

POLSON YOUTH SOCCER ASSOCIATION, INC

FINANCIAL POLICY

Approved by Polson Youth Soccer Association, Inc. Board of Directors on March 16, 2011

I. GENERAL

- A. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Treasurer and reviews operations and activities.
- B. The Treasurer has financial management responsibility.
- C. Financial duties and responsibilities must be separated so that no one employee, volunteer or board member has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
- D. Each employee, volunteer, and board member involved with financial procedures shall take a minimum of 10 consecutive work days away from financial duties each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
- E. These policies and procedures will be reviewed annually by the Board of Directors

II. BUDGET

- A. The Treasurer and Finance committee will prepare the annual financial budget.
- B. The budget is to be complete and presented to the board for approval 2 months prior to the beginning of the next fiscal year.
- C. The budget is to be approved by the Board prior to the beginning of the fiscal year.
- D. The bookkeeper will insure that budgets are on file.
- E. The Board of Directors must approve proposed changes in the budget, should they exceed \$200 or 10% of the line item, whichever is greater.

III. CASH RECEIPTS (includes checks)

- A. The registrar or a designated volunteer on the registration committee opens any mail addressed to Polson Youth Soccer Association, PYSA or without specific addressee.
- B. A receipt book with duplicate receipts will be kept by the person designated to open mail. They will write a receipt, and give the check and one receipt to the bookkeeper for entry into the accounting system. The other copy of the receipt is to be retained in the receipt book.
- C. In the case of fundraisers, an individual other than the coach or fundraising coordinator shall be present to collect cash and write receipts. The money and receipt book shall then be turned into the bookkeeper for data entry and deposit.
- D. The bookkeeper will endorse all checks by rubber stamp including the words:

PYSA

FOR DEPOSIT ONLY

- E. The bookkeeper will make a copy of all checks to be deposited, make the deposit, and staple deposit slip to the copy of the deposit and filed chronologically.
- F. All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.
- G. The Treasurer and all Board Members will have access to all deposit documentation for review.

IV. CASH DISBURSEMENTS

A. CHECK AUTHORIZATION

1. All invoices will be immediately forwarded to the Treasurer who will review invoices for mathematical accuracy, validity, conformity to the budget (or majority board authorization (see 2 below)) and compliance with bid requirements. Only invoices meeting these standards are to be approved
2. If an expenditure is outside of the budget by \$200 or 10% which ever is greater, the item must be presented to the Board of Directors for a vote of approval. The

board must consider the overall budget, current needs of the organization, long term goals, and conflicts of interest before voting on the item. Approval of the expenditure requires a majority vote. If a conflict of interest exists, that individual may participate in discussion but may not participate in a vote.

3. If an invoice meets the standards outlined in IV (A) (1), treasurer will code the invoice with an appropriate expense or other chart of accounts line item number, class and job number (where applicable). By approving an invoice, the treasurer indicates that it has been reviewed and authorizes payment.
4. The bookkeeper will prepare checks on a monthly basis. Checks may only be written for an approved invoice.

B. CHECKS

1. The Treasurer will be responsible for all blank checks.
2. All checks will be created by the bookkeeper in the accounting system and forwarded, along with the approved invoice to the treasurer for signature. The President will sign when the Treasurer is unavailable.
3. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
4. In no event will:
 - a) Checks be written without the presence of an approved invoice.
 - a) blank checks (checks without a date or payee designated) be signed in advance
 - b) checks be made out to "cash", "bearer", "petty cash", etc.
 - c) checks be prepared on verbal authorization.
 - d) checks be signed by the individual to whom the check is made out.
5. In the event that it is necessary to issue a duplicate check for checks in an amount over \$15, a stop payment will be ordered at the bank on the original check.

C. BANK RECONCILIATIONS

1. Bank statements will be received directly and opened by the registrar.
2. Someone other than the treasurer will reconcile the bank statement monthly.
3. One member of the Board of Directors shall verify the reconciliation of the bank accounts on at least a quarterly basis.
4. On all checks outstanding over 90 days, the bookkeeper should take appropriate action.

V. PURCHASING

- B. Any individual making a purchasing decision is responsible to know if the item ordered is within the budget and guidelines. See IV (A) (2) above if the proposed item is over budget.
- A. Purchases over \$5000 are required to undergo a competitive bid procedure.
- B. All bid requests will contain clear specifications and will not contain features which unduly restrict competition.
- C. The Task Force Chairperson will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
- D. The Task Force Chairperson will obtain at least 3 bids wherever possible unless prior approval by Board of Directors has been obtained.
- E. Purchases of over \$5000 will not be fragmented or reduced to components of less than \$5,000 to avoid the bid process.

VI. CONSULTANTS AND INDEPENDENT CONTRACTORS

- A. Consideration will be made of internal capabilities to accomplish services before contracting for them.
- B. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.

- C. The qualifications of the consultant/contractor and reasonableness of fees will be considered in the hiring process.
- D. The existence of a conflict of interest will be considered before hiring a consultant / contractor. If a conflict of interest is found to exist, any retention of that consultant/contractor must be approved by a majority of the disinterested directors.
- E. Consultant/contract services will be paid for as work is performed or as delineated in the contract.
- F. The treasurer, bookkeeper, or accountant will prepare 1099 returns for consultants at year end.

VII. PROPERTY

A. *EQUIPMENT*

- 1. The Equipment Chairperson will maintain an inventory log; which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.
- 2. The Equipment Task Force shall be responsible for the proper maintenance, storage and care of equipment to ensure a long life.
- 3. The Treasurer will record all equipment in the accounting system. An entry must be made whenever property is disposed of or acquired.

VIII. LEASES

A. *REAL ESTATE*

- 1. The New Facilities Chairperson will review leases prior to submission to the Board of Directors for approval.
- 2. All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by the President.
- 3. The Secretary will keep a copy of each lease on file.

B. *EQUIPMENT*

- 1. The New Facilities Chairperson will review all leases.
- 2. All leases, clearly delineating terms and conditions, will be approved by the

Board of Directors and signed by the President.

3. The Secretary will keep a copy of each lease on file.

IX. BOOKS OF ORIGINAL ENTRY

- A. Polson Youth Soccer Association, Inc. will utilize a double entry system for accounting for all funds.
- B. Adequate documentation will be maintained to support all general entries.
- C. The accounting system and supporting documentation will be made available to any board member upon request.
- D. At the end of each month, the Treasurer will prepare a Balance Sheet, Statement of Activities, and Statement of Activities by Project that will be reviewed by the Board of Directors.
- E. The Statement of Activities report will include a comparison to the budget.
- F. Polson Youth Soccer Association will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

X. GRANTS AND CONTRACTS

- A. The President will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Secretary will maintain originals of all grants and contracts in a file. The Treasurer will prepare initial entries as appropriate to record each award.
- B. The Treasurer will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded to Polson Youth Soccer Association. This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all require financial and program report and due dates; and the chart of accounts line item number for the revenue deposited.
- C. The fundraising liaison will review and approve all reports to funding sources.

- D. It will be the responsibility of the fundraising liaison to insure that all financial reports are submitted on a timely basis.

XI. LOANS

- A. Loans must be reviewed and approved by the Board of Directors.
- B. A promissory note will be prepared and signed by the President and another officer of PYSA before funds are borrowed.

XII. OTHER

A. *MINUTES OF MEETINGS*

1. The Secretary will prepare accurate minutes of all meetings of the Board of Directors including votes and outcomes of financial issues decided at the meeting.
2. The Treasurer will note all action items in the minutes relating to finance and take appropriate action.

B. *NON-PROGRAM INCOME*

1. Donations of cash and non-program related income will be accounted for according to the specifications of the donor. Should the donor have no specifications, the Board of Directors is to designate the funds within one month of the receipt. The budget, current needs of the organization, and long term goals are to be considered when making the designation.

C. *ACCOUNTS RECEIVABLE*

1. Documentation will be maintained for accounts receivable.
2. Accounts receivable will be recorded in the books and collected on a timely basis.

D. FINANCIAL PROCEDURES

1. The Secretary must be familiar with the Financial Procedures, and have the document available at board meetings should the need arise to reference them. They should be referred to when the Board of Directors is faced with making a financial decision.
2. The Treasurer, bookkeeper and other staff and volunteers working on financial matters must be familiar with the Financial Procedures and reference them when a question arises.
3. Financial procedures will be reviewed annually by the Board of Directors. The Board of Directors must approve changes to the financial procedure manual prior to implementation.

E. FORM 990

1. The Board of Directors will authorize preparation of Form 990 by an accountant.
2. Form 990 will be signed by an officer of PYSA.
3. Copies of Form 990 will be filed in the Treasurer files, and a copy of the Form 990 and Form 1023 shall be kept by the Secretary.