WEST FLORIDA REGIONAL PLANNING COUNCIL
INTERNAL CONTROLS MEMO
9/30/2018

KEY PERSONNEL

Executive Director – Austin Mount
Finance Director – Dawn Schwartz
Accountant – Kathy Scott Wetmore
Accountant – Cameron Smith
Accounting Clerk – Tracy Davis
Accounting Clerk – Tamie Glover Mahan
Accounting Clerk – Jill Strickler
HR & IT Coordinator/Office Manager – Renee Quick
Transportation Planning Manager – Mary Beth Washnock
Community and Economic Development Manager – Jennifer Laurent
IT – Outsourced with BitWizards

ACCOUNTING SOFTWARE MIP

WFRPC's accounting software package is Sage MIP Fund Accounting software.

PHYSICAL AND LOGICAL ACCESS

The server is maintained in the locked communications room. (IT) and Finance have keys to the room. The use of unique usernames and passwords provide access to MIP for Dawn, Kathy, Tamie, Cameron, Jill, and Tracy. Each of these employees has different access in MIP. Kathy, Jill, and Dawn have unlimited access in MIP. Tamie's access in MIP is limited to Accounts Payable and Reports. Tracy's access in MIP is to Accounts Receivable, Accounts Payable and Reports. Austin, and the Managers have "executive overview" (read-only) access. Administrator Access to MIP is kept with Renee Quick and (IT). Accounting Staff does not have the User I.D. or password. Access is only granted through (IT) when required to make a change to the accounting system.

Each employee can access the network from offsite using the internet based software, Dell Net Extender, and effective May 2017, Sharepoint, a cloud server, under their user ID which identifies their access privileges and limitations.

GRANTS/CONTRACTS & BUDGETS

Contracts and grant applications are typically prepared by Austin or one of the Managers. Senior Planners may assist in the process. Typical services performed by WFRPC under contracts and grants are planning projects and technical assistance for local governments within its region.

The Managers prepare a budget for the project when the contract is drawn up. Dawn reviews the budget for obvious format and clerical errors. Then Austin reviews and approves the contract and budget and provides Dawn with a copy of both as well as a project # and name. Tamie/Kathy creates a contract folder and enters the budget into the system. In most circumstances, expenditures should not be charged until it is set up in the system. The cycle function in MIP is used to track the revenues and expenses to each project. Austin, Dawn, the Managers, and project planners receive periodic statements for each of their open projects, which details the budget vs. actual for revenues and expenses. Any problems or issues with the project are discussed at that time.

DISBURSEMENTS / PAYABLES/EXPENSES

Approval of purchases/expenses
Employees receive verbal approval from a supervisor prior to making a purchase. A petty cash fund (approx. $30 maintained by Dawn) is used to purchase small items. If the item is over $1,500, a purchase order is required. PO's are also used a) to track fixed asset additions, b) for any expenses related to newspaper ads, and c) for most Federal Transit (FTA) projects. Purchase request forms are maintained on the server. Employees fill out, print, and sign the purchase request, which is then approved by their Director and Austin (or Dawn in Austin's absence) in order to get a PO #. If the item is IT related the purchase order will require review by (IT) as well. A PO log is maintained in an excel spreadsheet that is accessible to only the accounting staff. Finance assigns a PO #, and the person requesting the PO forwards a copy to the PO Folder (this is maintained in the A/P office.)

Travel Reimbursements
All travel vouchers must be approved by a Director or Manager. A standard state form is filled out by the employee and submitted to their Director or Manager along with the supporting receipts to request payment for reimbursable expenses. Once the Director reviews and approves the form, it is forwarded to A/P who prepares the payment.

Credit Cards
Austin, Dawn, Kate/Jennifer, and Mary Beth have Regions credit cards which are to be used for business purposes only. Each card has a $7,500 credit limit. A Regions credit card which is used for gas purchases and car maintenance is in Kathy Scott Wetmore's name and has a credit limit of $5,000. WFRPC policy is that the credit cards are to be used for business purposes only. The credit account is held by WFRPC and the bills arrive at WFRPC addressed to each of the individual card holders. The card holders review their statement and submit receipts and documentation to show which project and expense account each amount should be charged to. A mileage log shows support for the card used for gas purchases. Credit card bills are then processed in the same manner as all other payables. The statements and related receipts are attached to the request for payment. The statements and receipts are reviewed by both of the check signers.

Disbursements
The receptionist opens the mail; date stamps the invoices, and sends to the Executive Director to be reviewed. Austin then distributes the mail to the Finance Director, the Managers, and employees. All invoices/reimbursements require approval from the responsible Director along with assignment of charge codes prior to Accounts Payable processing the invoice or reimbursement. Dawn reviews invoices prior to checks being cut; Tamie matches invoices to the PO and enters into A/P. The first page of the invoice is scanned and A/P attaches it to the MIP transaction print-out.

Check runs are typically done on Wednesday or Thursday. Blank checks are kept in a locked fireproof cabinet – Tamie and Dawn have access to the key. All checks require 2 signatures. Authorized check signers are Dawn, Austin, Mary Beth, Renee Quick, and Gary Kramer. The checks along with the supporting documents are given to the first check signer (almost always Dawn) who reviews the support, signs the check, and initials the invoice. The checks and back-up are then sent to Austin. Dawn/Tamie reviews the balance in the operating account to ensure there are sufficient funds prior to mailing the checks.

Per Dawn, on the very rare occasion that there are insufficient funds to cover a check, Austin and the Council Chairman must approve transfer of funds from the Money Market to Administrative account.

Electronic payments at this time are for payroll, retirement and a limited number of deposit only accounts. Deposit only accounts are used for vendors that have an existing Regions account and require immediate payment from the Council for payment or reimbursement; we call these EPV's or Electronic Payment to Vendor. EPV's are treated the same way as an invoice in Accounts Payable; the only difference being the method of payment. When an EPV is included in an Accounts Payable batch the check will be brought to Dawn after it has received two signatures. Dawn will then transfer the same amount of funds to the vendors account and provide a print out to AP to verify the amount that was transferred. The check is then marked with void.

Dawn has access to blank checks and is an authorized check signer. However, the 2nd signature requirement and Austin's review of the bank statement mitigates the risk of disbursement fraud.

Tamie is the only employee authorized to add new vendors or change vendor addresses, etc in the system. The review of invoices, 2 check signers requirement, and monthly review of budget to actual reports help mitigate any risk of fictitious vendors and disbursement fraud. In addition, detailed project ledgers are provided to Directors.

Wire Transfers
A limited number of wire transfers are required for certain projects. The wire transfers are completed at our local branch and require two signers with identification.

RECEIPTS/REVENUES

Billing
Tamie maintains a spreadsheet to keep track of how often each grantor should be invoiced (monthly, quarterly, etc). Tamie prepares the invoices based on the Budget and Detail reports in MIP. She also checks with the project planner to find out if there are any required documents that must be sent with the invoice. Austin or a Manager reviews and signs the invoices. The invoices are then forwarded to Dawn for her review and signature. A copy of the signed invoice is maintained. Jill, Tracy, and Cameron prepare invoices related to all other Transportation related projects in the same manner as above.

Electronic Billings
Dawn prepares electronic billings for FL-AL TPO, ECHO, JARC, and New Freedom projects. WFRPC acts as an agent for these funds. Based on their expenditures for certain projects, WFRPC invoices the Federal Transit Authority (FTA) over the internet, plus an operational fee for WFRPC which includes staff time spent on this work. Dawn submits a copy of the invoice to Mary Beth (or designee) for approval before entering the amounts to the FTA website. Austin also has authority to approve the invoices.

Receipts
Most revenues are billed as described above and are received either through the mail or via wire transfer. The receptionist opens the mail and forwards to Austin. Austin delivers receipts to Jill who records the receipts into an excel spreadsheet and prints out a listing of the receipts. Austin reviews the receipts while they are in his office and after Jill posts the transactions to the g/l. Jill prepares the deposit slip and an electronic deposit is made. Deposits are made as needed if a check for a significant amount is received. The deposit slip is given to Kathy along with the backup (printed receipts and check copies or check stubs). Jill compares the deposit slips provided to the listing, enters the information into MIP, and then submits the

report and back up documentation to Austin for his approval and signature. The checks typically contain the account # to which they should be coded in the memo line. Otherwise, the A/R weekly aging list is used to determine the account coding.

Wire transfers are typically received for amounts that have been invoiced and are recorded when notification has been received of the deposit. An electronic transfer receipt is created by Jill along with any information that is received in the mail to describe the payment such as from FDOT. A majority of payments come from FDOT. A copy of the bank account activity is sometimes used as documentation to show the funds have entered the bank account.

Per Dawn, cash (personal check) receipts are typically insignificant, most range from $10 - $100 per month with one retiree paying approximately $1,600 monthly. Personal checks are mostly made up of retiree insurance payments. Another type of cash receipts are charges for copies. If a client requests excessive copies, WFRPC will charge them for copies. Any cash received for the copies is insignificant as WFRPC rarely makes copies for clients. Austin receives any cash amounts and includes these amounts in the daily receipts packet and deposit.

BANK RECONCILIATIONS & BANK TRANSFERS

Bank statements are retrieved electronically from the Regions OnePass site. Kathy Scott, Dawn, Cameron, and Tamie have access to this site. Jill creates the monthly bank reconciliations. The bank reconciliations are reviewed and initialed by Dawn. Kathy, Cameron, and Dawn have the ability to make transfers between bank accounts online via usernames and passwords.

PAYROLL

Bi-Weekly Payroll Process
Through the use of PayPro Timesheets, employees electronically fill out and submit their timesheets on a bi-weekly basis. Directors and Managers will then electronically approve their employees' timesheets in this program. Leave requests are posted by employees through their timesheet in PayPro. All employees receive email notification from PayPro Timesheets that their timesheet has either been approved or rejected. Jill Strickler, Kathy Scott Wetmore, Cameron Smith, and Renee Quick have the ability in PayPro Timesheets to know when all timesheets have been approved for payment. The timesheet information is then processed by PayPro and pay checks are direct deposited every other Wednesday.

Time per the timesheets and leave sheets is divided between 1) Administrative hours, 2) Grant hours, 3) Benefit hours and 4) Leave Hours. Cameron Smith generates the entry for payroll, including taxes and deductions using the PayPro reports and several spreadsheets which help him break down the amounts charged to various projects (see below).

The time an employee spends working on a project is charged to that project based on charge rates. Each year, in conjunction with the budget process, The Finance Director creates a spreadsheet which calculates each employee's charge rate based on actual costs that will be incurred for each employee (his salary, benefits, payroll taxes, etc). The total cost is divided by 2,080 hours (hours in a year for a 40-hour work week) to arrive at the charge rate. A "Salary Transfer" spreadsheet is maintained for each employee by project which calculates direct and indirect amounts to be charged to each project. The indirect costs are calculated each year as a percentage (which can vary each year) of the total direct amount charged to the

project. This indirect cost rate is developed each year by Finance Director and approved by the Executive Director, as stipulated by the cognizant agency.

Electronic services offered by PayPro are used to receive payroll documentation. All employees receive their paycheck through direct deposit.

New / Terminated employees
HR Manager, Renee, enters new employees into ADP using the "New Hire" screen after she receives a new employee packet, including a W-4, employee information, an approved timesheet, and other required documentation. Cameron Smith and Renee Quick remove terminated employees from ADP after receiving written communication from Dawn or the Executive Director or Human Resources.

The Directors and Human Resources are responsible for hiring new employees. Pay rates are set based on WFRPC's classification/compensation plan, which gives a salary range depending upon the job classification. The Executive Director and Human Resources approve the final salary amount.

Employees may receive annual pay increases that are effective October 1st, when employee evaluations are performed. Annual raises for all staff are subject to Council approval. A memo signed by the Executive Director is maintained in each employee's file to document his/her raise. Cameron Smith enters the pay rate change into ADP after receiving documentation from Human Resources.

CAPITAL ASSETS
Items over $1,500 require a purchase order number. Items over $10,000 are to be approved by the Council. Items in excess of $25,000 are on a bid basis. Mary Beth Washnock has the authority to initiate the purchase of capital assets for the Transportation Planning Organizations (TPO's).

BUDGETS
Austin prepares the adopted budget for the WFRPC, with input from Dawn and the Managers. The budget is adopted and approved annually by the Council and submitted to participating governmental units. Budgets are entered into the general ledger software in order to track budgeted amounts against actual results. Budgets are monitored against actual activity at least on a monthly basis, if not bi-weekly. See the GRANTS/CONTRACTS section above for discussion of budgets related to specific contracts.

JOURNAL ENTRIES
Kathy prepares a journal voucher which is approved by Dawn and then filed by month.

FINANCIAL STATEMENTS
Kathy prepares monthly balance sheet and income statement which includes budget amounts and variances. These financial statements are distributed to Austin, the Council members, and Senior Planners and Planners who are in attendance at the monthly Council meetings. The Council approves the financial statements at the monthly meeting.