
315.50**Financial Requirements****Overview**

Required policies

All WIC contract agencies must have written financial policies and procedures for:

- Supply distribution;
 - Purchasing, bidding, and selection;
 - Check writing and control;
 - Billing; and
 - Accounting/bookkeeping
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Other fixed controls

All WIC contract agencies must have:

- An independent financial audit completed annually,
 - Expenditure controls to prevent over-billing of yearly budgets,
 - Valid signed time records for project staff that clearly indicate the amount of time the individual spends on each program area, and
 - Generally accepted accounting practices and procedures that meet the minimum requirements as established in this manual.
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In this policy

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Required Accounting Records

Introduction All WIC contract agencies must have the following permanent accounting records.

Cash receipts register The cash receipts register lists each receipt of cash or checks with:

- Date received,
- Payer's name,
- Brief description,
- Amount received, and
- Account credited.

Cash disbursements register The cash disbursements register lists each disbursement in check number order with:

- Date paid,
- Payee,
- Check number,
- Amount paid, and
- Account charged.

General ledger The general ledger summarizes the monthly postings from cash receipts and cash disbursements registers by general ledger account, with adequate identification of expenses by each grant or contract.

Journal entries Journal entries contain explanations and amounts of any adjustments to the general ledger accounts.

Payroll time reports Time reports show the hours worked on each separately funded program or grant, and total individual effort. Records must be broken out by program activity on each time report.

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Required Accounting Records, Continued

Payroll register The payroll register lists for each employee:

- Gross pay,
- Federal and state tax withheld,
- Other amounts withheld,
- Net pay, and
- Check number for each paycheck.

Note: The payroll register may be included in the cash disbursements register at small agencies.

Individual earnings records

Individual earnings records list cumulative earnings during the year for each employee.

Other Required Documentation

Expense documentation

The agency must keep the following documents on file:

- Bank statements and canceled and voided checks;
 - Invoices and bills for purchases of supplies, equipment, telephone, utilities, services, etc.;
 - Travel claims with receipts for commercial transportation and lodging costs reimbursed to employees;
 - Time reports and payroll registers;
 - Copies of leases for office and equipment rental;
 - Tax deposit receipts for withholding tax payments;
 - Copies of monthly and final expenditure reports submitted to the Iowa Department of Public Health; and
 - Copies of the budget, contract, amendments and all related correspondence.
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Agency policies

The agency must follow these policies:

- All expenses must be paid by prenumbered checks;
 - All receipts (cash and checks) must be listed individually and deposited in a bank account intact; and
 - If one employee has control over all cash functions (receiving funds, making deposits, reconciling bank statement, making payment, preparing payroll), that employee must be bonded.
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Multiple programs

If the agency has more than one program, develop a plan for cost allocation to indicate how costs are distributed equitably to each program. The allocation plan should cover all joint costs of the agency.

Support all costs included in the plan by formal accounting records that will substantiate the propriety of eventual charges. This includes costs to all programs of the agency which are to be included in costs of federally sponsored programs. This plan should contain:

- The nature and extent of services provided and their relevance to the program,
- The items of expense to be included, and
- The methods to be used in distributing costs.

Review the plan annually for necessary revisions.

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Other Required Documentation, Continued

Fringe benefits Personnel whose salaries are supported in part or in whole by WIC funds must be offered the same package of fringe benefits as other employees of the agency.

Fringe benefits may not be requested for employees whose salaries receive no support from WIC funds.

Fringe benefits provided by the agency must be included in the agency's written personnel policies.

Local Agency Audits

Introduction Each local WIC agency is required to have an internal audit of the WIC Program according to IDPH General Conditions, Audit or Examination of Records.

Audit guidance Audit guidance has been sent to all agency directors to assist them in securing an independent CPA firm and conducting an audit that meets federal and state requirements.

Submitting audit report Submit the audit report to the Iowa Department of Public Health, for review by the Department, Bureau of Finance Financial Reviewer.

Monitoring Staff of the state WIC office monitor agencies for compliance with recommendations of the audit report.

Assistance Technical assistance is available from state staff. Contact the Department, Bureau of Finance Financial Reviewer at (515) 281-7225 with questions regarding audit requirements.
