Financial Close and Reporting Policy

**Purpose:** The intent of this policy is to describe process for month end and fiscal year closing

**Policy:** The month end closing procedures will ensure that all transactions have been properly posted to the General Ledger including but not limited to:

* Cash receipts and disbursements
* Accounts receivables
* In-kinds
* Bank reconciliations & resulting journal entries
* Depreciation
* Rents both payable & receivable
* Monthly insurance accrual entries

The month end closing procedures are the responsibility of the Comptroller

**Procedure and/or Process:**

Prior to closing the Comptroller reviews all journal entries and the Trial Balance report and determines that all transactions have been posted properly.

CDS has several locations, most of which offer services covered by one contract or funding source: therefore, where possible, costs that are specifically identifiable are charged directly to that contract via a separate department in the accounting system. Costs in locations covered by one contract offering several services are apportioned by percentage of direct service salaries. Administrative costs are apportioned by the weighted average method.

The Comptroller and COO review timesheets and payroll reports every payroll-processing period.

Upon completion of the above each month, combined comparative financial statements are prepared which compare actual against the prior year with variance and variance percentages. The Comptroller investigates any unusual fluctuation or unexpected variances in preparation for the monthly Budget and Finance and Board meetings.

At the end of the fiscal year, the above monthly process is performed for the month of June. Additionally The Comptroller posts:

* The accrual entries for salaries, vacation and sick time.
* The Prevention Director receives in-kinds from the various school systems for the Comptroller to post.
* The Comptroller assures the Asset system is reconciled to the general ledger.
* Additional entries are performed if needed. The trial balance ending balances are reviewed for correctness.

The general ledger is then turned over to the audit team upon satisfactory review.

**Capturing and processing non-routine information:**

JMCo will reconcile and examine the schedules of federal awards and the schedule of SAMH, as included in the financial statements. The information contained in the schedule of functional expenses is generated from CDS management.

The note disclosures come from a variety of sources. The notes are generated from various planning forms, audit work papers, and PF documents.