



Policy Number: VII - GOVERNANCE - 14
Policy Name: **EXECUTIVE DIRECTIVES – FINANCIAL MANAGEMENT**

Adoption Date: May 8, 1998
Revision Date: February 2002, April 2016, October 10, 2019
Review Date: February 2009, April 2016, October 10, 2019

Purpose: To assure that resources are appropriately maintained and protected.

Policy: The Executive Director:

- A. Manages fiscal activities consistent with the Board’s approved appropriation and annual budget.
- B. Operates with a financial accounting system that adheres to State of Idaho requirements.
- C. Assures a safety reserve of not less than eighteen (18) months of operations at all times. This policy, along with annual revenues, expenses, and cash balances is to be reviewed annually to determine needed adjustments based on foreseeable future expense and revenue impacts.
- D. Maintains all finance and asset files and records in accordance with State guidelines
- E. Reports quarterly to the Board on the financial position and operations of the board
- F. Adheres to State of Idaho purchasing guidelines/ polices
- G. Receives, processes and disburses fund in accordance with State of Idaho guidelines
- H. Holds contractors accountable to contract terms and conditions, including agreed upon fiscal constraints



Policy Number: IV - ORGANIZATIONAL MANAGEMENT - 11

Policy Name: **FINANCE - INTERNAL CONTROLS**

Adoption Date:

Revision Date:

Review Date: 4/1/09

Purpose: To establish the process for assuring reliable financial reporting systems are in place and the Board is in compliance with the laws, rules and policies controlling its financial activities.

- Policy:
- A. Financial transactions of the Board shall be managed through the state EIS and STARS systems to assure:
 - 1. Accuracy: the correct amount of each transaction shall be recorded in the appropriate spending category and in the right time period.
 - 2. Completeness: each transaction shall be recorded to reflect the necessary specific details of the activity
 - 3. Maintenance: accounting records shall accurately reflect the financial operations of the Board.
 - 4. Security: asset and accounting records shall be properly stored and safeguarded to prevent theft, alteration and destruction.
 - B. All financial transactions shall be examined for evidence that a recorded transaction actually took place and that it occurred in accordance with prescribed procedures.
 - C. Financial records of the Board shall be regularly audited consistent with processes established by the State Controller's Office and according to the audit schedule established by the SCO.
 - D. Processes and procedures shall be implemented in order to prevent fraud, misappropriation and other fiscal irregularities to include:
 - 1. Segregation of duties
 - 2. Access restrictions
 - 3. Adequate authorization and record-keeping procedures
 - 4. Assurance of personnel integrity
 - 5. Internal review procedures
 - 6. Efficient, effective resource use
 - 7. Compliance with all state directives
 - E. The executive director will facilitate an annual internal audit of compliance with established risk management internal control processes



Policy Number: IV - ORGANIZATIONAL MANAGEMENT - 12

Policy Name: **FINANCE - FINANCIAL PLANNING**

Adoption Date:

Revision Date:

Review Date: 4/1/09

Purpose: To ensure that planned activities minimize financial risk and are consistent with Board-approved goals and established priorities.

Policy:

- A. Annually, the executive director shall prepare a proposed budget for submission to the Division of Financial Management in accordance with the established time frames and format. The budget shall reflect the priority strategic objectives approved by the Board for the fiscal year under consideration.
- B. The proposed budget will be presented to the Board at the initial meeting of each fiscal year as a matter of information.
- C. The proposed budget shall be planned to maintain a fund balance in an amount equal to at least six months of current year operating expenses.



Policy Number: IV - ORGANIZATIONAL MANAGEMENT - 13

Policy Name: **FINANCE - FINANCIAL AND ACCOUNTING REPORTING**

Adoption Date:

Revision Date:

Review Date: 4/1/09

Purpose: To ensure that the ongoing financial condition is consistent with strategic objectives and priorities established by the Board.

- Policy:
- A. The Board shall maintain an effective accounting system.
 - B. The executive director and management assistant shall review accounting of financial transactions monthly and shall report quarterly to the Board on the financial position and operations of the organization.



Policy Number: IV - ORGANIZATIONAL MANAGEMENT - 14

Policy Name: **FINANCE - BOARD OF NURSING FUNDS**

Adoption Date:

Revision Date:

Review Date: 4/1/09

Purpose: To ensure that Board funds are adequately protected and maintained.

- Policy:
- A. The Board shall maintain an effective system of cash management to meet financial obligations that anticipates and satisfies resource needs and that ensures that disbursements are only for valid transactions.
 - B. Board of Nursing use of purchasing credit cards (P-Cards) shall be prudent and purchases shall be related to the business of the Board. P-Cards shall be used and managed in accordance with applicable State of Idaho policies.
 - C. All cash and checks received shall be receipted and promptly deposited consistent with established Board of Nursing internal controls procedures and SCO policies.
 - D. A nominal amount of cash shall be maintained in the office to facilitate change for fee payments received by cash. The Management Assistant is responsible to assure proper accounting and protection of the cash on hand.



Policy Number: IV - ORGANIZATIONAL MANAGEMENT - 15

Policy Name: **FINANCE - PURCHASING AND CONTRACTS**

Adoption Date:

Revision Date:

Review Date: 4/1/09

Purpose: To ensure that the determination of the need for goods and services is made by appropriate personnel and consistent with State of Idaho guidelines, and that the Board follows a practice of ethical and responsible practices related to purchasing, agreements and contracts.

- Policy:
- A. The purchase of all goods and services shall be consistent with the Board's established budget and authorized by the executive director or his/her designee.
 - B. All purchases, and contract decisions shall be consistent with processes approved by the Department of Administration, Purchasing Division.
 - C. Purchase/expenditures decisions in excess of \$10,000 shall be reported to the Board and reflected in minutes.