



November 6, 2018

Management Response to ■■■ “Recommendations to Management” FY2018:

1. Implement procedures to ensure credit card supporting documentation is properly obtained, maintained, and approved.
 - a. Per audit recommendation concerning review or approval of the Executive Director’s credit card statement for statements with balances under \$1,000, ■■■ has revised policy to state:
 - All receipts for expenditures must be turned in at least quarterly to the Treasurer for review and approval.
 - b. Per audit recommendation for missing receipts (recurring and nonrecurring) ■■■ has implemented the following policies and practices:
 - A pre-approval process for recurring invoices to permit payment by the Finance Director without having to get approval and/or check request for each invoice. The list will include payee, max amount etc and will be reviewed on an annual basis.
 - Expenditures under \$25 do not require a receipt unless the expense is related to Individualized or Agency-wide training
 - In the event a receipt is lost and a duplicate receipt cannot be obtained by the merchant, a cardholder will complete a Missing Receipt Affidavit. By using the Affidavit, employees are stating that the related expense is in compliance with ■■■ policy and qualifies as a legitimate business expense. In completing the Affidavit, employees must provide a detailed description of the expense, date, and amount. Affidavits must be signed by the employee and supervisor.
2. Enhance controls over credit cards.
 - a. Per audit recommendation that credit cards be issued to only a few essential employees and that their usage be kept to a minimum, ■■■ has reviewed current cardholders and determined essential needs and thresholds and revised policy as follows:

- Credit cards will be issued to employees, only with approval of the Executive Director and Treasurer of the Board of Directors (Treasurer).

- The following card limits have been established by management and are based on demonstrated need.
 - Executive Director – \$10,000
 - Program Directors/Managers - \$3,000
 - Administrators and Coordinators - \$1,000

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Purchases using [REDACTED] credit cards must be within the budget approved by the Board of Directors. Purchases outside of budgeted limits may not be made without prior approval of the Executive Director.

Sincerely,

[REDACTED]

Executive Director