

NEVADA INSTITUTE FOR AUTONOMOUS SYSTEMS

Accounting Policies & Procedures

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I. INTRODUCTION

A. General. The purpose of this document is to describe the existing accounting and business policies and procedures that have been established as the norm at the Nevada Institute for Autonomous Systems (NIAS), and to serve as a valuable reference guide. These policies and procedures have been designed to help safeguard the NIAS's assets and to promote accuracy, efficiency, and consistency in accounting and business within the Organization.

B. Account Management Responsibilities. The following are brief descriptions of the account management responsibilities of the various positions.

Acting Executive Director:

- a. Review contract clients and coordinate legal review if necessary.
- b. Review NIAS billings to clients.
- c. Approve expenditures.
- d. Co-sign checks.
- e. Payroll & Benefit coordination.
- f. Oversee the financial operations of the Organization

NIAS Staff:

- a. Assist the Acting Executive Director with the daily tasks of the operations.
- b. Process client billings and maintain an accounts receivable ledger.
- c. Place a restrictive endorsement on all checks when received.
- d. Deposit all checks on a weekly basis.
- e. Process vendor payables when necessary and forward to Acting Executive Director for approval.
- f. Make copies and maintain files for all client receivables and vendor payables.
- g. Reconcile revenues and expenses for each contract.

Treasurer:

The Treasurer has oversight of both bank accounts, cash management, financial reporting and income tax reporting. The Treasurer approves certain expenditures and co-signs all checks.

Accountant:

The Accountant is responsible for most accounting functions and financial reporting. The Accountant reconciles both bank accounts on a monthly basis, and maintains all accounts receivable and payable ledgers.

II. FINANCIAL REPORTING

A. A Statement of Financial Position and Statement of Activities will be distributed by the Accountant to the Board of Directors three business days before all Board meetings for their review and approval. In addition, the Treasurer will regularly review the bank reconciliations, bank statements, accounts receivable report, and copies of all cancelled checks.

III. REVENUES AND RECEIPTS

A. Sources of Revenues. NIAS's revenues are derived from various sources including grants, contracts services and sponsorships.

B. Billings and Collections

1. Billings. Billings for services and sponsorships are prepared and mailed out as needed by the NIAS staff. The invoices for services are due within 30 days. NIAS does not currently have a late payment charge. Event sponsorships should be paid in advance of the event and it is the NIAS staff's responsibility to ensure that all funds are collected before the event.
2. Collections. Most receipts (checks) paid to NIAS are received by the NIAS staff and are endorsed "For deposit only" and are deposited into the NIAS operating account at Bank of Nevada. Once a week the Accountant will post the cash receipts into QuickBooks (accounting software).
3. Write-Offs of Bad Debts. No accounts will be written-off unless the Board of Trustees approves this action.

IV. CASH MANAGEMENT

A. Petty Cash. The Alumni Association does not have a Petty Cash fund.

B. Bank Accounts. All monies received by NIAS are deposited into the operating account to facilitate control of available funds. NIAS has a second bank account at Bank of Nevada, which is rarely used, and has been designated for PMO services.

C. Bank Reconciliations. Bank reconciliations are performed monthly by the Accountant and are reviewed by the Treasurer.

V. PURCHASING AND CASH DISBURSEMENTS

A. Purchase of Goods and Services. All purchases and expenditures of funds must meet the ordinary business standard of reasonable and necessary, with prudent consideration to NIAS's limited financial resources. Purchases of goods and services over \$_____ on behalf of NIAS should be authorized by the Acting Executive Director, and should not generally exceed the budgeted amounts. Unanticipated expenses should be approved by the Treasurer unless it is less than \$_____.

B. Cash Disbursements. All invoices submitted to NIAS for payment must be reviewed and approved by the Acting Executive Director and Treasurer. After both approvals, the Treasurer will prepare a check for payment. All checks require two signatures (Acting Executive Director and an officer or two officers). All invoices are dated and the corresponding check number is recorded on or attached to the invoice. NIAS staff file the paid invoices in the appropriate vendor file, and forward a copy to the Accountant so that it can be entered into Quick Books software.

VI. FIXED ASSETS

A. Definition. The term fixed assets refer to NIAS's tangible properties that have useful lives that benefit the Organization over a period of years. These assets include all types of equipment and furniture.

B. Authorization for Purchases. Purchases of fixed assets should be approved by the Acting Executive Director and the Treasurer.

C. Capitalization Policy. It is the policy of NIAS to capitalize fixed assets with a cost of \$1,000.00 or more, and with a useful life benefiting the Organization one year or more.

D. Disposal of Fixed Assets. No assets of value should be sold, traded-in, or otherwise disposed of without the approval of the Treasurer.

VII. BUDGETING

A. The Budget Cycle. Planning for the annual operating budget begins in the fall for the next fiscal year. The budget is prepared by the Acting Executive Director and reviewed by the Treasurer. The Board of Trustees is asked to review and approve the budget. The budget reflects normal expenditures necessary for the day-to-day operations of the Organization.

VIII. YEAR END CLOSE

A. Fiscal Year Closing Procedures. The Organization's fiscal year ends on December 31st.

B. Tax Status. In accordance with the Internal Revenue Code, NIAS files IRS Form 990 as a 501(c)(3) exempt organization. The IRS Form 990 is the annual federal information return filed by all non-profit corporations that are exempt from federal income tax.

IX. TRAVEL AND OTHER ITEMS

A. Business Travel Policies, Advances, and Reimbursement.

1. General. All necessary and reasonable expenses for authorized NIAS travel will be paid or reimbursed in accordance with the following guidelines: Upon completion of a trip, the required receipts to document business related expenses must be provided to the Acting Executive Director within 10 days.

2. Transportation.

- a) Airplane. All efforts should be made to obtain the lowest coach fare (or other intermediate class) available. This usually requires 14 to 30 days' notice, and often a non-refundable ticket. Only if such accommodations are not available, or would be inconvenient to use, is First Class or other travel allowable.
- b) Automobile. Travel by private auto is reimbursable at a fixed rate per mile, provided such total reimbursement does not exceed equivalent air coach fare or other reasonable available transportation. The mileage rate is determined by the IRS guidelines.

3. Meals, Lodging, and Other Expenses.

- a) Meals. Reasonable and customary expenses for meals and tips are reimbursable. Meal expense should be claimed only when there is an out-of-pocket meal expense. Out-of-pocket meal expenses should generally be limited to \$_____ or less per day.
- b) Lodging. Reasonable hotel/motel expenses, when supported by receipts, are reimbursable. No maximum is established since it is recognized that reasonable expense differ according to size of city and area of the country.
- c) Other Necessary Miscellaneous Expenses. Reimbursement is provided for such items as customary gratuities, parking, business telephone calls, and registration fees at conferences and conventions. Such expenses must be supported by receipts.
- d) When NIAS staff rents a vehicle when traveling for NIAS business, NIAS will provide auto insurance on the rental vehicle.