

**Kairos Prison Ministry International, Inc.**  
**Ministry Financial Policies and Practices**  
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**Kairos Prison Ministry International, Inc.**  
**Ministry Financial Policies and Practices**  
**FREQUENTLY ASKED QUESTIONS (FAQ's)**

**HELP**

**1. Q. Who do I call if I need help?**

A. The contact for Model 1 is Denny Fryman at [denny@ziebart1.com](mailto:denny@ziebart1.com).

The contact for Models 2 & 3 is George Brown at [gb3mjb@astound.net](mailto:gb3mjb@astound.net).

Denny and George are also available for operational, “how to” questions on QuickBooks and Kairos Donor and should be your first source for answers. They both have the computer capability to connect you to their computer for help and training.

Mike Springer is the contact for installation and setup questions on KairosDonor at [springguy@juno.com](mailto:springguy@juno.com).

**FINANCIAL SECRETARY - TREASURER**

**1. Q. Policy B.1. says that the Financial Secretary “will not handle funds.” Does that preclude the Financial Secretary from being a Counter?**

A. Yes. “Handle funds” means make deposits, sign checks, etc. Therefore, the Financial Secretary must not serve in any Counter capacity. This is necessary to maintain the “appearance of being honest.”

**2. Q. Is it implied in duty i. of the State Chapter Committee Financial Secretary that the “financial reports” would include individual reports for each Advisory Council?**

A. Yes.

**3. Q. Is it implied in duty i. of the Area Committee Financial Secretary that the “financial reports” would include individual reports for each Advisory Council?**

A. Yes.

**4. Q. Can the Treasurer designate the Financial Secretary as Counter 1 or Counter 2 either for a Post Office Box, a Team Meeting or a fund raising event.**

A. No. The Financial Secretary must not serve in any Counter capacity. This is necessary to maintain the “appearance of being honest.”

## **QUICKBOOKS & KAIROSDONOR**

### **1. Q. How soon will KairosDonor be available? How much will it cost? How do I get it?**

A. KairosDonor will be available no later than January 30, 2007 at a cost of \$40.00 + Shipping & Handling. KairosDonor will be made available through the following process:

- State Chapter Committee selects an organizational Model;
- State Chapter Committee provides the names of the State Financial Secretary and Treasurer to the Finance Committee Chairperson;
- State Chapter Committee provides a list of Advisory Councils that will be the “Classes” in QuickBooks to the Finance Committee Chairperson;
- State Chapter Committee provides a list of the Advisory Council Financial Secretaries and Treasures to the Finance Committee Chairperson;
- State Chapter Committee indicate to the Finance Committee Chairperson whether or not there is a desire to have reporting by Weekends (i.e. Weekends as sub classes);
- State Financial Secretary orders KairosDonor from the International Office;
- Copies of KairosDonor for each Advisory Council and a complimentary copy for the State Financial Secretary will be shipped by the developer to the State Financial Secretary;
- State Financial Secretary will distribute KairosDonor to and conduct training for the Advisory Council Financial Secretaries.

### **2. Q. Does the last sentence in the third paragraph in Section III. Financial Tools preclude the use of any other software?**

A. QuickBooks Pro (2006 or 2007) and KairosDonor are the approved software for implementing the Ministry Policies and Practices Manual. Other software may be used in addition to QuickBooks or KairosDonor for purposes other than the accounting system. An example might be using Excel or Access for a data base.

### **3. Q. We are using Quicken, which was previously authorized, may we continue using it?**

A. No, the only approved software applications are QuickBooks and KairosDonor.

### **4. Q. Should each Advisory Council have a copy of KairosDonor?**

A. Yes. Each Advisory Council will be issued a copy of KairosDonor. This will be the tool of choice for recording accounting transactions and nurturing the donor data base. Those Advisory Councils using QuickBooks for the accounting transactions will use KairosDonor, at a minimum, to nurture the donor data base.

### **5. Q. Since the Kairos Prison Ministry International, Inc. is a non profit corporation shouldn't we be using the non profit terminology such as Statement of Financial Position instead of Balance Sheet?**

A. We are striving first to get standardization with QuickBooks and KairosDonor. When we have everyone on the same page, we will adjust the terminology.

**6. Q. Will entries from KairosDonor have to be entered individually into QuickBooks?**

A. The capability will be provided to export the report data from KairosDonor in QuickBooks format so that it can be imported directly into a separate “class” in QuickBooks for each Advisory Council. The capability will also be provided to export from KairosDonor and import into Excel. This will enable error checking and will require a journal entry to import into QuickBooks.

**7. Q. How do I convert to the new Chart of Accounts?**

A. KairosDonor has a feature that exports the Standard Chart of Accounts for import directly into a new company in QuickBooks. The detailed procedure to do this will be included in the KairosDonor User Manual. All State and Area Financial Secretaries will be required to follow this procedure at the start of 2007. Once entered, the State Financial Secretary may make certain modifications to this Chart of Accounts. The Parent Accounts may not be changed or added to, but additional sub accounts may be added with approval of the International Treasurer. Sub-sub accounts may be added without approval, provided that they roll up into the sub account for reporting purposes.

**8. Q. What skill level is necessary to operate KairosDonor?**

A. If you can send an e-mail, use the internet, make a purchase online, or operate any of the Microsoft Office products, you can operate KairosDonor. It is a “point-and-shoot”, “fill-in-the-blanks” system. However, it does require a certain attention to detail.

**BANKING**

**1. Q. Policy G. says to use two-part checks. Why?**

A. So that a copy can easily be provided to the Financial Secretary by the Treasurer. Practical alternatives to this policy are:

- Financial Secretary prepares preprinted checks out of QuickBooks and keeps the stub. Treasurer signs and mails the check, and returns supporting documentation to the Financial Secretary.
- Copies of checks are viewable on line by the Financial Secretary and may be printed out if necessary.

At the State Chapter and the Area Committee level the Financial Secretary will be using QuickBooks, which enables the Financial Secretary to prepare and print the checks. The Financial Secretary could also handwrite the checks. However, in all cases the Financial Secretary enters the transaction into QuickBooks and must transmit a Cash Disbursement Voucher authorizing the expenditure to the Treasurer, who then signs and mails the checks.

At the Advisory Council level in Model 2 the Financial Secretary may be using QuickBooks, so the same practices listed above may be followed. If the Advisory Council Financial Secretary is using KairosDonor the process will be different. Checks cannot be printed from KairosDonor. All checks will have to be hand prepared. The Financial Secretary may prepare the checks, but the Treasurer signs and mails the checks. Once again, in all cases the Financial Secretary enters

the transaction into KairosDonor and must transmit a Cash Disbursement Voucher authorizing the expenditure to the Treasurer

**2. Q. What if it is impractical for the Team Counter 2 or Fund Raiser Counter 2 to make the deposit?**

A. Mail it to the Advisory Council Treasurer's address or the Advisory Council Post Office Box. DO NOT SEND CURRENCY IN THE MAIL. Currency should be converted to a money order or a personal check.

**3. Q. What if it is impractical for the Advisory Council Treasurer in Models 1 & 3 to make the deposit?**

A. Mail it to the State Chapter Committee Treasurer's address or the State Chapter Committee Post Office Box. DO NOT SEND CURRENCY IN THE MAIL. Currency should be converted to a money order or personal check.

**4. Q. It may be impractical for the State Chapter Committee Treasurer to be signatory on all bank accounts in the State.**

A. This is applicable only in Models 2 and 3. This is a carryover from previous policy statements and is a long range goal. It is hoped that eventually all accounts within a State will be in one bank and that the Treasurer will have a relationship with that bank that will result in the Treasurer being signatory on all accounts.

**5. Q. What do I have to do to open a new bank account?**

A. There are several issues involved in this process.

- Determine from the bank representative exactly what paperwork will be required. Generally it will be the Articles of Incorporation for the Kairos Prison Ministry International, Inc. (KPMI, Inc.), By Laws for KPMI, Inc., and the IRS 501 (c)(3) Determination Letter for KPMI, Inc.. These are required since the bank account will be in the name of Kairos Prison Ministry International, Inc. This paperwork may be obtained from George Brown, the International Treasurer at [gb3mjb@astound.net](mailto:gb3mjb@astound.net). The bank representative will advise you concerning the use of a name on the account other than Kairos Prison Ministry International, Inc. Contact George Brown for help.

- Order checks for the new account. (see the answer to Question 1) You may order 2-part checks to reduce the need to make copies, or you may order "voucher" checks for QuickBooks. The bottom tear off stub serves as the copy of the check.

- Order 2-part or 3-part deposit slips to meet the copy distribution requirements.

- Order "For Deposit Only" stamps. More is better than not enough. The Treasurer, Counter 2 for the Post Office Box, Counter 2 for the team meetings and Counter 2 for fund raiser events will all need a stamp. There should also be extras in case of loss.

**6. Q. Why does each bank account have to be in the name of Kairos Prison Ministry International, Inc.?**

A. The legal, corporate name for the ministry is “Kairos Prison Ministry International, Inc”. The IRS has issued one Federal or Employer Identification Number (EIN) to the corporation and has made its tax exempt determination for this EIN. We all operate under this corporate name and EIN. All moneys raised in the name of KPMI, Inc., regardless of the organizational element raising it, must be deposited in a bank account established properly under the KPMI, Inc. name and EIN. The name of the organizational element utilizing the bank account may appear on the disbursement checks and may be used as the depository name (i.e. the name people write on their donation check), provided all the rules of the appropriate jurisdiction have been followed with respect to a Fictitious Business Name (FBN). The bank representative will provide guidance concerning the necessary documentation for the FBN. See the answer to Question 5 above for further information on documentation.

**PO BOXES**

**1. Q. Duty f. for any Treasurer (except duty g. for Model 2. Advisory Council Treasurer), relating to a Post Office Box, seems to imply that deposits mailed from a lower organizational level to a higher level would NOT be included in the “less than six (donations) per month” limit. Is this a correct interpretation?**

A. Yes. Deposits have already been accounted for with a Receipt Log and a Deposit Slip. These would only have to be deposited along with the deposit from the mail received.

**2. Q. Do we have to have two people go to the PO Box to pick up the mail?**

A. The short answer is NO. However, this requires further explanation. PO Boxes are probably the biggest challenge in the whole system. They exist at every level in the ministry and they are an entry point for money coming into the ministry. As such we have to satisfy the “Dual Control Over Incoming Funds” objective.

We have tried to introduce some flexibility and practicality into the requirements for PO Boxes. The specific requirements are found as one of the duties under the Treasurer position at every organizational level. There are several things to notice.

- There is an exception to the procedures if less than six donations per month on average are received through the PO Box. In that case one person can perform all parts of the procedure.

- While there are two Counters designated, only Counter 1 has to go to the PO Box. He or she must then rendezvous with Counter 2 to open the mail, record the donations and make the deposit.

- One of the Counters may be a person that is not a member of the Kairos community, such as a next door neighbor or a friend. When this is the case, the Kairos member should be the one to go to the PO Box and then perform the functions of Counter 2.

- Deposits received from one organizational level to another higher level are not counted in the less than six donation average.

- The Financial Secretary cannot be either of the Counters. Husband and wife teams cannot be Counters 1 and 2.

## **PROCEDURES**

**1. Q. Policy R. does not specify a time period to accomplish nor a requirement to submit the “statement” to anyone. What is the guidance here?**

A. Implementation procedures are outlined in Exhibit G. All organizational elements must be in compliance with the Ministry Policies and Practices Manual by December 31, 2006 (see Policy N.1.).

**2. Q. Who approves the expenditures of the State / Area / Advisory Council Financial Secretary?**

A. The Chairperson of the respective organizational level.

**3. Q. Policy I. 10. reads as if the State Chapter Committee, the Area Committee or the Advisory Council can approve any expenditure they want.**

A. Not true. This provision was included to provide flexibility in running the ministry. It is expected that the collective wisdom of a State Chapter Committee, an Area Committee or an Advisory Council could decide what was necessary to run their particular part of the ministry and that good judgment would prevail. This provision is to be used in cases that are not specifically cover in Policies I. and J.

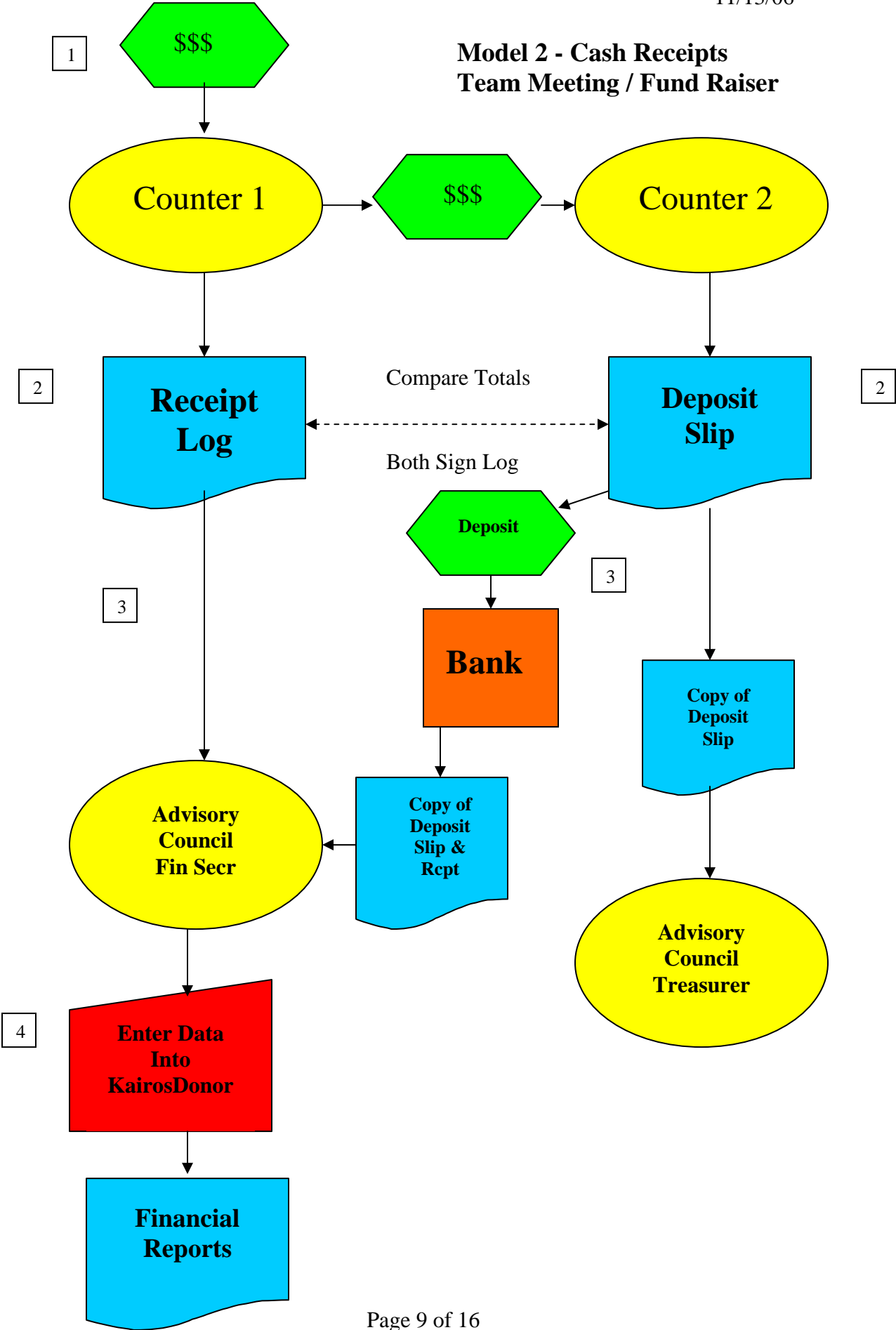
**4. Q. Policy M deals with restrictions on husband and wife teams. Can husband and wife serve together in two Standard Positions (see the SCCOP and the ACOP) such as Chairperson and Financial Secretary?**

A. The issue of husband and wife teams is the “appearance of being honest”. There is no specific prohibition to this combination of service. However, it fails the “appearance of being honest” test. The Chairperson has certain approval and review responsibilities with respect to the Financial Secretary; therefore this combination is to be discouraged.

**5. Q. Is it possible to show the flow of money and the flow of paperwork on a chart?**

A. Yes. See the Cash Receipts and Cash Disbursements Flow Charts below.

### Model 2 - Cash Receipts Team Meeting / Fund Raiser

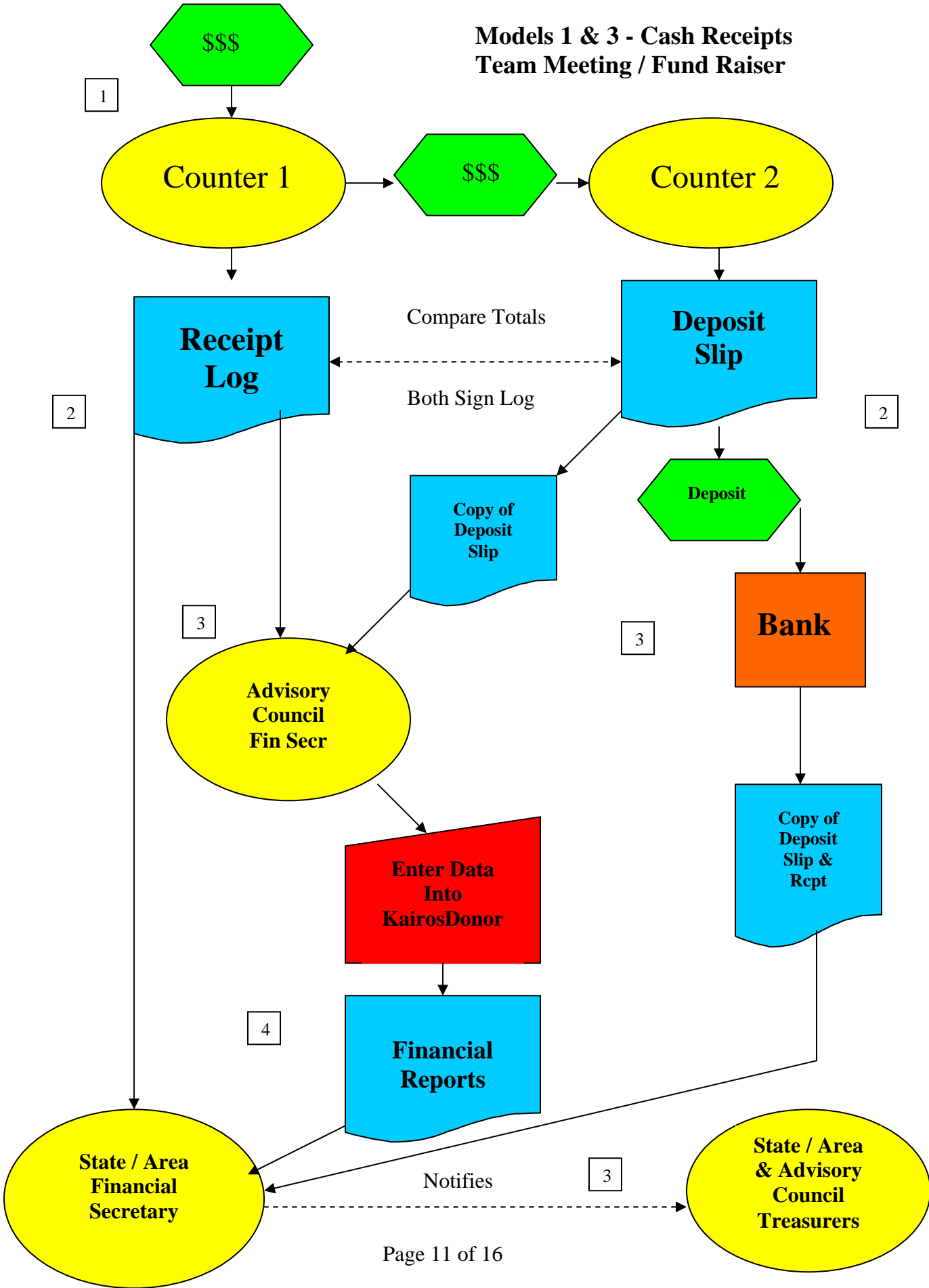


## **Model 2 - Steps in the Cash Receipts Transactions**

- 1. Team members / customers present cash (checks & currency) to the Counters.**
- 2. Counter 1 creates the Receipt Log, Counter 2 prepares the Deposit Slip. They compare the respective totals. They resolve differences until they are equal. They both sign the Receipt Log.**
- 3. Counter 1 sends the Receipt Log to the Advisory Council Financial Secretary. Counter 2 takes the deposit to the Bank, sends the deposit receipt and a copy of the deposit slip to the Advisory Council Financial Secretary, and sends a copy of the deposit slip to the Advisory Council Treasurer.**
- 4. The Advisory Council Financial Secretary enters the data from the Receipt Log into KairosDonor, records the deposit per the deposit slip and receipt into KairosDonor, and sends the Financial Report from KairosDonor to the State / Area Financial Secretary monthly or quarterly as required by the State / Area Financial Secretary.**

**NOTE: The Advisory Council Treasurer may be one of the Counters (preferably Counter 2). The Advisory Council Financial Secretary may NOT be one of the Counters.**

### Models 1 & 3 - Cash Receipts Team Meeting / Fund Raiser



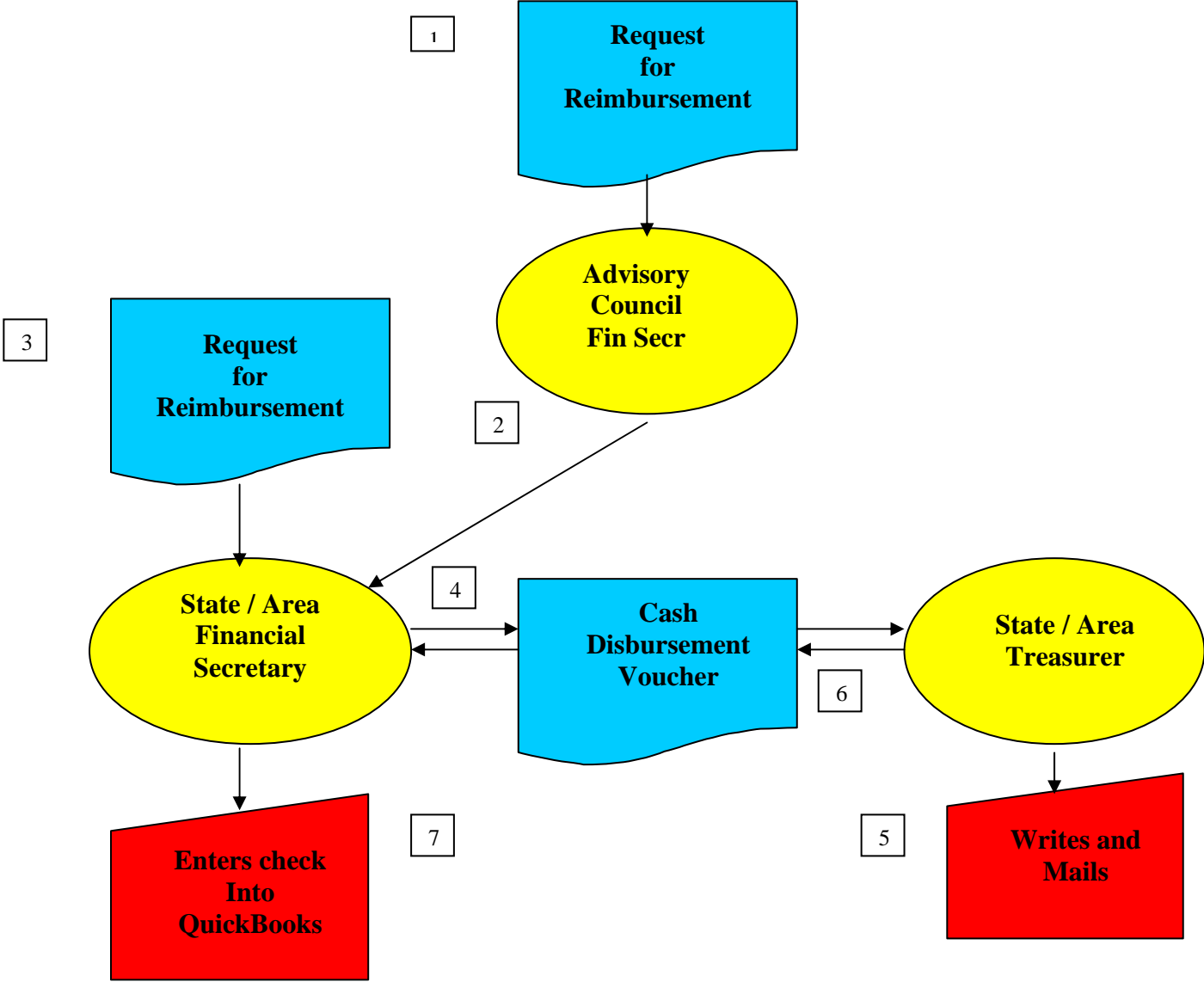
## **Models 1 & 3 - Steps in the Cash Receipts Transactions**

- 1. Team members / customers present cash (checks & currency) to the Counters.**
- 2. Counter 1 creates the Receipt Log, Counter 2 prepares the Deposit Slip. They compare the respective totals. They resolve differences until they are equal. They both sign the Receipt Log.**
- 3. Counter 1 sends the original Receipt Log to the State (Model 1) / Area (Model 3) Financial Secretary and a copy to the Advisory Council Financial Secretary. Counter 2 takes the deposit to the Bank, sends the deposit receipt and the copy of the deposit slip to the State / Area Financial Secretary, and sends a copy of the deposit slip to the Advisory Council Financial Secretary. The State / Area Financial Secretary notifies the State / Area Treasurer and the Advisory Council Treasurer that the deposit has been made.**
- 4. The Advisory Council Financial Secretary enters the data from the Receipt Log into KairosDonor, records the deposit per the deposit slip and receipt into KairosDonor, and sends the Financial Report from KairosDonor to the State / Area Financial Secretary monthly or quarterly as required by the State / Area Financial Secretary.**

**The above procedure requiring “notification” to the State / Area Treasurer and the Advisory Council Treasurer is necessary because there are only three copies of the deposit slip. The original goes to the bank, a copy goes to the State / Area Financial Secretary and a copy goes to the Advisory Council Financial Secretary. Notification to the State / Area Treasurer and the Advisory Council Treasurer may be accomplished by an e-mail, a photocopy of the deposit slip, a phone call, or a personal visit.**

**NOTE: The Advisory Council Treasurer may be one of the Counters (preferably Counter 2). The Advisory Council Financial Secretary may NOT be one of the Counters.**

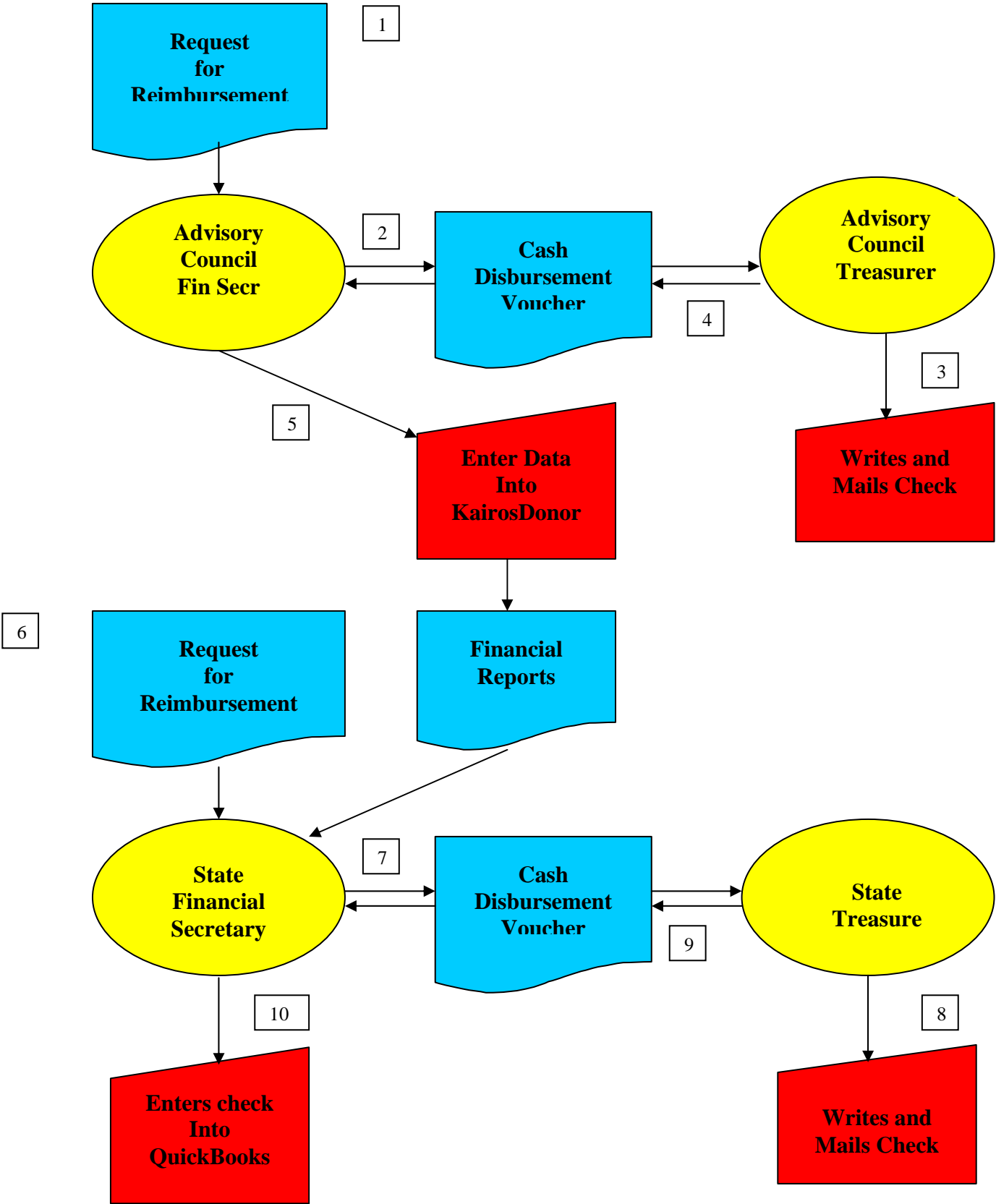
### Models 1 & 3 - Cash Disbursements



**Models 1 & 3 - Steps in the Cash Disbursements Transactions.**

- 1. Requests for Reimbursement are submitted to the Advisory Council Financial Secretary from Team and Advisory Council members.**
- 2. The Advisory Council Financial Secretary reviews the Requests for Reimbursement, authorizes the expenditure and forwards the Request for Reimbursement to the State (Model 1) / Area (Model 3) Financial Secretary for approval.**
- 3. Requests for Reimbursement are also submitted by State / Area Committee members directly to the State / Area Financial Secretary.**
- 4. The State / Area Financial Secretary reviews and approves the Request for Reimbursement and sends a Disbursement Voucher to the State / Area Treasurer with a copy of the Request for Reimbursement attached.**
- 5. The State / Area Treasurer writes and mails the check that pays the Disbursement Voucher.**
- 6. The State / Area Treasurer completes and returns the Disbursement Voucher to the State / Area Financial Secretary.**
- 7. The State / Area Financial Secretary enters the check into QuickBooks.**

### Model 2 - Cash Disbursements



**Model 2 - Steps in the Cash Disbursement Transactions.**

- 1. Requests for Reimbursement are submitted to the Advisory Council Financial Secretary from Team and Advisory Council members.**
- 2. The Advisory Council Financial Secretary reviews and approves the Requests for Reimbursement and sends a Disbursement Voucher to the State / Area Treasurer with a copy of the Request for Reimbursement attached.**
- 3. The Advisory Council Treasurer writes and mails the check that pays the Disbursement Voucher.**
- 4. The Advisory Council Treasurer completes and returns the Disbursement Voucher to the Advisory Council Financial Secretary.**
- 5. The Advisory Council Financial Secretary enters the data from the Disbursement Voucher and into KairosDonor and sends the Financial Report from KairosDonor to the State Financial Secretary monthly or quarterly as required by the State Financial Secretary.**
- 6. Requests for Reimbursement are also submitted by State Committee members directly to the State Financial Secretary.**
- 7. The State Financial Secretary sends a Disbursement Voucher to the State Treasurer with a copy of the Request for Reimbursement attached.**
- 8. The State Treasurer writes and mails the check that pays the Disbursement Voucher.**
- 9. The State Treasurer completes and returns the Disbursement Voucher to the State Financial Secretary.**
- 10. The State Financial Secretary enters the data from the Disbursement Voucher into QuickBooks.**