

Accounting Policy

1. Background

- a) An accounting policy addresses the accounting methods utilized and the manner in which revenues are collected/recognized and expenditures are disbursed/incurred.

2. Financial Statements

- a) All activities for which the County exercises oversight responsibility are incorporated into the financial statements to form the reporting entity.
- b) The year-end financial statements shall be formulated based upon accounting standards and the Comprehensive Annual Financial Report (CAFR) will be prepared at the conclusion of the County audit.
- c) Quarterly financial reports shall be presented to the Board of Supervisors for the second and third quarter each fiscal year as well as a preliminary year-end report.

3. Fund Accounting

- a) Accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity.
- b) Appropriate accruals of revenues and expenditures will meet all standards of revenue and expenditures recognition.
- c) Purchase orders, contracts and other commitments for expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.
- d) For funds that require an appropriation, the Board of Supervisors approval is required for the establishment of any new fund.

4. Capital Assets

- a) Capital assets shall be capitalized for unit costs greater than a \$5,000 expenditure for which useful life exceeds five years and meets capital definitions of land, building, improvements to building, infrastructure or equipment.
- b) Capital assets shall be depreciated over the estimated useful life of the asset using auditor accepted depreciation manners.

5. Check Disbursements and Bank Transfers

- a) All checks and bank transfers generated by the County and Treasurer's Office will contain dual signatures with one signature representing an authorized signature of the County and the other signature representing an authorized signature of the Treasurer's Office for all disbursements and transfers that move County funds from a County account to a non-County account (e.g., debt service payments).
- b) Manual checks with dual signatures will only be issued in circumstances that are deemed appropriate by the Finance and Management Services Director.
- c) All disbursements of funds will have proper supporting documentation attached (e.g., vendor's invoice) and be filed in a manner to provide the proper audit trail to such disbursement.
- d) Petty cash locations shall be established at Finance and Management Services and the Community Services Board.

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6. Petty Cash

- a) Petty cash funds shall be maintained at two locations (County Complex and Rt. 1 Human Services Complex) in order to provide timely reimbursement for expenses incurred by an employee and/or department that do not exceed \$50 per transaction.
- b) Petty cash funds shall also be established at cashiering points with such funds utilized solely for cash drawers in providing change for County business transactions.
- c) Internal controls shall be followed in ensuring that any assigned person with oversight over petty cash fund distribution performs such function with appropriate reconciliations, safeguarding of petty cash, surety bond coverage and other control practices.

7. Record Retention

- a) All records shall be retained in accordance with the State of Virginia's Library and Archives Public Records Management policies.

8. General Ledger Entries

- a) All journal and budget entries shall contain at least two signatures authorizing entry with at least one signature representing a supervisor in Finance and Management Services.
- b) School Board journal entries shall contain at least two signatures with at least one signature representing a supervisor in School Board or County Finance and Management Services.

9. Fiscal Agent

- a) The County's role as fiscal agent for the Pamunkey Regional Jail Authority shall be in accordance with all County policies and procedures unless otherwise noted.

10. Accounting System

- a) The County shall maintain one centralized accounting system, including the School Board, whereby all payroll, general ledger, cash receipts, cash disbursements and other accounting transactions are properly recorded.