



*Working together, restoring the river*

## **ACCOUNTING PROCEDURES MANUAL**

**Adopted by the Alliance of Rouge Communities on September 9, 2010  
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## **INTRODUCTION**

This manual puts in place basic accounting, billing, and cash control policies and procedures designed to protect and secure the Alliance of Rouge Communities (ARC), ensure the maintenance of accurate records of financial activities and ensure compliance with governmental and private funding source reporting requirements. Where this manual conflicts with specific federal or State regulation or with the ARC's Bylaws, the regulations or bylaws shall prevail.

## **RESPONSIBILITIES**

- The Executive Committee formulates financial policies, delegates' administration of the financial policies to the Finance Committee, and reviews operations and activities.
- The Finance Committee has responsibility for all operations and activities, including financial management.
- Exceptions to these policies may be made on an individual basis, as necessary, with the approval of the Executive Committee.
- The Treasurer is responsible to the ARC for all financial operations.
- The Executive Director Staff is responsible to the ARC for operations.

## **GENERAL POLICIES**

- Current job descriptions are maintained for all staff members indicating their duties and responsibilities.
- There are separation of financial duties and responsibilities so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable or other accounting functions.
- Accounting duties are rotated among Executive Director Staff whenever possible.
- Financial Procedures are reviewed annually by the Finance Committee.
- Separate General Ledger accounts are maintained as required by funding source regulations.
- Passwords must comply with organizational standards. They are to be treated confidentially and are not shared with other staff.

### **Compliance with External Policies**

The ARC accounting policies and procedures are consistent with:

- Generally Accepted Accounting Principles (GAAP).

- OMB Circular A-133 “Audits of States, Local Governments, and Non-Profit Organizations”.

### **Security and Access**

To ensure that only authorized staff can access the financial, personnel, payroll, computer, on-line and paper records of the organization:

- Security and access is determined by the Executive Director.
- Access to computer or on-line systems for accounting, personnel, payroll, and online and phone banking is controlled by password protection. Within each system, access permission is set to allow the appropriate level of access depending on staff positions and job duties.
- Upon separation of a staff member, the password is immediately locked to prohibit any unauthorized activities or entries and keys to ARC’s office(s) are returned.

### **OVERVIEW OF THE ARC’S ACCOUNTING SYSTEM**

The financial records of the ARC are maintained on Quickbooks using the Accrual basis of accounting. Access to the accounting system is controlled to maintain the reliability and integrity of the data. Security is set by the Executive Director to allow different levels of access. The Treasurer has full access to the entire system including setup and administration.

- **Data Backup:** Backup is done weekly to assure that the data is secure and will not be lost in the event of a computer failure.
- **Funds Received:** All in-coming funds are properly recorded and safeguarded through separation of duties and proper documentation. The Executive Director designates which staff is authorized to collect in-coming ARC funds.
- **Funds Disbursed:** Only the Chair, Treasurer or Executive Director may authorize the issuance of checks. Access to the check printing system is limited to accounting staff and is controlled by passwords by the Executive Director.

### **DETAILED ACCOUNTING PROCEDURES**

#### **Funds Received**

- Cash will be accepted from participants for payment of deposits, credit checks, loan payments, etc.
- ARC mail is to be opened promptly and distributed by the Executive Director Staff Assistant (Staff Assistant).

- All checks, money orders and cash are promptly logged into a “Cash Receipts Log” maintained by the Staff Assistant and then given to the Executive Director Administrative Coordinator (Administrative Coordinator) for processing these receipts. The Staff Assistant will restrictively endorse the back of any checks received; and enter into the “Cash Receipts Log” prior to distributing checks to designated staff.
- The Staff Assistant will log in-coming cash into a pre-numbered duplicate Cash Receipts book. A pre-numbered receipt will be issued or mailed to issuer of cash by the Staff Assistant, preferably at time of receipt.
- Documentation for receipts (letter, stubs, etc.) is provided with the checks/cash when forwarded to designated staff for processing and deposit.
- Funds awaiting bank deposit are kept in a locked file/safe with access limited to staff designated by the Executive Director.
- The Administrative Coordinator verifies the checks and cash to documentation received, makes copy of checks and prepares deposit for delivery to bank.
- Executive Director Staff I delivers deposits to the bank.
- Bank confirmations are delivered to the Administrative Coordinator to attach to back up documentation. The deposit is entered into the accounting system by the Administrative Coordinator, and then filed in chronological order into a Cash Receipts file/folder for the month.
- At the end of the month, Executive Director Staff II totals each column of the Cash Receipts log verifying that all bank account totals add up to total funds received for the month and then prints out the log, retaining one copy, for the auditors, and forwarding a second copy to the Treasurer or other designee to verify against the deposits listed on the bank statement(s).

### **Receipt Books**

- Receipt books are assigned by the Treasurer to the Administrative Coordinator.
- The Administrative Coordinator is responsible for safeguarding the receipt book.
- Receipt Books must be kept in a secure place at all times.
- Receipt Books consist of three-part, pre-numbered forms. They should be used in numerical order and filled out completely. The original is to be given to the person (participant) from whom funds have been received. The second copy (yellow) is to be sent with the transmittal form and the cash to the Administrative Coordinator for processing and deposit. The third copy (pink) is to remain in the receipt book.
- Receipts may be voided, but the pink copy of any voided receipt must remain in the book.

- The receipt book should be reviewed against either the monthly bank statement or Cash Receipts log to assure all cash received was recorded and deposited.
- When all the receipts are used, the book must be returned to the Treasurer or other designee who will issue a new book.

## **Fund Disbursements**

Disbursement of funds, including all approvals and authorizations will follow the ARC Purchasing Policy based on adequate documentation and proper authorization.

### **ARC Funds**

- Payment for supplies or services will be made based on invoices, not statements.
- Requests for Payment (RFP) are submitted with the original invoice attached. The RFP is coded by the staff requesting the payment as to the fund and expense code to be charged. The RFP is signed by an authorized staff member indicating approval of the expenditure.
- RFP/Invoices are processed by the Administrative Coordinator. Each invoice is stamped "ENTERED" or "POSTED" when entered as a payable in the accounting system and the check and all corresponding documentation is stamped "PAID" when the payable is processed for payment.

### **Missing Invoices**

In the event that an invoice for services or supplies is lost, a memo explaining the expense and detailing the cost is submitted with the Request for Payment for approval by the Treasurer.

### **Vendor Documentation**

All vendors must submit an IRS Form W-9 Request for Tax Payer Identification and Certification or equivalent to the Accounting Department, prior to payment. A determination is made by the Administrative Coordinator on the need to file an annual IRS Form 1099-Misc. on payments made to vendors. Form W-9's should be mailed to all current vendors each year prior to Form 1099 preparation to assure information is current.

### **Check Writing Procedures**

- Checks are processed as needed.
- Checks are written through Quickbooks. The Treasurer will designate staff with access to the check printing system.
- Checks are automatically numbered and printed on blank check paper and signed by two authorized signers.
- Checks are not to be post dated, signed blank, or made out to cash.
- A copy of each check is attached to the RFP/Invoice plus any other documentation, such as purchase orders or shipping documents, and filed in check number order in the respective Paid vendor files.
- Voided or spoiled checks will have the signature block torn off and will then be filed in numerical order with the bank statements and corresponding bank reconciliations.
- Checks are recorded in Quickbooks.

### **Check Approval Process**

This procedure is designed to ensure that all checks have adequate documentation and authorization and that there are no missing checks or checks written to phantom vendors.

- The RFP is reviewed for proper account coding, appropriateness of expenditure, and authorized signatures.
- The RFP is compared with the invoice and the check amount. The copy of the check is initialed by the Administrative Coordinator to indicate the review has been completed and the documentation is in order.
- The batch of checks is reviewed in check number sequence to assure no checks are unaccounted.
- The Disbursement log will be reviewed by the authorized signers to assure that the first check in each batch of checks begins with the next sequential check after last batch processed. The Disbursement log is initialed by the reviewer to indicate that all checks in the current batch have been verified to assure there is no gap in the check sequence.
- Authorized signers of checks are the ARC Chair, Treasurer and Executive Director, except when checks are paid to the company providing the Executive Director services to the ARC and employs the Executive Director. When checks are prepared for RFPs from the vendor providing the Executive Director services the ARC Chair and Treasurer will sign. The ARC Chair can designate additional signers if the need arises.

- If there are no questions to be resolved, the Disbursement log and signed checks are returned to the Staff Assistant as authorization to mail or release the check to the vendor.
- Checks are mailed to vendors by the Staff Assistant unless specific arrangements had been made in advance for pickup of checks at the office. If a check is picked up, the person picking up the check must provide identification which agrees with the payee on the check or must have verifiable written authorization from the payee to pick up the check.

### **Payroll**

The ARC does not employ staff. In the event that the ARC hires staff the ARC will follow the ARC's Timekeeping Policy.

### **Purchasing**

The ARC will follow its Purchasing Policy and Contract Approval Procedure for all purchases.

### **Bank Accounts**

The Executive Committee may delegate by resolution the authority for the Executive Director and Treasurer to establish bank accounts according to the ARC Purchasing Policy.

Bank accounts are established to meet the needs of the organization for separation of funds and the specific requirements of funding sources. Separate accounts for specific federal or state programs which exceed the FDIC limits must be collateralized by the bank to ensure the safety of the deposit. All other accounts, where possible, are established to maximize the use and earnings of cash.

- A complete listing of all accounts and the account numbers shall be maintained by the Administrative Coordinator.
- Bank Reconciliations for each account are completed monthly by the Executive Director Staff II. The bank statements are received by the Staff Assistant unopened to assure that they remain intact.
- Reconciled bank statements are reviewed by the Treasurer or designee monthly.
- Outstanding checks more than 90 days old are investigated and stop payments issued as required. Replacement checks are reissued after appropriate documentation has been collected.



## **Accounts Receivable**

For each grant, contract, membership or other agreement, the Executive Director will designate the staff responsible for preparation of invoices, payment requests, or reports necessary to secure payment to ARC. The following procedures ensure that all requests for funds are properly recorded and tracked.

- Generally, the Administrative Coordinator processes invoices to partner agencies and members, with copies provided to the Treasurer.
- The Administrative Coordinator prepares requests for funds from other agencies.
- Billings to funding agencies or members are entered as revenue/receivable when sent out to the agencies or members.
- Aged receivables are reviewed by Finance Committee.
- Write-offs of uncollectible receivables must be approved by the Treasurer and documented through the general journal entry for each write-off.
- Accounts receivable are reviewed by the Treasurer and Administrative Coordinator annually to ensure that receivables have a reasonable expectation of being collected and any necessary steps are to taken to ensure collection. If there is no reasonable expectation of collection, a decision is made on what action to take.

## **OTHER FINANCIAL SAFEGUARDS**

### **Travel**

The ARC travel policy will be used and requires that sound business judgment is used in both determining the need for travel on behalf of the ARC, as well as in expending financial resources when travel is necessary. This travel policy will apply to any ARC-funded travel outside of the general boundaries of the Rouge River Watershed conducted by ARC members, Executive Director Staff or contractors.

### **Allocation of Costs**

All programs will be charged their fair share of the costs whose benefits are not readily identifiable with a specific program or funding source but are necessary to the general operation of the organization.

Beginning, January 1, 2018, the costs of providing program and other activities will be summarized on a functional basis. Expenses that can be identified with a specific program will be charged directly to that program. Program expenses that cannot be identified with a specific program will be allocated. For 2018, executive director services are allocated based on the budget for these services and any operating expenses that benefit more than one cost center (program, management & general, and fundraising) will be allocated based on the ratio of program executive director services to total executive director services. This will be done at the end of 2018 by the Administrative Coordinator.

### **Property, Inventory and Control**

The ARC does not own any real property or equipment. However, in the event any real property or equipment is procured with ARC funds or with grant funds from the U.S. Environmental Protection Agency (EPA), or other federal agencies, the ARC Property Management Policy will be followed.

### **Management Override of Policies or Procedures**

If a member of the ARC staff or member community suspects that a high-level member within the ARC or Executive Director Staff is attempting to override established policies, procedures or procurement controls for personal gain or advantage, it should be reported to the ARC Chair or other officer. Any information reported will be kept confidential.

### **Audits**

The ARC is required to have an annual audit. Periodically, as determined by the Board, a Request for Proposal is sent to audit firms qualified to provide the type of audit that meets the ARC and/or funder need. The Audit Committee is responsible for soliciting bids, interviewing firms and making the recommendation to the Executive Committee when selecting the firm to be awarded the audit contract. Acceptance of the audit contract will be evidenced by a signed audit engagement letter that contains the type of service to be provided, the timeframe for providing the service, the cost for the service including incidental expenses, the term of the engagement and a clause stating “if unanticipated issues arise during the course of the audit that will result in additional fees, the audit firm will notify the Audit Committee for approval prior to incurring additional costs”.

The audit is reviewed in detail by the Audit Committee, but presented to the Executive Committee by the auditor and accepted by the Full ARC based upon recommendation by the Audit Committee.

## **Taxes and Reporting Requirements**

The auditor prepares Form 990 “IRS Return of Organization Exempt from Income Tax,” the “Michigan Exempt Organization Annual Information Return,” and the State of “Michigan License to Solicit”.

## **Grants and Contracts**

The ARC will follow the ARC Procedures for the Pursuit and Acceptance of Grants and the Contract Approval Procedure in addition to the below. Contracts and grant documents are reviewed and approved by appropriate program staff, the Treasurer, Executive Committee and full ARC prior to being signed by the ARC Chair and/or Executive Director.

- The Treasurer will carefully review each award to ensure that the ARC will be in compliance with all financial provisions.
- The Committee Chair with the assistance of the Executive Director Staff will carefully review each award to ensure that all programmatic provisions will be met. The ARC will fully consider timelines involved in a grant or contract to make sure the project can be completed in the time necessary to provide the desired results as to make sure there is an absence of pressure to meet unrealistic procurement performance targets.
- Original copies of signed grants and contracts are filed in the contract file with copies to the Treasurer, Committee Chair and Chair.
- The Administrative Coordinator will assign appropriate general ledger account numbers and customer numbers for each new grant or contract.
- The Treasurer will designate the appropriate staff responsible for preparation of reports, payment requests and/or invoices.
- The Administrative Coordinator will maintain individual contract files containing copies of the grant/contract, any amendments, relevant correspondence regarding the grant/contract, and reports of expenditures or billings.

## **Budgets**

The ARC will follow the Budget Preparation and Amendment Request Procedure in addition to the below. Budgets provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements. Budgets should use reasonable assumptions of income and expenses. All budget assumptions should be documented to facilitate a

thorough analysis and evaluation, not only of the budget, but of the actual revenue and expenditures as they relate to the budget.

- The budget is prepared by the Committee Chairs and Finance Committee.
- Budgets are submitted to the Executive Committee for review and approval prior to submission to the full ARC.
- The Treasurer will submit an annual budget to the full ARC for their approval.

### **Internal Reporting**

Reports assist the full ARC, Executive Committee, and funders with managing and controlling of program activities and financial resources.

- Monthly financial reports, including a revenue and expense report, and balance sheet where appropriate, will be provided to the Treasurer.
- The Administrative Coordinator will prepare monthly and quarterly reports as required by funding sources.
- The Treasurer or designee will review the reports to the funding sources.
- The Treasurer or designee will sign all reports to funding sources.
- The Administrative Coordinator will prepare and maintain, on a current basis, a listing of reports and due dates for funding sources.
- It is the responsibility of the Administrative Coordinator to ensure that all financial reports are submitted on a timely basis.

### **Record Retention**

The ARC Record Retention Policy sets guidelines on the retention of records which will meet the requirements of all federal and state agencies, as well as those of other funding sources.

### **Insurance**

The ARC will maintain Public Officials and Employment Practices Liability Insurance.

## ARC Responsibilities

<b>Financial Systems</b> <b>A=Approval &amp;/or Authority</b> <b>C=Controls Security</b> <b>R=Responsibilities in this area</b>	Full ARC	Executive Committee	Audit Committee	Committee Chairs	Finance Committee	Chair	Treasurer	Executive Director	Administrative Coordinator	Staff Assistant	Executive Director Staff I	Executive Director Staff II
Security & Access								AC	ACR			
Data Backup									AC			
Funds Received							AR	A	ACR	R	R	R
Receipt Books							A		CR			
Fund Disbursements		A				A	A	AC	ACR	R		
Purchasing		A				A	A	AC	CR	R	R	
Consultant/Contract Services	A	A				A	A	A	CR	R		
Bank Accounts		A				A	A	AC	ACR	R		R
Travel Reimbursement						A		R	CR	R		
Allocation of Costs								A	AC			
Property & Inventory Control	A	A				A	A	A	CR			
Audits	A	A	AR			R	R	R	CR	R		
Taxes & Reporting		A				A	A	A	CR			
Grants & Contracts		A		R		A	A	A	CR			
Budgets	A	A		R	R		AR	R	CR	R	R	
Internal Reporting	A	A				A	A	A	CR			
Record Retention		A						A	CR	R		
Insurance	A	A				A		AR	CR			

## **APPENDIX A: ARC POLICIES**

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**Purchasing Policy**  
***Adopted by the Alliance of Rouge Communities on 9/23/08***  
***Revised on 9/9/10, 10/26/10 and 11/21/13***

**1. PURPOSE**

This purchasing policy guides the procurement of goods and services by the Alliance of Rouge Communities (ARC).

Specifically, the purpose of this policy is to:

- Ensure proper accounting procedures necessary to maintain efficient control over the ARC’s expenditures.
- Ensure necessary authorization is obtained for applicable expenditures.
- Detail specific procedures for emergency purchases.
- Identify eligible expenditure reimbursements.
- Specify the procurement guidelines for Executive Director and Technical Services.
- Specify the vendor selection guidelines for grant-funded projects.
- Detail the procedure for processing of invoices.
- Detail the procedure for check distribution.

**2. EXPENDITURE CONTROL**

A summary of the purchasing policy is provided in the following table with more detail provided in the following paragraphs.

Amount of Purchase	\$0 to \$999	\$1,000 to \$4,999	\$5,000 to \$9,999	\$10,000 to \$19,999	Over \$20,000*
Public Bids/Proposals Required	NO	NO	NO	NO	YES
Quotes Required	NO	3 Verbal	3 Written	3 Written	--
Type of Documentation Required	Receipt	Purchase Order	Purchase Order	Purchase Order	Contract
Formal Approval Required By	NO	Exec. Director	Exec. Director	Exec. Director AND Officer	Exec. Committee*
Signature Required on PO and/or Contract	--	Exec. Director	Exec. Director	Exec. Director AND Officer	Exec. Director AND Officer

\*Formal approval of full ARC is required for contracts for Executive Director Services (see Section 4)



- **For Purchases between \$ 0.00 to \$ 999.00**  
The Executive Director can authorize with his/her signature. A receipt is required.
- **For purchases between \$ 1000.00 to \$ 4,999.00**  
The Executive Director can authorize with his/her signature. Price comparison shall be prepared and attached to purchase order. Verbal quotes are acceptable. A Purchase Order shall be issued.
- **For purchases between \$ 5,000.00 to \$ 9,999.00**  
The Executive Director can authorize with his/her signature. Price comparison shall be prepared and attached to purchase order. Three written quotes will be received. A Purchase Order shall be issued.
- **For Purchase between \$ 10,000.00 to \$19,999.00**  
Purchases exceeding \$10,000.00 can be authorized by signature of the Executive Director of the ARC and an ARC officer. Price comparison schedule shall be prepared and/or reason for vendor selection to be filled out and attached to purchase order. Three written quotes will be received. A Purchase Order shall be issued.
- **\$20,000.00 and higher**  
Formal, publically advertised, competitive sealed bids/proposals are required. A Request for Bids/Proposals shall be developed by the Executive Director, which shall be approved by the ARC Executive Committee. The Request for Bids/Proposals shall require interested bidders/proponents to provide the following information as appropriate:
  - description of service or goods desired
  - desired delivery date or commencement date
  - desired termination date
  - bidder's/proponent's qualifications
  - warranties
  - references
  - performance bonds (if required)
  - acquisition cost, fees, or other potential ARC financial obligation

The Request for Bids/Proposals shall also indicate the following information:

- deadline to submit
- date, time and place that bids/proposals will be publicly opened
- address to which bids/proposals are to be submitted

All Requests for Bids/Proposals shall include a statement that the Alliance of Rouge Communities reserves the right to accept or reject any or all bids/proposals to waive informalities or errors in the process, and to accept any bid/proposal deemed to be in the best interest of the ARC, including bids/proposals that are not for the lowest amount.

Sealed bids/proposals shall be submitted to the ARC Executive Director by a date and time specified, and shall be marked on the outside "sealed bid/proposal for \_\_\_\_\_ (indicate goods and or services)." Each bid/proposal shall be stamped with date and time received. The ARC Executive Director or her/his designee and one ARC Executive Committee Member shall publicly open all bids/proposals submitted at the date and time indicated on the request for bids/proposals. All bidders/proponents shall be notified of the contract award in a timely manner.

No purchase shall be divided for the purpose of circumventing the dollar value limitation contained in this section. However, a series of purchases from one vendor which individually are within the above limits, but collectively exceed them, shall not be deemed to be one purchase for the purposes of this division if such series of purchases could not reasonably have been made at one time.

**3. EXCEPTIONS TO PRICE COMPARISON OR COMPETITIVE BID/PROPOSAL REQUIREMENTS**

As described above, purchases between \$1,000 and \$19,999 require price comparison and purchases above \$20,000 require a competitive process for bids/proposals. Criteria for when an exception to these requirements may be made are:

- a. Where there is only one source able, suitable, or acceptable to provide the service or equipment desired;
- b. Where the subject of the contract is not competitive in nature and/or no advantage to the ARC would result from requiring competitive bidding; or
- c. Where the urgency of the need is determined to be of an emergency nature by the Executive Director or ARC Chair and time requirements imposed for receipt of quotations for price comparison or competitive, sealed bids would be detrimental to the best interest of the ARC. Such emergency procurements shall be made with such competition as is practicable under the circumstances.

For exceptions based on criteria (1) and (2), documentation of potential exceptions to the price comparison or competitive bid/proposal requirements should be included in the request forms for annual budget items or amendments to budget items submitted to the Finance Committee by an ARC Committee. After the Finance Committee has verified that a sole source vendor or a sole source purchase is warranted, the purchase will proceed according to other terms of this policy.

For exceptions based on criteria (3), the Executive Director or ARC Chair will proceed with the emergency procurement and will provide a report to the Executive Committee and Full ARC that describes the details of the needed service or equipment, documentation of the emergency circumstances, actions taken, and details of the expenditure.

**4. REQUIREMENTS FOR EXECUTIVE DIRECTOR AND TECHNICAL SERVICES PROCUREMENT**

As necessary, the ARC shall advertise a request for qualifications and/or proposals for Executive Director, Administrative and Technical Services. After reviewing all submitted proposals, the ARC shall choose one respondent for a contract to provide Executive Director, Administrative and Technical Services to the ARC. The ARC may establish a special committee (e.g., Proposal Review Committee) to assist with procurement of the Executive Director, Administrative and Technical Services, as provided under Article II.c.5 of the ARC Bylaws. The full ARC will approve the selection of the vendor to provide Executive Director, Administrative and Technical Services.

Additionally, the RFP Committee may choose additional respondents to potentially provide technical services to the ARC for grant-funded projects. The full ARC will approve the selection of pre-qualified vendors to provide additional technical services.

**5. VENDOR SELECTION GUIDELINES FOR GRANT-FUNDED PROJECTS**

The ARC Executive Director and Administrative staff provide grant administration services to the ARC for grant funded projects. Options for procurement of vendors to provide other services under grant funded projects are described in this section.

Watershed-Wide Projects. In the event that grant monies are received for activities that benefit the entire watershed or a subwatershed area containing more than one ARC community, the vendor selected under Section 4 to provide Executive Director, Administrative and Technical Services may lead the technical services if the scope of work is consistent with the provisions of their procurement. Similarly, the vendors pre-qualified to provide technical services under Section 4 may also lead grant funded technical services if the scope of work is consistent with the provisions of their procurement. The determination of the consistency of the grant funded work with the vendor procurement under Section 4 will be made by the Executive Committee.

The Executive Committee may also choose to solicit vendors for grant funded work through a competitive process consistent with the provisions of Section 2 of this policy and other applicable ARC policies and procedures, and consistent with the granting agency's procurement requirements. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

Area Specific Projects. When the ARC receives grant monies to conduct activities within a specific ARC member community or county, the community/county may provide input into the selection of the vendor to provide the grant funded services. The community/county may provide comments to the Executive Committee regarding use of the Executive Director staff or pre-qualified vendors procured under Section 4. The community/county may also provide comments to the Executive Committee regarding vendor selection if the Executive Committee chooses to solicit vendors for grant funded area specific projects through a competitive process. Such process must be consistent with the provisions of Section 2 of this policy and other applicable ARC policies and procedures, and that meets the granting agency's procurement requirements. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

If the community/county involved in the area-specific grant funded project desires that a vendor different than that selected by the ARC as described herein be utilized to complete the project, then the ARC and community/county may pursue executing a subgrant agreement whereby the community/county will complete the project subsidized all, or in part, with grant funds. Selection of a vendor to complete the work by the community/county under a subgrant agreement must meet vendor procurement requirements and other terms of the grant agreement between the ARC and the granting agency. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

## **6. DETERMINATION OF DEBARMENT OR SUSPENSION STATUS BEFORE AWARDING OF CONTRACTS**

For award of contracts where federal funds will be utilized (e.g., contract funded by a grant award to the ARC by a federal agency), the ARC will require that the selected contractor, consultant, subgrantee, or individual confirm that:

- a. They are not excluded or disqualified sub-grantees or contractors in any federal program,
- b. They are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions under federal non-procurement programs by any federal department or agency;
- c. They are not included on the "Excluded Parties List" system maintained by the federal government,
- d. They have not, within the three year period preceding the proposal, had one or more public transactions (federal, state or local) terminated for cause or default, and

- e. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) and have not, within the three year period preceding the proposal, been convicted of or had a civil judgment rendered against it as follows:
  - I. For the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction (federal, state, or local) or a procurement contract under such a public transaction;
  - II. For the violation of federal or state antitrust statutes, including those proscribing price fixing between competitors, the allocation of customers between competitors, or bid rigging, or
  - III. For the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- f. The contractor, consultant, subgrantee, or individual agrees that it shall not knowingly enter into any subcontract with a contractor, consultant, or person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

An authorized representative of the prospective ARC contractor or subgrantee is required to sign a statement verifying that they are not suspended or debarred from doing business with the federal government as described by items 1-6 above. After contract execution, the contractor shall provide immediate written notice to the ARC if, at any time, contractor or subgrantee learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. If the ARC determines that the consultant, subgrantee, or individual knowingly rendered an erroneous certification, in addition to other remedies available to the ARC, the ARC County may terminate this Contract for cause or default.

The terms “covered transaction”, “debarred”, “suspended”, “ineligible”, “lower tier covered transaction”, “Grantee”, “person”, “primary covered transaction”, “principal”, “proposal”, and “voluntarily excluded”, as used in this clause, have the meaning set out in the Code of Federal Regulations (45 CFR Part 76).

## **7. PURCHASE ORDERS**

All purchases shall require the issuance of a purchase order as described in Expenditure Control, except for the following expenditures:

- Utilities
- Telephone
- Postage
- Publications
- Fuel oil and gasoline
- Intergovernmental Contracts/Inter Agency Agreement
- Services Authorized by the ARC Executive Committee
- Per Diems
- Insurance
- Payroll withholdings
- Contractual Obligations
- Professional

A purchase order shall be issued provided that the nature of the purchase is indicated, the account number (taken from the annual budget) is provided and the account has a sufficient balance.

## **8. BLANKET PURCHASE ORDERS**

Requests for blanket purchase orders shall be made in the same manner as other purchases. The blanket purchase order shall contain the vendor, a general description of item(s) requested, amount of appropriation, period of time the blanket order will remain valid (maximum of 1 year, but not beyond the current fiscal year) and account number to charge the expense.

After the blanket purchase order is issued, the Executive Director shall draw on the order and keep a record of the cost of the items received until the blanket purchase order is completed.

The Executive Director shall still be required to adhere to the requirements set forth in the expenditure control section of this policy, when issuing blanket purchase orders. When certain monetary levels are exceeded the proper authorization, quotes and bids/proposals shall still be obtained prior to purchase.

**9. EXPENDITURE AUTHORIZATION**

The Alliance of Rouge Communities shall not be responsible for any expenses incurred by an official or ARC member that is contrary to the provisions of this administrative policy. Authorization shall be obtained through the proper channels discussed in this purchasing policy.

**10. EMERGENCY PURCHASES**

Occasionally, situations arise that do not allow pre-approval for expenditures. Situations that require immediate attention for the sake of public health and safety should be addressed accordingly. The expenditure shall be provided by the ARC Executive Director or treasurer as soon as possible with the information explaining why the expenditure could not meet the pre-approval requirement.

**11. TAX EXEMPT STATUS**

The Alliance of Rouge Communities is a tax-exempt entity and is not required to pay tax. Occasionally, ARC Staff Members purchase goods and/or services with their own funds and submit for reimbursement. Whenever possible, ARC members should obtain a tax-exempt certificate from the ARC Executive Director prior to the purchase.

**12. PROCESSING OF INVOICES**

Requests for payments to vendors shall be documented in writing by a vendor invoice or, in the few instances where no invoice is forthcoming, by a written request by the ARC Executive Director. Except for rare exceptions (example: lost invoice), only original invoices shall be processed for payments, as statements or copies of invoices may result in duplicate payments.

ARC member expense reimbursements shall be documented on an expense voucher prepared by the ARC member. Invoices and expense vouchers shall include the following:

- Vendor name and mailing address
- Purpose of payment
- Total amount due
- Unit price and units delivered
- Date goods were delivered or services rendered
- Attached purchase order or resolution

**13. CREDIT CARDS**

The Alliance of Rouge Communities will not issue nor allow the use of credit cards issued in the name of the ARC.

Receipts must be obtained for all purchases made using a personal credit card and submitted to the Executive Director’s Office for tracking to respective invoices/billings. In those instances when a purchase order or voucher has not been approved prior to the purchase, the credit card holder shall submit receipts clearly marked with the appropriate account to be charged immediately upon return to the ARC to properly account for the purchase.

**14. CHECKING ACCOUNT**

The ARC will maintain an interest bearing (when possible) checking account for purchases as defined by this policy. The Executive Director has the authority to request that a check be initiated. The ARC staff

will generate the check. All ARC checks require the signatures of two members of the Executive Committee, being the Treasurer and one other member of the Executive Committee.

**15. CONFLICTS**

The Executive Director must notify the ARC Executive Committee, in writing, of any known or perceived conflicts of interest within 48 hours of becoming aware of the potential conflict. The Executive Committee shall determine whether, in their opinion, a conflict exists. The decision will be forwarded, in writing, to the Executive Director within seven days of the conclusion of next Executive Committee meeting. The decision of the Executive Committee is final. If it is determined that a conflict exists, the Chair of the ARC, or his/her designee, will assume the duties of the purchasing agent.



Adopted by the  
Full ARC on 11/21/13

## **POLICY FOR PURSUIT AND ACCEPTANCE OF GRANTS, SUBGRANT ELIGIBILITY AND GRANT MANAGEMENT**

### **BACKGROUND**

The Alliance of Rouge Communities routinely applies for grants from the state and federal government and from private foundations. The projects proposed for grant funding can benefit the entire watershed or a specific area, i.e., a branch of the Rouge River, a specific area of the watershed, or a member community or cooperating partner. Upon receipt of a grant for Rouge River restoration activities, the ARC may implement the project on behalf of the watershed and/or may issue subgrants for all or part of the work to ARC members, cooperating partners, or other parties.

Further, the ARC has advised Wayne County Department of Public Service on the eligibility requirements for subgrants awarded under the provisions of the Rouge River National Wet Weather Demonstration Project (Rouge Project). Wayne County has acted upon the advice of the ARC including limiting the subgrant eligibility of communities in the Rouge watershed to those that are members of the ARC. At its August 2006 meeting, the ARC passed a resolution concerning future eligibility of communities within the Rouge River watershed for grant dollars from both the Rouge Project administered by Wayne County, and future grants obtained by the ARC itself.

This policy addresses:

- Pursuit and Acceptance of Grants, including Determination of Grant Match and Documentation,
- Grant Management,
- Subgrant Eligibility, and
- Subgrant Requirements and Management.

Any divergence from this policy shall be first reviewed by the ARC Executive Committee and subsequently approved by the ARC members at a regular meeting of the ARC.

### **PURSUIT AND ACCEPTANCE OF GRANTS**

On March 25, 2010, the ARC approved the document "Procedures for the Pursuit and Acceptance of Grants", shown below and hereby incorporated into this Policy.

### **Objectives**

- Take a proactive approach to the pursuit of grant opportunities to support ongoing ARC activities
- Develop a policy that maximizes probability of success and includes proper authorization to commit grant pursuit and match funds

**Application Criteria**

The ARC will apply for grants that offer watershed-wide benefits. Application for grants that provide only local benefits may be reviewed on a case by case basis.

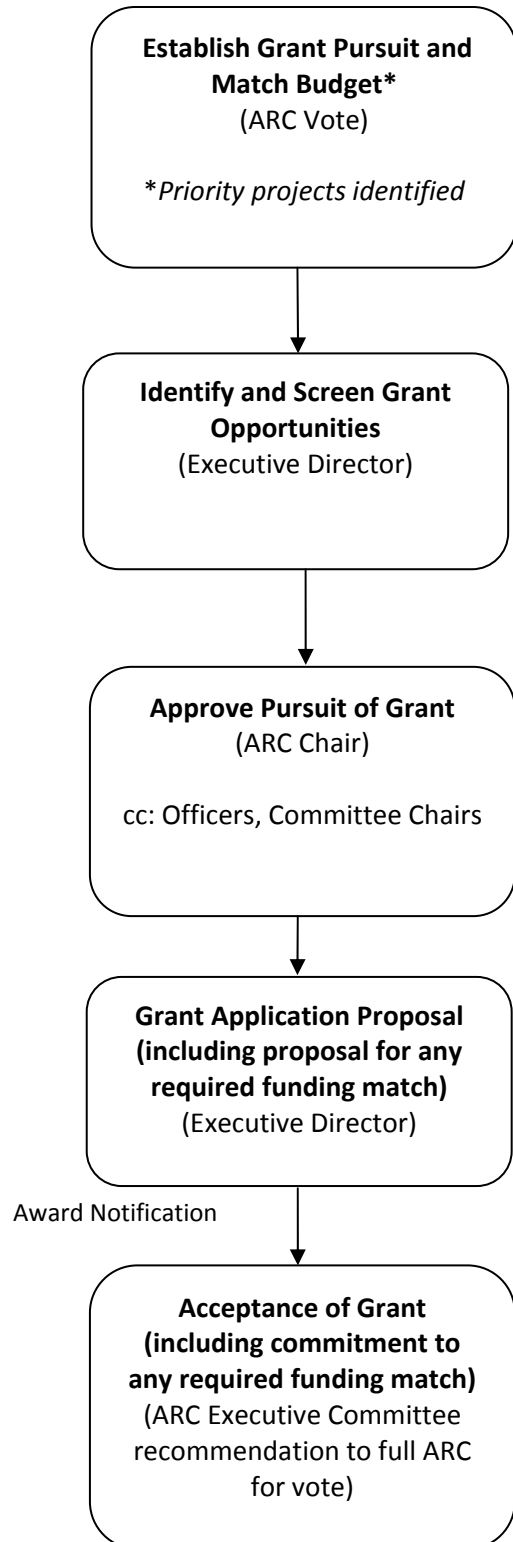
ARC grant applications shall focus on ARC core priorities such as:

- Watershed management planning and implementation
- Illicit Discharge Elimination Plan investigations
- Public involvement and education
- Studies and collection of data
- Data management and analysis
- Annual reporting
- Staff support

**Policies**

Consistent with ARC procurement policy, the ARC may accept assistance from ARC members, consultants and other interested parties to help prepare grant applications.

The ARC may choose to provide letters of support and/or commitment for grant applications submitted by ARC members, cooperating partners, or other appropriate organizations. Letters of support/commitment from the ARC will be issued at the discretion of and by the ARC Chair upon receipt of requests submitted directly to the Chair.





## **DETERMINATION OF GRANT MATCH AND DOCUMENTATION**

In some cases, a granting agency may require that the successful grantee provide funding for part of the estimated project costs (“grant match”). Typically, if grant match is required, it must be described and enumerated in the grant application. In the event that match is required to be pledged in a grant application, ARC staff will recommend a grant match plan based on the proposed grant activities. If the grant match plan includes contributions by individual ARC member communities, cooperating partners, or others, those parties included in the ARC’s grant application (“ARC team”) will provide a letter committing to and detailing any match that they will provide. Eligible activities for grant match are specified by the grant contract and if allowed, typically include in-kind services, cash and/or volunteer time.

### **In Kind Services**

If consistent with the grant requirements, in-kind services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be included as grant match if the service is an integral and necessary part of an approved project or program. In-kind services shall be consistent with those paid for by the ARC for similar work or in a subgrantee’s organization. In those instances where the required skills are not found in the ARC team’s organization, rates shall be consistent with those paid for similar work in the labor market in which the ARC team competes for the type of services involved. In either case, paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation. When an employer other than the ARC furnishes the services of an employee, these services shall be valued at the employee’s regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services utilize the same skill for which the employee is normally paid. In-kind match will be documented using timesheets.

### **Cash Match**

Cash match is payment for services/goods related to the grant and is documented by paid invoices.

### **Volunteer Match**

If consistent with the grant requirements, the value of volunteer match will be calculated based on generally accepted hourly rates approved by the granting agency and will be documented using sign-in sheets that include the activity, the date, times worked and the name of the volunteer.

The grant match plan will be enumerated in the grant application and will meet the following criteria:

- Is verifiable from the ARC’s or subgrantee’s records;
- Is not included as contributions for any other federally-assisted project or program;
- Is necessary and reasonable for proper and efficient accomplishment of project or program objectives; and.
- Is not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

## **GRANT MANAGEMENT**

The ARC and its staff will be responsible for the overall administration, direction, and quality management for all accepted grant contracts. Grant management activities include but are not limited to administration of the grant and any subgrants, reporting, quality assurance and quality control, communication with granting agencies, and other necessary activities to ensure that the project is conducted in accordance with the grant agreement and any other requirements of the granting agency and with ARC policies and procedures.

Changes to the grant match plan included in the grant application and/or contract which are needed during the term of the grant agreement will be approved by the ARC Executive Committee prior to implementation.

### **SUBGRANT ELIGIBILITY**

It is the policy of the ARC that any grants received by the ARC and allocated in the form of subgrants to other entities shall be limited to:

- Agencies that are members in good standing of the ARC (Primary and Associate Members, i.e., public agencies that have adopted the bylaws of the ARC and have paid their assessments as well as approved nested jurisdictions of ARC members in good standing); or
- Public or private entities not eligible for ARC membership (i.e. Cooperating Partners, such as autonomous public entities with no Rouge River water discharge permit requirements, and private non-profit or private educational institutions).

Further, it is the policy of the ARC that it will conduct projects at locations in ARC and non-ARC member communities if it is awarded grants related to the Rouge River Area of Concern (i.e., Great Lakes Restoration grants) which cover the entire watershed and are tied to beneficial use impairments in the entire Rouge River Watershed.

### **SUBGRANT REQUIREMENTS AND MANAGEMENT OF AWARDED SUBGRANTS**

Any ARC member awarded a subgrant shall remain an ARC member in good standing throughout the term of the subgrant award. In the event that an ARC member is awarded a subgrant and subsequently chooses not to remain a member of the ARC during the term of any subgrant, the subgrant award or interagency subgrant agreement shall provide for a means to authorize the ARC to terminate the subgrant and retain any unpaid portion of the subgrant.

In the event a grant is awarded to the ARC for the Rouge River Area of Concern, which encompasses the entire Rouge River Watershed, subgrants may be awarded to non-ARC member communities. Grants may also be administered by the ARC on behalf of non-ARC member communities.

In addition to grant and contractual requirements enumerated in agreements between the ARC and another party, any subgrants issued by the ARC will be monitored in the following ways:

- Subrecipients will be required to provide written monthly financial and project progress reports to the ARC, unless otherwise noted in the contract, and
- Projects covered by subawards between the ARC and another party will be monitored during site visits by ARC staff.

Other criteria may be enumerated in the contract between the ARC and the subgrantee.



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## **ALLIANCE OF ROUGE COMMUNITIES CONTRACT APPROVAL PROCEDURE**

The Technical Committee recognizes a need to develop contract approval procedures beyond what is listed in the ARC's Purchasing Policy for purchases above \$20,000. The purpose of this memorandum is to suggest a contract approval procedure to the Executive Committee for immediate use in hiring the recommended Land Cover Survey contractor. Further, it could form the basis for crafting a procedure for hiring future contractors or purchases above \$20,000.

Once a contractor has been selected for recommendation to the Executive Committee, the following procedure is recommended:

1. The Committee/subcommittee responsible for the contractor selection presents a written contractor recommendation to the Executive Committee. The recommendation should include the number of bids/proposals received, the names of the individuals or firms, the bid amounts and/or estimated cost of services, the approved budget, the rationale for selection, and any other pertinent detail considered during the selection process.
2. If the Executive Committee agrees with the recommendation, it would authorize the Executive Director to develop a contract between the ARC and the recommended contractor, within the limits of the approved budget for the task.
3. The draft contract language is reviewed, modified and approved by a contract review subcommittee comprised of the following: the ARC Chair (or his/her designated officer), the Executive Director (or his/her designee), a representative from the Wayne County DOE (for those contracts that are funded by the federal Rouge grant), the Committee Chair who issued the RFP upon which the contract is based (or his/her designee) and any other ARC member at the request of the Executive Committee, Committee Chair or contract review subcommittee.
4. Upon approval by the subcommittee, the final contract is sent to both the Executive Director and the ARC Chair (or his/her designated officer) for signature. Two copies of the approved contract are to be sent to the contractor for execution. The contractor is to return one copy of the executed contract to the ARC Executive Director. The Executive Director will send an executed copy to the Wayne County DOE for those contracts that are funded by the federal Rouge grant.

Adopted by the ARC Executive Committee on 4/22/2009



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## **ALLIANCE OF ROUGE COMMUNITIES**

### **PROCEDURE FOR ANNUAL BUDGET PREPARATION AND REQUEST FOR BUDGET AMENDMENT**

The following procedure should be utilized to prepare the Alliance of Rouge Communities (ARC) annual budget requests and budget amendment requests of the annual budget of the ARC. This procedure was developed by the Finance Committee of the Alliance of Rouge Communities.

- Changes to the annual budget for the Alliance of Rouge Communities (ARC) (including allocations of the contingency funds) must be reviewed by the ARC Finance Committee prior to implementation.
- Budget amendment requests must be submitted from the proper committee or Officer of the ARC to the ARC Treasurer. Such requests must be submitted in writing a minimum two weeks prior to an Executive Committee meeting. According to the Bylaws, the Executive Committee will meet at least five times a year.
- Budget amendment requests must follow the format shown in Attachment A. The following information must be included in the request: Request Date, Description of Item, Committee Making Requests, Background, Action Requested, Budget, and Person/Agency Responsible for Implementation.
- Prior to the last Executive Committee of the year, the Finance Committee will meet to prepare the budget for the next year. The Budget Preparation Schedule (see Attachment B) will be followed. Committees should use the same process for the annual budget preparation as they do with budget amendments. Requests must follow the format shown in Attachment C.
- The Finance Committee will review the request and will make a recommendation to the ARC Executive Committee.

Adopted by the ARC Finance Committee: June 7, 2010

Adopted by the Alliance of Rouge Communities on September 9, 2010



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**ALLIANCE OF ROUGE COMMUNITIES  
FINANCE COMMITTEE**

**Attachment A  
REQUEST FOR AMENDMENT  
Year \_\_\_\_\_ BUDGET**

**REQUEST DATE:**

**LINE ITEM:**

**COMMITTEE MAKING REQUEST:**

**BACKGROUND:**

**DESCRIPTION OF ANTICIPATED ACTIVITIES:**

**RATIONALE (including why needed):**

**BUDGET (including how the requested amount was established):**

**PERSON/AGENCY RESPONSIBLE FOR IMPLEMENTATION:**

**Attachment B**  
**Year \_\_\_\_\_ ARC Budget Preparation Schedule**

- 6/7/10 Finance Committee to approve Budget Schedule
- 6/11/10 Treasurer to distribute Budget Schedule
- 6/29/10 Executive Committee review Budget Schedule/consider no change to dues
- 7/1/10 Treasurer to send out letter to ECT requesting cost proposal for Executive Director Services to the Finance Committee by 9/13/10
- 7/1/10 Treasurer to send out letter to ARC Committees requesting budget submittals to the Finance Committee by 9/13/10
- 9/13/10 Receive cost proposal from ECT and distribute to Executive Committee
- 9/13/10 Finance Committee to receive budget proposals from ARC Committees
- 9/21/10 Finance Committee meeting to receive draft budget information
- 10/7/10 Finance Committee meeting to finalize budget proposals and formulate recommendation to the Executive Committee
- 10/14/10 Executive Committee meeting to review the proposed budget
- 10/26/10 Full Alliance Meeting to adopt the 2011 ARC budget



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## ALLIANCE OF ROUGE COMMUNITIES FINANCE COMMITTEE

Attachment C  
Year \_\_\_\_\_ BUDGET RECOMMENDATION

**REQUEST DATE:**

**LINE ITEM:**

**COMMITTEE MAKING REQUEST:**

**BACKGROUND:**

**DESCRIPTION OF ANTICIPATED ACTIVITIES:**

**RATIONALE (including why needed):**

**BUDGET (including how the requested amount was established):**

**PERSON/AGENCY RESPONSIBLE FOR IMPLEMENTATION:**



## Alliance of Rouge Communities

### Timekeeping Policy

**Adopted by the ARC on September 9, 2010**

The Alliance of Rouge Communities (ARC) does not have employees. However, in the event employees are hired the following rules will apply.

These procedures are designed to assure that payroll is based on proper authorization and required documentation, is paid at the approved rate, is only paid to actual employees, and to assure that proper and timely reporting is made to federal, state, and local taxing authorities.

The ARC outsources its payroll to a payroll company.

- The ARC's payroll is processed on a bi-weekly basis.
- Payroll is based on time sheets completed by employees and approved by supervisors. Each time sheet reflects the cost centers to which the employees' time is charged.
- Time sheets will reflect the use of sick, vacation, or other leave time, if applicable. Overtime for Non Exempt employees requires the prior approval of the employee's supervisor.
- Time sheets must be completed in ink with no whiteout or correction tape. Changes are initialed by the employee. The time sheet will be signed by both the employee and the assigned supervisor.
- New hires and salary and/or benefit changes must be approved by the Chair. A Personnel Action Form authorizing the salary, wages and employee position is completed by the Executive Director and signed by the Chair and forwarded to the Administrative Coordinator for processing.
- Payroll records are maintained by the Administrative Coordinator in a confidential manner. Information regarding payroll will not be discussed with other staff. Files must be in locked cabinets with access limited to designated personnel.
- Documents that verify tax withholding and authorize other deductions such as health insurance premiums or voluntary contributions are filed in the payroll files by the Administrative Coordinator. A separate file contains the I-9 forms for each current employee and is maintained by the Administrative Coordinator.





## ALLIANCE OF ROUGE COMMUNITIES DRAFT RECORD RETENTION POLICY

**Adopted by the Alliance of Rouge Communities on September 9, 2010**

The Alliance of Rouge Communities (ARC) shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. The records will be retained in the office of the Alliance of Rouge Communities, which is currently located at: 719 Griswold, Suite 1040, Detroit MI 48226.

Records and documents outlined in this policy include paper, electronic files (including e-mail) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld computers and other wireless devices with text messaging capabilities.

In order to eliminate accidental or innocent destruction, the ARC has adopted the following document retention policy:

<u><b>TYPE OF DOCUMENT</b></u>	<u><b>RETENTION PERIOD</b></u>
Accounts receivable and payable ledgers and schedules	7 years*
Annual audited financial statements, audit reports, general ledgers, internal audit reports, trial balance journals	Permanently
Memoranda of Understanding, Bylaws, policies and procedures, meeting summaries and other incorporation records	Permanently
Bank Reconciliation	3 years
Bank Statements, deposit records, electronic fund transfer documents and cancelled checks	3 years
Chart of Accounts	Permanently
Contracts (included expired contracts)	7 years*
Correspondence (general)	3 years
Legal Correspondence	Permanently
Correspondence (with members and vendors)	2 years
Insurance policies (still in effect)	Term of contract
Insurance policies (expired)	3 years
Invoices (to members or to granting agencies)	7 years*
Grant documents and notes	7 years*

**TYPE OF DOCUMENT**

**RETENTION PERIOD**

Miscellaneous documents

- Expense reports 7 years\*
  
- Personnel records 7 years\*

\*These records will be retained a minimum of 7 years or until closeout of any federal contract (grant) that provided funding for work completed during a given year, which ever is longer. Closeout requirements for a federal grant contract are defined within the grant agreement. For the federal grants providing funding to the ARC via the Rouge River National Wet Weather Demonstration Project, grant closeout is defined as 3 years after submittal of the final financial status report to the U.S. Environmental Protection Agency, which typically occurs three months after the grant end date specified in the grant agreement.



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## **ALLIANCE OF ROUGE COMMUNITIES (ARC) PROPERTY MANAGEMENT POLICY**

**Adopted by the Alliance of Rouge Communities on September 9, 2010**

The Alliance of Rouge Communities (ARC) does not own any real property or equipment. However, in the event any real property or equipment is procured with ARC funds or with grant funds from the U.S. Environmental Protection Agency (EPA), or other federal agencies, the following rules will apply.

### **INSURANCE**

The ARC will acquire insurance coverage for all real property and for equipment whose purchase price exceeds \$5,000. In the event the ARC uses federal funds to purchase any type of property, insurance coverage will be equal to what the ARC has for its own property.

### **ACQUISITION OF REAL PROPERTY**

The ARC does not own any real property and does not anticipate owning any real property. However, if in the future the ARC purchases property with federal funds it will:

- Have the title for the property,
- Will not encumber the property without approval of the federal funding agency, and
- Will get written approval from the federal funding agency to use the real property in other federally-sponsored projects or in programs that are consistent with those supported by the federal funding agency, once it is determined that the property is no longer needed for the original project.

### **USE OF FEDERALLY-OWNED AND EXEMPT PROPERTY**

If the ARC uses federally-owned property in any contract with the EPA or another federal agency, the following principles will be followed:

- Title to federally-owned property remains vested in the Federal Government;
- An annual inventory of federally-owned property in the ARC's custody will be sent to the property management staff of the federal funding agency;
- Upon completion of the contract or when the property is no longer needed, the ARC will report the property to the property management staff of the federal funding agency for further utilization; and
- If the federal funding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration.

If the ARC uses exempt property in its contract with a federal agency:

- The federal agency can choose to give the ARC title to property acquired with Federal funds without further obligation, when allowed by law; and
- If the federal agency doesn't establish conditions, the ARC will have the title upon acquisition without further obligation.

## **EQUIPMENT ACQUISITION AND MANAGEMENT**

The ARC Purchasing Policy will be followed for acquisition of equipment with ARC funds. The ARC will maintain records for equipment with a purchase price of \$200 or more. The records will include the:

- Equipment description;
- Serial number, model number, or other identification number;
- Source of the equipment, including award number;
- Title holder;
- Identification as Federally-owned, if applicable;
- Acquisition date (or date received) and cost;
- Information to calculate percentage of Federal participation in cost, if applicable;
- Location and condition of the equipment and date reported;
- Unit acquisition cost; and
- Ultimate disposition data, including date of disposal and sales price or method used to determine fair market value.

The ARC will take a physical inventory that is reconciled with equipment records at least once every two years with any differences investigated to determine the causes. The inventory will include verification of the existence, current utilization, and continued need for all equipment. The ARC will establish an equipment control system to insure safeguards to prevent loss, damage, or theft. Any loss, damage, or theft of equipment will be investigated and fully documented and if owned by the Federal Government, notification will be provided to the federal funding agency. The ARC will employ proper maintenance procedures to keep the equipment in good condition.

If the ARC acquires equipment with federal funds, it will:

- Not use the equipment to provide services for a fee less than that charged for equal services while the Federal Government has an interest in the equipment, unless authorized.
- Use the equipment for the applicable project or program as long as needed, even if the project or program is no longer supported by Federal funds.
- Make the equipment available for other projects or programs during the original project or program, if it will not interfere with work on the original project or program. Give first priority to activities sponsored by the federal funding agency, then to activities sponsored by other Federal agencies.
- Use the equipment for other federally-sponsored activities if the equipment is no longer needed for the original project or program. Give first priority to activities sponsored by the federal funding agency, then to activities sponsored by other Federal agencies.
- Use equipment owned by the Federal Government for activities not sponsored by the Federal Government, if authorized by the federal funding agency. Any user charges will be treated as program income.
- Use the equipment as trade-in or sell it and use the proceeds to offset the costs of replacement, if approved by the federal funding agency.

## **INTANGIBLE PROPERTY**

The ARC may copyright any work that is subject to copyright. For ARC-copyrighted work that is developed under a contract with a federal funding agency, that agency can reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so. The ARC will follow any applicable regulations for patents and inventions.

If a Freedom of Information Act (FOIA) request is made to the federal agency that is funding work of the ARC, the ARC will provide research data within a reasonable amount of time for the federal funding agency to respond to the FOIA request.

The ARC will retain title to intangible property and debt instruments. For such property acquired using federal funds, the ARC will use that property for the originally-authorized purpose, and will not encumber the property without approval of the federal funding agency.

### **PROPERTY TRUST RELATIONSHIP FOR FEDERALLY-FUNDED REAL PROPERTY**

The ARC will record liens, deed restrictions, or other appropriate notices of record to show that real property has been acquired with Federal funds and that use and disposition conditions apply to the property. In the event property is improved with ARC funds or federal funds, the ARC will file notices of record as deemed appropriate by the ARC and in accordance with federal requirements.

### **PROPERTY DISPOSITION**

#### **Real Property**

If the property was purchased with federal funds and is no longer needed, the ARC will request disposition instructions from the appropriate federal agency to:

- Keep the title without further obligation after the Federal Government is compensated for its share of the current fair market value of the property;
- Sell the property under guidelines provided by the Federal Government and pay the Federal Government for its share of the current fair market value of the property (after deducting reasonable selling and fix-up expenses, if any, from the sales proceeds); or
- Transfer title to the Federal Government or an eligible third party after being compensated for the ARC's share of the current fair market value of the property.

#### **Equipment**

When equipment purchased by the ARC becomes obsolete or is no longer needed, it will be sold or otherwise disposed of properly. The current per-unit fair market value will be determined for each item prior to disposal. If the item is to be sold, the highest possible return will be sought, and sales procedures to provide for competition will be used where beneficial. All disposals will be recorded on the ARC equipment inventory.

For equipment purchased with federal funds that has a current per unit fair market value of \$5,000 or more at the time of desired disposition, the federal funding agency will be contacted regarding disposition. One of the following disposal methods will be utilized in such cases:

- The equipment will be kept for other uses after compensation to the funding agency for the Federal share of the current fair market value of the equipment;
- The equipment will be sold, and the difference between the sales proceeds and the Federal share of the original project or program will be reimbursed to the funding agency. This is the default action if the ARC hasn't received disposition instructions from the funding agency within 120 calendar days after request. A deduction of \$500 or ten percent of the proceeds, whichever is less, will be applied from the Federal share for selling and handling expenses.
- Ship the equipment elsewhere after federal reimbursement for the ARC share of the current fair market value of the equipment, plus reasonable shipping or interim storage costs.
- Otherwise dispose of the equipment after federal reimbursement for any costs incurred.

- Transfer the equipment title to the Federal Government or to an eligible third party if the equipment was identified in the federal contract or otherwise made known to the ARC in writing.

**Supplies and other expendable property**

If the ARC has unused supplies worth more than \$5,000 when a federally-sponsored project or program is over and the supplies are not needed for any other federally-sponsored project or program, the ARC can either keep the supplies or sell them, but the ARC will compensate the Federal Government for its share.

The ARC will not use supplies acquired with Federal funds to provide services to non-Federal organizations for a fee less than that charged for equivalent services if the Federal Government retains an interest in the supplies, unless authorized.



**ALLIANCE OF ROUGE COMMUNITIES (ARC)  
TRAVEL REIMBURSEMENT POLICY**  
Adopted by the Alliance of Rouge Communities on September 9, 2010

## **INTRODUCTION**

This travel policy requires that sound business judgment is used in both determining the need for travel on behalf of the ARC, as well as in expending financial resources when travel is necessary. This travel policy will apply to any ARC-funded travel outside of the general boundaries of the Rouge River Watershed conducted by ARC members, staff or contractors.

### **1.0 APPLICABILITY**

ARC contractors are entitled to reimbursement for travel if the contract allows for travel. ARC members or staff who travel on ARC business may be reimbursed for eligible expenses as determined by the ARC Chair.

### **2.0 TRAVEL AUTHORIZATION**

The ARC Chair shall ensure that travel on behalf of the ARC is necessary and allowable under any contract and shall authorize all ARC-funded travel prior to the beginning of the trip, with the exception of mileage reimbursement for contractor use of personal vehicles.

### **3.0 AIR TRAVEL**

Air travel should be in coach class only. Travel should be planned as far in advance as possible to take advantage of discounted fares, especially if reasonable certainty exists that the event will take place. If more than one carrier offers service, travel should be on the carrier that offers the lowest price.

### **4.0 RENTAL CARS**

Generally no cars larger than a mid-size should be rented. The use of rental cars, even if authorized, must be justified in writing by the traveler and attached to the voucher. Claims for rental car gasoline must be supported by original receipts.

### **5.0 LODGING**

ARC contractors are entitled to reimbursement for lodging if the contractor's employee is on a temporary assignment that is at least 150 miles in distance from either his/her office or residence. If a temporary assignment concludes during the workday and is located within 150 miles of the contractor's employee's official station or residence, the contractor's employee is expected to return to their residence, rather than remain at the temporary location overnight.

When overnight lodging is required, accommodations should be reserved that are reasonable but not extravagant. When applicable, government rates, corporate rates or other discounts should be obtained. Any hotel expenses considered excessive or unreasonable will not be reimbursed. Instead, in those cases, lodging reimbursement will be limited to the General Services Administration (GSA) lodging rate for the location in question as per the following website:

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA\\_BASIC](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC)

## **6.0 SUBSISTENCE**

Subsistence for those traveling on ARC-related business which requires an overnight stay is eligible for reimbursement on a per diem basis. Specific per diem rates for different localities may be found at the General Services Administration website as follows:

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA\\_BASIC](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC)

## **7.0 MILEAGE RATE FOR USE OF PERSONAL VEHICLE**

ARC contractors are entitled to mileage reimbursement for use of a personal vehicle while on ARC-related business if the contract allows for mileage reimbursement. ARC members or staff who travel on ARC business may be reimbursed for personal vehicle mileage while on ARC-related business as determined by the ARC Chair.

The maximum reimbursement rate will be the rate stipulated by the General Services Administration as follows:

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_BASIC&contentId=9646](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=9646)

## **8.0 NON-REIMBURSABLE EXPENSES**

Examples of expenses that will not be reimbursed include but are not limited to the following:

- Alcoholic beverages, entertainment;
- Laundry, dry cleaning and pressing of clothing;
- Travel insurance;
- Parking fines and traffic violations;
- Charges incurred because of indirect travel for personal reasons, and
- The cost of travel for spouses, other family members and friends is not reimbursable under any circumstances.

Additionally, ARC members, staff and contractors who travel on behalf of the ARC will not be reimbursed for excess costs caused by:

- An indirect route as a matter of personal preference
- Premature departure for personal reasons from a temporary location, or
- Extending a stay for personal reasons.

## **9.0 RECEIPTS**

Except for per diem expenses, valid original receipts are required for all expenditures regardless of cost. If a receipt is not normally provided for the expense (bus tokens, etc), the certification signed by the traveler on the voucher will justify the expense. Receipts submitted with the voucher should be originals indicating the name of the payee, date paid, amount and the service rendered. This includes the original Passenger Receipt Coupon of the airline ticket. If an electronic ticket is used, the boarding passes for each flight must be submitted with the travel voucher.

## **10. TRAVEL VOUCHER COMPLETION**

After completion of travel, a travel voucher must be submitted for reimbursement. Original receipts must be attached to all travel vouchers, along with the pre-travel authorization from the ARC Chair. Travel vouchers must be completed and submitted to the appropriate



reviewer within twenty (20) business days after completion of the trip. Travel vouchers for contractors are submitted to a management official of the contractor for review and authorization for inclusion in an invoice submitted to the ARC. Travel vouchers for ARC members or staff are submitted to the ARC Treasurer for review and authorization for payment.

Dates and times of each departure from residence or office, arrival at and the name of the destination and arrival back to the residence or office must be shown on the travel voucher. A certification signed by the traveler must be included on the travel voucher that states that the trip indicated was actually taken and that all expenses are accurate and correct.



Adopted by the  
Full ARC on 11/21/13

## VENDOR MANAGEMENT POLICY

### **Purpose**

The Alliance of Rouge Communities (ARC) relies on products and services provided by a variety of vendors, including consultants and contractors. A current list of the ARC's vendors shall be maintained online at [www.allianceofrougecommunities.com](http://www.allianceofrougecommunities.com) consistent with this Policy.

It is the duty of the Executive Director Staff to ensure:

1. Each vendor relationship supports the ARC's strategic plan and meets the requirements and policies of the ARC;
2. The ARC has sufficient expertise to oversee and manage the relationship;
3. The ARC has evaluated prospective providers based on the scope and criticality of the outsourced services;
4. The risks associated with the use of vendors for the ARC's critical operations are fully understood; and
5. An appropriate oversight program is in place to monitor each vendor's risk management controls, financial condition and contractual performance.

In recognition of the ARC's reliance on vendor supplied products and services and the need to manage the attendant risks, the Executive Director Staff has prepared and the Full ARC has adopted this Vendor Management Policy governing the acceptance, maintenance and ongoing monitoring of contractual relationships with vendors.

### **Rationale**

The Alliance of Rouge Communities (the "ARC") acquires services from third-party suppliers, vendors, consultants and/or contractors (the "Vendor" or "Vendors") which involve risks similar to those that arise when these functions are performed internally by ARC staff. These include such risks as threats to the availability of systems used to support these transactions along with the accuracy, completeness, integrity, security, and privacy of protected information and compliance with applicable regulations.

Under contractual arrangements, risk management measures commonly used by the ARC to address these risks, are generally under the control of the vendor, rather than the ARC. However, the ARC continues to bear certain associated risks of financial loss, reputation damage, or other adverse consequences from actions of the vendor or the failure of the vendor to adequately manage risk. Consequently, it is incumbent upon the ARC to evaluate the ability of existing and prospective vendors to fulfill their contractual obligations and to prepare formal analyses of risks associated with obtaining services from, or outsourcing processing to, third parties.

### **Applicability**

This policy shall apply to ARC services including day-to-day operations and grant-funded projects that require services from Vendors for whom the ARC has oversight.

## Custodian

The Alliance of Rouge Communities Executive Director Staff shall be the custodian of the Vendor Management Policy with oversight by the ARC Treasurer.

## Classifications of Vendor Criticality

During the vendor selection process, the Executive Director will assess the risks associated with vendor inadequacy (e.g. quality of goods and services, delivery schedules, warranty assurances, user support, etc.). Prior to determining the risk, the ARC will consider the criticality of the services and apply a ranking according to the criteria below.

- **Highly Critical (3)** - Services in this category include those considered "mission critical" to the ARC's operations. The ARC would not be able to operate at adequate capacity without the availability of such services or deliver minimally acceptable levels of customer service.
- **Important (2)** - Services in this category include those considered of importance to the ARC's operations.
- **Incidental (1)** - Services of vendors in this category include those considered incidental to the ARC's operations or for whom the ARC would have an acceptable alternate vendor readily available or an alternative means to process.

## Risk Management

Risk management is the process of identifying, measuring, monitoring and managing risk. Risk exists whether the ARC performs work internally or outsources work.

Executive Director Staff, with oversight from the ARC Treasurer, will consider some or all of the following factors in evaluating the quantity of risk at the inception of an outsourcing decision. The degree to which these factors will be considered will depend on the criticality rating of the function provided by the vendor.

### Risks pertaining to the function outsourced

- Sensitivity of data accessed, protected or controlled by the vendor
- Volume of transactions
- Criticality to the ARC's business

- Reliance on subcontractors
- Location, especially if foreign based
- Redundancy and reliability of communication lines

### Risks pertaining to the vendor

- Strength of financial condition
- Turnover of management and employees
- Ability to maintain business continuity
- Ability to provide accurate, relevant, and timely information systems
- Experience with the function outsourced

### Risks pertaining to the technology used by the vendor

- Architecture
- Location (processing and data storage)
- Dependence on third parties
- Reliability
- Security
- Scalability to accommodate future growth

## Vendor Procurement

Vendor Procurement will follow the ARC's Purchasing Policy.

## Contracts

When contracts are required between the ARC and a vendor, the contract will be developed in accordance with the ARC's Contract Approval Procedure and the ARC Purchasing Policy.

### **Vendor Contract Management**

The Executive Director Staff will ensure vendors provide the goods and/or services in accordance with the vendor contract. Executive Director staff monitoring of contract performance will include but not be limited to review of the quantity and quality of goods and services, delivery schedules, warranty assurances and user support. The program shall monitor the vendor environment including its security controls, financial strength and the impact of any external events. The amount of review and documentation needed to support vendor contract management will vary depending on the criticality and complexity of the system, process or service being outsourced. The following documentation will be required from all vendors:

- Monthly invoices,
- Monthly financial reports,
- Project progress reports.

In addition, vendor monitoring may include periodic site visits as appropriate.

To increase monitoring effectiveness, the Executive Director Staff shall periodically, but at least annually, rank vendor relationships according to risk to determine which vendors require closer monitoring. Executive Director Staff, with oversight from the ARC Treasurer, shall base the rankings on the residual risk of the relationship after analyzing the quantity of risk relative to the controls over those risks. Relationships with higher risk ratings should receive more frequent and stringent monitoring for due diligence, performance (financial and or operational) and independent control validation reviews.