

Once the invoices are reviewed by the ED and the monthly reconciliation is complete, the paid invoices will be filed in the appropriate vender file.

SE Asia Cash Disbursements

All SE Asia program funds are wired to SE Asia on a quarterly basis based on an annual budget. The ED and the FA develop the annual budget with recommendations from Field Directors and final approval by the Board of Directors.

All funds are sent to the Directors by wire to a SE Asian bank account in the name of PCL. Monthly reports are sent to the US office from Directors. Receipts for expenditures are kept by the directors in their local office. The FA audits these receipts once a year during overseas administration trips.

All International wires are approved by the ED prior to disbursement. All International wires are documented by email on the same day the wire is scheduled. The email will

outline the specific designations of funds and included Excel sheets for tracking and reporting. The Field Director, The ED and the FA are copied on these emails.

Credit Cards

Protocol for obtaining an office credit card: If any employee needs use of a business credit card the OM/ED/FA will provide a credit card account number for the charge upon request. However, if an employee feels a need for a tangible credit card in the case of traveling for PCL etc., the request must be made to the OM who will take the request to the ED and/or Board for approval.

Every employee in possession of a pcl credit card and/or number agrees to only charge PCL related expenses to this card. It is understood that any purchases made will be subject to review by the ED/OM and Board. Any unauthorized charge will be the responsibility of the person who made the charge.

Corresponding receipts will be turned in to the FA monthly at minimum. These receipts will be reconciled and attached with the monthly credit card statements. It is required that the receipt contains a hand written note to the nature of the expense and who was present to indicate to the FA what fund to debit for the expense.

The ED will approve the payment of the credit card statement and note the appropriate funds to charge. The credit card statement is filed in the Unpaid Invoice file to be processed as a cash disbursement.

Payroll

The FA is responsible to schedule ACH transactions for all monthly salaried employees. The FA also writes checks to hourly employees based on provided time cards. Appropriate taxes are to be deducted from all personnel receiving W2 forms.

All staff volunteers in South East Asia are considered 1099 employees and are paid on a monthly basis. Their monthly stipends are based on their donor provided funds and a budget that is submitted and approved on an annual basis by the ED.

More information on the financial policies for long-term volunteers is included in the Intern Manual included in this handbook.

The FA will process and pay payroll liabilities at the end of every month including payroll taxes, health insurance and retirement deposits.

The OM processes the quarterly 941 and at that time will also review all payments made to employees during this time period. The OM also produces the W2/W3 forms yearly while the FA produces the 1099 forms.

Petty Cash

The Petty Cash box is kept in either the FA's office or the AA's desk. Cash is disbursed from the FA or OM and requires a returned receipt to be kept in the ledger book. Income and Expense reports are done monthly in the petty cash ledger book. The AA will count the cash monthly and reconcile the cash and receipts. The FA will then write a check and bring the cash to the OM to reimburse the petty cash box back to its original amount.

Bank Reconciliation

The ED will receive the unopened bank statement each month at his personal residence. After review, he will deliver the statement to the FA who will reconcile the bank statement with the financial software. Upon completion a reconciliation report will be made and attached to the bank statement. This report will then be given to the OM to review.

Financial Statements

At the end of each month, the FA will print the financial statements and review them with the ED.

The Finance committee of the Board of Directors meets on a bi-annual basis and is given full disclosure on all financial transactions and reports. They approve all finance reports after full review. The Finance Committee will present the results of this review at the bi-annual board meeting for acceptance.

Any board member can request a copy of the financial reports at will. It is the policy of pcl to operate transparently and ethically. As required by law the 990's are made available to anyone who makes request to view.