



**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Telecommunications Access ) Docket No: 910496-TP  
System Act of 1991 ) Filed: June 28, 1991

**PETITION FOR REVIEW AND APPROVAL**

Florida Telecommunications Relay, Inc., hereinafter FTR, through its undersigned attorneys, petitions the Commission to review and approve the preliminary operational plan and procedures required to be filed by Order No. 24462, Docket No. 910496-TP, and in support states as follows:

1. FTR was incorporated as a non-profit association in the state of Florida on June 13, 1991, for the purpose of acting as the Administrator of the telecommunications access system established by Section 427.704(2) of House Bill 2427. FTR was incorporated by the 13 local exchange telephone companies (LECs) as ordered by the Commission in Order No. 24462.
2. The Articles of Incorporation of FTR have already been filed with the Commission. The Articles name an initial Board of Directors.
3. Order No. 24462 requires that the operational plan and procedures shall address specific points.
4. The Board of Directors met on June 28, 1991, and thoroughly discussed and adopted the plan which is attached hereto as Appendix A, which is incorporated herein by reference and is submitted for review and approval.
5. The Board of Directors believes that the plan is in compliance with Order No. 24462, and, therefore, requests approval. The Board of Directors is willing to provide any explanation or amplification desired by the Commission or its staff. For this purpose, please contact the undersigned, and appropriate Board members will be contacted and made available for consultation.

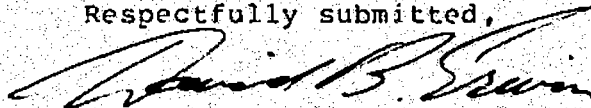
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RECORDS/REPORTING

6. The plan was ordered to be filed on June 14, 1991, but due to the fact that incorporation was not accomplished until June 13, 1991, an extension of time to June 28, 1991, was sought by the undersigned on June 13, 1991.

Respectfully submitted,



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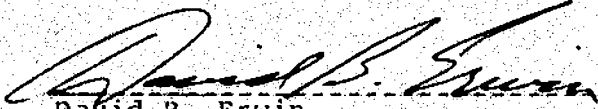
**CERTIFICATE OF SERVICE**

I HEREBY certify that a copy of the foregoing Petition for Review and Approval has been sent by U. S. Mail on this 28th day of June, 1991, to the following:

Mr. Harry Anderson  
Chairman, Advisory Committee  
16 Barcelona Avenue  
St. Augustine, Florida 32084-5302

Anthony M. Lombardo  
Chairman of the Board  
Florida Telecommunications Relay, Inc.  
c/o Southern Bell Telephone & Telegraph Company  
150 South Monroe Street, Suite 400  
Tallahassee, Florida 32301

Richard Tudor  
Division of Communications  
Florida Public Service Commission  
101 East Gaines Street  
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(904) 878-7138

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

In response to Order No. 24462, the Florida Telecommunications Relay, Inc. (FTR) submits the following documents for the approval of the Florida Public Service Commission:

- 1) **Annual Budget Submission Process**
- 2) **Quarterly Financial Reporting**
- 3) **Manual of Accounting Practices**
- 4) **Format for Quarterly Financial Statements**
- 5) **Format for Annual Reports**
- 6) **Purchasing Procedures**
- 7) **Sample Contract for Executive Director**
- 8) **Summary of Employee Salary and Benefits**
- 9) **Statement of Records Retention Practice**

## **FLORIDA TELECOMMUNICATIONS RELAY, INC.**

### **1) ANNUAL BUDGET SUBMISSION PROCESS**

The Florida Telecommunications Relay, Inc. (FTR) will submit to the Florida Public Service Commission (FPSC) a proposed annual budget by April 1 of each year. The budget will be for the fiscal year July 1 through June 30. The budget will be submitted in a format generally consistent with the income statement submitted as Attachments 3 and 4. The FPSC will approve the FTR budget after review consistent with its policies and procedures.

## FLORIDA TELECOMMUNICATIONS RELAY, INC.

### 2) QUARTERLY FINANCIAL REPORTING

The Florida Telecommunications Relay, Inc. (FTR) will submit to the Florida Public Service Commission (FPSC) quarterly financial statements within 45 days after the end of each quarter of the fiscal year. The fiscal year will be July 1 through June 30. The quarterly financial statements will be submitted in a format generally consistent with the format provided as Attachment 4. The FTR will not exceed the budget approved by the FPSC. The FTR may submit supplemental budget requests during the fiscal year if, in the opinion of the FTR, sufficient justification exists for deviation from the normal annual budget process. Supplemental budgets will be subject to the same FPSC review as annual budgets.

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**3) MANUAL OF ACCOUNTING PRACTICES**

**June 28, 1991**



June 28, 1991

**TO WHOM IT MAY CONCERN:**

The following Manual of Accounting Practices represents the minimum standard to which the Board of Directors of the Florida Telecommunications Relay, Inc. (FTR) hold the Executive Director accountable. Nevertheless, it is understood that the FTR is a new corporation which has yet to commence operations and it is, therefore, reasonable to assume that the authors of this document have not anticipated every contingency. To address this, at the commencement of operations, the Board will retain an outside accounting firm to install a computerized accounting system which accomplishes, at a minimum, all of the procedures and safeguards contained herein. Further, initial training of responsible FTR personnel will be provided by the same outside accounting firm. To the extent said accounting firm recommends changes to this document, they shall be considered by the Board of Directors and, upon approval, implemented by the corporation.

Sincerely,

The Florida Telecommunications  
Relay Board of Directors

MANUAL OF ACCOUNTING PRACTICES

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Florida Telecommunications Relay, Inc.  
Accounting Practices

I. APPROVAL AUTHORITY TO EXECUTE BUSINESS ACTIVITIES

1. GENERAL

1.01 Purpose. The purpose of this practice is to establish the authority to approve expenditures, contracts and other liabilities on behalf of the Florida Telecommunications Relay, Inc. (FTR).

2. EFFECTIVE DATE

2.01 This policy is effective upon receipt.

3. DESIGNATION OF AUTHORITY FOR FINANCIAL COMMITMENTS

3.01 The Executive Director and/or Chairman of the Board is authorized to initiate contractual commitments or other incurrences of corporation liability in the normal course of business which is consistent with the operating budget approved by the Board of Directors.

3.02 Expenditures exceeding \$1,500.00 which were not approved as part of the operating budget must be authorized in advance by the Chairman.

3.03 The lease or purchase of office equipment, vehicles or other items require prior approval of the Chairman.

3.04 The Secretary/Treasurer and certain corporation directors may be authorized by the Chairman to approve invoices not to exceed \$1,500.00 in the absence of the Executive Director. Approval is indicated by the appropriate individual signing and dating the invoice prior to its being paid.

4. DESIGNATION OF AUTHORITY

4.01 Management will keep copies of bank signature authorization cards on file as a record of individuals authorized to sign checks for the FTR.

4.02 It will be the responsibility of the approving authorities to satisfy themselves that each invoice has been properly checked to ensure accuracy and authenticity before signing the invoice to indicate approval.

## Approval Authority to Execute Business Activities

4.03 The Administrative Assistant has the responsibility to examine all invoices for proper approval and accuracy and originate checks for payment.

### 5. CONTRACTS AND AGREEMENTS

5.01 All contracts and agreements shall be approved as to form and so designated by the FTR's legal counsel prior to being executed on behalf of the corporation.

5.02 Determination of the required approval level is outlined in section 3 of this practice.

5.03 A signed or conformed copy of each contract or agreement shall be maintained in the files of the corporation. The corporation's official copy (containing original manual signatures) shall be sent to and maintained in the files of the corporation's legal counsel.

### 6. CHECK SIGNING - DOLLAR AMOUNTS AND AUTHORIZED SIGNATURES

6.01 Checks written for the corporation in the amounts shown require the following signatures:

- |     |                          |   |
|-----|--------------------------|---|
| (a) | Not to exceed \$1,500.00 | Executive Director or authorized cosigner   |
| (b) | Over \$1,500.00          | Executive Director and authorized cosigner, or two cosigners in the absence of the Executive Director |

6.02 Checks in excess of \$1,500.00 require the signature of an authorized cosigner. Authorized cosigners are:

- (a) Chairman of the Board
- (b) Secretary/Treasurer
- (c) Other person, as designated by the Chairman.

6.03 The Chairman, at his/her discretion, may designate that specific types of expenditures require his/her signature on the check regardless of the amount.

**I. Approval Authority to Execute Business Activities**

**6.04 It is the responsibility of Management to ensure signature authorization cards are current at the bank for all individuals authorized to sign checks for the corporation.**

Florida Telecommunications Relay, Inc.  
Accounting Practice

II. ACCOUNTING FOR PURCHASES AND SALES

1. GENERAL

1.01 Purpose. The purpose of this practice is to describe accounting procedures for purchases and sales.

1.02 Most purchases and sales are made on account (accrual basis), but they may be made for cash.

2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

3. PURCHASES

3.01 Purchases for cash result in a debit to Purchases (or the item or asset category) and a credit to Cash. They are recorded in a cash payments journal.

Example 1:

Florida Telecommunications Relay, Inc.  
Cash Payments Journal  
July, 1991

(1)	(2)	(3)	(4)	(5)	(6)
Date	Check No.	Post Ref.	Account Debited	Sundry Accounts DR	Cash CR
7/3	118	3	Supplies	\$ 50.00	\$ 50.00
7/15	122	5	Salary Expense	1,000.00	1,000.00
7/28	130	7	A/P-Office Equip.	200.00	200.00
7/31				<u>\$1,250.00</u>	<u>\$1,250.00</u>
					(10)

(a) Each cash payment is recorded as described below.

(1) Enter the date and check number in columns 1 and 2.

(2) Enter the account to be debited in column 4 and its related general ledger account number in column 3.

## II. Accounting for Purchases and Sales

(3) The amount of the cash payment is entered in columns 5 and 6. Column 5 is called Sundry Accounts because various accounts may be debited when making cash payments.

(4) If cash payment is made to reduce an accounts payable item, the debit entry is posted to the appropriate accounts payable subsidiary ledger. Each entry that affects another subsidiary ledger, such as the accounts payable subsidiary ledger, is posted separately to that ledger. (See Accounts Payable section paragraph 3.01.)

(b) At the end of every month, each debit is posted to the account shown in column 3. The total credit to cash is posted to the cash account. In this example, the cash general ledger account number is 10 as written below the total of column 6. It will be credited for \$1,250.00.

3.02 Purchases on account result in a debit to Purchases (or the item or asset category) and a credit to Accounts Payable and are recorded in an accounts payable subsidiary ledger for purchases. (See Accounts Payable section paragraph 3.01.)

### 4. SALES OF MISCELLANEOUS ITEMS OR SERVICES

4.01 Sales or services for cash result in a debit to Cash and a credit to Sales (Revenues). They are recorded in the cash receipts journal.

Example 2:

Florida Telecommunications Relay, Inc.  
Cash Receipts Journal  
July, 1991

(1)	(2)	(3)	(4)	(5)
Date	Post Ref.	Account Credited	Cash DR	Sundry Accts. CR
7/1	18	Miscellaneous Services	\$ 10.00	\$ 10.00
7/14	12	Accounts Receivable-Surcharge	250.00	250.00
7/25	12	Accounts Receivable-Interest Earned	50.00	50.00
7/31			<u>\$310.00</u>	<u>\$310.00</u>
			(10)	

## II. Accounting for Purchases and Sales

- (a) Each cash receipt is recorded as described below. Most cash receipts for the corporation will offset entries on various accounts receivable subsidiary ledgers and should be posted to these ledgers and subsequently to the general ledger Accounts Receivable account. (See Accounts Receivable section paragraph 3.)
- (1) Enter the date in column 1.
  - (2) Enter the account credited for the offsetting entry in column 3. Enter the appropriate general ledger account number for this account in column 2.
  - (3) Enter the amount of the cash receipt in columns 4 and 5.
- (b) At the end of every month, each credit is posted to the account shown in column 2 or to the appropriate subsidiary ledger. The total debit to cash is posted to the cash account. In this example, the general ledger cash account number is 10, as shown below the total for column 6. The amount to debit to the cash account is \$310.00.

4.02 Sales or services on account result in a debit to Accounts Receivable and a credit to Sales (Revenues). They are recorded in an accounts receivable subsidiary ledger for sales on account. (See Accounts Receivable section paragraph 3.)

### 5. CREDIT TERMS AND DISCOUNTS

- 5.01 Credit terms are the arrangements between the buyer and seller as to when payment for purchases is required.
- 5.02 Discounts are often offered for early cash payment of invoices. It is important for the FTR to take advantage of discounts when they are offered.

### 6. PURCHASING

- 6.01 All purchases must conform with the authorization guidelines in the Approval Authority to Execute Business Activities section of this manual.
- 6.02 The amount of purchases must be within the corporation's budget guidelines as approved by the Board of Directors.



## II. Accounting for Purchases and Sales

- 6.03 Upon receipt of the merchandise or completion of service rendered, Management verifies the items and quantity received. Substitutions or damage should be noted immediately. Satisfactory completion of requested services should be verified.
- 6.04 The following items on the invoice are examined for accuracy:
- (a) Quantity and item descriptions;
  - (b) Prices and terms;
  - (c) All calculations.
- 6.05 The purchase is recorded as described in paragraph 3, after verifications are complete.
- 6.06 The documents should be filed in some way as to ensure payment by the due date or within the discount period. A tickler file is recommended which consists of numbered folders from 1 through 31. The number of the folder is the date payment is to be made.
- 6.07 Invoices should be approved by the proper authority prior to drafting a check. Approval is indicated by the authorizing individual signing and dating the invoice.
- 6.08 When the invoice is paid, it should be stamped "canceled" or "paid" and the date payment is made should be noted.
- 6.09 The paid or canceled invoice should be filed by vendor name.

III. ACCOUNTS RECEIVABLE

1. GENERAL

1.01 Purpose. The purpose of this practice is to describe accounting for accounts receivable.

1.02 Receivables include all money owed from individuals, organizations or other debtors. All receivables expected to be paid within one year are considered current assets on the balance sheet.

2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

3. THE ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER

3.01 A subsidiary ledger is needed to account for receivables. Each type of receivable has its own subsidiary ledger. The sum of each subsidiary ledger's activity for a month is posted as one entry to the general ledger Accounts Receivable account.

3.02 The subsidiary ledger may be organized by individual account or by billing classification, such as surcharge. Monthly activity is shown in detail on the subsidiary ledger as shown:

Example 3:

Accounts Receivable - Subsidiary Ledger  
Surcharge  
July, 1991

	<u>Date</u>	<u>Member Name</u>	<u>Post Ref.</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
1)	7/1	--	--	--	--	\$ 600.00
2)	7/15	UTP	17	\$200.00	--	800.00
3)	7/17	GTE	17	200.00	--	1,000.00
4)	7/17	SouBell	10	--	\$200.00	800.00
5)	7/31	Total		<u>\$400.00</u>	<u>\$200.00</u>	

### III. Accounts Receivable

- (a) Posting references are general ledger account numbers to which offsetting journal entries are to be posted. In this example, posting reference 17 is the account number for Surcharge. Reference 10 is for Cash. Items 2 and 3 indicate bills for surcharges sent to UTF and GTE. UTF's bill was dated 7/15. GTE's was dated 7/17. The amount of each bill was \$200.00. An increase to accounts receivable, which is an asset account, is a debit posting. A decrease (or payment of a bill) is a credit posting. Therefore, each bill was recorded as a debit. Offsetting credits are posted to account 17, Surcharge, as shown in the posting reference column. A payment was received 7/17 from SouBell and was recorded as a credit by item 4. An offsetting debit is recorded to account 10, Cash, as shown in the posting reference column.
- (b) At the end of the month, the total activity of \$200.00 net debit will be posted to the general ledger accounts receivable account. The item description will be "Surcharge".
- (c) The \$600.00 beginning balance for the July subsidiary ledger indicates there was a \$600.00 year to date balance of accounts receivable for the corporation bills as of the end of June, 1991. July's net activity of a \$200.00 debit brings the subsidiary ledger balance to \$800.00. The sum of the year to date balances of all subsidiary ledgers must agree to the general ledger year to date balances.

#### 4. GENERAL LEDGER

4.01 The activity for July in this subsidiary ledger (which is one of several subsidiary ledgers) is posted to the general ledger as shown:

##### Example 4:

Florida Telecommunications Relay, Inc.  
General Ledger  
As Of 7/31/91

<u>Account: Accounts Receivable</u>		<u>Account No. 12</u>		
<u>Date</u>	<u>Item</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
7/1				\$1,600.00
7/31	Surcharge	\$200.00		1,800.00
7/31	Miscellaneous Services		\$400.00	1,400.00
7/31	Interest Earned from Savings	50.00		<u>\$1,450.00</u>

### III. Accounts Receivable

- (a) Example 4 indicates the sum of each subsidiary ledger was transferred to the general ledger on 7/31/91. After each posting was made, the final year to date balance of accounts receivable on the general ledger was \$1,450.00.
- (b) The debit entries indicate increases to the accounts receivable balance. Funds will be received. The credit of \$400.00 for Miscellaneous Services indicates money has been received during July. The cash account is debited for \$400.00 and accounts receivable is credited on the general ledger for this transaction.

IV. ACCOUNTS PAYABLE

1. GENERAL

1.01 Purpose. The purpose of this practice is to describe accounting for accounts payable.

1.02 Purchases on account or credit create a liability called accounts payable. Each entry to record a payable is called a credit entry as all liabilities are credit balance accounts. A debit entry would decrease the accounts payable balance. Most accounts payable items are due within one year or less, so accounts payable are current liabilities.

2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

3. THE ACCOUNTS PAYABLE SUBSIDIARY LEDGER

3.01 A subsidiary ledger for individual creditors is maintained in the same way as the accounts receivable subsidiary ledger. The beginning balance for the month is the ending balance of the previous month. There is a year to date accumulation of accounts payable items on the subsidiary ledger. The total of the subsidiary ledger year to date balances must agree with the general ledger balance of accounts payable.

Example 5:

Accounts Payable Subsidiary Ledger  
Public Education Workshop, Orlando  
July, 1991

<u>Date</u>	<u>Member Name</u>	<u>Post Ref.</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
7/1	--	--	--	--	\$ 750.00
7/10	Quick Print	10	\$200.00	--	550.00
7/17	Bob's A/V	1	--	\$ 800.00	1,350.00
7/28	Holiday Inn, Orl.	1	--	1,000.00	2,350.00
7/31	Total		<u>\$200.00</u>	<u>\$1,800.00</u>	

#### IV. Accounts Payable

- (a) In this example, expenses which were arranged on credit have been incurred prior to July to plan for a public education workshop in Orlando. On July 10, a payment was made to Quick Print to pay for programs. The offsetting credit journal entry is to be made to account 10, Cash, as indicated in the posting reference column. This reduced the balance by \$200.00. Expenses to Bob's A/V and the Orlando Holiday Inn were incurred to be paid in the figure on 7/17 and 7/28. The offsetting debit journal entries are to be made to account 1, Workshop Expenses. The activity in July for the workshop was a net credit of \$1,800.00 which increased the year to date balance of the subsidiary journal to \$2,350.00.
- (b) The credit activity of \$1,800.00 will be posted to the general ledger for July. Documentation in the form of bills, etc. must be kept to support entries to the subsidiary ledger.

#### 4. GENERAL LEDGER

- 4.01 The general ledger summarizes the activity to all accounts - payable, receivable, cash, revenue, etc. The total monthly activity for all accounts payable subsidiary ledger activity is posted to the general ledger as shown below:

##### Example 6:

Florida Telecommunications Relay, Inc.  
General Ledger  
As Of 7/31/91

<u>Account: Accounts Payable</u>		<u>Account No. 13</u>		
<u>Date</u>	<u>Item</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
7/1	--	--	--	\$8,000.00
7/31	Public Info Wksp, Orl.	--	\$1,600.00	9,600.00
7/31	Public Info Wksp, Jax.	\$900.00	--	8,700.00
7/31	Xerox	--	500.00	<u>\$9,200.00</u>

- 4.02 The total activity for each subsidiary ledger was transferred to the general ledger on 7/31/91. The debit entry of \$900.00 for Public Information Workshop, Jacksonville, indicates the payable was paid off during July. The offsetting journal entry of \$900.00 credit was made to the cash account. The credit entries for the Public Information Workshop, Orlando and for Xerox increase accounts payable. Payments for these items will be made in

#### IV. Accounts Payable

the future. Journal entries are to be recorded in the current month to record the related expenses. These will be debit entries. After each posting was made, the year to date balance of accounts payable on the general ledger was \$9,200.00.

V. BILLING

1. GENERAL

1.01 Purpose. The purpose of this practice is to describe the billing process for the Florida Telecommunications Relay, Inc. (FTR).

1.02 The FTR will appropriately bill for all services and other items provided to any and all individuals and organizations.

2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

3. PREPARING THE STATEMENT/INVOICE

3.01 Every statement/invoice should contain the following information:

(a) Name and address of the company/individual and the corporation.

(b) Date of the invoice.

(c) Description and cost of service.

(d) Total amount due.

(e) Date payment is due.

(f) Credit terms, if applicable. Credit terms include the rate of interest or amount of penalties if payment is late.

3.02 If possible, statements should be prepared at the time the service is rendered. It is necessary to book the related accounts receivable journal entry in the same month expenses are recorded on company books. This is matching related revenues and expenses and is proper accounting procedure.

3.03 The statement is prepared with an original and one copy.



## V. Billing

- 3.04 The original copy is mailed to the company/individual. A copy is filed according to the date payment is due. A tickler file, or a series of files with dates on them, provides a simple way to ensure organization of statements by due date of the payment.

NOTE: If a statement has a payment due date of the 15th of the month, a copy of the statement is filed in file number 15.

### 4. ACCOUNTING FOR STATEMENTS/INVOICES

- 4.01 Statements become accounts receivable. A subsidiary ledger is established by account name or by the type of service rendered. The ledger provides a detailed log to account for payments that are due. To make entries to a subsidiary ledger for accounts receivable, refer to the Accounts Receivable section of this manual, paragraph 3.
- 4.02 Entries to the subsidiary ledger are booked to the general ledger Accounts Receivable account on a monthly basis. Refer to the Accounts Receivable section of the manual, paragraph 4, General Ledger, for instructions for this procedure.

### 5. COLLECTING PAYMENT

- 5.01 Payments of statements that are not received by the date payment is due are considered late payments or past due accounts.
- 5.02 There are generally three classifications of past due accounts:
- (a) 31-60 days late;
  - (b) 61-90 days late;
  - (c) over 90 days late.
- 5.03 The first category of past due accounts (31-60 days late) are typically sent late notices by mail. The late notice should contain the same information as the original bill (see paragraph 3.01) and a reminder that the payment is due.

## V. Billing

- 5.04 When the account is 60 days past due, a second notice should be mailed to the customer. This notice should contain the same information as the first late notice along with a reminder that this is a second notice of payment not received.
- 5.05 Management will prepare a list of all accounts 90 days past due. This report will be prepared on a monthly basis and will include the billing date, balance due PTR, account name and any relevant comments. The report will be reviewed and initialed by the Executive Director. The Executive Director will be responsible for taking appropriate steps to receive funds due the corporation. If the Executive Director determines an account is uncollectible, he/she will indicate this on the report.

### 6. UNCOLLECTIBLE ACCOUNTS

- 6.01 If these steps are not successful, the account is considered uncollectible. A separate file should be established for each age category of unpaid statements.
- 6.02 Uncollectible accounts are removed from the Accounts Receivable general ledger account. These accounts are no longer considered an asset of the company. An account's removal from accounts receivable must be approved by the Executive Director.
- 6.03 It is proper accounting procedure to recognize, as expense, the approximate amount of uncollectible accounts that apply to each year. To determine the amount of uncollectible accounts to be expensed, a realistic estimate should be developed based on those accounts not expected to be collected. It is anticipated that the amount of uncollectible expense for the PTR will be immaterial for the purpose of making accrual journal entries. Therefore, this practice recommends a journal entry be made at the end of each year to write-off uncollectible accounts as shown below:

Description: Workshop Expense billed 1/92  
Amount not expected to be collected: \$300.00

Date: 12/31/92

Debit:	Uncollectible Account Expense	\$300.00	
Credit:	Accounts Receivable		\$300.00

## VI. RECONCILING BANK STATEMENTS

### 1. GENERAL

- 1.01 Purpose. The purpose of this practice is to describe the procedure for reconciling bank statements.
- 1.02 The monthly reconciliation of all bank accounts (savings, checking, etc.) on a timely basis is very important to proper cash management. Subject to extenuating circumstances, it should be completed within five days of the receipt of the bank statement. Proper accounting procedure recommends the reconciliation be done by someone independent of the handling or recording of cash receipts and disbursements. If an independent reconciliation is not possible, the reconciliation should be reviewed and signed by the Secretary/Treasurer. The review would include, as a minimum, the process described in paragraphs 3.01 and 3.02 following.

### 2. EFFECTIVE DATE

- 2.01 This practice is effective upon receipt.

### 3. STEPS TO RECONCILE A BANK STATEMENT

- 3.01 Compare the canceled checks to the check register. Check off each check on the register and statement as it agrees to the bank statement. Verify the date, payee and amount.
- 3.02 Examine canceled checks for signature, endorsement and cancellation by the bank.
- 3.03 Compare deposits in the bank with recorded cash receipts on the check register. Check each deposit off each document as they match. Verify the date, amount and who the check was received from.
- 3.04 Verify the numeric sequence of checks. Investigate missing ones.
- 3.05 Reconcile items causing a difference between the book (check register) and bank balance, and verify that they are appropriate.

## VI. Reconciling Bank Statements

- 3.06 Adjust either the bank or book balance for valid reconciling items. For example, add interest earned to the book balance if not already recorded. Add checks deducted from the book balance that have not cleared the bank back to the book balance.
- 3.07 Follow-up on long term outstanding checks and verify stop-payment notices.
- 3.08 Exhibit A is an example of a worksheet that may be used to reconcile bank statements.

### 4. DOCUMENTATION

- 4.01 All bank statements, canceled checks and check registers should be filed for documentation purposes. They should be kept according to retention requirements dictated by the IRS for nonprofit corporations.
- 4.02 The statements are to be filed intact with all documentation, including checks and statements, maintained together as one package.

Sample Bank Reconciliation Worksheet

Bank balance per bank statement			\$ XXX
Add:	Additions by depositor not on bank statement	\$ XX	
	Bank errors	<u>XX</u>	<u>XX</u>
			\$ XXX
Deduct:	Deductions by depositor not on bank statement	\$ XX	
	Bank errors	<u>XX</u>	<u>XX</u>
Adjusted balance			<u>\$ XXX</u>

Bank balance according to depositor's records			\$ XXX
Add:	Additions by bank not recorded by depositor	\$ XX	
	Depositor errors	<u>XX</u>	<u>XX</u>
			\$ XXX
Deduct:	Deductions by bank not recorded by depositor	\$ XX	
	Depositor errors	<u>XX</u>	<u>XX</u>
Adjusted balance			<u>\$ XXX</u>

## VII. CASH MANAGEMENT

### 1. GENERAL

1.01 Purpose. The purpose of this practice is to provide guidelines for efficient cash management.

### 2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

### 3. INCREASING THE EFFICIENCY OF CASH MANAGEMENT

3.01 A cash budget is the most important tool in cash management. The cash budget is a statement or worksheet that shows a company's projected cash inflows and outflows over a specific period of time. Cash budgets can be prepared on a monthly, weekly or daily basis, depending on the amount of cash activity being accounted for.

3.02 Exhibit B is an example of a monthly cash budget. This budget indicates estimated collections and payments for purchases in the worksheet section. This is a separate section due to delayed collection and payments for purchases. The cash budget section gives details of other known expenses and calculates net cash gain or loss when expenses are subtracted from revenues.

3.03 Clearly, if funds are not transferred to an interest earning savings account of some kind, cash balances will accumulate. Cash is a nonearning asset unless it is invested.

3.04 By preparing a cash budget, the corporation can forecast deposits available for investments or for unusual expenses as they occur. Excess cash can earn extra income for the corporation.

3.05 One way to improve efficiency of cash management is to speed the collection of checks received and slow the collection of checks written. This provides more funds to accrue interest income in a savings account. Therefore, invoices should be paid just before the due date. Late payments and penalties should always be avoided.

## VII. Cash Management

- 3.06 Cash receipts, in the form of currency or checks, should be deposited daily in the bank if they total \$500.00 or more. Cash receipts less than \$500.00 should be deposited at least once a week. All checks or other negotiable instruments are to be locked securely in a drawer, file cabinet, etc., if kept in the corporation office.
- 3.07 Funds in excess of minimum balances maintained in the checking account should be invested in accounts that provide a maximum return on investment and flexibility. Flexibility, in this context means the account has features such as easy access to funds, capability of frequent transfers of funds to and from checking, and allow checks to be drawn on the account.

Florida Telecommunications Relay, Inc.  
Worksheet and Cash Budget

Description	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Receipts:</b>								
Wireless:								
During month of billing (202)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
During first month after billing (202)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
During second month after billing (102)	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>Total Receipts</b>	<u>\$12,000</u>	<u>\$14,000</u>	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,000</u>
<b>Expenses (purchases)</b>	\$ 100	-	\$ 750	\$ 50	\$ 900	\$ 1,500	\$ 2,500	\$ 100
Payments for purchases (one month lag)	-	100	-	750	50	900	1,500	2,500
<b>Cash Budget:</b>								
<b>Receipts</b>								
<b>For Purchases</b>								
Salary				750	50	900	1,500	2,500
Rent			500	500	500	500	500	500
Utilities			-	20,000	-	-	-	20,000
Other			1,000	10,000	-	-	0,000	6,500
<b>Net cash gain (loss) during month</b>			<u>\$1,250</u>	<u>\$13,750</u>	<u>\$13,100</u>	<u>\$21,500</u>	<u>\$20,500</u>	<u>\$15,500</u>
<b>Transfer (to) from savings</b>			<u>(13,000)</u>	<u>(13,750)</u>	<u>15,550</u>	<u>(13,600)</u>	<u>(5,000)</u>	<u>16,500</u>
<b>Cumulative cash balance</b>								
<b>Desired level of cash</b>	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
<b>Ending balance</b>	<u>\$12,000</u>	<u>\$16,750</u>	<u>\$11,250</u>	<u>\$11,250</u>	<u>\$11,250</u>	<u>\$16,000</u>	<u>\$18,000</u>	<u>\$13,200</u>

Sample Worksheet and Cash Budget



## VIII. EMPLOYEE BUSINESS EXPENSES

### 1. GENERAL

1.01 **Purpose.** The purpose of this practice is to establish a uniform procedure for reporting, processing and reimbursing business expenses incurred by employees while fulfilling their duties and responsibilities for the Florida Telecommunications Relay, Inc. (FTR). This practice is intended to aid and assist the employee by providing guidelines for the reporting of these expenditures, to assure that all documentation requirements are met and to maintain sound administrative control.

1.02 **Responsibility.** It is the responsibility of all employees incurring expenses, and each individual who reviews and approves expenses, to ascertain that the expenditures are for a valid business purpose, in accordance with existing laws and FTR policy and are relevant to the nature and objectives of the employee's job.

(a) An employee is expected to use prudent judgement and common sense, consistent with the obligations of a trustee toward money or property left in his/her care.

(b) An employee will not be extravagant with FTR funds.

(c) All employees are required to furnish complete information and necessary receipts to support the expenditures which they incur.

(d) All employees desiring reimbursement of monies expended for business purposes are required to complete the Employee Expense Statement. Reimbursement will be made upon the proper completion and approval of this form.

### 2. EFFECTIVE DATE

2.01 This practice is effective upon receipt.

## VIII. Employee Business Expenses

### 3. POLICY

- 3.01 The FTR will reimburse employees for reasonable and necessary expenses incurred and paid by the individual while conducting company business.
- 3.02 Guidelines set forth in this practice conform to criteria established by the Internal Revenue Code for tax deductible business expense. The general requirements are listed below:
- (a) Expenses must be ordinary and necessary in the conduct of business.
  - (b) Expenses must be reasonable and not lavish or extravagant.
  - (c) Entertainment expenses must be directly related to or associated with the active conduct of business.
  - (d) Expenses must be properly substantiated by descriptive reporting and documentation.
    - (1) Entries to the expense statement should be made relative to the time the expense is incurred.
    - (2) Documentary evidence will be considered adequate to support an expenditure if it is legible and includes the amount, date, place and gives a precise description of the business purpose of the expense.
      - (i) Documentary evidence includes original itemized receipts, original itemized paid bills, or any other similar evidence. Duplicated receipts or paid bills will not be accepted as expense documentation.
- 3.03 Expense statements should be prepared and submitted for reimbursement at least once a month.
- 3.04 Employees are required to furnish complete information and all original receipts needed to substantiate the expense statement. All required original receipts, attachments and explanations must be attached to the expense statement.

## VIII. Employee Business Expenses

- 3.05 An original paid receipt is required for any expenditure of \$25 or more. Duplicated receipts will not be accepted as expense documentation. Receipts are required for the following expenses regardless of the amount: lodging, commercial travel (excluding taxi and subway), gas and oil, and car repairs.
- 3.06 The expense statement must be filled out legibly in black ink or typewritten.

### 4. APPROVALS REQUIRED FOR REIMBURSEMENT

- 4.01 In order to obtain reimbursement for expenditures, the expense statement must be approved according to the following guidelines:
- (a) All expense statements must be signed by the individual claiming reimbursement.
  - (b) Approvals for reimbursement are as follows:
    - (1) FTR staff - Executive Director.
    - (2) Executive Director - FTR Secretary/Treasurer or designated board member.
- 4.02 Final approval for expenditures must be obtained before reimbursement is made.
- 4.03 No individual is authorized to approve his/her own expense statement.
- 4.04 No individual is authorized to approve any expense statement which includes his/her own expenses.

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**4) FORMAT FOR QUARTERLY FINANCIAL STATEMENTS**

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**FINANCIAL STATEMENTS**

**THREE MONTHS ENDED XXXXX XX, 1991**

- \* STATEMENT OF REVENUE & EXPENSES**
- \* STATEMENT OF ASSETS, LIABILITIES & FUND BALANCE**
- \* STATEMENT OF CHANGES IN FUND BALANCE**
- \* STATEMENT OF SOURCE & APPLICATION OF FUNDS**

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Revenue & Expenses**  
**Three Months Ended XXXX XX, 1991**

	<u>This Quarter</u>	<u>Year To Date</u>	<u>Budget</u>
1 Revenue			
2 Surcharges	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx
3 Interest Income	x,xxx	x,xxx	x,xxx
4 Services/Other	x,xxx	x,xxx	x,xxx
5 Total Operating Revenue	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx
6 Other Revenue			
7 Miscellaneous	x,xxx	x,xxx	x,xxx
8 Total Other Revenue	x,xxx	x,xxx	x,xxx
9 Total Revenue	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx
10 Operating Expenses			
11 DPR Provider	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx
12 TDD Equipment	xxx,xxx	xxx,xxx	xxx,xxx
13 Volume Control Equipment	xx,xxx	xx,xxx	xx,xxx
14 Misc. Terminal Equipment	xx,xxx	xx,xxx	xx,xxx
15 Accounting (Outside)	xx,xxx	xx,xxx	xx,xxx
16 Legal	xx,xxx	xx,xxx	xx,xxx
17 Auto Expense	x,xxx	x,xxx	x,xxx
18 Bank Charges	x,xxx	x,xxx	x,xxx
19 Dues/Subscriptions	x,xxx	x,xxx	x,xxx
20 Depreciation, Office Equip.	x,xxx	x,xxx	x,xxx
21 Depreciation, Dual Sens. Eqp.	x,xxx	x,xxx	x,xxx
22 Depreciation, Other	x,xxx	x,xxx	x,xxx
23 Office Equipment Lease	x,xxx	x,xxx	x,xxx
24 Insurance-Health/Life/Dis.	x,xxx	x,xxx	x,xxx
25 Insurance-Other	x,xxx	x,xxx	x,xxx
26 Office Expense	x,xxx	x,xxx	x,xxx
27 Postage/Freight	x,xxx	x,xxx	x,xxx
28 Printing	x,xxx	x,xxx	x,xxx
29 Rent	x,xxx	x,xxx	x,xxx
30 Retirement	x,xxx	x,xxx	x,xxx
31 Employee Compensation	x,xxx	x,xxx	x,xxx
32 Taxes, Payroll	x,xxx	x,xxx	x,xxx
33 Taxes, Unemployment Comp	x,xxx	x,xxx	x,xxx
34 Taxes/Licenses	x,xxx	x,xxx	x,xxx
35 Telephone	x,xxx	x,xxx	x,xxx
36 Travel & Business Expense	x,xxx	x,xxx	x,xxx
37 Xerox	x,xxx	x,xxx	x,xxx
38 Total Operating Expenses	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Revenue & Expenses**  
**Three Months Ended XXXXX XX, 1991**  
**Page 2**

	<u>This Quarter</u>	<u>Year To Date</u>	<u>Budget</u>
<b>39 Other Expenses</b>			
<b>40 Workshop Expense</b>	x,xxx	x,xxx	x,xxx
<b>41 Training Expense</b>	x,xxx	x,xxx	x,xxx
<b>42 Miscellaneous Expense</b>	x,xxx	x,xxx	x,xxx
<b>43 Total Other Expenses</b>	xx,xxx	xx,xxx	xx,xxx
<b>44 Total Expenses</b>	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx
<b>45 Revenue Less Expenses</b>	x,xxx,xxx	x,xxx,xxx	x,xxx,xxx

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Assets, Liabilities & Fund Balance**  
**XXXXX XX, 1991**

**ASSETS**

1	<b>Current Assets</b>		
2	Cash/Investments	x,xxx,xxx	
3	Accounts Receivable	xx,xxx	
4	Prepaid Expenses	<u>x,xxx</u>	
5	<b>Total Current Assets</b>		<b>x,xxx,xxx</b>
6	<b>Property &amp; Equipment</b>		
7	Equipment	xxx,xxx	
8	TDD Equipment	xxx,xxx	
9	Volume Control Equipment	xxx,xxx	
10	Misc. Terminal Equipment	xxx,xxx	
11	Dual Sensory Equipment*	xxx,xxx	
12	Accumulated Depreciation	<u>( xx,xxx )</u>	
13	<b>Total Property &amp; Equipment</b>		<u><b>xxx,xxx</b></u>
14	<b>Total Assets</b>		<b>x,xxx,xxx</b>

**LIABILITIES & FUND BALANCE**

15	<b>Liabilities</b>		
16	Accounts Payable	xx,xxx	
17	Payroll Taxes Payable	<u>xxx</u>	
18	<b>Total Liabilities</b>		<b>xx,xxx</b>
19	<b>Fund Balance (See Changes in Fund Balance)</b>		<b>x,xxx,xxx</b>
20	<b>Total Liabilities &amp; Fund Balance</b>		<b>x,xxx,xxx</b>

\*Note: These statements assume that terminal equipment for the dual sensory impaired will be capitalized and depreciated. Other terminal equipment will be expensed at the time of distribution.

FLORIDA TELECOMMUNICATIONS RELAY, INC.  
Statement of Changes in Fund Balance  
XXXXX XX, 1991

1	Fund Balance - XXXXX XX, 1991	XX,XXX
2	Excess of Receipts Over Expenditures	<u>XXX,XXX</u>
3	Fund Balance - XXXXX XX, 1991	XXX,XXX



**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Source & Application of Funds**  
**Three Months Ended XXXXX XX, 1991**

**Source of Funds**

Operations		
Operating Revenue	xx,xxx,xxx	
Operating Expenses	<u>x,xxx,xxx</u>	
Net Income (Loss) from Operations		x,xxx,xxx

Other		
Miscellaneous	<u>xx,xxx</u>	<u>xx,xxx</u>
		x,xxx,xxx

**Application of Funds**

Workshops	<u>xx,xxx</u>	<u>xx,xxx</u>
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Increase in Fund Balance		x,xxx,xxx
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**Schedule of Changes in Fund Balance**

	<u>XX/XX/91</u>	<u>XX/XX/92</u>	<u>Fund Balance Increase or (Decrease)</u>
Cash/Investments	xxx,xxx	xxx,xxx	xxx,xxx
Accounts Receivable	xx,xxx	xx,xxx	xx,xxx
Prepaid Expenses	xx,xxx	xx,xxx	xx,xxx
Unearned Payments	xx,xxx	xx,xxx	<u>xx,xxx</u>
<b>Increase (Decrease) in Fund Balance</b>			<b>xxx,xxx</b>

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

5) **FORMAT FOR ANNUAL REPORTS**

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED XXXXX XX, 1991**

- \* **STATEMENT OF REVENUE & EXPENSES**
- \* **STATEMENT OF ASSETS, LIABILITIES & FUND BALANCE**
- \* **STATEMENT OF CHANGES IN FUND BALANCE**
- \* **STATEMENT OF SOURCE & APPLICATION OF FUNDS**

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Revenue & Expenses**  
**Year Ended XXXXX XX, 1991**

1	<b>Revenue</b>	
2	<b>    Surcharges</b>	<b>x,xxx,xxx</b>
3	<b>    Interest Income</b>	<b>x,xxx</b>
4	<b>    Services/Other</b>	<b>x,xxx</b>
5	<b>Total Operating Revenue</b>	<b>x,xxx,xxx</b>
6	<b>Other Revenue</b>	
7	<b>    Miscellaneous</b>	<b>x,xxx</b>
8	<b>Total Other Revenue</b>	<b>x,xxx</b>
9	<b>Total Revenue</b>	<b>x,xxx,xxx</b>
10	<b>Operating Expenses</b>	
11	<b>    DPR Provider</b>	<b>x,xxx,xxx</b>
12	<b>    TDD Equipment</b>	<b>xxx,xxx</b>
13	<b>    Volume Control Equipment</b>	<b>xx,xxx</b>
14	<b>    Misc. Terminal Equipment</b>	<b>xx,xxx</b>
15	<b>    Accounting (Outside)</b>	<b>xx,xxx</b>
16	<b>    Legal</b>	<b>xx,xxx</b>
17	<b>    Auto Expense</b>	<b>x,xxx</b>
18	<b>    Bank Charges</b>	<b>x,xxx</b>
19	<b>    Dues/Subscriptions</b>	<b>x,xxx</b>
20	<b>    Depreciation, Office Equipment</b>	<b>x,xxx</b>
21	<b>    Depreciation, Dual Sensory Equipment</b>	<b>x,xxx</b>
22	<b>    Depreciation, Other</b>	<b>x,xxx</b>
23	<b>    Office Equipment Lease</b>	<b>x,xxx</b>
24	<b>    Insurance-Health/Life/Dis.</b>	<b>x,xxx</b>
25	<b>    Insurance-Other</b>	<b>x,xxx</b>
26	<b>    Office Expense</b>	<b>x,xxx</b>
27	<b>    Postage/Freight</b>	<b>x,xxx</b>
28	<b>    Printing</b>	<b>x,xxx</b>
29	<b>    Rent</b>	<b>x,xxx</b>
30	<b>    Retirement</b>	<b>x,xxx</b>
31	<b>    Employee Compensation</b>	<b>x,xxx</b>
32	<b>    Taxes, Payroll</b>	<b>x,xxx</b>
33	<b>    Taxes, Unemployment Comp</b>	<b>x,xxx</b>
34	<b>    Taxes/Licenses</b>	<b>x,xxx</b>
35	<b>    Telephone</b>	<b>x,xxx</b>
36	<b>    Travel &amp; Business Expense</b>	<b>x,xxx</b>
37	<b>    Xerox</b>	<b>x,xxx</b>
38	<b>Total Operating Expenses</b>	<b>x,xxx,xxx</b>

Florida Telecommunications Relay, Inc.  
Statement of Revenue & Expenses  
Year Ended XXXXX XX, 1991  
Page Two

39	Other Expenses	
40	Workshop Expense	X,XXX
41	Training Expense	X,XXX
42	Miscellaneous Expense	X,XXX
43	Total Other Expenses	XX,XXX
44	Total Expenses	X,XXX,XXX
45	Revenue Less Expenses	X,XXX,XXX

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Assets, Liabilities & Fund Balance**  
**XXXXX XX, 1991**

**ASSETS**

1	<b>Current Assets</b>		
2	Cash/Investments	X,XXX,XXX	
3	Accounts Receivable	XX,XXX	
4	Prepaid Expenses	<u>    X,XXX</u>	
5	<b>Total Current Assets</b>		<b>X,XXX,XXX</b>
6	<b>Property &amp; Equipment</b>		
7	Equipment	XXX,XXX	
8	TDD Equipment	XXX,XXX	
9	Volume Control Equipment	XXX,XXX	
10	Misc. Terminal Equipment	XXX,XXX	
11	Dual Sensory Equipment*	XXX,XXX	
12	Accumulated Depreciation	( <u>    XX,XXX</u> )	
13	<b>Total Property &amp; Equipment</b>		<u><b>XXX,XXX</b></u>
14	<b>Total Assets</b>		<b>X,XXX,XXX</b>

**LIABILITIES & FUND BALANCE**

15	<b>Liabilities</b>		
16	Accounts Payable	XX,XXX	
17	Payroll Taxes Payable	<u>    XXX</u>	
18	<b>Total Liabilities</b>		<b>XX,XXX</b>
19	<b>Fund Balance (See Changes in Fund Balance)</b>		<b>X,XXX,XXX</b>
20	<b>Total Liabilities &amp; Fund Balance</b>		<b>X,XXX,XXX</b>

\*Note: These statements assume that terminal equipment for the dual sensory impaired will be capitalized and depreciated. Other terminal equipment will be expensed at the time of distribution.

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Changes in Fund Balance**  
**XXXXX XX, 1991**

1	Fund Balance - XXXXX XX, 1991	XX,XXX
2	Excess of Receipts Over Expenditures	<u>XXX,XXX</u>
3	Fund Balance - XXXXX XX, 1991	XXX,XXX

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Source & Application of Funds**  
**Year Ended XXXXX XX, 1991**

**Source of Funds**

<b>Operations</b>		
Operating Revenue	<b>XX,XXX,XXX</b>	
Operating Expenses	<u><b>X,XXX,XXX</b></u>	
Net Income (Loss) from Operations		<b>X,XXX,XXX</b>
<b>Other</b>		
Miscellaneous	<u><b>XX,XXX</b></u>	<u><b>XX,XXX</b></u>
		<b>X,XXX,XXX</b>

**Application of Funds**

Workshops	<u><b>XX,XXX</b></u>	<u><b>XX,XXX</b></u>
<b>Increase in Fund Balance</b>		<b>X,XXX,XXX</b>

**Schedule of Changes in Fund Balance**

	<u><b>XX/XX/91</b></u>	<u><b>XX/XX/92</b></u>	<u><b>Fund Balance Increase or (Decrease)</b></u>
Cash/Investments	<b>XXX,XXX</b>	<b>XXX,XXX</b>	<b>XXX,XXX</b>
Accounts Receivable	<b>XX,XXX</b>	<b>XX,XXX</b>	<b>XX,XXX</b>
Prepaid Expenses	<b>XX,XXX</b>	<b>XX,XXX</b>	<b>XX,XXX</b>
Unearned Payments	<b>XX,XXX</b>	<b>XX,XXX</b>	<u><b>XX,XXX</b></u>
<b>Increase (Decrease) in Fund Balance</b>			<b>XXX,XXX</b>

FLORIDA TELECOMMUNICATIONS RELAY, INC.

6) PURCHASING PROCEDURES

SUBJECT: PURCHASE ORDERS (FORMAL)

I. Purpose

This practice will provide instructions for the use of purchase orders. The use of local purchase orders (LPO) follows.

II. General

- A. Purchase Order is required for all purchases.
- B. Examples where a Formal Purchase Order shall be used, but not limited to, are the following:
  - 1. Stock materials.
  - 2. Items charged direct to work orders or contracts.
  - 3. Furniture, computers, etc.

III. Responsibility

- A. Purchase orders are issued at the direction of the Executive Director as the official representative of FTR.
- B. Purchase orders can only be issued, canceled or changed at the authorization of the Executive Director.
- C. The Executive Director will ultimately be responsible for the following:
  - 1. The issue of the order.
  - 2. Timely follow-up to assure delivery in a reasonable length of time.
  - 3. Selecting alternative vendors when items can be purchased at a lower net cost.
  - 4. Reviewing all requisitions for proper approval and accounting.
  - 5. Validate that materials conform to contractual or other standards.



Florida Telecommunications Relay, Inc.  
Purchasing Procedures

- D. The Assistant Executive Director will be responsible for the following:
1. Determining the necessity for and the timing of the purchase.
  2. Providing unit prices and total cost of all items on a requisition. These amounts will be actual purchase prices after considering all discounts.
  3. Proper accounting codes.
  4. A complete description of the items.
  5. A unit price, extended price and the gross amount must be shown on the requisition.
  6. Designation of the preferred vendor.
  7. That materials conform to contractual or other standards.

IV. Confirming Purchase Order

- A. When an emergency exists, a purchase order number can be advanced by the Executive Director for the immediate purchase of material. The resulting purchase order will be labeled "CONFIRMING, DO NOT DUPLICATE."
- B. The confirming purchase order number will be provided after the originator of the request gives the reason for the need of a confirming purchase order, the name of the vendor and description of the item to be purchased.

V. Blanket Purchase Order

- A. Blanket purchase orders can be issued when repetitive purchases of an item are required for one particular vendor. An example of this would be gasoline purchases.

Florida Telecommunications Relay, Inc.  
Purchasing Procedures

SUBJECT: LOCAL PURCHASE ORDERS

I. Purpose

To provide instructions for the use of local purchase orders (LPO).

II. General

- A. Local purchase orders are intended for expeditious purchases of non-stock materials from LOCAL vendors. They are not to be used for orders placed with our major vendors.
- B. Purchases on an LPO cannot exceed \$500.00 including tax.
- C. The LPO must be approved prior to the purchase.
- D. Local purchase orders can be used for, but not limited to, the following:
  - 1. Minor automobile repairs.
  - 2. Office supplies and printing.
  - 3. Servicing office machines.
  - 4. Miscellaneous items of materials used in performance of authorized functions.
- E. Local purchase orders cannot be used for the following:
  - 1. Items of material and equipment to be placed into stock for later distribution.
  - 2. Office furniture, tools, etc. (capital items).
  - 3. Additions or changes to buildings.
  - 4. Major automobile repairs.

III. Preparation

- A. The local purchase order must be prepared and approved prior to making the purchase.
- B. It shall contain quantity, description, unit price, and total estimated cost.

**Florida Telecommunications Relay, Inc.  
Purchasing Procedures**

- C. Any item that is not available immediately (i.e. back orders) must be marked off the purchase order. Another purchase order must be prepared for back order items.

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**7) SAMPLE CONTRACT FOR EXECUTIVE DIRECTOR**

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 1991, between Florida Telecommunications Relay, Inc., a Florida corporation not for profit, hereinafter called "Employer", and \_\_\_\_\_, hereinafter called "Employee".

WHEREAS Florida Telecommunications Relay, Inc. is a Florida corporation not for profit formed pursuant to Chapter 617, F.S., and

WHEREAS Florida Telecommunications Relay, Inc. desires to employ an Executive Director of the corporation, and

WHEREAS \_\_\_\_\_, an individual, desires to be employed by Florida Telecommunications Relay, Inc. as Executive Director of the Corporation, and

WHEREAS both parties desire to enter into an agreement defining the duties, compensation, benefits, responsibilities and terms of such employment.

NOW, THEREFORE, Florida Telecommunications Relay, Inc. and \_\_\_\_\_ do hereby enter into the following agreement for the mutual benefit of both parties:

1. **Employment.** Employer herewith employs Employee as Executive Director of Florida Telecommunications Relay, Inc. to serve at the pleasure of the Board of Directors.

2. **Duties.** During the term of this agreement, Employee shall, under the supervision of Employer's Board of Directors, devote his entire working time, skill and experience to advancing the interests of Employer and its members. Employee shall perform such duties as are assigned to him by the president of the Corporation and by the Board of Directors. These duties include, but are not limited to:

- a) Insuring that the Board of Directors and officers are kept fully informed of the conditions and operations of the corporation and on all important factors influencing them.
- b) Attend all meetings of the Board of Directors as a member ex-officio without the right to vote.
- c) Plan, formulate and recommend for the approval of the Board of Directors basic policies and programs which will further the objectives of the Corporation.

- d) Execute decisions, when so directed, of the Board of Directors.
- e) Develop, for purposes of day-to-day administration, specific policies, procedures and programs to implement the general policies established by the Board of Directors.
- f) Establish a sound administrative structure for the headquarters office.
- g) Direct and coordinate all approved programs, projects and major activities of the headquarters staff.
- h) Conduct research and related projects as approved by Employer, and prepare and publish the results on subjects deemed of importance to the membership.
- i) Recruit, hire, indoctrinate, train and motivate all Corporation staff personnel. Responsible for all promotions and terminations. Define staff duties, establish performance standards, conduct performance reviewed, and maintain competitive salary structure.
- j) Promote interest and active participation in the Corporation's activities and report activities to the Board and others through the communications media of the Corporation.
- k) Maintain effective relationships with other organizations, both public and private, and see that the position of the Corporation and its Board of Directors is enhanced in accordance with policies and objectives of the organization.
- l) In cooperation with the Board of Directors, develop, recommend and, upon approval, operate within an annual budget. Insure that all funds, physical assets and other property of the Corporation are appropriately safeguarded and administered. Conform to bylaw provisions as well as Section \_\_\_\_\_, F.S., and applicable Florida Public Service Commission rules regarding financial reporting and annual audit.
- m) Assist Board of Directors in planning, organization and conducting annual membership meetings and Board meetings; advise Board of Directors on budget objectives; maintain records of activities, and expenditures, and prepare reports to Board of Directors.

- n) Assist the secretary-treasurer in his secretarial functions; maintain official files of minutes of the Board of Directors and other official meetings; maintain membership and mailing lists; and distribute minutes, reports and copies of official documents to officers, directors and members as appropriate.
- o) Assure that members are kept informed of legislative activities of concern to the Corporation. When directed by the Board of Directors in accordance with the bylaws, distribute information to members of the Legislature and, when directed, may appear before legislative committees to comment on pending legislation.
- p) Maintain effective liaison with the Florida Public Service Commission and staff at the direction of the Board of Directors in keeping with the policies of the Corporation.
- q) Maintain effective liaison with agencies and departments of the state government for purposes of keeping membership informed of state government activities which may impact the Corporation.
- r) Maintain such relationships with other associations, industries, government, public service organizations and vendors as are desirable or may be in the best interest of the Corporation and in conformity with the overall objectives and policies of the organization.
- s) Prepare and file reports and financial statements with the Florida Public Service Commission as required by Chapter \_\_\_\_\_, F.S., and Commission rules.
- t) Maintain all books and records of the Corporation in a manner consistent with Florida Public Service Commission rules and directives.
- u) Insure that neither him/herself nor any employee of Florida Telecommunications Relay, Inc. has any financial conflict of interest with any person or corporation with which the Corporation has a business relationship. This specifically includes, but is not limited to, the provider of the dual party relay service, TDD and other terminal equipment manufacturers, distributors and vendors and contact service providers. The Executive Director shall implement a written policy regarding conflict of interest and is responsible for compliance by all employees.

- v) Carry out such other general responsibilities as may be delegated by the Board of Directors.

3. Compensation. As compensation for his/her services, Employer agrees to pay Employee, and Employee herewith accepts, the amount of \$\_\_\_\_\_ per year. Employer and Employee may, from time to time, reflect increases or decreases in Employee's salary by entering such a change as an amendment to this agreement. Changes in compensation may be reflected in the minutes of the Board and shall be effective on such date as may be specified by the Board. Changes in compensation when entered in the minutes shall constitute an amendment to this agreement.

4. Reimbursement of Expenses. The Employer will reimburse Employee for reasonable expenses actually incurred by Employee in the furtherance of Employer's business, including, but not limited to, automobile and other expenses incurred in the performance of his/her duties, provided proper itemization for these expenses is furnished by Employee.

5. Medical, Hospitalization and Dental Insurance. The Employer will provide medical and hospitalization insurance for the Employee and pay the premiums for individual covered for the Employee. In the event the Employee requests family coverage, the Employer will continue to pay 100% of the premium for the Employee and 80% of the difference between single and family coverage. Family dental coverage will also be provided by the Employer. The details of this plan are included in Attachment A, which is herewith incorporated as part of this agreement.

6. Life Insurance. The Employer will provide group life insurance for the Employee. The policy will be payable to a beneficiary designated by the Employee. The details of this plan are included in Attachment A, which is herewith incorporated as part of this agreement.

7. Retirement Program. The Employer will arrange a comprehensive retirement plan for the Employee through a company or association providing such a program and will contribute to such program as may be agreed to by the parties. The details of this plan are included in Attachment A, which is herewith incorporated as part of this agreement.

8. Disability Insurance. The Employer may provide disability insurance for the Employee for such period and such percentage of wages as the Board of Directors approves. The details of this plan are included in Attachment A, which is herewith incorporated as part of this agreement.

9. Memberships. Employer may pay the dues, meals and reasonable participation expenses for membership in deaf service and related organizations approved by the Board of Directors. Memberships in deaf service, industry or other organizations will be reviewed and considered on an individual basis.

10. Vacation. Employee shall be entitled to vacation with full compensation in accordance with the following schedule:

First 2 Years of Service	-	1 Week
After 2 Years of Service	-	2 Weeks
After 8 Years of Service	-	3 Weeks
After 12 Years of Service	-	4 Weeks

The vacation may be taken by Employee at any time during the year and need not be taken at one time. Vacation time shall not carry over from year to year without prior approval of the Board of Directors.

11. Automobile. The Corporation may provide an automobile for the use of the Employee in the performance of his/her duties. The Employer may also provide insurance coverage and maintenance of the automobile, and may reimburse Employee for gas as provided in paragraph 4. hereof.

12. Fees. Any fees, compensations, money or other things of value received or realized as a result of the rendition of service by Employee shall belong to or be paid and delivered to Employer.

13. Termination. This agreement and the employment relationship shall automatically and immediately stand terminated if there is mutual agreement between Employer and Employee to terminate the agreement or if Employee fails to comply with the terms of this agreement or is unable to perform the duties of this employment as determined by the Board of Directors of Employer. In the event of termination, regardless of the cause, the Employee shall be entitled only to his accrued unpaid salary to the date of termination as severance pay.

14. Agency. Employee shall have no authority to enter into any contract binding on Employer, or to create any obligations on the part of Employer, except as shall be specifically authorized by the Board of Directors of Employer.

15. Prohibition Against Assignment. The Employee agrees, on behalf of him/herself and his/her personal representatives, heirs, legatees, distributees and any other person or persons claiming any benefit under him by virtue of this agreement, that this agreement and the rights, interests and benefits under it shall not be assigned, transferred, pledged or hypothecated in any way by Employee or any person or persons claiming under Employee by virtue of this agreement, and shall not be subject to execution, attachment or similar process. Any attempt to assign, transfer, pledge, hypothecate or otherwise dispose of this agreement or of such rights, interests and benefits contrary to the foregoing provisions, or the levy of any attachment or similar process thereupon, shall be null, void and without effect, and shall relieve Employer of any and all liability under this agreement.



16. Notice. Any notice required or permitted to be given under this agreement shall be sufficient if in writing and if sent by mail to Employee's residence or to Employer's principal office at 1311-B Paul Russell Road, Suite 202-B, Tallahassee, Florida 32301.

17. Modification. This instrument contains the entire agreement of the parties and may not be changed except by mutual consent and by action of the Board of Directors of the Corporation.

18. Miscellaneous. Failure of either party to assert any or its rights under this agreement shall not constitute a waiver of its rights. The waiver by any party or a breach construed as a waiver of any subsequent breach by any party. This agreement shall insure to the benefit of, and be binding on, the parties, their successors, heirs, personal representatives and assigns. If any provisions of this agreement shall be declared invalid and unenforceable, the remainder of this agreement shall continue in full force and effect. This agreement shall be construed, interpreted, governed and enforced in and under the laws of the State of Florida, except as otherwise provided in this agreement. Paragraph headings are inserted only for convenience and are not to be construed as part of this agreement or a limitation of the scope of the particular paragraph to which they refer.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the date and year first above written.

Attest:

Florida Telecommunications  
Relay, Inc.

\_\_\_\_\_  
Secretary-Treasurer

By: \_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Employee

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

**8) SUMMARY OF EMPLOYEE SALARY AND BENEFITS**

**Compensation**

<b>Officers &amp; Board of Directors</b>	<b>No compensation</b>
<b>Executive Director</b>	<b>\$40,000 - \$60,000 annually</b>
<b>Assistant Executive Director</b>	<b>\$25,000 - \$40,000 annually</b>
<b>Interpreter/Office Manager</b>	<b>\$22,000 - \$35,000 annually</b>
<b>Secretary/Receptionist</b>	<b>\$18,000 - \$22,000 annually</b>
<b>Secretary/Clerk</b>	<b>\$18,000 - \$22,000 annually</b>

**Benefits**

<b>Health Insurance</b>	<b>Per Employee Contract</b>
<b>Life Insurance</b>	<b>Per Employee Contract</b>
<b>Other Insurance</b>	<b>Per Employee Contract</b>
<b>Retirement</b>	<b>Per Employee Contract</b>

<b>Paid Holidays</b>	<b>New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day &amp; Friday after, Christmas Eve &amp; Christmas Day</b>
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<b>Vacation</b>	<b>First 2 Years of Service - 1 week</b>
	<b>After 2 Years of Service - 2 weeks</b>
	<b>After 8 Years of Service - 3 weeks</b>
	<b>After 12 Years of Service - 4 weeks</b>

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**

9) **STATEMENT OF RECORDS RETENTION PRACTICE**

All financial and related records of the Florida Telecommunications Relay, Inc. (FTR) will be retained in an organized manner. Records will be made available to authorized representatives of the Florida Public Service Commission (FPSC) and the Auditor General in accordance with controlling statutes and FPSC rules. No financial or related records will be destroyed without prior FPSC approval.

**FLORIDA TELECOMMUNICATIONS RELAY, INC.**  
**Statement of Revenue & Expenses**  
**Year Ended June 30, 1992**

1	Revenue	
2	Surcharges	\$4,200,000
3	Interest Income	125,000
4	Services/Other	5,000
5	<b>Total Operating Revenue</b>	<b>\$4,330,000</b>
6	Other Revenue	
7	Miscellaneous	\$ 5,000
8	<b>Total Other Revenue</b>	<b>\$ 5,000</b>
9	<b>Total Revenue</b>	<b>\$4,335,000</b>
10	Operating Expenses	
11	DPR Provider	\$ -0-
12	TDD Equipment	547,000
13	Volume Control Equipment	162,500
14	Misc. Terminal Equipment	100,000
15	Accounting (Outside)	14,500
16	Legal	19,000
17	Consulting	25,000
18	Auto Expense	3,000
19	Auto Lease Expense	9,600
20	Bank Charges	300
21	Dues/Subscriptions	1,000
22	Depreciation, Office Equipment	2,100
23	Depre., Dual Sensory Equipment	10,000
24	Depreciation, Other	2,000
25	Office Equipment Lease	9,000
26	Insurance-Health/Life/Dis.	39,450
27	Insurance-Other	2,800
28	Office Expense	3,500
29	Postage/Freight	7,400
30	Printing	4,200
31	Rent	15,250
32	Retirement	15,000
33	Employee Compensation	160,000
34	Taxes, Payroll	12,000
35	Taxes, Unemployment Comp	750
36	Taxes/Licenses	500
37	Telephone	12,000
38	Travel & Business Expense	33,240
39	Xerox	4,500
40	<b>Total Operating Expenses</b>	<b>\$1,215,590</b>

Florida Telecommunications Relay, Inc.  
Statement of Revenue & Expenses  
Year Ended June 30, 1992  
Page Two

41	Other Expenses	
42	Workshop Expense	\$ 12,000
43	Training Expense	155,100
44	Meeting Expense	12,000
45	Miscellaneous Expense	121,560
46	Total Other Expenses	\$ 300,660
47	Total Expenses	\$1,516,250
48	Revenue Less Expenses	\$2,818,750