



# MINUTES

## Nevada State Board of Cosmetology Board Meeting Group August 24 2020 NVBOC Board Meeting AFTERNOON SESSION Monday, August 24, 2020, 1:00 pm - 4:30 pm Board Meeting

THIS MEETING WILL BE HELD VIA VIDEO CONFERENCE ONLY

ZOOM MEETING ID: 910 3772 0582

The Board is pleased to invite individuals to participate remotely using ZOOM. To learn more about ZOOM, go to [zoom.com](https://zoom.com). On the scheduled day and time, from the ZOOM website, click "Join a Meeting" and enter your name and this Meeting ID: 910 3772 0582

Due to the current state of emergency in Nevada, and as allowed in the Governor's Executive Order and Directive Numbers 006 and 026, there will be no physical meeting place.

The State of Nevada Board of Cosmetology is pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the State Board of Nevada, in writing, at 8945 W. Russell Road, Suite 100 Las Vegas, NV 89148 or by calling (702) 486-6542 at least 24-hours prior to the date of the meeting. \*Please note the Board's office hours are 7am-5pm, M-Th.

Members of the public may request the supporting materials for this meeting from:

Lisa Nguyen, Compliance Specialist- 8945 W. Russell Road, Suite #100 Las Vegas, NV 89148, (702)-850-2907

Email: [Lisa@nvcosmo.com](mailto:Lisa@nvcosmo.com)

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**STACKED CALENDAR:** In accordance with Nevada's Open Meeting Law, the Board may consider agenda items taken out of order. The Board may combine two or more agenda items for consideration. The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. The Board may continue the meeting as deemed necessary. The Board, at its discretion, may take public comment during times other than the designated Public Comment agenda items. The Board reserves the right to limit public comment to three minutes. Comment may not be restricted based on viewpoint. Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the board may refuse to consider public comment. See NRS 233B.126.

Pursuant to NRS 241.030(1), the State of Nevada Board of Cosmetology may conduct a closed meeting to consider the character, allegations of misconduct, professional competence, or physical and mental health of a person.

**ALL CELLULAR TELEPHONES ARE TO BE TURNED OFF OR SET TO SILENT NOTIFICATION MODE DURING THE PROCEEDINGS.**

**This meeting has been properly noticed and posted at the following locations:**

***Euphoria Institute of Beauty Arts & Sciences-9340 W. Sahara Ave. #205 Las Vegas, NV 89117***

***Nevada State Library & Archives- 100 N. Stewart St. Carson City, NV 89701***

***Carson City Library- 900 N. Roop St. Carson City, NV 89701***

***Clark County Library- 1401 E. Flamingo Rd. Las Vegas, NV 89119***

***Office of the Attorney General -555 E. Washington Ave. Las Vegas, NV 89101***

***State of Nevada Board of Cosmetology-8945 W. Russell Road, Suite #100 Las Vegas, NV 89148***

***State of Nevada Board of Cosmetology (Reno)- 740 Del Monte Lane, Suite 12 Reno, NV 89511***

***Nevada State Board of Cosmetology website [www.nvcosmo.com](http://www.nvcosmo.com)***

***State of Nevada Website <https://notice.nv.gov>***

**A. Roll Call**

**B. Mission Statement**

The mission of the Nevada State Board of Cosmetology is to protect the public health, safety and welfare of those that obtain cosmetology related services through the delivery of quality Testing, Licensing, Inspection and Education Services that focus on consumer protection.

**C. Comments from the General Public - *For discussion only***

The Board will entertain comments from the general public for any item that is or is not on the published agenda and is related to the Nevada State Board of Cosmetology.

No action can be taken on a matter unless it is included in an agenda.

Comments should be limited to three (3) minutes or less.

**D. Discussion of Board Policies and Procedures - *For discussion and possible action***

Board to discuss the following:

- Social Media Salon Job Postings
- Board Officer/Member Duties
- Email Procedures for Board Members, A.G. and Staff
- Expense sheets that auto-populate
- Agendas to Board members in advance of the 3-day posting for public notice
- BoardPaq agendas and supplemental materials after meeting date.
- Town Hall Meetings
- Fiscal Policies and Procedures (specifically retroactive Per Diem pay)

**E. Comments from the General Public - *For discussion only***

The Board will entertain comments from the general public for any item that is or is not on the published agenda and is related to the Nevada State Board of Cosmetology.

No action can be taken on a matter unless it is included in an agenda.

Comments should be limited to three (3) minutes or less.

**F. Comments from Board Members - *For discussion only***

**G. Adjournment - *For possible action***

## Position Descriptions for Board Members and Officers

### Board Member

#### Purpose

A Board Member is responsible for ensuring that the Nevada State Board of Cosmetology fulfills its mission by planning for the future, monitoring operations, and evaluating the Nevada State Board of Cosmetology's performance. A Board Member must fulfill the fiduciary responsibilities of the Board, making decisions that protect the public interest.

#### Key Responsibilities

- Advance the mission of Nevada State Board of Cosmetology.
  - Actively promote the mission of Nevada State Board of Cosmetology, contributing ideas and expertise.
  - Keep up-to-date on developments in the Nevada State Board of Cosmetology's field.
  - Be informed about the Nevada State Board of Cosmetology's mission, services, policies, and programs; inform others about the Nevada State Board of Cosmetology, and work to enhance the Nevada State Board of Cosmetology's public image.
- Select the Executive Director through an appropriate process.
  - Provide ongoing support and guidance for the executive staff.
  - Annually review performance.
- Ensure effective Nevada State Board of Cosmetology planning.
  - Determine and monitor the Nevada State Board of Cosmetology's programs and services.
  - Participate in the review of a strategic plan to accomplish the mission and evaluate its success.
- Actively participate in all Board activities.
  - Attend in person, by video conference, or by phone all Board meetings.
  - Review agenda and supporting materials prior to Board and committee meetings.
  - Serve on a committee and periodically take on special assignments.
  - Assess the Board's performance.
- Ensure adequate resources.
  - Manage resources effectively.
  - Carry out the fiduciary responsibilities of the Board, such as reviewing the Nevada State Board of Cosmetology's annual financial statements, and receiving the auditor's report.
- Follow conflict-of-interest and confidentiality policies.

#### Appointed by

Governor

#### Term Length

*4 Years per NRS*

#### Time commitment

Quarterly meetings; additional time required for committee work and other Board commitments.

#### Budget support

Limited

#### President of the Board

#### Function

Assure that the Board fulfills its responsibilities to the Nevada State Board of Cosmetology.

**Responsibilities**

- Chair meetings of the Board.
- Call special meetings if necessary.
- Serve as ex-officio member of all committees.
- Work in partnership with the Executive Director to achieve the mission of the Nevada State Board of Cosmetology and make sure Board resolutions are carried out.
- Assist the Executive Director in preparing the agenda for Board meetings.
- Annually focus the Board's attention to an assessment of its own structure, role, and relationship to management.

**Vice President of the Board**

**Function**

Stand in for the president if he/she is unavailable.

**Responsibilities**

- Attend Board meetings.
- Understand the responsibilities of the President of the Board and be able to perform these duties in the chair's absence.

**Secretary/Treasurer of the Board**

**Function**

Maintain all Board records and ensure their accuracy and safety. Serve as the financial officer of the Nevada State Board of Cosmetology.

**Responsibilities**

- Attend Board meetings.
- Review Board minutes.
- Assume responsibilities of the chair in the absence of the Board President and Vice President.
- As ordered by the Board, review financial statements for the Nevada State Board of Cosmetology.

# Nevada State Board of Cosmetology

## Employee Handbook

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### NEVADA STATE BOARD OF COSMETOLOGY – THE BOARD

#### **Work of the Board**

- Provides oversight and organizational policy to ensure the Board's mission is fulfilled
- Board members have a responsibility to keep the Board financially healthy
- Board members must be well informed leaders to ensure the mission is carried out

#### **Roles and Responsibilities**

- Define, protect, and advance the mission
  - Create a mission statement and review it periodically for accuracy and validity
- Safeguard the assets and integrity of the agency
  - Establish pertinent policies to ensure the responsibility and well-being of the agency
  - Approve an annual budget and ensure proper controls are employed
  - Authorize solid financial internal audit controls
  - Direct risk management and personnel policies to be developed
- Select and support the Executive Director
  - Define the Executive Director's job description and undertake a careful search process to recruit and hire the most qualified individual
  - Provide moral and professional support
  - Develop a respectful and supportive relationship with the Executive Director
  - Conduct a periodic evaluation of the Executive Director's performance
  - Ensure clear delegation to the Executive Director for hiring and managing employees
  - Develop a plan to ensure smooth executive leadership transitions
- Ensure that the agency has the resources to carry out its mission
  - Adopt policies and plans to guide the agency
  - Approve an annual budget
  - Manage resources effectively
- Be ambassadors on behalf of the agency
  - Connect with the National Inter-State Council of State Boards of Cosmetology
  - Direct the Executive Director to develop a comprehensive public relations strategy
- Ensure strong governance

# **Nevada State Board of Cosmetology**

## **Employee Handbook**

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- Attend Board and Committee meetings well prepared to make prudent decisions
  - Evaluate the Board performance and identify areas to be improved
  - Orient new Board members to their responsibilities
- Ensure effective organizational planning
  - Adopt a strategic plan to guide the direction of the Board
  - Monitor the implementation of the goals driven by the strategic plan
- Legal Responsibilities
  - Duty of Care – exercise reasonable care when making decisions
  - Duty of Loyalty – always act in the best interest of the Board and step back from potential personal conflicts of interest
  - Duty of Trust – act in a manner consistent with the goals of the agency, and honor the public’s trust in managing resources

# Nevada State Board of Cosmetology

## Employee Handbook

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**Title:**

President

**Responsible To:**

The Board

**Supervisory Responsibility:**

None

**Executive Summary:**

The President is the presiding officer of the Board.

**Assigned Responsibilities:**

1. Serves as chairperson of the Board;
2. Signs all licenses issued by the Board (NRS 644.280.1);
3. Is a co-signer on all checks (NRS 644.170);
4. The President is a voting member of the Board and shall exercise the vote except when it is determined that a conflict of interest exists or when he/she should be disqualified or recused due to legal requirement;
5. Performs other duties as deemed necessary and appropriate by the Board or required by statute or regulation.



# Nevada State Board of Cosmetology

## Employee Handbook

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**Title:**

Vice President

**Responsible To:**

The Board

**Supervisory Responsibility:**

None

**Executive Summary:**

The Vice President fulfills duties of the President when the President is unavailable or when the President delegates that responsibility.

**Assigned Responsibilities:**

1. Performs the duties of the President when the President is unavailable or when the President delegates that responsibility;
2. The Vice President is a voting member of the Board and shall exercise the vote except when it is determined that a conflict of interest exists or when he/she should be disqualified or recused due to legal requirement;
3. Performs other duties as deemed necessary and appropriate by the Board or required by statute or regulation.

# Nevada State Board of Cosmetology

## Employee Handbook

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**Title:**

Secretary/Treasurer

**Responsible To:**

The Board

**Supervisory Responsibility:**

None

**Executive Summary:**

The Secretary/Treasurer is the statutory officer responsible for finance, record keeping, and other responsibilities as delegated by the Nevada State Board of Cosmetology.

**Assigned Responsibilities:**

1. Is a co-signer on all checks (see NRS 644.170);
2. Attests to all licenses issued by the Board (NRS 644.280.1);
3. The Secretary/Treasurer is a voting member of the Board and shall exercise the vote except when it is determined that a conflict of interest exists or when he/she should be disqualified or recused due to legal requirement;
4. Performs other duties as deemed necessary and appropriate by the Board or required by statute or regulation.

# Nevada State Board of Cosmetology

## Employee Handbook

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**Title:**

Board Member

**Responsible To:**

The Board

**Supervisory Responsibility:**

None

**Executive Summary:**

Board Members are individuals appointed by the Governor to serve on the Nevada State Board of Cosmetology and are obligated to attend Board meetings, committee meetings, and vote on agenda items.

**Assigned Responsibilities:**

1. Each Board Member is a voting member of the Board and shall exercise the vote except when it is determined that a conflict of interest exists or when he/she should be disqualified or recused due to legal requirement;
2. Performs other duties as deemed necessary and appropriate by the Board or required by statute or regulation.

## **0212 Air Transportation between Las Vegas and Reno**

State agencies travelling between Reno and Las Vegas are to use the Southwest Airlines corporate Internet booking tool, SWABIZ. State agencies can obtain information about SWABIZ from the State Purchasing Division's website at <http://purchasing.nv.gov/>. Due to the fluid nature of the travel industry, changes to the State's travel program will be announced to State agencies via All Agency Memoranda, as well as postings on the State Purchasing Division's website.

## **0214 Bonus Flight Points**

Most commercial airlines maintain customer loyalty programs which allow for the accumulation of free bonus flight points to travelers based on miles flown or the amount of the fare as an inducement to travel with that airline. Any bonus flight points or other rewards received by State agencies or State employees as a result of State-paid air travel shall, whenever possible, be used by the agency to meet State travel needs.

## **0216 Use of Rental Cars**

The Fleet Services Division must be used for all in-state motor vehicle travel when an agency car is not available. Employees should not independently rent vehicles for in-state use; instead, they must utilize the Fleet Services Division. When traveling out-of-state, rental cars are to be rented from the State-contracted companies. Visit the Purchasing Division's website for the names of these companies and the guidelines on how to access these contracts. When renting from these companies, it is not necessary to purchase collision damage waivers, as these protections are already included in the negotiated overriding agreement. Should an employee be required to rent a vehicle outside of these agreements, he/she should, if possible, rent the vehicle using the State sponsored credit card, which provides coverage for physical damage to the rented car.

## **0218 Travel Reimbursement**

All claims for travel reimbursement to an individual should be filed on a "Travel Expense Reimbursement Claim" (TE) form, as developed by each department. TE forms may not contain claims for expenses associated with travelers other than the traveler indicated on the form, even if the traveler paid for the other travelers' expenses. All areas of the TE form must be completed, including:

1. start and end times of journey;
2. destination;
3. purpose of trip;
4. official station; and
5. authenticated signatures

If applicable, hotel bills noting the employee name, date(s) of stay, and breakdown of costs by day are required for all lodging expenses. If lodging was paid for through a travel website, (Expedia, Travelocity, etc.) the travel website receipt shall accompany the hotel bill. In addition to the reimbursable lodging rates, employees may be reimbursed for lodging taxes and fees. Lodging taxes are

limited to the taxes on reimbursable lodging costs. For example, if the maximum lodging rate is \$50 per night, and the traveler elects to stay at a hotel that costs \$100 per night, the traveler can only claim the amount of taxes on \$50 which is the maximum authorized lodging amount. Meals will be reimbursed in accordance with the meals and incidental expense (M&IE) allowance for the primary destination. Receipts are not required for the M&IE allowance. Pursuant to SAM 0206, the hours and conditions to which employees are allowed to claim meals must be included within each agency's travel policy.

Employees may be reimbursed for the following:

1. Actual expenses incurred for parking or vehicle storage fees for private automobiles and commercial transportation costs (i.e., taxi, shuttle, etc.). Receipts are required.
2. Other miscellaneous reimbursable business related expenses including: use of internet services, computers and other business machines, conference room rentals, and official telephone calls/service. Receipts are required.
3. Laundry cleaning/pressing services if the employee's official business related hotel stay is four (4) consecutive nights or longer. Receipts are required.
4. A meal rate approved by the Board of Examiners for employees traveling outside the United States, commensurate with the U.S. Department of State's meal allowances for foreign cities as listed in the U.S. Department of State's publication, Maximum Travel Per Diem Allowance for Foreign Areas. The current foreign per diem rates can be accessed at the U.S. Department of State's website.
5. Using his/her own personal vehicle for the State's convenience, at the standard mileage reimbursement rate for which a deduction is allowed for travel for federal income tax. The Governor's Finance Office, Budget Division, shall issue an All Agency Memorandum periodically reflecting the current rate in effect at that time.
6. Using his/her own personal vehicle for his/her own convenience at one-half the standard mileage reimbursement rate.
7. Using his/her own personal vehicle for any miles driven in excess of his/her normal commute while on official State business. An employee's normal commute is the roundtrip mileage between the employee's residence and his/her official duty station.
8. The standard credit card fee for cash advance transactions is reimbursable by the State to the employee for every authorized advance obtained through the use of an ATM. Said expense should be treated for budgeting purposes as any other travel expense, and should be limited to one (1) per authorized trip.
9. Additional bank ATM facility charges relating to obtaining an authorized advance from an ATM are also reimbursable by the State to the employee, and should be limited to one (1) per authorized trip.
10. Interest charges incurred due to delays beyond the control of the traveler will be travel expenses reimbursable by the employee's agency.

The claimant's signature on the TE form attests to the accuracy of the claim. A supervisor, manager, or designee must sign the TE form approving the appropriateness of the travel. Travel claims must be submitted within one month of completion of travel unless prohibited by exceptional circumstance. An employee cannot sign as the authorizing signature on any travel voucher made out in his/her own name unless that employee is the head of the agency. All TE forms must be retained either by the travelers' agency or fiscal agency if electronic or facsimile copies are used for payment purposes pursuant to SAM 2616 (Supporting Documentation for Expenditures).

<b>Process/Task Title</b>	Social Media Management
<b>Revised</b>	4/4/2019
<b>Description</b>	
<b>Goal/Objective</b>	How to effectively manage social media post, comments, and direct messages.
<b>Assigned To</b>	Social Media Team
<b>Steps to Complete</b>	<p>The guide below outlines the process for the Social Media team to accomplish the objective from the “Goal/Objective” section above.</p> <p>A. Social Media Outlets</p> <ol style="list-style-type: none"> <li>1. Facebook <ol style="list-style-type: none"> <li>a. Email: cosmo@nvcosmo.com</li> <li>b. Password:</li> </ol> </li> <li>2. Twitter <ol style="list-style-type: none"> <li>a. Username: NVCosmo</li> <li>b. Password:</li> </ol> </li> <li>3. Instagram <ol style="list-style-type: none"> <li>a. Email: cosmo@nvcosmo.com</li> <li>b. Password:</li> </ol> </li> </ol> <p>B. Post Development</p> <ol style="list-style-type: none"> <li>1. Team Member assigned days: <ol style="list-style-type: none"> <li>a. Monday: Lauren</li> <li>b. Tuesday: Katie</li> <li>c. Wednesday: JiaWei</li> <li>d. Thursday: Hien</li> <li>e. Friday: Janie &amp; Nina to alternate</li> </ol> </li> <li>2. Team members will submit (2) post suggestions to team chat for team review prior to bi-weekly team meeting post suggestions should include: <ol style="list-style-type: none"> <li>a. Posting date</li> <li>b. Heading</li> <li>c. Link, photo, ect</li> </ol> </li> <li>3. Team members will approve post suggestions during bi-weekly team meetings and add them to the <a href="#">Approved Post File</a>.</li> </ol> <p>C. Facebook and Twitter Posting</p> <ol style="list-style-type: none"> <li>1. Daily posting by designated staff Monday-Thursday</li> <li>2. Scheduling Facebook post for later: <ol style="list-style-type: none"> <li>a. Under News Feed select Schedule form drop down</li> <li>b. Update publishing schedule to desired post time and click schedule</li> <li>c. Instagram post determined during</li> </ol> </li> </ol> <p>D. Instagram Posting</p> <ol style="list-style-type: none"> <li>1. Bi-Weekly Post</li> </ol>

2. Designated staff will post using mobile device on Wednesday following team meeting
3. Once post is approved save post information to approved post folder for designated posting staff
  - a. .jpeg/.png formatted files are required for Instagram posting
  - b. title file with post date
  - b. add post date and heading to team chat

E. Generic Post Information

1. Office Closure

- a. Office closures are posted on the business day prior to the closure
- b. Language: Our Las Vegas and Reno offices will be closed in observance of [Holiday] [Closure Date(EX: Monday, November 11th, 2018)]. The offices will reopen [Reopening Date(EX: Monday, November 11th, 2018)] at 7am. Please visit our website [www.nvcosmo.com](http://www.nvcosmo.com) for many online services.

2. Job Postings

- a. Typeform request sent via email to designated staff.
- b. Verify salon license status in NV Cosmo. (If lapsed, salon must renew before posting)
- c. Use job posting [Template](#)
- d. Title posting: New Southern/Northern (select one) Nevada job opportunity for Cosmetologists and Hair Designers! (The Nevada State Board of Cosmetology does not endorse or promote any institution. This ad is posted solely for informational purposes)
- e. Do not upload as a job, only as photo.

F. Responding to comments, direct messages, sharing posts, retweets

1. Respond to all direct messages within 24 hours

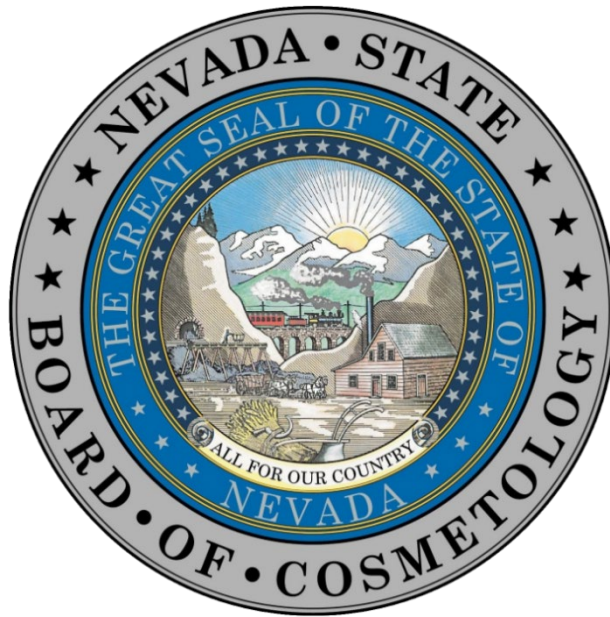
- a. Licensing concerns: Thank you for your question, please contact our licensing department at (702)342-0831 or email us at [licensing@nvcosmo.com](mailto:licensing@nvcosmo.com) for further assistance.
- b. Testing concerns: Thank you for your question, please contact our licensing department at (702)850-2423 or email us at [vegastesting@nvcosmo.com](mailto:vegastesting@nvcosmo.com) for further assistance.
- c. Inspection concerns: Thank you for your question, please contact our inspection department at (702)850-2893 or email us at [inspections@nvcosmo.com](mailto:inspections@nvcosmo.com) for further assistance.
- d. Reno Area: Thank you for your question, please contact our Reno office at (775) 688-1442 or email us at [info@nvcosmo.com](mailto:info@nvcosmo.com) for further assistance.
- e. Las Vegas Area: Thank you for your question, please contact our Las Vegas office at (702) 805-0015 or email us at [info@nvcosmo.com](mailto:info@nvcosmo.com) for further assistance.

2. No replies to comments

G. Team meeting administration

1. File meeting notes, bi-weekly analytics, and agenda in shared [social media](#) file in the drive
2. Provide team members agenda and supporting documents prior to team meeting
3. Utilize google hangouts or skype to conference with Reno team members





# FISCAL POLICIES & PROCEDURES

Adopted November 21, 2019

## TABLE OF CONTENTS

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<b>MISSION AND AUTHORITY .....</b>	<b>2</b>
<b>OBJECTIVE .....</b>	<b>2</b>
<b>GUIDE APPROVAL .....</b>	<b>2</b>
<b>ACCOUNTING PROCEDURES .....</b>	<b>3</b>
BASIS OF ACCOUNTING .....	3
JOURNAL ENTRIES AND MONTHLY CLOSE .....	3
BANK RECONCILIATIONS .....	4
RECORDKEEPING .....	4
<b>INTERNAL CONTROLS .....</b>	<b>5</b>
CONFLICT OF INTEREST .....	5
SEGREGATION OF DUTIES .....	5
<b>FINANCIAL PLANNING &amp; REPORTING .....</b>	<b>7</b>
BUDGETING PROCESS .....	7
INTERNAL FINANCIAL REPORTS .....	7
AUDIT .....	8
<b>REVENUE &amp; ACCOUNTS RECEIVABLE .....</b>	<b>9</b>
DEPOSITS .....	9
INVOICE PREPARATION .....	10
<b>EXPENSES AND ACCOUNTS PAYABLE .....</b>	<b>11</b>
PAYROLL .....	11
ACCOUNTS PAYABLE .....	12
BOARD COMPENSATION .....	12
<b>ASSET MANAGEMENT .....</b>	<b>13</b>
CAPITALIZATION POLICY .....	13
OPERATING RESERVE FUND POLICY .....	13

## MISSION AND AUTHORITY

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The mission of the Nevada State Board of Cosmetology is to protect the public health, safety, and welfare of those who obtain cosmetology-related services through the delivery of quality testing, licensing, inspection and education services that focus on consumer protection.

Under the authority of Nevada Revised Statutes 644A and Nevada Administrative Code 644A, the Nevada State Board of Cosmetology provides consumer protection by only licensing qualified professionals measured by standardized tests that prove competency in infection prevention and the scope of practice.

## OBJECTIVE

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The purpose of this guide is to create an understanding of the Nevada State Board of Cosmetology's financial operations and procedures. It outlines management responsibility for the selection and use of appropriate accounting policies. As per NRS 353A.020, the board is exempt from the state budget act. Therefore, all budgeting and accounting procedures are modeled after the Department of Administration but created and adopted at an agency level.

This guide has been established using guidance and information from the Governmental Accounting Standards Board (GASB), the Nevada State Administrative Manual (SAM), the Nevada Internal Audits Division, and the National Council of Nonprofits.

## GUIDE APPROVAL

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This guide was approved and adopted during a public board meeting on November 21, 2019.

Last revised on October 16, 2019.

## ACCOUNTING PROCEDURES

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This section covers basic accounting procedures for the Nevada State Board of Cosmetology (hereafter, “NSBOC”). The accounting procedures used by the NSBOC shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

### BASIS OF ACCOUNTING

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The NSBOC uses the accrual basis of accounting. At year-end, the general ledger is converted to the modified accrual basis for governmental reporting purposes. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

#### Procedures:

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 20<sup>th</sup> day after the end of the month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, June 30, this rule is not enforced. All expenses pertaining to the prior fiscal year are accrued to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year, contingent upon an annual audit by an external Certified Public Accountant (CPA) or a CPA firm.
- Revenue is always recorded in the month in which it was earned unless the money is for a license or registration. Then, revenue is deferred monthly based upon the license or registration expiration date.

**Responsible party:** Chief Financial Officer

### JOURNAL ENTRIES AND MONTHLY CLOSE

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Revenue and expenditures are tracked in the NSBOC accounting system, QuickBooks, using general ledger accounts. The chart of accounts resembles the structure established by the Nevada Department of Administration. General ledger accounts can be modified, removed, or added based upon the budget or the operational direction of the agency.

#### Procedures:

- Journal entries are posted for the prior month, no later than the 20<sup>th</sup> day of the current month.
- After a month is closed, a copy of all posted journal entries are included in the monthly financial summary sent to the Executive Director and Deputy Executive Director.
- Journal entries are created for the following accounting adjustments on a monthly basis, unless otherwise noted in parentheses:
  - Unrealized gain or loss on investments
  - Allowance for bad debts

- Capitalization expense recognition
- Reclassification of lease payments
- Lease escalation clause
- Prepaid expenses
- Retired Employee Group Insurance (REGI) assessment
- Deferred revenue, current portion
- Accrued leave balances (Quarterly: March, June, Sept, Dec)
- Reclassification of fines adjudicated and adjustment of general fund payable (Quarterly: March, June, Sept, Dec)

**Responsible party:** Chief Financial Officer

#### BANK RECONCILIATIONS

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All bank statements are reviewed by the President, Secretary-Treasurer, Executive Director, and Deputy Executive Director in a timely manner. In addition to the review, the consolidated credit card statement must be reviewed and signed by anyone holding a NSBOC-issued credit card. Bank reconciliation and approval will occur within 15 days after the end of the month.

**Procedures:**

- Once available, the Compliance Coordinator downloads PDF copies of the prior month's bank statements directly from the bank websites.
- The Compliance Coordinator uses DocuSign, an electronic signature service provider, to send the bank and credit card statements to the reviewing parties for signature.
- The review process entails looking for vendor regularity, transaction abnormalities, and overall reasonableness. The Executive Director and Deputy Executive Director reviews the credit card transactions of all cardholders in addition to the individual cardholder's review.
- Once all parties have reviewed and signed the statements, DocuSign automatically sends a certified copy to the Chief Financial Officer for audit retention.
- Current board positions holding a credit card include the Executive Director, Deputy Executive Director, Lead Reno Service Specialist, and an Operations Specialist.

**Responsible parties:** President, Secretary-Treasurer, Executive Director, Deputy Executive Director, Chief Financial Officer, Compliance Coordinator, Lead Reno Service Specialist, Operations Specialist

#### RECORDKEEPING

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The NSBOC has adopted the State of Nevada General Records Retention and Disposition Schedule as approved by the Nevada State Library, Archives, and Public Records and per NRS 239.080. At the conclusion of each fiscal year, the Chief Financial Officer performs a review and destroys any documents as mandated by the schedule. (<https://nsla.nv.gov/state-records-services/retention-schedules>)

**Responsible party:** Chief Financial Officer

## INTERNAL CONTROLS

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**i** ***Definition:** Internal controls are a set of processes designed to provide reasonable assurance that specific entity objectives will be achieved. Internal controls are affected by the actions of individuals within the organization as well as policies and procedures. (Government Finance Officers Association)*

The NSBOC employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed, and recorded. Internal controls affect every aspect of an agency. They are not stand-alone practices; they are incorporated into day-to-day responsibilities. While strong internal controls provide a level of assurance, they do not guarantee an absence of error or fraud.

### CONFLICT OF INTEREST

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All employees and board members of the NSBOC are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual or potential financial conflict of interest. A financial conflict of interest can occur when the personal, professional, or business interests of an employee or board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

#### **Procedures:**

- Upon or before hire, election, or appointment, each employee and board member must provide a full written disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually or as needed.
- Employees and board members must disclose any interests in a proposed transaction or decision that may create a financial conflict of interest. After disclosure, the employee or board member will not be permitted to participate in the transaction or decision.

**Responsible parties:** All board members and all employees of the NSBOC

### SEGREGATION OF DUTIES

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The financial duties of the NSBOC are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Board's assets while also considering efficiency of operations. The NSBOC utilizes an annual Self-Assessment Questionnaire (SAQ) provided by the Division of Internal Audits to help identify any potential weaknesses.

#### **Procedures:**

- Only the Executive Director and Deputy Executive Director are assigned as signers with the ability to withdraw from the NSBOC bank accounts.
- The President and Secretary-Treasurer are granted bank account access to review transactions periodically for reasonableness.
- All vendor payments are reviewed by the Chief Financial Officer and approved separately by the Deputy Executive Director.

- All issued vendor payments are summarized in a report that is reviewed and then electronically signed by the President, Secretary-Treasurer, Executive Director, and Deputy Executive Director.
- NSBOC credit card holders are to keep their credit card numbers secure and for one's own use.
- Employees responsible for accepting credit or debit card payments ensure that the full card number is masked, not saved anywhere electronically, and, if on paper, immediately destroyed after usage.
- Payroll is processed by the Chief Financial Officer. Any payroll reports showing payment of money are reviewed and electronically signed by the Deputy Executive Director.

**Responsible parties:** Executive Director, Deputy Executive Director, Chief Financial Officer

## FINANCIAL PLANNING & REPORTING

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The NSBOC financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements conforms to the structure and guidelines provided by the Governmental Accounting Standards Board (GASB).

### BUDGETING PROCESS

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The annual budget is prepared by the Executive Director, Deputy Executive Director, and Chief Financial Officer. It is approved annually by the board members during the last public board meeting prior to the end of the fiscal year. The current budget is revised during the year only if approved by the board.

#### Procedures:

- The Executive Director will work together with the Deputy Executive Director and Chief Financial Officer to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming fiscal year.
- The budget contains forecasted revenues and expenses. Any anticipated capital outlays for upcoming projects are included.
- The budget is prepared using a combination of incremental budgeting and zero-based budgeting (ZBB). All expenses are reviewed for justification. Historical trends and economic data are analyzed to ensure the budget depicts a reasonable financial plan. Projected capital expenditures are also included as part of the budget.
- Throughout the year, the budget is compared against the actualized amounts and monitored for unexpected variances. Any deviations from the financial plan are reviewed and summarized in the monthly financial statements.

**Responsible parties:** Executive Director, Deputy Executive Director, Chief Financial Officer

### INTERNAL FINANCIAL REPORTS

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The NSBOC publishes the financial statements on a monthly basis. The statements are prepared by the Chief Financial Officer after month-end closing and reviewed by the Executive Director and Deputy Executive Director. The statements are included in the following quarterly public board meeting for review and transparency.

#### Procedures:

- All financial statements are finalized no later than 30 days after the close of the prior month.
- The reports and key performance indicators (KPI) shall include:
  - Profit and Loss Statement
  - Balance Sheet
  - Cash Flow Projection
  - Accounts Receivable Ratio
  - Revenue and expense variances from budget with explanation, if applicable
  - Budget versus actual
  - Any additional KPI measurements relevant to the current operational strategy



**Responsible party:** Chief Financial Officer

## AUDIT

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**i** **NRS 218G.400:** Requires the Board to be audited annually or biennially by a certified public accountant or public accountant.

The NSBOC is required to receive an annual audit conducted by an external CPA or public accountancy firm. The audit results are then presented at a public board meeting.

### Procedures:

- The audit is routinely scheduled with an external CPA firm to begin approximately 3 weeks after the end of the fiscal year. The NSBOC utilizes CPA firms with experience in non-profits and governmental entities.
- During the audit fieldwork, the auditors examine financial documents, interview staff, and review policies and procedures in-person.
- Upon audit issuance, the results are presented to the board during the second public board meeting of the fiscal year.
- Prior to December 1 of each year but after the second public board meeting, the audit results are submitted to the Legislative Auditor and the Chief of the Budget Division.
- The audit results include:
  - Management's Discussion and Analysis
  - Statement of Net Position and Governmental Fund Balance Sheet
  - Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balance
  - Budget and Actual Comparison (accrual basis)
  - Retirement (PERS) and Health Insurance (PEBP) Liabilities

**Responsible party:** Chief Financial Officer

## REVENUE & ACCOUNTS RECEIVABLE

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The NSBOC adheres to the revenue recognition principle which recognizes revenue in the period in which it is earned. Any revenue received for licenses and registrations are proportionally deferred based on the number of months and per month until expiration.

### DEPOSITS

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**NRS 644A.245:** All money received by the NSBOC must be deposited in banks, credit unions, savings and loan associations or savings banks in the State of Nevada.

The NSBOC accepts electronic payments in the form of credit or debit cards. Paper tender is also accepted in the form of money orders, business checks, vouchers, or similar non-personal, non-cash paper tender. Cash is not accepted as a form of payment. On a daily basis, the Chief Financial Officer reconciles the bank deposits received with the amounts entered into the licensing database (NVCOSMO). At the end of each month, the Chief Financial Officer reconciles the entire month's deposits with NVCOSMO to ensure completeness and data integrity. This reconciliation process is repeated at year-end to include the entire fiscal period.

#### Procedures:

- All money received from electronic methods are deposited automatically to the NSBOC bank accounts every 2-3 days.
  - The NSBOC uses Stripe as the main merchant processor for online or in-office payments.
  - Intuit, Inc. is utilized as a merchant processor for any payments collected from citation invoices sent directly from QuickBooks.
  - All electronic payment information received from telephone or mail-in forms is processed and then immediately discarded in a secure bin designated for sensitive data.
  - The NSBOC follows information security protocol set forth by the Payment Card Industry Data Security Standard (PCI DSS).
- Money orders, business checks, and similar non-personal, non-cash paper tender is accepted in-person by the Board during business hours or through the postal service.
  - The Lead Las Vegas Service Specialist scans, tallies, and deposits all paper tender on a daily basis under the purview of a high-resolution security camera. This is accomplished by using a Remote Desktop Scanner (RDS) which is directly linked to the bank. The payment data is entered into a consolidated spreadsheet which is then used by the Chief Financial Officer to reconcile the amounts.
  - After depositing, the physical checks are placed in a safe for 90 days based upon bank retention policies. After 90 days, the physical checks are shredded or securely destroyed.
  - Digitally scanned check images are retained for 3 years based upon the State of Nevada General Records Retention and Disposition Schedule.
  - Under the direction of the Lead Las Vegas Service Specialist, a staff member from the Licensing Department enters the payment data into NVCOSMO.
  - Upon completion of entering the data, the staff member places the paper tender in a locked safe located under another high-resolution security camera.

**Responsible parties:** Chief Financial Officer, Lead Las Vegas Service Specialist

## INVOICE PREPARATION

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The NSBOC utilizes the following invoice reminder procedure for all individuals and entities that receive a citation on behalf of a board inspector.

**Procedures:**

- An invoice is generated in QuickBooks for any entity that receives a citation within 1-3 days following citation issuance.
- Monthly invoice reminders are sent via email to all citation holders. This occurs on the 2<sup>nd</sup> Wednesday of each month.
- If an individual or entity has petitioned to appear at a board meeting due to a citation, that particular individual or entity is not reminded of the citation via QuickBooks until and if the amount is voted upon by the board to be due after the petition has been heard.
- At least twice per month, the current Account Receivable report is sent to the President, Secretary-Treasurer, Executive Director, and Deputy Executive Director along with the Accounts Payable report for review and signature in DocuSign.
- Amounts determined to be due resulting from a board meeting decision are immediately entered into QuickBooks upon the drafting and issuance of the orders.

**Responsible party:** Chief Financial Officer

## EXPENSES AND ACCOUNTS PAYABLE

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The NSBOC recognizes expenses in the period in which they are incurred. Any unpaid bills at fiscal year-end from the prior fiscal year are accrued so that they are recorded in the correct period. The NSBOC conducts payroll and bill payment services using Paylocity and Bill.com, respectively.

### PAYROLL

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**i** **NRS 608.020:** *Whenever an employer discharges an employee, the wages and compensation earned and unpaid at the time of such discharge shall become due and payable immediately.*

**NRS 608.030:** *Whenever an employee resigns or quits his or her employment, the wages and compensation earned and unpaid at the time of the employee's resignation or quitting must be paid no later than the day on which the employee would have regularly been paid the wages or compensation or 7 days after the employee resigns or quits.*

The payroll and human resource service provider used by the NSBOC is Paylocity.com. Payroll is processed on a semi-monthly basis by the Chief Financial Officer and approved by the Deputy Executive Director.

#### Procedures:

- The payroll process schedule is generated by Paylocity and typically entails processing payroll two or three business days prior to the actual pay day.
- All employee reimbursements, mileage, and overtime submissions are collected and entered into Paylocity during payroll process. Employees are able to submit this information through either TypeForm or DocuSign, depending upon the type of reimbursement. Per diem and mileage is based on current U.S. General Services Administration (GSA) rates.
- Inspectors record their vehicle mileage using an application called TripLog. During payroll process, the Chief Financial Officer is able to pull the mileage data from TripLog, obtain manager approval, and then process for payment.
- Requests for time off are submitted by employees to their respective immediate supervisors through Paylocity. Supervisors can then approve or deny the leave. If approved, the employee's time off event is automatically added to the team's shared calendar.
- The Deputy Executive Director electronically signs the payroll register, reimbursement report, and all reimbursement/compensation forms submitted by employees.
- All translators and examination raters/proctors are compensated as independent contractors and paid through Paylocity. Independent contractors are issued a 1099-MISC form at year-end, provided the annual amount is greater than \$600.
- If an employee is involuntarily terminated, the wages and compensation earned and unpaid are due immediately and are paid within 3 days or penalties are assessed.
- If an employee resigns or quits, the wages and compensation earned and unpaid are paid no later than 7 days or sooner if in the course of a regularly scheduled payroll.
- Form 991 is filed quarterly directly by Paylocity with the Internal Revenue Service (IRS).

**Responsible parties:** Chief Financial Officer, Deputy Executive Director

## ACCOUNTS PAYABLE

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Payments to vendors are processed every other week, typically twice per month and on a Wednesday. All vendor payments that are paid by invoice are issued through an online service called Bill.com.

### Procedures:

- The Chief Financial Officer reviews all received invoices and enters the payment information into Bill.com. The Deputy Executive Director is then required to approve all requests for payment before money is sent. This ensures that it is a separate two-party approval process.
- Upon issuance, all payments are summarized in a report that is electronically signed by the President, Secretary-Treasurer, Executive Director, and Deputy Executive Director.
- Due to the secure payment service provided by Bill.com, the NSBOC does not need to bear the burden of holding paper check stock on premise.

**Responsible parties:** Chief Financial Officer, Deputy Executive Director

## BOARD COMPENSATION

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**NRS 644A.220:** *The members of the Board are entitled to receive a salary of not more than \$150 per day, as fixed by the Board, while engaged in the business of the Board and a per diem allowance and travel expenses at a rate fixed by the Board, while engaged in the business of the Board.*

Board members are compensated for their contributed time when conducting business on behalf of the NSBOC.

### Procedures:

- All board member claims for expenses must be submitted to the Chief Financial Officer within 30 days of occurrence. Expense forms are provided electronically upon request and in paper format at the board meetings.
- If board business took 2 hours or less, the board member can claim a \$75 salary per day. If board business takes more than 2 hours, board members can claim a \$150 salary per day.
- Board members can claim a per diem allowance for meals paid for out-of-pocket while engaged in NSBOC business and during board-related travel. The per diem is based on current GSA rates.
- Board members can also claim a travel fee of \$150 for days in which only travel was conducted on behalf of the NSBOC.
- All board members who earn \$600 or more during the calendar year will receive a 1099-MISC form upon year-end.

**Responsible parties:** Board members, Chief Financial Officer

## ASSET MANAGEMENT

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The NSBOC maintains funds in several bank accounts and one investment account. All funds are protected under the State of Nevada collateralization program, managed by the State Treasurer's Office. The program allows the NSBOC to hold funds in financial institutions over the \$250,000 FDIC limit. Contents insurance covers all office assets and is provided by the Risk Management Division, paid annually by the NSBOC. Tort insurance, also known as general liability insurance, is also paid annually and acts as the NSBOC Certificate of Liability.

## CAPITALIZATION POLICY

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The NSBOC defines capital assets as equipment (owned or leased), furniture, software, or leaseholder improvements. In order to be capitalized, the asset must have an initial, individual cost of at least \$500. The capitalization period can range from 3 to 20 years, depending upon the type of asset.

**Responsible party:** Chief Financial Officer

## OPERATING RESERVE FUND POLICY

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The NSBOC recognizes the fiscal responsibility for maintaining a Board-Designated Operating Reserve Fund. An operating reserve is a defined portion of money designated to be used only during emergencies or other times of financial crisis. It helps to promote constituent confidence in operational activities by ensuring that the NSBOC remains capable of delivering exceptional services. Further, it helps to ensure that the reserve balances are adequate, safe, and accessible in the event of a hardship.

The board members approved the NSBOC Board-Designated Operating Reserve Fund policy during a public board meeting on October 8, 2018. The reserve policy ensures that the NSBOC is capable of supporting itself for up to 6-7 months with no additional revenue.

**Responsible party:** Chief Financial Officer