

Policy:

It is the policy of the King County Regional Homelessness Authority (“KCRHA” or “the Authority”) to comply with Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB). Detailed below are the general accounting policies that the KCRHA follows:

**Fiscal Year**

The KCRHA operates on a fiscal year that begins on January 1 and ends on December 31.

**Financial Systems**

Automated and manual accounting systems shall be maintained and reconciled to provide comprehensive and consistent accounting reporting system that meets federal, state, and local regulations and requirements, as well as generally accepted accounting principles.

**Record Keeping**

All financial records are retained for a period of time in keeping with federal and state law and the recommendations of the Internal Revenue Service. Records are also retained as a function of the Authority’s commitment to financial transparency. It is the Authority’s policy to retain all financial records for 10 years unless permanent records are required by specific statute to be retained permanently.

**Security of Accounting Data and Records**

It is the Policy of the KCRHA to ensure that all accounting records are safeguarded to protect from theft, misappropriation, fraud, misuse or unapproved destruction. Only duly authorized personnel are allowed access to original and electronically stored accounting data. It is the policy of the KCRHA to utilize passwords to restrict access to accounting software and data.

The Authority desires to maintain a paperless environment. Electronic supporting documentation for transactions shall be safeguarded to ensure that the documentation cannot be changed or altered, including scanned documents.

## **Budget**

It is the Policy of the KCRHA to annually prepare for approval a KCRHA operating budget in accordance with the Internal Location Agreement to be submitted for recommendation by the IB, for approval by the GC. The CEO shall annually present an overview of the proposed budget to the Seattle City Council, or designated committee thereof, to the King County Council, or designated committee thereof, and to the Regional Policy Committee, at the discretion of the regional committee, and to any other participating city.

It is further the policy of the KCRHA to submit various general financial and budgetary reports to the IB and GC to provide information about the Authority's operations. These management reports may be prepared on a cash or other basis as clearly indicated on the reports.

## **Funding Allocation Report**

It is the Policy of the KCRHA, in coordination with the IB, to develop and transmit to the GC an annual funding allocation report, including but not limited to the sources and distribution of funding across program types and across cities, towns and unincorporated areas in King County. (ILA Article VII Section 2 i (vi))

## **Chart of Accounts**

It is the policy of the KCRHA to maintain a standard chart of accounts that supports the information shown in the major financial statements and that is compliant with federal, state and local regulations.

## **Journal Entries and General Ledger Maintenance**

All journal entries must be self-balancing and include proper account for each line of the journal entry. Journal entries must be reviewed and approved. Only valid transactions are recorded and reported.

All transactions occurred during the period must be recorded and report to proper fund(s) and account(s). Transactions must be recorded and reported as properly valued and calculated amounts. Recorded and reported transactions must accurately reflect legal rights and obligations.