

SurePath Financial Solutions Risk Management Plan

Risk Management Plan

Risk Management Program

Risk Management Philosophy

It is the belief of Consumer Credit Counseling Service of Ventura County (DBA SurePath Financial Solutions) that we should provide our clients, employees and visitors with a safe, secure, pleasant and non-intimidating environment, and protect the agency through processes and procedures that effectively minimize risk of loss. Properly maintained facilities, service provided by well-trained staff in a manner that dictates quality assurance, effective program services, and appropriate accounting controls are major contributors to a well-managed organization with minimum risk.

Risk Management Goals

SurePath Financial Solutions' goal is to establish an internal control structure that manages risk exposure in order to protect the agency and help accomplish its specific goals and objectives. The plan is the means by which the agency's resources are directed, monitored, and measured and plays a key role in preventing and detecting fraud and protecting the organization's resources, both physical and intangible (e.g., reputation and intellectual property).

General Safety Principles

General Safety Principles:

- SurePath Financial Solutions strives at all times to operate in compliance with local, state, and federal laws and regulations.
- SurePath Financial Solutions adheres to the policies and standards of the **Counsel on Accreditation?** (OSHA?) in matters related to the health safety, and well-being of service recipients.
- A primary responsibility of the Board of Directors, CEO, and all staff is the health, safety, and security of service recipients.
- Safety and risk management activities are multi-faceted and include:
 - Thoughtful screening, selection and training of employed staff.
 - Creation and enforcement of policies, standards, guidelines, and procedures as guides for planning.
 - Maintaining safe and secure facilities.
 - Establishing procedures to be followed in the event of an emergency.
 - Maintaining clear communications channels.

SurePath Financial Solutions purchases insurance coverage as a financing mechanism for certain risks, but recognizes that insurance is not a substitute for vigilance in planning and implementing programs.

Responsibility for Risk Management

Board of Directors

- Sets risk management goals, adopts annual operating objectives and budget with risk management included.
- Adopts annual capital budget with risk management in mind.
- Reviews operational reports to determine compliance and future priorities.

- Ensures compliance with policies and standards imposed by national organization or accrediting organization.
- Adopts and establishes policies and standards.
- Reviews the organization's insurance program periodically.
- Reviews the organization's *Risk Management Plan* annually.

Executive Director or CEO

- Assigns staff to design and carry out safety and risk management activities.
- Assigns staff to perform annual review of the safety and risk management activities.
- Executes contracts for the organization.
- Keeps the board apprised of emerging threats and opportunities facing the organization.

AUDITORS

Internal and external auditors measure the effectiveness of internal control through their auditing activities. Their reviews should include assessment of whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve them. To provide reasonable assurance that internal controls within the financial reporting process are effective, the external auditor (outside public accountants) will test such controls on an annual basis and issue an opinion to the Audit Committee on the internal controls and the reliability of its financial reporting and if they are in line with generally accepted accounting principles.

SAFETY ADMINISTRATOR/QI COORDINATOR OR DESIGNEE

The Safety Administrator/QI Coordinator or Designee will:

- Conduct and record dates of emergency exist and disaster drills
- Maintain and enforce security and safety rules
- Inspect facilities for any existing or potential accident or health hazards and report findings to the CEO
- Investigates incidents and accidents
- Complete all safety, inspection, and evacuation forms and retains as required by agency's Document Retention Policy
- Report all incidents and makes recommendations for improvement at least monthly during the Management/QI Team meeting
- Recommend new policies and procedures based upon findings from data collected that will improve internal control and risk management.

ALL MANAGERS AND SUPERVISORS

All managers and supervisors:

- will participate in the review, recommendations, and modifications of the plan

□ are responsible for the implementation and enforcement of the plan and control objectives within their departments. This includes developing processes and procedures to effectively accomplish the objectives and a set of guidelines on which they can rely to run department activities effectively, prevent waste (including time as a resource), and fraud in agency activities.

Governance Structure

Articles of Incorporation

Bylaws

pending

Indemnification

The Agency carries Director's and Officer's, Errors and Omissions and Professional Practices to cover its voluntary board members.

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND CERTAIN OTHERS.

(a) Right of Indemnity. To the full extent permitted by law, the corporation shall indemnify its Directors, officers, employees and other persons described in Section 5238

(a) of the California Nonprofit Corporation Law, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in such Section, including without limitation an action by or in the right of the corporation, an action brought under section 5233 (self-dealing transactions) of the California Nonprofit Corporation Law and an action brought by the Attorney General or a person granted relater status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of

the fact that such person is or was a person described by such Section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 5238 (a) of the California Nonprofit Corporation Law.

(b) Approval of Indemnity. Upon written request to the Board by any person seeking indemnification under Section 5238 (b) or section 5238 (c) of the California Nonprofit Corporation Law, the Board shall promptly determine in accordance with Section 5238 (e) whether the applicable standard of conduct set forth in Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board shall authorize indemnification.

Conflict of Interest Policy

The conflict of interest policy was adopted by the board on 03/20/2013. Every year each board member completes and signs a disclosure statement declaring any known conflicts and agreeing to comply with the policy. These annual statements are gathered in [month] of each year.

Board Operations

Board Manual

SurePath Financial Solutions has adopted a Board of Directors Manual that contains our company philosophy and purpose, and describes the form and function of key elements of our organizational structure including our Board of Directors, Staff, Services, Memberships and Affiliations, and Fiscal Policy.

Board Orientation

Orientation of newly elected board members shall be held as soon as possible following election, and shall include distribution of the current board of directors' manual, a presentation of agency services and operations, an introduction to board membership and responsibilities by the board chair, a presentation of the national organization, industry and other affiliations, a presentation of the strategic plan, and a tour of the agency facilities.

Board Development

Board Development:

Identify needed talents and skills necessary to maintain an effective board. Recruit candidates for board membership based on identified needs and demographic characteristics for representation of the community. Develop board responsibilities and annual appraisal.

Board Assessment

pending

Board Recruitment and Nomination

RECRUITMENT

SurePath Financial Solutions shall always strive to maintain a diverse board of directors composed of accomplished individuals with the background, knowledge, and perspective necessary to further the mission and strategic direction of the agency. Members should include, to the extent possible, creditors, employers, human resource professionals, media professionals, business professionals, educators, representatives of civil service, etc., in order to accurately represent the interests of those most directly affected by agency services.

The board members in their ethnicity, age, gender, and geographic location should resemble the community members they serve. A variety of skills, areas of expertise and experiences are necessary to represent the interests of the stakeholders. The agency's principle stakeholders are identified as clients, creditors, community organizations, and members of the community.

MEMBERSHIP PROCEDURE

Potential board members should be solicited by board members and the information forwarded to the CEO. The CEO will send each candidate a letter and questionnaire profile to learn of the interest. Upon receipt of completed application, the CEO will forward a copy to all members of the Board Development Committee.

The Chairperson of the committee will schedule a teleconference at their earliest convenience to review applicant information. If the committee has any questions concerning the applicant it will become the responsibility of the Chair to contact the applicant directly for clarification of information. When the committee has reached a consensus, the Chair will draft a brief recommendation that should include at a minimum, personal contact information, employment status, community activities and value to the SurePath Financial Solutions board and forward to each board member prior to the next scheduled board meeting for review, prior to a vote being taken. The Chair or their designee will be asked to make the recommendation at the board meeting. All new members are asked to serve a three-year term.

If for any reason a member cannot fulfill their term and a vacancy occurs, the same procedure will be followed except that the new member will fulfill the length of that term. All newly elected board members will receive orientation conducted by the CEO, receive a board manual, given a tour of the headquarters, and be asked to sign a Conflict of Interest statement and Confidentiality Agreement.

The board should be the predominate source for resumes, and the CEO should only be involved to the extent requested by the board.

Steps:

- Candidate is invited to join by a board member in good standing
 - Contact information is forwarded to the CEO
 - CEO sends letter of interest, application and board questionnaire
 - Candidate, if interested, returns information to CEO
 - CEO mails copies to all members of board development committee
 - Committee Chair schedules meeting to review and reach consensus
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- Committee Chair drafts recommendation and forwards to all board members prior to next scheduled meeting

Board Meeting Minutes

RECORD KEEPING

Board and Executive Committee Minutes

A formal record of the organization shall be maintained in chronological order in a safe and secure location of all regular and special meetings of the Board or Executive Committee. A back-up copy is stored monthly off-site in **the agency safety deposit box** or other secure location. All minutes shall include, at a minimum, the meeting place, date, business and other items addressed and all actions taken by the board or committee that accurately reflect the governance of the agency.

Board Committee Minutes

All minutes of regular or special committee meetings are maintained in similar, clearly identified binders that conform to the same content, description and storage as above.

Committee Chairpersons assume the responsibility of setting the agenda, recording accurate minutes and ensuring that the agency CEO receives a signed copy.

Insurance/Risk Financing Strategy

INSURANCE & BONDING

As part of its Risk Management Assessment, the Agency reviews all insurance coverage at least annually to insure adequate coverage amounts. The Agency carries Director's and Officer's, Errors and Omissions and Professional Practices to cover its voluntary board members.

RESPONSIBILITIES OF BOARD MEMBERS

Ensure that adequate and appropriate insurance and bonding is obtained and maintained.

LIABILITY

The CEO will review, maintain, and protect against loss and liability as outlined in this plan.

It is the CEO's responsibility to provide for outside underwriting or self-insurance, where appropriate, that covers the following items:

- Buildings, other structures, and improvement to the premises
- Signs, fences, and other unattached outdoor property
- Breakage of windows and plate glass
- Building contents, including but not limited to furniture, equipment, machinery, and supplies
- Inventory
- Data-processing equipment and media, including computers, satellite dishes, leased equipment
- Valuable documents
- Debris removal after a fire or other disaster
- Business interruption and loss of revenue
- Money and securities; records of accounts receivable
- Liability protection for the agency against lawsuits, including personal injury and slander.
- Intangible property, such as trademarks and goodwill
- Workers' compensation.
- Product liability
- Inland Marine coverage
- Liability insurance that covers errors and omissions, employment practices, Directors and Officers, professional liability, and malpractice
- Lawsuits, including discrimination and sexual harassment cases
- Retaliation by former employees who were dismissed or laid-off
- Acts of Terrorism
- Non-Owned Auto Liability
- Surety Bond
- Blanket dishonesty bond
- Pension Bond

- Defense costs outside policy limits

Affiliate/Chartering Arrangement

Human Resources

Written Employment Policies

SurePath Financial Solutions has adopted a number of critical employment policies which are contained in the Employee Handbook. The Handbook is distributed to all incoming staff on their first day of employment and employees are required to acknowledge receipt of the Handbook and an agreement to abide by the policies therein. It is the organization's policy to review the Handbook carefully prior to taking any disciplinary action against an employee to ensure that the organization's policies have been followed. Employees who have questions or concerns about any of the policies contained in the Handbook are encouraged to speak with their direct supervisor or the Director of Human Resources.

Communicating Policy Changes

All new policies and edits to current policies are incorporated in the Employee Manual and communicated to staff in writing and with presentations during the quarterly All-Team Meetings.

Policy Review and Updating

Pending

Use of Position/Job Descriptions

SurePath Financial Solutions has job descriptions for all paid positions in our company. These job descriptions have been developed and refined by supervisory personnel and are updated on an "as-needed" basis.

Orientation Process for New Employees

Orientation:

pending (see QI Plan 2015)

pending

Performance Appraisal

Performance reviews are intended to provide staff with feedback regarding management's assessment of their job performance. The reviews also give employees an opportunity to discuss the job requirements and the Company's expectations, as well as to raise any concerns individual employees may have. Employee performance reviews are typically scheduled at the conclusion of the introductory period (90 day assessment) and each April and October thereafter, or as needed. Employee compensation is handled separate and apart from the performance evaluation but the performance evaluation is considered in determining compensation adjustments.

Programs and Services

1. SurePath offers **Confidential Financial Counseling**

Budget and debt counseling includes these components:

- Free, confidential one-to-one counseling.
- Counseling is available in-person, by telephone or Internet.
- Counselors offer suggestions for cutting expenses, budgeting, handling creditors and alternatives for resolving debt.
- Development of financial action plans as appropriate to individual needs.
- Counselors refer clients to other non-profit agencies providing assistance, government agencies, and credit bureaus.

(see Board Manual-revision June 2013.docx p. 4)

SurePath shall provide comprehensive, confidential counseling for anyone experiencing financial difficulty regardless of age, gender, ethnicity, creed, health, disability, religion, employment, marital or financial status.

1. Every effort will be made to accommodate the client in scheduling appointments, including requests for same day appointment and emergency appointments, i.e., a pending foreclosure, wage garnishment or a client who appears or sounds severely depressed or anxious. In-person appointments will be offered within five (5) business days of the client's initial contact.
2. At the onset of a counseling session, the client will sign or provide verbal agreement (consent) to a detailed agreement for counseling services, as applicable to the client's particular needs or services desired ("Agreement"). Such Agreement shall discharge SurePath from any and all claims or liabilities that may arise from the counseling services provided. Phone appointment clients will be provided with a PIN number to ensure confidentiality. The Agreement provided to the client will detail the applicable privacy policy, funding disclosure, credit reporting procedures and impact of same on client's credit, and/or statement that DMPs are not suitable for all clients, as appropriate to the services requested by client and applicable law. Each client will also receive a printed copy of SurePath Best Practices.
3. Clients counseled shall be actively involved in the development of their action plan. The plan will include a preliminary evaluation of the client's request, and timely resolution based on the urgency of the problem and length of service necessary to accomplish the client's goals. The budget will have clear priorities based on needs such as housing, utilities, food, and

transportation costs. The plan will also include a review of the client goals, resources, income, expenses, assets, liabilities, client responsibilities, and identification of problems and/or need for appropriate referrals, and the options and action steps available to the client, including bankruptcy as applicable.

4. The client will receive a copy of the plan, a statement of counseling services being provided, a copy of SurePath's best practices and grievance procedure, and all other relevant materials that may address his or her specific counseling needs. A copy of the case plan and statement of counseling services being provided shall also be maintained in the client's file.

5. Housing counseling will include, when appropriate, information regarding safe and adequate housing, education on housing choices and costs, education on tenant/homeowner rights and responsibilities, and housing advocacy.

6. Counselors may refer clients to other civic and/or non-profit counseling and social service agencies as necessary. Counselors shall also be alert to situations that might be appropriate to report to law enforcement agencies, child or adult protective services, or mental health authorities.

7. Counselors shall not give legal advice or make referrals to endorse specific "for profit" organizations.

8. Telephone counseling will be conducted on landlines rather than cordless or cellular telephones.

(see SurePathPolicy Manual 2015.docx p. 29, Policy No. 30:01)

Statement of Counseling Services provided and applicable agreement with client for those services:

GENERAL CONDITIONS

1. The applicable statement of counseling services and agreement signed by the Client (the "Agreement") discharges SurePath from any and all claims and liabilities that may arise from client involvement in a counseling session and/or participation in a SurePath program. However, nothing herein shall apply to actions or claims under the provisions of the United States Bankruptcy Code, 11 U.S.C § 101 et seq.
2. The Agreement shall include a disclosure statement regarding SurePath services available,

fees, funding, general program parameters, and client problem resolution rights, as required by applicable law.

3. The Agreement shall include the FTC approved guideline advising the client that most of our funding comes from voluntary contributions and the dual role of debt management programs, as required by applicable law.

4. The Agreement shall include the approved guidelines advising the client that complaints may be directed to the California Department of Corporations and that the agency has adopted best practices which will be provided upon request, as required by applicable law.

5. If a client refuses to sign the Agreement, the counselor may discuss credit issues, SurePath services and programs in general terms, however, the counselor may not discuss the client's specific financial situation or give recommendations. A case action plan and/or payout forecast will not be provided to the client. Client's creditor statements will not be retained by SurePath.

6. A client's electronic or verbal acknowledgement of, and consent to, the services being provided by SurePath is adequate for internet or telephone counseling. The form will be emailed or mailed to the client with a request to sign and return the hard copy form.

7. Participation in a SurePath program will not be permitted without a signed Agreement from the client, dated within six weeks of the client's first payment.

(see SurePathPolicy Manual 2015.docx p. 31, Policy No. 30:02)

(Maintenance of confidentiality regarding clients' financial information of utmost concern and priority)

No employee will disclose or reveal, in any manner, any client file or personal financial information, outside the business environment and without express permission from the client. Personal financial information includes total debt, income, living expenses, and other data concerning financial circumstances. Clients are required to provide the last four (4) numbers of their social security number, and property address when requesting information over the telephone. If the client wishes to authorize another individual to have access to their client records, they will be asked for their identifying information and a record the authorization will be put in the file.

SurePath computer systems contain secure protocols and all data is encrypted using secure socket layers

(SECURITY PASSWORDS)

Our proprietary software requires password authentication and is governed by permissions that do not require changing. Staff, or "Users" are placed in groups and each group is given a User level based on a predetermined authority level necessary to complete their tasks. Security passwords are also required by all staff for the purpose of logging in to the computer system upon arrival and logging out upon departure. Individual passwords are necessary to perform individual functions.

To safeguard against failure of staff to log out properly, the system automatically locks all PC's after five minutes of inactivity and will automatically shut all DMS systems down at a

designated time, prior to system back-up. This eliminates possible tampering, or unauthorized access to client information. Every 60 days the system administrator requires that all passwords be changed according to approved technological guidelines.)

(see SurePath Internal and Risk Management Plan 2013.docx, page 5)

3.1 CONFIDENTIAL INFORMATION

We use our resources to develop confidential information and trade secrets that are essential to our Company, clients, and employees. Our confidential information and trade secrets are developed by our employees as part of their job duties and responsibilities. Because protecting our confidential information and trade secrets is important to us, you are required to sign a Confidential Information Agreement as a condition of your employment.

Our confidential or trade secret information includes, but is not limited to, financial data; product information; the names and contact information for customers, vendors, and potential customers; technological data; marketing information; and other details of our business. This information may be contained in our written materials or in our electronic databases.

Confidential and trade secret information is to be stored in a manner that maintains the confidentiality of the information. Software is not to be taken home without permission of a supervisor. Computer information removed from the premises should be logged out and checked back in. Passwords for computer access should be used for confidential and trade secret information and passwords should be changed periodically. There shall be limited access to confidential and trade secrets information. SurePath will conduct periodic security audits to make sure that confidentiality procedures are being followed. Supervisors will be evaluated as part of their annual review on their efforts to secure confidential and trade secrets information. Any information to be viewed by third parties should contain notices that the information is confidential or constitutes a trade secret and employees should ensure that such information is retrieved from the third party when the third party has completed its need for such information. Distribution of such information should be tracked and limited to the particular person or organization in need of the information.

You must take great care to abide by these policies and protect our trade secrets and other confidential information. You may not disclose any trade secrets or confidential information to third parties, either during or after your employment.

(see Employee Handbook 2015.docx p.29 section 3.1)

In the event of an unauthorized disclosure of personal information, notification to the affected consumer will be made in the most expedient time possible and without unreasonable delay (California Civil Code Sections 1798.29 and 1798.82).

If the client has signed a “Statement of Counseling Services & Agreement with Client”, the client’s personal financial information may be discussed with creditors listed on the DSP, with the exception of client’s place of employment, work phone number, and unlisted home phone number.

SurePath will respect a client’s request not to disclose a home telephone number.

No client information will be disclosed to a creditor not listed on the DSP.

Client's Social Security Number will not be printed or written on any material mailed to the client's home address (California Civil Code Sec. 1798.85).

Upon client's request, client's Social Security Number will not be included in the electronic record or will be removed from the electronic record within 30 days of such request (California Civil Code Section 1798.85).

No client information will be disclosed to a client's friend or family member without express written permission from the client.

For the purpose of evaluating our service, gathering/providing research information and designing future programs, aggregate case file information may be compiled. Client anonymity will be maintained through use of client number or by using only aggregate data in all circumstances. SurePath will obtain a Business Vendor Agreement and approve limited access by auditing, contracting, licensing, accrediting, or quality assurance personnel to safeguard and protect client confidentiality.

Exceptions: Client information may be disclosed in response to a request by a law enforcement agency, with the approval of the CEO or human resources manager, if it is believed that the client or former client has been engaged in illegal activities; or when required by statute or regulation, or in response to a lawfully issued administrative summons or judicial order, including a search warrant or subpoena.

As required by the Federal Financial Privacy Law, notice of our Privacy Policy for Consumers will be provided to clients at intake, and at least annually while an active participant in the Debt Solver Program.

As required by Federal Privacy Law, notice of our Internet Privacy Policy is posted on all websites. Reference Policy 70:06 for further information.

(see SurePathPolicy Manual 2015.docx p. 13, Policy No. 10:09)

2. Debt Management Plan administration:

(Collection and disbursement of client funds)

Debt management, including negotiation and disbursement of funds to creditors, includes these components:

- Negotiate with creditors for reduced monthly payments and lower interest rates.
- Client pays SurePath Financial Solutions each month for all listed debt and our agency disburses on an equitable basis to all creditors.
- Upon completion of the debt management program, a credit renewal program is available to the client.

(see Board Manual-revision June 2013.docx p. 4)

Debt solver program (aka Debt Management Plan Program)

Consistent with its mission, SurePath shall provide an impartial forum for debt repayment, serving the dual role of helping individuals and families repay their debts, and helping creditors collect the debts owed. DMP fees, program administration, and client notifications are provided according to policy.

(see SurePathPolicy Manual 2015.docx p. 35, Policy No. 50:01)

GENERAL CONDITIONS:

1. When appropriate and advantageous to the client, the counselor shall recommend participation in the Debt Solver Program (“DSP”). The agency will not pre-screen for Debt Solver Program participation.
2. DSP client fees shall be kept as low as possible, not to exceed limits set by California law, currently 8% of the DSP deposit up to a maximum of \$35.00 per month. Fees may be reduced or waived in hardship cases.
3. Client’s first payment must be received within six weeks of signing the Statement of Counseling Services & Agreement with Client.
4. Clients are sent a statement at least quarterly, indicating total deposits, total amount paid to each creditor, total amount creditor has agreed to accept as payment in full, total amount paid in SurePath fees, and any amount held in reserves.
5. All printed and promotional materials involving DSPs will include the FTC recommended guideline advising the consumer that most of our funding comes from voluntary contributions from creditors and the dual role of DSPs.
6. All DSP clients are provided a written statement of the Agency’s Best Practices and complaint resources no later than the first payment date.

DEBT SOLVER PROGRAM REQUIREMENTS:

1. All creditors must be treated fair and equitably, whether or not they make a Fair Share Contribution, and whether or not they offer concessions to the client.
2. In most cases, all unpaid credit cards, with the exception of mortgages and autos, will be administered through the DSP. Exceptions must be approved by the Operations Manager.
3. In most cases, all lines of credit are closed and all credit cards shall be accounted for and destroyed. Exceptions must be approved by the Operations Manager.
4. All staff shall ensure prevention of negative amortization on client accounts. Minimum payments to creditors must be sufficient to cover all fees and still provide a realistic reduction of principal, and must be based on the client's best effort.
5. Payments to creditors will be determined based on a prorated calculation of available income to debt, considering fixed payments on secured debt, and a recommended minimum payment of not less than \$15 to each creditor.
6. Agency approval is required for new credit relationships established during the DSP.
7. Consumers are provided access to the DSP regardless of the amount of outstanding debt. Prior to the first payment, the client is given a reliable estimate of the length of time it will take to complete the DSP. The maximum recommended payout forecast should not exceed 60 months. DSPs forecasted longer than 60 months must be reviewed and approved by the Counseling Manager.
8. As debts are paid off or additional income becomes available, increases to remaining creditors shall be made proportionately, with a priority to payoff small balance creditors as quickly as possible.

(see SurePathPolicy Manual 2015.docx p. 35, Policy No. 50:01)

Client Deposits

Several options have been investigated, analyzed and approved for client payment methods that allow for customer convenience, affordability and timeliness that still maintains internal accounting controls while reducing risk. The methods currently approved for use are:

- Electronic Methods (ACH)
- In person
- By mail

Client deposits, as well as other fees, may be made in person at the Camarillo office only, in the form of cashier's check, money order, or other guaranteed funds. When cash is accepted for any other approved fee, a receipt will be given to the client, a copy to the bookkeeper, and a copy stays in the book.

All deposits are matched to daily records to note accounts receivable and collected.

(see SurePath Internal and Risk Management Plan 2013.docx, page 5)

Electronic recordkeeping:

MANAGEMENT INFORMATION SYSTEMS

To ensure efficient, uninterrupted services of Consumer Credit Counseling Service, a complete backup of all electronic data is done on a daily basis and stored offsite. Weekly backups will supersede daily backup and month end backups supersede weekly backups. Monthly backups are maintained until year-end reports are run. Year-end backups are retained for 7 years. All backups are electronically stored offsite at the IS West Co-Lo location.

(see SurePath Internal and Risk Management Plan 2013.docx, page 6)

Procedures

The agency will maintain written procedures that comply with legislation, regulations, and government directives that are designed to protect client assets and agency accountability. The internal accounting controls include an all-inclusive and descriptive chart of accounts, recording of revenue and expenses, inventory control, general ledger, and verification of agency assets.

Comprehensive desk procedures that guide the day-to-day workflow are monitored on an on-going basis and up-dated as needed by the appropriate managers and supervisors.

(see SurePath Internal and Risk Management Plan 2013.docx, page 4)

Accounting System

The CEO has oversight responsibility for maintaining the agency accounting system, and performs the following functions with assistance from the **COO** or other designee:

1. Assures that payable and receivables are paid in a timely and appropriate manner
2. Is responsible for segregation of duties to the extent possible
3. Is responsible for verifying that the custodial account and the general account are reconciled by designated personnel, and signed by designated personnel, within 10 days of receiving statements
4. Is responsible for ensuring that deposits are made and deposited daily by appropriate personnel.

(see SurePath Internal and Risk Management Plan 2013.docx, page 4)

AUDITORS

Internal and external auditors measure the effectiveness of internal control through their auditing activities. Their reviews should include whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve them. To provide reasonable assurance that internal controls within the financial reporting process are effective, the external auditor (outside public accountants) will test such controls on an annual basis and issue an opinion to the Audit Committee on the internal controls and the reliability of its financial reporting and if they are in line with generally accepted accounting principles.

(see SurePath Internal and Risk Management Plan 2013.docx, page 8)

Education:

The principal functions of this non-profit community service organization are: (include):

Education on the use of credit, budgeting, managing money, home buying and other relevant topics.

Education on the use of credit, budgeting, managing money and other components:

- Presentations to community groups, employers, substance rehabilitation facilities, schools and homeless shelters.
- Ongoing Budget and Credit Workshops, Homebuyer Workshops and other educational programs offered in the community and on site in our educational classroom.
- Development and printing of materials on budgeting, stretching your dollar, wise use of credit, surviving a layoff, etc.
- Media interviews for radio and newspaper.
- Informational booths at community events, business expos, fairs and festivals.
- Agency web site available 24 hours with information on debt management, bankruptcy, credit scores, and housing solutions.

(see Board Manual-revision June 2013.docx pp. 3-4)

SurePath shall ... develop, foster, and provide a variety of community educational programs to encourage financial literacy.

Community education programs may instruct or inform an audience on a variety of consumer credit topics, including: budgeting, money management, the appropriate use of credit, credit bureaus, credit reports, obtaining/re-establishing credit, home purchasing, and financial planning, etc.

(see SurePathPolicy Manual 2015.docx p. 32, Policy No. 40:01)

Client Safety

Client Safety Policy

Pending

Staff Code of Conduct

(NIAC's boilerplate "Staff Code of Conduct" text, below)

I understand that my active participation in SurePath Financial Solutions's program is important to the success of my involvement and the organization's efforts. Therefore I agree to abide by the following rules for my participation.

- I understand that my consistent participation is important and I will honor my time and service commitment.
 - I will respect the rights, dignity and worth of all people involved within the program. I will be a positive role model for the clients with which I have contact.
 - I understand that the relationship between the clients and me is important and I will not include other people in our activities, including members of the client's or my family.
 - I understand that my role as a volunteer (or employee) is a matter of trust and will not pursue any activities with the client(s) outside the confines of the organization's program.
 - I understand that I may learn personal information about others that I will keep confidential.
 - I will not engage in activities that pose a serious risk of injury to myself and others, including but not limited to, use of alcohol or drugs (illegal or that impair my ability to perform my duties), or smoking in the presence of clients.
 - I will refrain from any form of personal abuse towards others, including verbal, physical and emotional abuse.
 - I will not engage in any inappropriate contact or relationship with a client or other participant of the organization's programs.
 - I will be alert to any form of abuse from other sources directed toward clients.
 - I will not arrange nor participate in any overnight activities (or other prohibited activities) without express permission from the organization.
 - I will inform the client's family of any activity plans and obtain their approval as needed.
 - I will not buy gifts nor give money to any client. Whenever in doubt of the appropriateness of a modest gift I will check with the organization.
 - I will maintain regular contact with my supervisor by responding promptly to any calls, letters, or other means of communication. I also understand that the organization may request a meeting to discuss my participation and I will respond promptly.
 - I understand that if a problem arises between the client and/or the client's family or caregiver, I will contact the organization immediately.
 - I understand the importance of ending my involvement with the organization properly therefore I will participate in the organization's exit or termination procedures.
 - I agree to follow all established rules and guidelines of the organization
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- I have read and agree to abide by the SurePath Financial Solutions's Code of Conduct. I understand that if I violate this Code of Conduct I will subject to a range of consequences, up to and including being prohibited from participating in any activities or programs of the organization.

Signature _____ Date _____

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CORE VALUES

Integrity We will strive to uphold the ethical standards of our profession. We will be respectful to the needs of our clients, the creditors, and our community.

Non-Discriminate We will provide comprehensive and confidential program services, accommodating all our constituents unconditionally.

Proficient We will approach our responsibilities with a sense of urgency. We will provide a consistent, high quality service in an efficient and timely manner.

Credible We will strive to provide new and innovative programs as the market dictates. We will strive for a balance between knowledge and consideration in our communications. We will acquire and maintain accuracy, thoroughness, and the analytical ability to instill confidence.

 

GUIDING PRINCIPLES

- We continually improve the quality of our work and our service.
- We are customer driven. Everything we do provides a service.
- We outperform our competitors in anticipating and meeting our customer's needs.
- We are relevant to people's lives and our community. We bring a sense of order, identity and self-esteem.
- We have a sense of urgency in all that we do.
- We rely on the participation, initiative, and knowledge of every single person in our organization.
- We empower decision-making as close to the customer as possible.
- We recognize each other's successes and those of our clients.
- We respect the value and contribution of each individual. Every job is essential to our success.
- We work in partnership with each other, our customers, and our community.
- We listen.
- We respect the diversity of our co-workers, realizing that each one of us is a unique

individual with a special set of skills. Collectively we create a winning team.

(see Employee Handbook 2015.docx pp. 5-6)

3.24 CONFLICTS OF INTEREST

We recognize your right to engage in lawful outside conduct during non working hours away from our premises. However, a conflict of interest occurs when your private interests (or the private interests of your immediate family members) interfere with your job responsibilities. You must not place yourself or our Company in a position of conflict.

If you become affiliated with or have interest in any business or firm that may be related to the consumer credit industry, or may give the appearance of a conflict of interest, you must give written notification to human resources or the CEO as soon as practical. If you are not sure if you have a conflict of interest, or suspect that you may have a conflict of interest, you are encouraged to discuss the situation frankly with the CEO.

If your lawful off-duty activities create a conflict of interest or prevent you from successfully performing your job duties, we will ask you to choose between terminating the off-duty conduct and resigning from your position with us.

3.25 GIFTS

You may not give or accept cash or gifts of significant value/over \$25.00, loans, expensive entertainment or anything else that might be expected to influence your conduct with our business associates, vendors, or other persons providing goods or services to us, or other employees or independent contractors of our Company. You may not give or accept cash or gifts, loans, expensive entertainment or anything else that might be expected to influence your conduct with our customers and clients or their families.

3.26 CODE OF ETHICS

We are judged as a Company by the collective and individual performance of our employees. Thus, we must recognize that our first duty to SurePath is to act in a manner that merits public trust and confidence. One's authority to act in and for the Company must never be used, directly or indirectly, for private gain, to advance personal interest, or to obtain favors or benefits for yourself, a member of your family, or any other person.

In certain situations, our Company is unable to meet some or all of the requirements of our clients and, therefore, is obligated to recommend legal or other professional assistance be sought. Under no circumstances is an employee to recommend a specific individual, company, or firm for legal or other professional assistance with whom the

Company does not have a formal contract. Violation of this policy may result in disciplinary action, up to and including dismissal.

(see Employee Handbook 2015.docx pp.32-33)

5.1 RULES OF CONDUCT

It is important to us that all employees maintain proper standards of conduct and observe certain rules to ensure the orderly and efficient operation of our Company. Complying with Company rules does not guarantee continuing employment, because all employees are employed at will. However, employees who do not comply with Company policies, rules, and directives will be disciplined or terminated.

It would be impossible to list all possible infractions that may lead to discipline, and we will discipline or terminate employees for any reason we deem necessary and appropriate. Some examples of misconduct warranting disciplinary action or termination include:

- Sexual or other harassment, retaliation, or discrimination of any kind, against another employee or anyone else affiliated with the Company.
- Theft, misappropriation, or unauthorized possession, removal or use of property, equipment, materials, documents or records belonging to the Company, a Company customer, or another employee.
- Damaging property or materials belonging to the Company, a Company customer, or another employee.
- Violating security, safety, or fire prevention rules or regulations.
- Engaging in any conduct that creates a safety hazard, or creating or contributing to unsanitary conditions by poor housekeeping.
- Smoking in unauthorized areas or smelling of smoke or tobacco in the workplace or while representing the Company.
- Unauthorized possession of a weapon or other dangerous materials on Company premises or while representing the Company.
- Gambling or loan sharking on Company premises or by using Company resources.
- Using or possessing alcoholic beverages or illegal narcotics or drugs on Company premises, in Company vehicles or in vehicles being driven on Company business or while

representing the Company, or reporting to work under the influence of intoxicants or drugs (whether unlawful or not) that interfere with job performance, or misusing prescription or other lawful drugs.

- Misuse, falsification, or alteration of any employment or Company reports or records, such as job applications, medical or employment history, personnel records, pay records, time records, customer or vendor documents, absence or illness reports, accident reports, or injury claims.
- Insubordination or refusal to follow management instructions, or refusal or unwillingness to accept a job assignment or to perform job requirements.
- Failure to observe scheduled work hours, failure to provide proper notice of absence, failure to report to work when scheduled, unauthorized or excessive absences, excessive tardiness, abuse of leave benefits.
- Leaving Company premises without permission during regularly-scheduled work hours, unauthorized absence from your assigned work area during regularly-scheduled work hours, or leaving the premises without recording your departure on your time records.
- Working unauthorized overtime, working off the clock, or being on Company premises when you are not scheduled to work.
- Sleeping, loitering, wasting time, or interfering with the work of others during regular work hours.
- Engaging in personal calls, text messaging, instant messaging, social media activity or other non-work activities during work hours, or taking excessive break time to do so.
- Gossiping, bullying others, defaming other personnel or our Company, disrespectful or rude treatment of others.
- Rude, discourteous, or unprofessional behavior, creating a disturbance on Company premises or creating discord with customers, fellow employees or other Company representatives, use of profanity or abusive language, striking or hitting another employee.
- Unlawful conduct impacting our Company in any manner, whether committed on or off the job.
- Conduct on or off Company premises which adversely affects the Company's services, property, reputation, or goodwill in the community, or interferes with job performance.
- Obtaining confidential information pertaining to the Company or to the customers, employees or other representatives of the Company without authorization to do so.

- Divulging confidential or proprietary information or trade secrets to any person or entity except in the course of performing duties as an employee of the Company and with the Company's consent.
- Failure to report an injury, illness, or accident (including a workers' compensation injury or illness), failure to report harassment or failure to report unsafe conditions in the workplace.
- Taking or giving bribes or gifts of any nature as an inducement to obtain special treatment, to provide confidential information, or to obtain a position or benefit.
- Entering or leaving Company premises or removing any Company information or materials at any time without authorization.
- Refusal to execute Company documents or participate in Company investigations required as a condition of employment.
- Any violation of these policies, or of any rule, practice, procedure, policy, or management directive set or stated by the Company, at any time.

(see Employee Handbook 2015.docx pp.37-40)

Handbook Acknowledgement. I, _____, acknowledge that I have received and read a copy of the employee handbook. I agree to follow the guidelines and policies contained in the Handbook or as directed by the Company. I further understand that the Company has the right to revise the policies and procedures in the handbook at any time. I understand that no statements, representations, or actions of any employee or principal of the Company will modify these policies and procedures unless I receive specific written notice of modification.

Initials: _____

(see Employee Handbook 2015.docx p.51-52, Employee Acknowledgements)

Client Code of Conduct

Pending

Interpersonal Relationships and Program Boundaries

Pending

Position Descriptions

SurePath Financial Solutions uses position descriptions for paid positions.

Applications

SurePath Financial Solutions uses an application form for paid positions only.

Interview Guide

SurePath Financial Solutions uses an interview guide as a strategy for managing the risks associated with interviewing prospective staff and volunteers. All personnel involved in interviewing have been trained on the principles contained in the guide.

Reference Checks

We confirm the educational background, employment and personal references of all applicants prior to hire.

Criminal History Background Checks

It is the policy of SurePath Financial Solutions to conduct criminal history background checks on all applicants for paid employment and volunteer service. The results of these checks are reviewed against the organization's eligibility criteria to determine whether any applicants must be excluded due to the results of the background check.

Emergency Procedures

Pending

Facility Access

Pending

1.1 VISITORS

For liability and safety reasons, you may not bring visitors to our Company without the prior approval of your manager. We will ask unauthorized persons and those without proper identification to leave the premises.

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It is the belief of Consumer Credit Counseling Service of Ventura County (DBA SurePath Financial Solutions) that we should provide our clients, employees and visitors with a safe, secure, pleasant and non-intimidating environment, and protect the agency through processes and procedures that effectively minimize risk of loss. Properly maintained facilities, service provided by well-trained staff in a manner that dictates quality assurance, effective program services, and appropriate accounting controls are major contributors to a well-managed organization with minimum risk.

Training and Supervision

Pending

Financial Management

Financial Responsibilities and Objectives

Pending

FISCAL - INVESTMENT OF RESERVE FUNDS

THE EXECUTIVE COMMITTEE SHALL DETERMINE, OVERSEE, AND REVIEW: THE INVESTMENT OF FUNDS NOT CURRENTLY REQUIRED FOR THE AGENCY'S OPERATIONS, AND THE MANAGEMENT, PURCHASE OR SALE OF REAL ESTATE, SECURITIES AND OTHER ASSETS, AND ASSURE THAT AGENCY PRACTICES CONFORM TO APPLICABLE LEGAL AND REGULATORY REQUIREMENTS.

GENERAL CONDITIONS:

1. The agency shall conform to all applicable legal and regulatory requirements.
2. Securities investments, if any, are managed by professional, nationally recognized investment firms, under the quarterly review of the Board of Directors' Executive Committee.
3. Short-term reserve funds shall be deposited in federally insured accounts, which are safe and accessible.
4. Two signatures shall be required for withdrawal of reserve funds.

Exception: Accounts may exceed the federally insured limits if necessary as collateral to conduct agency business.

(see SurePath Policy Manual 2015.docx p. 24, Policy No. 20:06)

6. Participating in any discussion, voting, or decision-making on any agency assets, fiscal or policy matter, business transaction, leases, or professional services in which one has a financial interest, real or perceived conflict of interest, or on matters where one's objectivity would be compromised, is prohibited. In such a situation the individual must disclose this information and recuse themselves from

participating in any discussion or vote taken with respect to such matters.

(see SurePath Policy Manual 2015.docx p. 6, Policy No. 10:03)

The CEO shall have the monthly financial reports, including statement of revenue and expenses, statement of assets and liabilities, and progress report submitted to every board member. It is also posted internally for the Management Team. In addition, the CEO will submit quarterly financial statements to the Board for their review and approval.

(see SurePath Internal and Risk Management Plan 2013.docx, page 3)

Assets -- Monetary

A list of all accounts with balances, both operational and idle funds, will be maintained and updated at least annually by the accounting bookkeeper, who will forward the information to the CEO and Chair of the Finance Committee. The Chair of the Finance committee will receive a copy prior to the end of each fiscal year for review and recommendation to the board.

1. Excess funds shall be placed in a federally insured institution or as designated by the board.
2. Signing and dollar amounts are reflected elsewhere in this policy.

(see SurePath Internal and Risk Management Plan 2013.docx, page 3-4)

The Directors and department managers are responsible for submitting annual departmental budget proposals to the CEO no later than August 31 of each year. The CEO will review and meet both individually and collectively, if necessary, to review department and/or agency needs for the upcoming year. The proposed budget is based on potential funding sources, regular agency expenses, capital improvements and long-range planning needs.

The CEO then submits the proposed budget to the Executive Committee for review and preliminary approval. When an agreement is reached, the budget is submitted to the board for final recommendations and ultimate approval prior to the fiscal year. A statement of revenue and expenses, statement of assets and liabilities and an agency progress report are sent to all board members no less than quarterly. The budget is reviewed semi-annually by the board.

Quarterly financial reports, including statement of revenue and expenses, statement of assets and activity report are submitted to each Department Manager and sent to every board member.

(see Board Manual-revision June 2013.docx p. 20)

Budgeting

Pending:

FISCAL - BUDGET

AN ANNUAL BUDGET SHALL BE ESTABLISHED BY THE PRESIDENT AND

APPROVED BY THE BOARD OF DIRECTORS BY JANUARY 1 OF EACH YEAR. FINANCIAL REPORTS ARE PROVIDED TO THE BOARD OF DIRECTORS AT LEAST QUARTERLY AND UPON REQUEST.

GENERAL CONDITIONS:

1. The fiscal year shall be January 1 through December 31.
2. Financial reports are reviewed by the CEO monthly.
3. As addendum to the annual budget, the agency shall develop a compensation plan that includes, but is not limited to, salary structure, merit increase and bonus program, benefits, educational assistance and professional development, and recreation and recognition programs.
4. Significant planned deviations from, and revisions to, the budget shall be reviewed and approved by the Board of Directors.

(see SurePath Policy Manual 2015.docx p. 20, Policy No. 20:02)

The Department Managers are responsible for submitting annual department budget proposals to the CEO no later than September 1 of each year. The CEO will review and meet both individually and collectively if necessary to review department and/or agency needs for the upcoming year. The proposed budget is based on potential funding sources, regular agency expenses, capital improvements and long range planning needs.

The CEO submits the proposed budget to the board Finance Committee for review and preliminary approval. When agreement is reached the budget is submitted to the board for final recommendations and ultimate approval prior to the start of the new fiscal year. The budget vs. actuals is reviewed semi-annually by the board. Any significant adjustments to the budget is reviewed and approved by the Board.

(see SurePath Internal and Risk Management Plan 2013.docx, page 3)

BOARD OF DIRECTORS

The CEO is accountable to the board of directors, which provides governance, guidance and oversight. Effective upward communications channels and capable financial, legal, and internal audit functions enable the board to identify and correct problems that might otherwise be invisible. This approach will reduce the likelihood that management might override established controls, ignore or stifle communications from subordinates, or intentionally misrepresent results to hide dishonest or unethical activities. The Board of Directors will:

- review and approve the annual agency budget
- review and approve any significant changes to the annual budget
- review budget vs. actuals at least semi-annually

(see SurePath Internal and Risk Management Plan 2013.docx, page 7)

Finance

- Adopt budgets for the agency's operations.

(see Board Manual-revision June 2013.docx p. 9)

OPERATIONAL BUDGET PLANNING PROCESS

The Directors and department managers are responsible for submitting annual departmental budget proposals to the CEO no later than August 31 of each year. The CEO will review and meet both individually and collectively, if necessary, to review department and/or agency needs for the upcoming year. The proposed budget is based on potential funding sources, regular agency expenses, capital improvements and long-range planning needs.

The CEO then submits the proposed budget to the Executive Committee for review and preliminary approval. When an agreement is reached, the budget is submitted to the board for final recommendations and ultimate approval prior to the fiscal year. A statement of revenue and expenses, statement of assets and liabilities and an agency progress report are sent to all board members no less than quarterly. The budget is reviewed semi-annually by the board.

(see Board Manual-revision June 2013.docx p. 20)

Financial Statements

Pending:

Pending:

FISCAL - ANNUAL AUDIT

AN AUDIT WILL BE CONDUCTED EACH YEAR BY AN OUTSIDE AUDITING FIRM WHICH MEETS GENERALLY ACCEPTED AUDITING STANDARDS.

GENERAL CONDITIONS:

1. The Board of Directors shall appoint an auditing firm to conduct the annual audit.
2. The annual audit will include a complete examination of the financial books and records of SurePath that includes, but is not limited to, the trust accounts, operating accounts, reserve accounts, and

fixed assets.

3. The audit will be conducted following the fiscal year ending or at such other time as the Board of Directors may mandate.

4. An Audit Report shall be submitted to the Audit Committee for review, evaluation, and acceptance; and the Audit Committee shall present the report and its findings to the Board of Directors at its April meeting.

5. The audited financial statements shall be filed with the Department of Corporations within 120 days after the close of the fiscal year (Section 2015.5 of the California Code of Civil Procedure).

(see SurePath Policy Manual 2015.docx p. 21, Policy No. 20:03)

The CEO shall have the monthly financial reports, including statement of revenue and expenses, statement of assets and liabilities, and progress report submitted to every board member. It is also posted internally for the Management Team. In addition, the CEO will submit quarterly financial statements to the Board for their review and approval.

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- review and approve the annual agency budget
- review and approve any significant changes to the annual budget
- review budget vs. actuals at least semi-annually
- review and approve quarterly agency financial statements

(see SurePath Internal and Risk Management Plan 2013.docx, page 7)

COMMITTEES OF THE BOARD

Audit Committee

- Identify independent Auditor for annual agency audit.
- Review annual audit report and obtain management response.

- Report to the Board on the results of the audit and the management response.

Finance/Investment

- Review quarterly financial statements for the agency and approve.
- Annual audit review.
- Determine strategies and sources for funding.
- Oversee agency investments and make recommendations as appropriate.

(see Board Manual-revision June 2013.docx p. 11)

3. Finance Committee. This committee shall consist of the Treasurer, and such other Directors or officers of the corporation as the Chair of the Board shall appoint. The purpose of the committee shall be to develop and recommend investment policies to the Board of Directors.

(see 2014 Amended and Restated Bylaws.docx, Appendix 03 of Board Manual, p.6)

Internal Controls

ACCOUNTING AND AUDITING MATTERS

The Chief Executive Officer shall immediately notify the Personnel Committee of any concerns or complaint regarding corporate accounting practices, internal controls, or auditing and work with the committee until the matter is resolved.

(see SurePath Policy Manual 2015.docx p. 8, Policy No. 10:04)

1. The agency shall develop a risk management plan that includes, but is not limited to, internal accounting, purchasing, inventory, and audit controls.

(see SurePath Policy Manual 2015.docx p. 19, Policy No. 20:01)

FISCAL - AUTHORIZATION LIMITS

POSITION AUTHORIZATION LIMITS FOR BUSINESS-RELATED TRANSACTIONS SHALL BE ESTABLISHED BY THE CEO AND APPROVED BY THE BOARD OF DIRECTORS.

GENERAL CONDITIONS:

1. CEO Authorization Limits are set by the Board of Directors.

2. Authorization Limits are reviewed at least annually and revised as necessary.
3. Authorization Limits are subject to conditions in Board Documents, agency Bylaws and Articles of Incorporation.
- 4.
5. To ensure proper internal controls, authorization limits shall not be circumvented.
6. Hierarchy of Position Authorization: Board Officers, CEO, Manager, Supervisor.
7. An Authorization Limit Form shall be completed for applicable positions and retained in the personnel file.
8. Purchase Orders, Check Requests, and Employee Expense Reimbursements, shall not be processed without proper authorization.
9. Authorization limits for Requests for Funding and Grant Proposals are set by the CEO.
(see SurePath Policy Manual 2015.docx p. 26, Policy No. 20:08)

POLICY STATEMENT

The Board of Directors shall approve and adopt an Internal Control and Risk Management Plan that establishes an internal control structure that manages risk exposure in order to protect the agency and help accomplish its specific goals and objectives. The plan is the means by which the agency's resources are directed, monitored, and measured and plays a key role in preventing and detecting fraud and protecting the organization's resources, both physical and intangible (e.g. reputation and intellectual property).

PHILOSOPHY

It is the belief of Consumer Credit Counseling Service of Ventura County (DBA SurePath Financial Solutions) that we should provide our clients, employees and visitors with a safe, secure, pleasant and non-intimidating environment, and protect the agency through processes and procedures that effectively minimize risk of loss. Properly maintained facilities, service provided by well-trained staff in a manner that dictates quality assurance, effective program services, and appropriate accounting controls are major contributors to a well-managed organization with minimum risk.

PLAN

This Internal Control and Risk Management Plan provides for:

1. Insuring risks with external underwriting where required or where the chance of loss would be catastrophic
3. Self-insuring to the extent loss can be absorbed in our assets or budget.
4. Maintaining and monitoring processes for risk identification.
5. Internal controls through segregation of duties to the extent possible.
6. Establishing and maintaining a viable Whistle Blower process.
7. Safeguarding and verification of assets.
6. Monitoring and annual audit of this plan.

CONTROL OBJECTIVES

INTERNAL AUDITS

CEO and Management will establish the frequency of regularly scheduled monitoring activities to review and assess reports, processes, and individuals within the various departments as they relate to internal control and risk management. These monitoring activities will be conducted no less than semi-annually, as frequent assessments allow for process modifications, identification of needed staff training, and encourages a culture of accountability. Results of these monitoring activities will be provided to the Board as part of the quarterly Quality Improvement Report submitted by the CEO.

(see SurePath Internal and Risk Management Plan 2013.docx, page one)

SEGREGATION OF DUTIES

The agency has the control objective of limiting the potential for error or fraud by engaging a chain of participants in financial activities. All account payable transactions are required to adhere to the documented invoice payment process.

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AUTHORIZATION AND APPROVAL LIMITS

Chair of the Board, CEO, COO, and Director of Administration are authorized to sign checks on behalf of the agency. Each individual may be the sole signer of checks up to \$5,000.00. All checks more than \$5,000.00 require two signatures. This control shall not be circumvented by breaking a sum due into

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DOCUMENT RETENTION

□ **Contract Labor** – Insures the accurate posting and reporting of fiscal information, forecasting, cost accounting, internal audit and accounting controls.

(see Board Manual-revision June 2013.docx p. 16)

National Foundation for Credit Counseling (NFCC)

Basic membership tenets include:

- Internal controls in place to protect agency's assets from fraud, misrepresentation or misallocation.
- Client funds maintained in a separate client deposit trust account with a federally insured financial institution and used solely for repayment of client debt.
- An annual audit which is submitted to the NFCC within 180 days of the close of the member's fiscal year.

(see Board Manual-revision June 2013.docx p. 18)

INTERNAL CONTROL AND RISK MANAGEMENT

The current Internal Control and Risk Management plan is attached to the Appendices.

(see Board Manual-revision June 2013.docx p. 21)

Fundraising and Public Relations Risks

Facility/Site Safety and Security

Facility Design

Inspections

Preventive Maintenance

Policy Concerning Invitees

Policy Regarding the Use of Others' Homes or Apartments

Emergency Planning Policy

Technology and Information Management

Technology Policy

Policy Concerning the Use of Wireless Communications Devices

Physical Security

Access Security

Use of Passwords as a Security Measure

Disaster Recovery Plan

Internet Security

Web Content

Web Privacy Policy

Transportation

Authorized Vehicle Use Policy

Driver Selection Policy

Driver Training Policy

Vehicle Selection Policy

Vehicle Maintenance

Accident Procedures

Crisis Management

Emergency Planning/Response

Emergency Planning

Business Continuity Planning Policy

Internal Distribution Policy for BCP Policies and Procedures

Vital Records, Data and Documents Backup Policy

Crisis Communications Policy

General Evacuation Policy

Evacuation of Persons Requiring Special Assistance

Volunteer Risks and Risk Management Strategies

Priority Volunteer Risks

Supervision of Volunteers

Volunteer Dismissal

Special Volunteers

Insurance Program for SurePath Financial Solutions

Insurance Program for SurePath Financial Solutions

Selection Process

Current Insurance Advisors

Your Custom Plan Module

Added Custom Policy