

KANSAS LAND TRUST
General Financial Management Practices

Financial Records

It is the practice of the Kansas Land Trust (KLT) to keep accurate, clear and credible financial records in accordance with Generally Accepted Accounting Principles (KLT generally utilizes a cash basis for accounting purposes on advice of its outside accountants). KLT currently employs QuickBooks for its financial records. KLT utilizes a double-entry cash-based accounting system, which includes:

- A general journal for all transactions
- Ledgers for all accounts and balances
- Trial balance for verifying input of records
- Income Statement to record revenue and expenses
- Balance Sheet to show the financial position of KLT
- Annual budget data

Financial Reports and Statements

Each member of KLT's Board of Directors receives the following reports on a quarterly basis:

- Year-to-date income and expense report, which summarizes the types of support and revenue received and the expenses incurred to operate KLT;
- Year-to-date income expense report that compares the same to the budget; and
- Balance Sheet, which presents total assets, liabilities and equity of the organization;
- Summary of checking, operational reserve, savings, and investments along with financial accounting for unrestricted and temporarily restricted uses including stewardship and legal defense funds, board designated funds, grant funds, and donor restrictions.

Financial Compilation, Review or Audit

KLT has adopted the practice of having an annual financial compilation, final review, or a single-audit completed by an outside certified public accounting firm, conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audit also includes assessing the accounting principles used made by management, as well as evaluating the overall financial statement presentation.

Internal System for Handling Money

As a matter of practice, more than one employee, as well as KLT's outside accountant, each has responsibility for various internal financial and bookkeeping processes for KLT. The processes and responsible individuals are set out below:

Mail: Donations and revenue received by mail are reviewed by two individuals and initialed. These documents are scanned and recorded. Bank deposit slips are reviewed by two individuals and initialed. Bank deposit slips and checks are scanned and recorded.

Payroll: KLT employees keep itemized monthly timesheets. All employee timesheets (except for the Executive Director's) are reviewed and approved by the Executive Director, while the timesheets of the Executive Director are reviewed by a Board member. KLT's outside accountant are responsible for payroll generation and processing of all benefit contributions. Employees' reimbursement requests are approved by the Executive Director; except that reimbursement requests of the Executive Director are approved by a Board member. Payroll is deposited in each employee's bank account via electronic depositor or a monthly check prepared by KLT's outside accountant and signed by KLT's Executive Director. Reimbursement checks are signed by the Executive Director or a KLT Board member. Reimbursement checks to the Executive Director are approved and signed by a KLT Board member. Records of financial documents are managed according to KLT's Record Policy.

Invoices: All invoices require review and approval by the Executive Director, who indicates approval in writing on the invoice. Approved invoices are given to KLT's outside accountant for recording and processing in QuickBooks. The Executive Director approves and signs payments made by paper checks, and assures that online payments are made correctly. Paper copies of invoices are kept in monthly expense files in KLT's office according to KLT's Record Policy.

Online Credit Card Contributions: Online credit card contributions are entered into Microsoft Access by a KLT representative or volunteer, and entered into QuickBooks by KLT's outside accountant. Payments are reconciled monthly with bank statements and the online payment processor's statement (e.g. Stripe or other vendor).

Uncashed Checks: All uncashed checks are cancelled after one year from date of the check. Checks may be reissued upon request from the payee.

Bank Deposits: All donation checks are opened in the presence of the Executive Director and another person. Checks for deposit receive a stamped endorsement. These checks are then stored in a file cabinet until deposit. The donation amounts and donor are regularly entered into Microsoft Access. Checks received in payment of invoices for fee for service work are opened in the presence of two persons. These checks are kept in a file cabinet until ready for deposit. A deposit slip is prepared for deposit of all checks. Each deposit slip is reviewed and initialed by the Executive Director in advance of the actual deposit of the checks. The deposit slip is reviewed by another person for accuracy. The checks are then deposited at the bank by a KLT staff person or intern. The deposit slip is then reviewed again (to assure that all checks were actually deposited) by the Executive Director. The deposit slip is then given to KLT's outside accountant for entry of the deposit into QuickBooks, and the deposit slip is then filed in the monthly account file in KLT's office.

Bank Statement Reconciliation: Bank statements are reconciled on a monthly basis by KLT's outside accountant via QuickBooks. The reconciled statements are then reviewed by KLT's Executive Director and a board member. These statements are filed in a bank account file in KLT's office. Any discrepancies in the reconciliation are referred by staff to a member of KLT's Board of Directors.

Journal Entries: General journal entries are made by KLT's outside accountant. All journal entries are traceable through QuickBooks' "audit trail" module.

Grants, contracts and other awards: The Executive Director is responsible for the oversight of all grant, contract and award expenditures and for compliance with all grant, contract and award programs, including all grant reporting requirements. The Executive Director is responsible for assuring that a Schedule of Expenditures of Federal Awards is prepared when required by a federal agency or regulation. All grants, contracts, and other awards are recorded in QuickBooks by KLT's outside accountant.

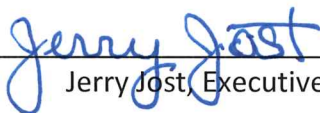
Credit Cards: The KLT credit card is used for legitimate KLT expenses only. Currently, one credit card is issued on the KLT account for the Executive Director. KLT employees are prohibited from using the KLT credit card for personal use. All credit card charges are reconciled with supporting documentation prior to payment. All credit card payments are reviewed by the Executive Director and a KLT board member.

Service Vendor Accounts: All KLT service vendor accounts (email marketing, printing, etc.) are used for KLT activities. All service vendor account charges are reconciled with supporting documentation and approved in writing by the Executive Director before payment is issued.

Transfers: All transfers (intrabank, wire, etc.) are initiated by the Executive Director and executed by the Executive Director. In all cases, supporting documentation is kept in the appropriate file. KLT's outside accountant records each transaction in QuickBooks.

This document provides a guide for good financial practices and accounting.

Initially approved by KLT staff, May 14, 2012; updated and approved on September 21, 2021.



Jerry Jost, Executive Director



Dawn Buehler, Board Treasurer