ADDENDUM B – INFORMATION ONLY – DO NOT PRINT

Financial Reporting Requirement Policy

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| Organizations with a Total Annual Gross Income | Financial Reports  (1 copy) | Additional Documents  (1 copy) |
| Exceeding $300,000 | 1. Balance Sheet – current as of application date 2. Profit & Loss Statement – current as of app date 3. Balance Sheet as of most recent fiscal year-end 4. Profit & Loss Statement as of most recent fiscal year-end | 1. Audit performed in accordance with generally accepted accounting principles (GAAP) by an independent audit firm 2. Most recent IRS Form 990 |
| $151,000 to $300,000 | 1. Balance Sheet – current as of application date 2. Profit & Loss Statement – current as of app date 3. Balance Sheet as of most recent fiscal year-end 4. Profit & Loss Statement as of most recent fiscal year-end | 1. Review performed by an independent certified public accountant 2. Most recent IRS Form 990 |
| $150,000 and below | 1. Balance Sheet – current as of application date 2. Profit & Loss Statement – current as of app date 3. Balance Sheet as of most recent fiscal year-end 4. Profit & Loss Statement as of most recent fiscal year-end | 1. Written response to the financial questions below. |

*For organizations with a total gross annual income of $150,000 or less ONLY:*

If an audit is not performed, then the organization will follow the guidelines below.

1. A written statement from a financial committee of the board or the treasurer of the board stating that the committee or treasurer independently reviews the financial records and signs off on an annual financial report each year. The financial committee members or treasurer should have a financial accounting background.

2. A statement describing the process used to ensure that opportunities for embezzlement, fraud, or fiscal mismanagement are minimized. This process shall include, but is not limited to:

* 1. brief description of division of financial duties,
  2. reviewing the bank statements and bank statement reconciliations,
  3. check writing procedures, including any need for more than one signature,
  4. checking receipts to see if they match checks and are for approved expenses (at least spot checking, this should be done as checks are written on a monthly basis),
  5. checking records for income and making sure process is in place to thank donors,
  6. checking balances on computer software vs. bank accounts,
  7. checking any payroll records to match against State and Federal filings and hours for employees,
  8. checking that expenses fall within board approved budget guidelines, and
  9. checking cash balances and assuring that adequate funds are available for obligations.

NOTE: If an audit is not performed:

         Program outcomes must still be demonstrated and verifiable.

         United Way of Central Kansas reserves the right to conduct an on-site inspection of agency’s books & records.