

CLUB/LEAGUE/ASSOCIATION
FINANCIAL POLICIES AND PROCEDURES

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FINANCIAL POLICIES AND PROCEDURES

PURPOSE

The purpose of these financial policies is to provide consistent application of conduct and proper internal controls to safeguard the assets of the organization while performing the duties and functions as described in the Bylaws and Rules. To this end, all funds received and disbursed in the name of the organization shall be managed in such a way that the tax-exempt status of the Association is not endangered.

These policies also serve to communicate to the members of the organization how the funds they pay to support the organization will be spent.

DEFINITIONS

1. "Organization" means the (club/league/association).
2. "Event" means the organization's Annual General Meeting or other similar activities. It is not a committee, office, or officer of the organization.
3. "Line Item" means a specific line with a corresponding amount in the organization's budget.
4. "Program" means the operations of a specific officer or committee. It is an area that contains at least several line items within the organization budget.
5. "Board" means the organization's Board of Directors.

MANAGEMENT AND CONTROL

The Treasurer and President shall be in regular contact concerning the financial performance of the Association.

Responsibilities of Persons Who Incur and/or Approve Expenses

Persons incurring expenses on behalf of the organization are responsible for ensuring that all expenditures are consistent with organization policies and budgetary restraints.

Anyone with expense approval authority must be fully cognizant that their signature on an Income and Expense form or organization check indicates conformity with stated organization policy, that legitimate and necessary expenses have been incurred, and that all items on the income and expense form are proper.

The Executive Director will

1. Maintain the financial records of the organization in a form and manner acceptable to the Treasurer of the organization.
2. Maintain the financial records of the organization such that they may be reviewed by the Treasurer of the organization at any time during normal business hours, and within 2 working days notice by any member of the Executive Committee.
3. Oversee the daily accounts of the organization including receiving the bills and receipts of the Association, making timely deposits of funds, and recording and preparing expenses for review and payment approval by the Treasurer of the organization.
4. Provide financial reporting and control of all Association programs under the direction of the Treasurer of the organization.
5. Prepare statements of the financial affairs of the organization for presentation to the Association Board of Directors at each regular Board meeting in a form and manner as directed by the Treasurer of the organization.
6. Supervise the Office Petty Cash Account.
7. Inform volunteers and employees of these organization policies and procedures.

Financial Records

The organization office and the Treasurer will create a list of accounts which reflect the line items listed in the budget. All books, records, and accounts will be maintained by the organization office staff or the Treasurer.

General Requirements of All Accounts

All income of the organization shall be deposited into and all expenses shall be paid by checks drawn against the following accounts:

1. The general operating accounts which may or may not be interest bearing accounts.
2. A money market savings account which shall be an interest bearing account.
3. Investment accounts as recommended by the Board.
4. Petty cash fund which shall not contain more than \$200.

Location of Accounts

The organization's accounts shall be maintained by the organization office or the Treasurer. All operating accounts shall be in institutions insured by the FDIC. Investments may be placed in non-FDIC insured accounts with the prior approval of the Board.

Copies of account statements will be mailed directly to the organization office or Treasurer.

Name of Accounts

All accounts of the organization shall be in the organization's name. If special accounts are set up to support a specific activity the name of the account will include the organization's initials.

Signatures Required

Checks for the payment of expenses shall be written by the organization staff or the Treasurer. The organization's President, Treasurer, and/or paid staff may sign checks. A dual signature is required on all checks.

Generally, all organization checks will be signed by the Treasurer unless notice is given that the Treasurer is not available to sign checks on a timely basis.

Reconciliation of Accounts

Reconciliation of bank statements will be completed within 3 working days of receipt.

The Treasurer will be immediately notified of any discrepancies determined when reconciling organization accounts.

Policies to Ease Management and Control

The organization office staff and the Treasurer may from time to time create policies to ease the management and control of the financial performance of the organization. These policies shall be presented to the Board for approval prior to implementation.

(e. g. Checks to pay immediate tournament expenses may be paid from a special limited tournament checking account that requires signatures from the Tournament Director and any one of the following: organization's President, Treasurer, and/or paid staff.)

AUDITS AND REVIEWS OF ASSOCIATION FINANCIAL RECORDS

The organization shall have its financial accounts reviewed or audited annually by an accounting firm which shall have prior approval by the Board. The results of all reviews and audits shall be provided to the Board and organizational membership.

FINANCIAL REPORTS BY THE ASSOCIATION

The organization's office/Treasurer will create and report on a monthly basis current financial activities and send it to the following:

1. President
2. Board of Directors
3. Membership

Financial reports shall be available to the Board with the agenda of each regular Board of Directors meeting and the Annual General Meeting.

TAXES AND OTHER GOVERNMENTAL REPORTS

All individuals providing a service which is compensated by the organization shall provide name, address, and social security number or EIN to the organization for the purpose of filing required IRS forms. (i.e. 1099).

Tax forms and other governmental reports will be prepared by the organization office/Treasurer.

FAILURE TO FOLLOW FINANCIAL POLICIES

In the event any member, officer, committee member, employee or any other person of the organization fails to comply with these policies, the President and Treasurer shall be notified. The non-compliant person shall be notified in writing by the organization and shall be requested to comply by a reasonable date.

If the non-compliant person fails to comply within the time period specified, the non-compliant person shall automatically be considered in bad standing, removed from the appointive office or have the employment relationship or contract terminated, and prohibited from participating in organization activity.

RECEIPTS OF THE ASSOCIATION

Funds Received

Opening the Mail and Collecting Financial Receipts

An organization employee/volunteer as designated by the Board of Directors shall open all mail and stamp any checks or other financial receipts for deposit.

Copying Receipts

All checks and other financial receipts shall be copied and all cash received shall be logged by the organization's designated person. Copies of checks and other financial receipts along with any support documentation shall be placed in a specified file.

Processing the receipts

All checks, financial receipts, and cash shall be entered into the organization's accounting system by the designated person, and then secured in a locked file cabinet.

Deposits

Periodically the designated organization person shall complete a deposit slip and provide the deposit slip and the receipts to the other for deposit into the organization's account(s). The deposit slip shall be attached to the financial receipts making up the deposit.

All deposits will be accompanied by a detailed allocation of the deposited funds to allow cost/income accounting. The deposit documentation will be reviewed and authorized by the Treasurer.

Unless special arrangements are made with the Treasurer, all receipts will be deposited within 5 working days of being received by the office.

Funds Received at Organization Activities

Any cash received shall be issued a written receipt which will indicate who made the payment and the account that the funds should be credited to. Duplicate receipts will be used to maintain a record of funds received.

Receipts from any activity will be transferred to the Treasurer within 5 working days of receipt.

Cash receipts shall be deposited into an organization account as soon as possible and in all cases within 5 working days of being received.

If cash funds are deposited into an activity checking account for safety reasons, a transfer check accompanied by the appropriate documentation shall be issued by the Treasurer within 5 days.

DISBURSEMENTS

Documentation Required

Disbursements shall be paid only as a result of documentation supporting the expense. Such documentation may include an Income and Expense form with proper attachments, invoices, and other written billing.

Account Disbursements

The Treasurer shall process and handle the payment of all expenses. Expenses shall be paid by check from the operating account.

Attachments to Disbursements

Checks will be sent, as required by these policies, to the second required signatory with attached expense documentation.

CREDIT CARDS

The Board may approve credit cards to be issued to and in the name of members of the organization to be utilized by Board members and specified others representing the organization.

Billings from the credit card company shall be mailed directly to the organization, which in turn shall send payment to the credit card company on a timely basis to avoid interest charges.

Pay for Expenses

The annual fee for the credit card(s) shall be paid by the organization.

Reporting

Each card holder shall be responsible for providing a signed and properly completed Income and Expense form with attached receipts to the Treasurer within thirty (30) days of the incurred expenses. Any charged expense which relates to someone other than the cardholder such as meals, or other items for another person/entity, the cardholder submitting shall include the full name(s) of all such other person(s)\entity(ies), the business purpose, the item(s) purchased, and the amount of the purchase(s). The only exceptions pertaining to submission are as follows:

1. Air travel made and charged with the approved organization travel agency.
2. Lodging and meeting space which is master billed to the organization.

Credit Card Billing

When a credit card bill arrives, the Treasurer will send each person who has not already submitted an Income and Expense form, a memo with a blank form and a copy of the credit card statement pertaining to that person's charges. The memo will request submission of the information substantiating the expenditure, the properly completed form and proper supporting information attached within five (5) days.

Failure to Provide Proper Documentation

If the proper documentation is not received within the specified time period, a letter will be sent to the non-reporting person advising the person that if submission is not received within seven (7) days, the credit cards issued to the delinquent person will be subject to cancellation.

If the proper documentation is still not received within the specified time period, after notifying the Board of Directors, will cancel the non-submitting person's credit cards.

The Board will be informed of any non-reporting letters or cancellations at its next meeting.

Non-authorized Charges

Charges that do not conform to the organization's policies or personal charges on an organization credit card are prohibited.

After being properly reviewed and upon approval of the Board, charges of this nature shall result in the organization seeking reimbursement for the non-authorized charges, and may result in the canceling the person's credit cards, and separation from the organization.

EXPENSE REIMBURSEMENT

It is expected that the Board of Directors, Committee Chairs, volunteers, and employees will from time to time, incur expenses on behalf of the Association.

The volunteers and employees should not be penalized nor should they profit by adhering to stated financial policies.

This policy presents standard procedures by which volunteers and employees shall recover funds properly expended in the conduct of the organization's business.

Responsibility of Persons Who Submit and/or Approve Expense Reimbursement

Anyone with expense reimbursement approval authority must be fully cognizant that their signature on an expense report indicates conformity to stated organization policy, that legitimate and necessary expenses have been incurred, and that all items on the expense report are properly reimbursable to the person submitting the report. Both the person submitting the report and the person granting approval have equal responsibility for its correctness and to ensure that all expenditures are consistent with policies and budgetary restraints.

General Policy

Volunteers and employees shall be reimbursed for actual reasonable and proper expenditures incurred in the conduct of approved organization business.

These policies are applicable to all volunteers and employees of the organization.

Reimbursement Policies - Specific Requirements

Income and Expense Forms

An Income and Expense form shall be utilized by anyone requesting reimbursement.

Any request for reimbursement which relates to someone/entity other than the person requesting reimbursement shall include the full name(s) of all such other person(s)/entity(ies), the business purpose and details, the item(s) purchased, and the cost or amount of reimbursement sought.

Documentation Required

Expenses shall be paid only as a result of documentation supporting the expense. Such documentation shall include an Income and Expense form with proper attachments, invoices, receipts, and other billing.

Approval

Income and Expense forms shall be approved first by the Treasurer, and/or paid staff. Paid staff expenses shall be reviewed for approval by the Treasurer. The Treasurer's expenses shall be reviewed for approval by the President.

Time Period

Unless otherwise arranged or as stated below, expense reports shall not cover periods of time greater than one month.

Income and Expense forms shall be submitted to the organization within thirty (30) days of the expense, and include the date, signatures of all parties, and attached receipts and/or invoices.

Penalty for Failure to Submit Timely

Any reports not submitted within thirty (30) days of the end of the organization's fiscal year shall not be reimbursed, unless specifically approved by the Treasurer.

Rebates, Adjustments, and Advances

Any rebate, adjustment, or expense advance received by a person submitting an expense reimbursement request shall be deducted from expenses claimed. Funds received after submission of an Income and Expense form shall be returned to the organization along with a corrected copy of the original Income and Expense form.

Discounts

Members are encouraged and advised to maximize discounts available to them. The fact that a private organization may be paying the bill has no bearing on their personal obligation to seek discounts. Association volunteers and employees should request any available discounts for car rental, lodging, air travel, quantity print runs, or other expenses.

Receipts

For reimbursement, receipts shall be attached for all expenditures in excess of \$25.00.

Compliance with IRS Regulations

The policies, procedures, and instructions contained herein are written to conform with current Internal Revenue Service and Federal Government Regulations.

Travel and Other Business Expenses

General Policy

The organization will reimburse volunteers and employees for reasonable and proper expenses incurred in connection with traveling and other business expenses, with exceptions as noted, in the conduct of approved organization business. The purpose for the trip and expenses incurred shall be documented and properly reported on an Income and Expense form.

All travel shall have prior Association approval before being scheduled.

Mode of Transportation

Air Travel

Air travel will be “coach” class. Travelers should make reservations as early as possible to take advantage of the least expensive fares available.

The bonus mileage awards accrued by travel at the organization’s expense will be the personal property of each traveler to be used as they see fit.

Personal Automobile

Mileage reimbursement shall be for the actual mileage driven at the standard mileage rate as allowed by the Internal Revenue Service for the previous calendar year. Such rate will be provided by the Treasurer.

Actual mileage includes round trip to destination and travel between visiting site and hotel. Parking fees and tolls are additional expenses which will be reimbursed in addition to mileage.

The amount reimbursed for travel by private automobile will not exceed the value of the least expensive air transportation.

Rental Cars

Prior to rental of a car, consideration should be given to its required use and other transportation alternatives. Often the nature or place of the trip dictates that taking a taxi, airport limousine or hotel courtesy car is most economical and negates the need for a rental car. Taxis are an alternative to the use of a rental car and should be used when appropriate. Most airports offer limousine service for commuting between the airport and downtown areas or hotels. It is usually less expensive for groups than taxis and rental cars. Many metropolitan areas have a variety of forms of public transportation. Association volunteers and employees are encouraged to use these systems when appropriate.

Members shall request economy or compact sized cars, except when four (4) or more members are traveling together.

Rental agreements provide several options to the renter.

In the event of an accident, local rental and law enforcement authorities shall be properly notified.

Payment for rental cars is the responsibility of the individual but, when authorized, may (No attempt may be made to) be billed the organization directly. In all cases the itemized rental receipt along with the actual payment receipt are required to be submitted.

If the Association member is renting a car and combining personal and business travel, the member will be personally responsible for the rental agreement and payment of the entire rental costs. When completed, the member may then request reimbursement for that part of the trip that was organization business related. The member shall complete an Income and Expense form with the proper documentation to be eligible for reimbursement.

Lodging

Volunteers and employees will be reimbursed for the actual cost of reasonable accommodations for approved travel.

Types of Rooms and Rates

Single room rates should be requested when reservations are placed, with lodging expenses to be itemized by the day on the Income and Expense form. For trips where weekly or monthly rates are available and favorable, this shall be clearly shown on the Income and Expense form.

Members are expected to seek lodging in the proximity of the visiting location to minimize the cost of local transportation. The itemized hotel bill is required to be submitted.

Unless otherwise approved members are requested to seek lodging with organization approved hotels/motels that offer the least expensive rooms but do not compromise quality and security.

Cancellations

Only in the most unusual circumstances will a “no-show” be considered a proper expense. The traveler has the responsibility to cancel reservations.

Per Diem

Volunteers and employees will be paid a per diem of \$25.00 per day for instate travel and \$30 per day for out-of-state travel for meal expenses. A half day will be reimbursed at \$13.00 for instate and \$15.00 for out-of-state. Per diem reimbursement will be based on home city departure and arrival times. Higher daily meal allowances may be approved by the Board in high cost areas. If not covered by per diem, each meal shall be specifically and separately reported on the Income and Expense form.

Business Meetings and Conferences

When expenses are submitted for attendance at organization business meetings, conferences, and meals with guests, the expenses report shall indicate the nature of the meeting, the attendees, and other data which may be necessary to support the expense.

Telephone Calls

Actual expenses for organization business related calls, safe arrival calls, and calls to family will be covered by the organization for individuals traveling on approved business.

Long Distance Telephone Calls by Volunteers and Employees

Telephone calls will be reimbursed for the direct expense of the call provided proper documentation is submitted.

Capital items

Capital items are purchased as individual items or as a class or items (e.g. furniture, soccer goal nets) with an expected life of 1 year or more, and cost \$100 or more.

An inventory of capital items shall be maintained by the organization.

Contributed by the Iowa Soccer Association