

SASFAA

Guide to Financial Management

TABLE OF CONTENTS

Section 1: Purpose and Scope

Section 2: Budget Planning and Preparation

- 2.1 Budget Preparation
- 2.2 Initial Operating Budget

Section 3: Guide to Investments

- 3.1 Operating Fund
- 3.2 Short-Term Investments
- 3.3 Long-Term Investments
- 3.4 Reserve Funds
- 3.5 Safekeeping Investments
- 3.6 Current Investment Policy

Section 4: Financial Institutions and Funds Management

- 4.1 Checking Account
- 4.2 Transfer of Banking Accounts
 - 4.2.1 Retaining the Same Financial Institution
 - 4.2.2 Establishing Business with a Different Financial Institution
- 4.3 Account Management
- 4.4 Disaster Recovery

Section 5: Contractual Obligations

- 5.1 Contracts with Meeting Facilities
- 5.2 Other Contracts
- 5.3 Fidelity Bonding
- 5.4 Liability Insurance
- 5.5 Tax Exemption
- 5.6 Corporation Registration

Section 6: Accountability Standards

- 6.1 Income, Expenditures and Adjustments to Income
- 6.2 Investments
- 6.3 Accountability to the Board of Director
- 6.4 Records Maintenance and Retention Standards

Section 7: Guidelines and Procedures for the Office of Treasurer and Treasurer-Elect

- 7.1 Conferences
 - 7.1.1 General Preparation
- 7.2 Budget and Reports
- 7.3 Professional Development Workshops
 - 7.3.1 Honoraria
 - 7.3.2 Workshop Management
- 7.4 Expense Payments and Reimbursements
 - 7.4.1 Expense Guidelines – General
 - 7.4.2 Payment Procedures
 - 7.4.3 Cash Advancements
- 7.5 Vendor/Sponsor Contributions
- 7.6 Receipts Processing
- 7.7 Forms
- 7.8 Meetings Requiring Treasurer and/or Treasurer-Elect Attendance
- 7.9 Appendix of Attachments
 - A. Budget Categories and Codes
 - B. Corporate Credit Card Letter of Understanding

Section 8: Guidelines and Procedures for the Budget & Finance Chair

- 8.1 Responsibilities of the Budget & Finance Chair

Section 9: Financial Review Guides

- 9.1 Annual Financial Review Guide
- 9.2 Quarterly Financial Review Guide

Section 1: Purpose and Scope

The SASFAA Guide to Financial Management addresses the basic financial management and investment procedures for use by the Association's Board of Directors, committee Chairpersons and committee members, with the following objectives.

- a. To provide guidelines and procedures that help ensure good management and safekeeping of the Association's financial resources and safeguard the Association against financial liabilities.
- b. To offer guidance to the office of Treasurer and to act as a point of reference for the Executive Board and committee chairs for effective administration of the budget and finances.
- c. To provide investment guidance to help ensure financial stability.
- d. To describe parameters for planning and developing the operating budget.
- e. To identify ways in which financial practices may be evaluated objectively.

Inasmuch as the Board of Directors has fiduciary responsibility for the Association, the Board is responsible for ensuring the Guide is reviewed and revised, if necessary, at least annually.

Section 2: Budget Planning and Preparation

2.1 Budget Preparation

- a. An operating budget for an upcoming fiscal year should be drafted by the Budget and Finance Committee Chairperson and discussed with the incoming President and Treasurer prior to the June Transition Meeting.
- b. Incoming committee chairpersons and officers, in cooperation with the outgoing chairpersons and officers, should recommend a budget for the upcoming year for their respective committee or office.
- c. The Budget and Finance Committee Chairperson must prepare a draft budget to present to the Board at their first post-transition meeting. At this time, the Board approves an operating budget for the upcoming year [July 1 - June 30].
- d. In no instance shall the budgeted ~~or actual~~ expenses exceed the projected income for the budget year.
- e. In no instance shall the budgeted income line "09 Transfer from Assets" exceed 20% of the Limited Discretionary Reserve. (See 3.4 below for a definition of Limited Discretionary Reserve.) The Limited Discretionary Reserve amount should be determined each year based on the Final Balance Sheet through June 30.

2.2 Initial Operating Budget

The prior year budget is the official budget for the Association until the incoming Board approves a new budget. It is not intended, nor recommended, that the prior year budget be used any longer than the date of the first Board Meeting for that fiscal year, when a new budget can be presented for approval. ~~The current Board~~

~~has the responsibility for making budget adjustments prior to the end of the fiscal year (June 30) so no expense line item exceeds budgeted amounts for that expense.~~

Section 3: Guide to Investments

Proper selection of investments is important to ensure that funds are not placed unnecessarily at risk.

3.1 Operating Fund

The Operating Fund is defined as the funds necessary to meet anticipated program and general operating expenses in a timely manner. The investment objectives of the Operating Fund are, in order of priority, daily liquidity, preservation of principal, and investment returns, if any, associated with accounts that provide daily liquidity. (The size of the Operating Fund is approximately 15% – 25% of total assets but not less than \$100,000.)

The type of accounts includes FDIC insured checking accounts, FDIC insured savings accounts and money market accounts insured by FDIC, SIPC, NCUA and/or the investment firm.

3.2 Short-Term Investments

The Short-Term Investments are defined as the funds in excess of the Operating Fund per 3.1 above. The operating purposes of Short-Term Investments are to replenish the Operating Fund as needed and to provide additional liquidity. The investment objectives of Short-Term Investments are, in order of priority, preservation of principal, monthly liquidity, and improved investment returns over those of the Operating Fund. (The size of the Short-Term Investments is approximately 30% – 45% of total assets).

The type of accounts includes Certificates of Deposit (CD) and Short Duration Bond or Income Funds. These types of investments should be insured by FDIC, SIPC, NCUA and/or the investment firm.

CDs are typically selected bearing a 6 to 36 month maturity.

3.3 Long-Term Investments

Any investment that obligates Association funds for more than 36 months is considered a long-term investment. Long-term investments should be considered using the following guidelines:

- a. Long-term CDs bear maturities no less than 36 months or greater than 72 months.
- b. Long-term CD's may be rolled into short-term CD's to take advantage of higher rates, whether or not the CD is scheduled to mature before the transfer. If liquidating a CD prior to its maturity date, an evaluation of net gains must be made before the CD can be liquidated.
- c. No single CD shall be greater than \$250,000.
- d. Other types of long term investments that may be considered include, but are not limited to, Jumbo CD's, mutual funds, municipal bonds and Treasury Inflation Protection Securities (TIPS).
- e. Investments in mutual funds such as NASFAA's Charles Schwab are permissible. Since there is a potential for loss of principal, the board should proceed with caution when using these types of investments.

The size of the Long-Term Investments is approximately 30% – 45% of total assets.

3.4 Reserve Funds

The Association shall maintain a reserve fund balance of no less than the most recent operating budget plus contractual obligations. This amount is considered the Mandatory Protected Reserve. Such funds may be comprised of both short and long term investments, provided the funds are not intermingled with the Association's checking account. Refer to Policies and Procedures 10.8. Total Assets less the Mandatory Protected Reserve is considered the Limited Discretionary Reserve.

- a. The Budget and Finance Committee should review the cash balances and investments at least quarterly to determine the need for investment changes or whether certain investments should be liquidated.
- b. Quarterly, the Treasurer and the Budget and Finance Committee Chairperson shall evaluate the balance of the Association's Operating Funds, compare the balance to expected expenses and determine if excess funds are available to invest. The Budget and Finance Committee Chairperson should also review with the Edward Jones Financial Advisor any short-term cash flow or investment needs.
- c. Checking or savings account balances in excess of the FDIC depositor insurance coverage shall not be maintained in one or more accounts at a single financial institution, during the Annual Conference season which commences with the opening of conference registration and ends when the final conference facility bill is paid

- d. Accounts for the Operating Fund and Short-Term investments require the approval of both the President and Budget and Finance Committee Chairperson. Long-Term investments require the approval of the Executive Board.

3.5 Safekeeping Investments

The following practices shall be observed in order to protect the assets of the Association.

- a. SASFAA checking, savings, CDs, and Money Market accounts should be established only with institutions that provide insurance coverage.
- b. Appropriate safeguards (e.g., SIPC, etc.) should be in place for investments not held in FDIC or NCUA institutions.
- c. All documentation of investments (maturity date, account number, financial institution, original amount invested) shall be retained by the Treasurer and the Budget and Finance Committee Chairperson.
- d. The following factors should be considered when selecting an investment type:
 - 1. Protection of Principal Investment (Government Insurance);
 - 2. Liquidity (Ease of liquidating funds);
 - 3. Minimal Risk; and
 - 4. Yield.

3.6 Current Investment Policy

- a. The Charles Schwab investment through NASFAA is considered the long-term investment vehicle. According to the arrangement, those advisors invest funds as close to the NASFAA investment policy as possible. The fee structure is less because of leveraging the size of NASFAA's portfolio and having SASFAA investments mimic that structure. NASFAA's investment strategy has the oversight of the NASFAA Financial Affairs Committee (FAC) that meets with the advisors and holds them accountable for the various portfolios. The Charles Schwab investments were made for long term growth because of the investment advisors, oversight of FAC, and the success of the NASFAA portfolio.
- b. The Advisory Solutions Account through Edward Jones is considered the short-term investment vehicle. This investment is very conservative at 80% bonds and 20% stock and is liquid. The intent is to offset risk of the Charles Schwab investment which is more aggressive. Twice per year (May and November) the Budget and Finance Chairperson should review with the Edward Jones Financial Advisor the Charles Schwab portfolio and make any changes needed to short-term investments to balance risk and to explore investment opportunities to grow the reserve. Consideration should also be given to any upcoming cash flow needs.
- c. Each year based on the Final Balance Sheet through June 30 and the investment portfolio, the Budget and Finance Chairperson should review the percentage allowed to be budgeted from the Limited

Discretionary Reserve and make a recommendation for an adjustment, if needed (see Budget Preparation 2.1 e).

Section 4: Financial Institutions and Funds Management

Funds of the Association must be maintained in financial institutions that properly protect the financial interests of the Association. Parameters by which financial institutions should be selected are outlined below. To facilitate the transition of duties from the Treasurer to the next, the items listed on the Treasurer Exchange Checklist (attachment 4.0) shall be transferred immediately after July 1.

4.1 Checking Account

The checking account should be established at a regional banking institution to facilitate ease of transferring the account at the end of the Treasurer's term. Factors bearing on the selection of a financial institution include:

- a. A provision that the checking account be interest bearing if available at the current selected banking institution.
- b. An assessment as to whether the financial institution offers a special checking account for non-profit organizations with a higher rate of interest than a regular checking account.
- c. Determination of the service charge costs, if any, associated with the checking account (e.g., costs to order new checks, deposit books, monthly service fees, PC banking charges, etc.)
- d. An arrangement to provide a copy of each monthly bank statement and monthly reconciliation report to the Budget and Finance Chairperson.
- e. Availability of electronic and online banking. Transactions may be processed electronically via on-line PC banking. Transactions may be processed electronically via on-line PC banking. Computerized account management software, compatible with other software used by the Association, must be used to post checking and saving account transactions. Software access must be provided to the President, the Treasurer and Budget and Finance Chair. SASFAA currently uses QuickBooks Financial Software, the Online edition.

4.2 Transfer of Banking Accounts

Coordination of the transfer of banking accounts between the incoming and outgoing Treasurers is important to avoid disruption in operation. To transfer accounts from one Treasurer's tenure to the next, the following steps should be taken.

4.2.1 Retaining the same financial institution:

A. Prior to July 1 the current Treasurer:

1. Adds the President-Elect and the incoming Treasurer as signers on the checking account and changes the address on the account to the incoming Treasurer's address. The effective date of access to these funds shall be no earlier

than July 1.

2. Current Treasurer gives online access to all banking accounts as well as QuickBooks online to the President-elect, incoming Treasurer, and new Budget and Finance Chair, if applicable.
3. Pays as many expenses as possible prior to the June 30 year-end to reduce the amount of prior year debt to be carried forward to the next fiscal year.
4. Prepares a preliminary year-end budget summary.

B. On or after July 1:

1. The new Treasurer receives the first post-July 1 bank statement and reconciles the account, reporting the results to the President and Budget and Finance Committee Chair.
2. The new Treasurer issues a final year end budget summary based on the data received from the past Treasurer. A copy of the final budget summary is sent to the Budget and Finance Committee Chair.

4.2.2 Establishing business with a different financial institution:

A. Prior to July 1:

1. No earlier than 30 days prior to July 1, the new Treasurer arranges to open the new checking account.
2. The current Treasurer adds the President-Elect [future President] and the incoming Treasurer as signers on the current checking account and changes the address on the account to the incoming Treasurer's address. Check writing authority for the incoming Treasurer and incoming President shall be no earlier than July 1.
3. The current Treasurer pays as many expenses as possible prior to the June 30 year-end to reduce the amount of prior year debt to be carried forward to the next budget year.
4. The current Treasurer prepares a preliminary year-end budget summary.

B. On or after July 1:

1. The past Treasurer sends the laptop containing the financial records and relative software to the new Treasurer.
2. The new Treasurer shall leave sufficient funds in the previous checking account to cover any outstanding checks.
3. The new Treasurer sets up the new checking account on the accounting software and provides a report of the opening balance to the Budget and Finance Chair.

4. The new Treasurer closes all previous checking accounts and transfers remaining proceeds into the new checking account when outstanding checks have cleared the account.
5. The new Treasurer issues a final year-end budget summary based on the data received from the previous Treasurer. A copy of the account file for the period ending June 30 is sent to the Budget and Finance Chair.

4.3 Account Management

Proper safeguards should be in place to prevent misuse of funds. These include, but are not limited to:

- a. Requiring two authorizations (President and Treasurer) for expense amounts of \$5,000.00 and above.
- b. Budget and Finance Chair and Treasurer should verify cash collected for membership and conference registration at the annual conference and ensure the cash is properly deposited. The conference charity representative and Treasurer should verify cash collected for the charity. The Budget and Finance Chair should ensure charity proceeds are properly deposited.
- c. Receipts required for any cash, credit card payments or checks received with a copy of the receipt retained.
- d. Require authorization from the Budget and Finance Chair for all expenses reimbursed to or paid on behalf of the treasurer.
- e. Requiring authorization of the responsible Committee Chairperson or President/Treasurer as outlined in the SASFAA Policy & Procedure Manual for reimbursement made to members of the committee.

4.4 Disaster Recovery

Proper controls must be in place to facilitate the recovery of financial records in case of a natural disaster, computer hardware failure, or incapacitation of the Treasurer. Some of these include:

- a. The Treasurer verifies that the President and Budget and Finance Chair have access to QuickBooks Online Accounting software.
- b. The Treasurer informs the President and Budget and Finance Chair at the beginning of the fiscal year of the checking account and savings account balances, account numbers and the amount of each investment.
- c. Documentation of all investments shall be retained by the investment institution and the Budget and Finance Chair.
- d. The Treasurer must keep a copy of the signature card used to open the checking account and send copies to the President and Budget and Finance Chair.

Section 5: Contractual Obligations

The Budget and Finance Chair, the President, Treasurer, Site Selection Chair, and, where appropriate, the chair of the committee or officer most closely associated with the contract, must review all contracts. This review shall determine if the Association has considered all possible financial obligations and liabilities.

Only the President of SASFAA may sign a contract on behalf of the Association. All contracts meeting any of the following parameters must be approved by the Board before being signed by the President:

- a. Any agreement obligating SASFAA to a liability of \$5,000 or greater.
- b. Contracts for Board Meetings, Conferences, and Workshops (e.g., Summer New Aid Officer's Workshop, etc.). Subcontracts which were considered under the original proposal and are within the events overall budget do not require additional approval.
- c. Addendums to previously approved contracts that require signature.
- d. Any long-term investments must have prior approval of the board.

5.1 Contracts with Meeting Facilities

When entering into a contract with a meeting facility, in addition to reviewing direct costs [e.g. room rate, meals, etc.], the contract should be reviewed for the following:

- a. Required liability insurance;
- b. Conditions which allow or pertain to cancellation of the contract by either the meeting facility or SASFAA;
- c. Charges for meeting room space in the event the reserved room block is not met; and
- d. Other charges for which the Association shall be liable in the event any of the conditions of the contract are not fulfilled.

5.2 Other Contracts

Other types of contracts under which the Association might be financially responsible include contracts for:

- a. Exhibit/Drayage
- b. Private Transportation [e.g. buses]
- c. Entertainment [Band and DJ]
- d. Cellular Phone Rental

Any agreement of \$5,000 or above requiring official signature for review purposes shall be treated the same as a contract.

5.2.1 Music Contracts

Refer to Policies and Procedures Manual - Section 8.2.2

5.3 Fidelity Bonding

Fidelity Bonding is secured by the Treasurer to cover any individual having direct access to the Association's funds. Refer to Policy and Procedure Manual-section 10.4.1.

5.4 Liability Insurance

Liability insurance shall be obtained to cover:

- a. directors and officers, and
- b. general liability.

Refer to Policy and Procedure Manual-section 10.4.2.

5.5 Tax Exemption

When a meeting is occurring in a state in which tax exemption has been approved, the Treasurer should file the Association's tax exemption form with the facility to ensure the Association will not be charged for unnecessary taxes. Tax exemption certificates should be filed with the facility well in advance of the meeting date(s) if possible to avoid having to deal with this issue during actual meeting times.

5.6 Corporation Registration

Registration of the Corporation with the State of Georgia is required each year, using a web form located at <http://www.sos.state.ga.us/corporations/>. This is due between January 1 and April 1 of that year. The annual registration is payable by check, made payable to “Secretary of State”. The official address of the corporation is:

1348 Foster Manning Road

Summerville, GA 30747

(404) 992-0529

Chattooga County

The registration agent of the corporation is Susan D. Little, listed at the same address stated above. The Treasurer should account for this annual expense in his/her portion of the operating budget.

Section 6: Accountability Standards

To ensure the financial stability of the Association, it is imperative that there exist measures to verify income and expenditures and to prompt the early detection of errors.

6.1 Income, Expenditures and Adjustments to Income

To provide an adequate financial review trail, all income, expenditures and adjustments should be tied to at least one of the following supporting documents:

- a. Expense [reimbursement] forms including receipts, where appropriate;
- b. Invoices from vendors and service providers;
- c. Registration and membership forms;
- d. Vendor/sponsor contributions;
- e. Written receipts for cash advances; and
- f. Bank statements indicating all financial transactions and interest income.

6.2 Investments

The Budget and Finance Chair shall retain statements from financial institutions, which contain the investment amount and earnings.

At least twice a fiscal year the President and Budget and Finance Chair shall perform a periodic review of the investment accounts by contacting the appropriate financial institution(s) to verify the status and balance of each account. Such reviews shall be documented and the results reported to the Board as a part of the Budget and Finance Chair’s report to the Board.

6.3 Accountability to the Board of Directors

Oversight of the Association’s finances is important for ensuring sound financial practices throughout the year. As such, certain accountability measures are necessary.

- a. The President, with the approval of the Board, shall establish a Budget and Finance Committee to oversee the Association’s finances and investments. Members of the committee shall consist at least four persons preferably individuals who have previously held the office of Treasurer [state or regional] or who are a CPA or

that have other financial review background. Composition of the committee shall rotate every two years, to ensure continuity between terms, members serve for a two-year term; two members are replaced each year.

An attempt should also be made to select two persons who have an interest in running for the office of Treasurer. Every effort should be made to ensure that either the Treasurer or Budget and Finance Chair have board experience in either of these two positions. Experience on the Committee is expected to prepare these persons for the responsibilities of the office.

- b. The Budget and Finance Committee shall review the Treasurer's records annually or cause a financial review or financial review to be performed by an outside entity at the direction of the board. The review must be performed in a face-to-face setting. This should be done in such a manner so that the financial records remain intact and the treasurer can assist in the review. This should be done in such a manner so that financial records remain intact and the treasurer can assist in the review. The Budget and Finance Committee Chairperson will make a financial review report to the Board no later than the February Board Meeting following the end of the previous fiscal year.

6.4 Records Maintenance and Retention Standards

The Association's financial records provide documentation to support all financial transactions. This may be critically important in the event of a financial review where proof of expenditures and income is necessary.

- a. Certain fiscal records and documentation of the Treasurer are to be retained in an imaged format.
Imaging shall occur after the financial review of the Treasurer's records is completed and shall include the following records:
 1. Bank statements
 2. Cancelled and voided checks
 3. Deposit slips
 4. Credit Card Statements
 5. Expense reports and supporting documentation
 6. Invoices
 7. Certificate of deposits and other investment papers
 8. Financial review or financial review reports
 9. Credit card payment receipts
- b. Membership and conference registration forms will be retained in hard copy form until the financial review is concluded and then shredded.
- c. General records that do not support specific financial transactions may be destroyed at the end of the second fiscal year of the Treasurer's term of office.

6.5 Additional Accountability Standards

Additional measures to strengthen the financial stability of the association shall include the following:

- a. Fees/Dues – Overpayments received for membership and/or meeting registration fees shall be refunded to the payee within the fiscal year in which it was received. If the payee requests the overpayment to be attributed to another person, the reallocation can be performed without issuing a refund, but be requested in writing no less than 30 days before the close of the fiscal year. Documentation shall be retained to validate the transaction.
- b. Returned Payments – The Treasurer is responsible for collection on payments returned by the bank for non-sufficient funds. As such, any cost charged the association for processing returned checks shall be passed on the initiator of the check; added to the amount collected.
- c. Tangible Assets – To account for tangible assets of the Association the Budget and Finance Committee shall provide a report of all assets to the Board at the first Board meeting for the fiscal year. This report should include a description of the asset, the purchase date and purchase price and an assessment of continued usefulness for each asset.

Equipment determined to have outlived its usefulness shall be given to the presiding President to dispose of. Such disposition may not include keeping the equipment for his/herself or giving it to any member of the President's family.

When equipment is useful but not assigned to any one position, it will be offered to a member of the Board to help the member perform the duties of the association.

Section 7: Guidelines and Procedures for the Office of Treasurer and Treasurer-Elect

The Treasurer, with the assistance of the Treasurer-Elect, is responsible for overseeing and managing the Association's financial matters and shall keep the Executive Board apprised, on a regular basis, about the Association's financial status. The Treasurer receives and disburses funds of the Association under policies and guidelines approved by the Executive Board.

7.1 Conferences

Conferences are a major financial obligation of the Association and, as such, include many areas in which cooperation of and coordination by the Treasurer and Treasurer-Elect is needed.

7.1.1 General Preparation

Preparing for any conference or special meeting of the Association requires active participation on the part of the Treasurer and Treasurer-Elect. This includes, but may not be limited to, the following:

- a. Receiving a copy of the contract from the hosting facility. These contracts are usually secured by the:
 1. Site Selection Committee for the Annual Conference, or
 2. By the specific Committee holding a meeting.

The President, Budget and Finance Chair and the Chairperson of the committee directly involved with the meeting must review all contracts. The President's, or his/her designee's, signature is required on all contracts.

- b. Obtaining and completing an application for credit with the facility (where available) to allow direct billing for expenses occurring during the meeting.

7.2 Budget and Reports

Providing budget and financial reports to the Executive Board, the Treasurer and/or Treasurer-Elect shall:

- a. Work in coordination with the President and Budget and Finance Committee to develop a budget for submission to the Executive Board during its first meeting for the year.
- b. Submit up-to-date financial reports at each meeting of the Executive Board and at other intervals necessary to keep officers and committee chairpersons apprised about spending trends and budget line item balances.
- c. Ensure that the required IRS documents, including Form 990, are prepared and filed by the appropriate deadlines.
- d. File licensing agreements and pay the appropriate fees with the American Society of Composers, Authors and Publishers (ASCAP) and Broadcast Music, Inc. (BMI) to cover functions sponsored by SASFAA that include music entertainment.
- e. Prepare forms and procedures needed to make and record reimbursements to members for authorized expenditures for SASFAA related business.
- f. Establish checking and/or savings accounts for the purpose of handling the finances of the Association.
- g. Prepare an annual, year-end income and expenditures summary as of June 30.
- h. Provide for secure and safekeeping of funds during pre-deposit periods.
- i. Work with the Budget and Finance Committee to invest funds and to help manage the Association's investment accounts.

7.3 Professional Development Workshops

7.3.1 Honoraria

Honoraria for persons responsible for conducting the summer workshops (planning, coordinating and instructing) shall be paid based on the following:

New Aid Officer Site Director:	\$599
New Aid Officer Faculty:	\$500 each
New Aid Officer Curriculum Director:	\$599

Individual recipients have a responsibility to report the income on their personal tax return.

7.3.2 Workshop Management

The Treasurer and/or Treasurer-Elect, in coordination with the Vice President, and using information received from workshop registrants shall coordinate registration (pre-workshop and on-site) for the workshop. This normally includes, but may not be limited to the following:

- a. Obtain registration information.
- b. Arrange for the payment for incidentals purchased for social functions during the workshop.
- c. Have cash available for the purchase of incidentals.

7.4 Expense Payment and Reimbursement

The Treasurer and/or Treasurer-Elect shall be responsible for timely payment and reimbursement of all Association related expenses. As general procedure, expenses of the Association and/or reimbursement to members for authorized business on behalf of the Association shall be handled according to the following guidelines and procedures.

7.4.1 Expense Guidelines - General

The President may authorize expenses that exceed any budget line item by \$500. The President may authorize the Treasurer to exceed line item expenses for Professional Advancement (Budget Code #203) and Program (Budget Code #206) in an amount needed to cover outstanding expenses.

It is the responsibility of the Treasurer to report all instances where expenses exceed budget at the next Executive Board meeting following the date the excess occurred.

The President's approval is required for:

- a. Any expense of \$5,000 or more
- b. Any expense that exceeds the approved budget limit for the corresponding expense category to which the expense is to be posted.

All conference related expenses are normally charged to the budget of the Conference Committee. Charges for each member of the Executive Board and Committee chairpersons, for which attendance at the conference is required, are charged against their respective budgets. Meal functions and/or other events held by committees at the annual conference will be charged against the committee's respective budget.

7.4.2 Payment Procedures

The following procedures and guidelines should be used when making payment to cover Association business expenses to ensure proper documentation of the expense(s) and an adequate financial review trail of transactions related to each payment. All accurately completed requests for reimbursements should be processed and paid within 2 weeks from the date received by the Treasurer.

7.4.3 Cash Advancements

A cash advance may be made to cover authorized, anticipated expenses, provided the President first approves such advance. In order to cover incidental expenses that routinely occur during meetings, it is recommended that the Treasurer and/or Treasurer-Elect have cash available to pay for expenses that cannot be covered by using the Association's credit card or with a check (e.g. tips for hotel staff, supplies, copying, etc.) The Miscellaneous Expense Form is used to track record and document all cash transactions. Unused funds must be re-deposited immediately upon returning from the meeting/event.

7.5 Vendor/Sponsor Contributions

The Association's Vendor/Sponsorship Coordinator handles coordination of sponsorship and exhibitor activities. Such coordination shall include solicitation of sponsor contributions and oversight to ensure appropriate recognition and benefits are provided.

The Treasurer is responsible for the receipt and handling of sponsor contributions and reporting contribution receipts to the Vendor/Sponsor Chair. Specific monetary benefits of contributing may include, but may not be limited to, the following:

- a. Sponsor recognition reception, at the expense of SASFAA.
- b. Complimentary table for vendor display

7.6 Receipts Processing

To ensure prompt and accurate processing of funds received to be deposited to the Association checking account, the following procedures are recommended:

- a. All checks received are stamped "For Deposit Only" immediately upon receipt.
- b. For checks received with an invoice or Membership/Registration form:
 1. Record the date received and check number on the form.
 2. Provide receipts, when requested.
- c. Make deposits at least every two weeks when funds are available for deposit. (more frequently during times on or around conference or workshop dates)
- d. Post deposits based on the appropriate income category.
- e. Maintain a file copy of receipts according to the type of receipt for future reference.
- f. Review Pay Pal, SASFAA's credit card processing system, at least every two weeks to deposit available funds. (more frequently during times on or around conference or workshop dates).

7.7 Forms

The Treasurer and/or Treasurer-Elect, in coordination with the appropriate committee Chairperson, may help design forms (paper or electronic) that will be used:

- a. to register and pay fees for the Annual Conference, and
- b. to register and pay fees for Professional Development Workshop(s).

Other forms for the purpose of registering and collecting dues or fees may be needed, based on other planned activities. Any form used to collect funds must be reviewed and approved by the Treasurer before use.

The Treasurer and/or Treasurer-Elect will design the form(s) to be used for the reporting and payment of Association expenses as reimbursements for authorized Association travel, lodging, meals and other business.

All reimbursement forms must be signed by the committee member seeking reimbursement, as well as the committee chair if one exists. In some situations, the SASFAA Policy & Procedure Manual allows, or requires, the President or Treasurer to be the approving authority for expenses or reimbursements. The following formats qualify as a signature:

- Committee members seeking reimbursement –
 - The signature must be an original, "wet" signature on the reimbursement form. The form can be scanned and mailed, faxed, or e-mailed to the Treasurer after it is signed by the member.
 - No other format will be acceptable.
- Committee Chair (or other approving authority) –

- The signature can be an original, “wet” signature on the reimbursement form. When this occurs, the reimbursement form will contain two signatures (committee member and approving authority).
- In place of a signature, the committee chair (or approving authority) can provide approval of the expense or reimbursement via e-mail to the Treasurer. The e-mail must be from the individual’s e-mail account associated with his or her SASFAA qualifying employment (i.e., not personal account).

7.8 Meetings Requiring Treasurer and or Treasurer Elect-Attendance

To facilitate the financial obligations of the office of Treasurer, and to serve the needs of the Association, the Treasurer and/or Treasurer-Elect may attend certain meetings. Following is a list of required and suggested meetings that the Treasurer and/or Treasurer-Elect should attend:

- a. Executive Board
- b. Conference Committee
- c. New Aid Officer Workshop planning sessions (Suggested)
- d. Annual Conference
- e. New Aid Officer Workshop
- f. Others, as needed or as determined by the President or the Board.

7.9 Appendices of Attachments

ATTACHMENT A

SAMPLE BUDGET CATEGORIES AND CODES

INCOME CATEGORIES:

<u>CODE</u>	<u>TYPE/TITLE</u>
01	Membership
02	Professional Advancement
	02-1 - Summer Workshop (Current Year)
	02-2 - Summer Workshop (Prior Year)
	02-3 - [Other Professional Meeting]
03	Annual Meeting
04	Vendors/Sponsors/Patrons
05	Advertising
	05-1 - Directory
	05-2 - Newsletter
	05-3 - Other
06	Publications
07	Interest Income
	07-1 - Checking Account
	07-2 - CD's
08	Miscellaneous Income
09	Balance Forward

10 Reserve Fund

EXPENSE CATEGORIES:

<u>CODE</u>	<u>TYPE/TITLE</u>
101	President
102	President-Elect
103	Vice President
104	Secretary
105	Treasurer
106	Past President
201	Membership/Directory
202	Publications/Communication
203	Professional Advancement
	203-1 - Summer Workshop (Current Year)
	203-2 - Summer Workshop (Prior Year)
	203-3 - [Other Professional Meeting]
204	Newsletter
205	Budget and Finance
206	Annual Meeting
207	Site Selection
208	Nominations and Elections
209	By-Laws
210	Executive Board
	210-1 - Meetings
	210-2 - Transition Expense
211	President's Contingency
212	Miscellaneous
213	Advance Program Planning
214	[Available for Use]
215	Prior Administration Bills
216	Legislative Relations
217	Long Range Planning
	217-1 - Fiscal
	217-2 - Governance
218	Coordination V/S/P
219	Special Projects
	219-1 - Management Institute
	219-2 - Historian Task Force
	219-3 - Other
220	Reserve Fund
221	Computer Hardware/Software
222	Historian
300	Investment

ATTACHMENT B**SASFAA Corporate
Credit Card Letter of
Understanding**

I have read and understand the SASFAA Policies & Procedures with particular emphasis on the travel reimbursement section 10.6 and the Corporate Credit Card Policy section 10.7.

I understand that my Corporate Credit Card is issued at the discretion of the Association and should be considered a privilege. I further understand that this card may be used only for official SASFAA reimbursable business purposes and that it should be used only when other methods of payment are not possible or reasonable.

I acknowledge that all credit card expenses are due and payable upon receipt of a billing statement from the card issuer. In this regard I understand that I am required to retain receipts for all purchases made through use of the credit card. I further understand that it is my responsibility as the holder of the card to submit expense reports in accordance with corporate expense reporting guidelines before payment of the charges may be made. I understand that all reported credit card expenses must be supported by a receipt, or, where a receipt is lost or not available, fully documented to authenticate the obligation for the Association to reimburse the card issuer for the charge.

I understand that this card may never be used for personal use.

I understand that interest charges that accrue due to my failure to report charges and provide necessary documentation to authorize payment of card charges in accordance to the card issuer's billing cycle are the responsibility of the card holder and that SASFAA is not obligated to pay those interest charges.

I further understand that violation of applicable card use and expense filing policies and procedures may result in revocation of the card by SASFAA or the card issuer.

Signed: _____ Date: _____

Section 8: Guidelines and Procedures for the Budget & Finance Chair

The Budget & Finance Chair is responsible for overseeing and managing the Association's financial matters and shall keep the Executive Board apprised, on a regular basis, about the Association's financial status. The Treasurer and/or Treasurer-Elect receive and disburse funds of the Association under policies and guidelines approved by the Executive Board.

8.1 Responsibilities of the Budget & Finance Chair

The Budget & Finance Chair is responsible for overseeing the development of proper fiscal controls and financial management strategies to ensure the fiscal integrity of the Association. To achieve these duties, the Budget & Finance Chair will:

- a. Prepare, in collaboration with the president, the Treasurer and Treasurer-Elect, the fiscal budget prior to the first Board meeting of the new year;
- b. Monitor expenditures, analyzes cash flow trends, and advises the Board regarding short-term and long-term investments;
- c. Make recommendations annually for changes to the approved SASFAA Guide for Financial Management (June 2006) as amended (see Appendix B);
- d. Conduct with the Treasurer and/or Treasurer-Elect quarterly reviews of cash balances and expenses and makes appropriate recommendations;
- e. Verify cash collected for membership and registrations at the annual conference and ensure properly deposited. Ensure charity proceeds properly deposited.
- f. Recommend budget adjustments, as appropriate, to stay within budget guidelines;
- g. Chair will have access to the Association's online financial software. As well, the chair will maintain electronic copies of the monthly reconciliation statements and investment statements.
- h. Make investment earnings/losses entries into Association's online financial software, with the assistance of the Association CPA.
- i. Review, from a fiscal liability perspective, all contract proposals and makes recommendations to the president; and
- j. Work with the Treasurer and/or Treasurer-Elect to ensure that all financial reports including tax returns are filed by established deadlines.

Section 9: Financial Review Guides

9.1 Annual Financial Review Guide

(Assumes use of and access to Wild Apricot and QuickBooks Online)

Items Needed for Annual Review

1. Prior Year Financial Review Report
2. Quarterly Financial Review Reports
3. Prior Year Final Budget vs. Actuals (Profit/Loss Statement)
4. Prior Year Final Balance Sheet
5. Prior Year IRS Form 990
6. Final Budget vs. Actuals (Profit/Loss Statement)
7. Final Balance Sheet
8. Final Registration by Type report for sponsors (tracked under Events)
9. Executive Board Minutes (available on the website)
10. Monthly Statements for all Bank Accounts (Checking, Savings and/or Money Market) and Other Current Assets/Investments (Managed Advisory Accounts, CDs, etc.)
11. Final Registration by Type report for each event
12. Final Membership Paid Income report
13. Backup for all expenses for review of travel expense vouchers, mileage reimbursement vouchers, expenditure vouchers and credit card expense forms
14. Employee Theft Policy (aka Director's and Officer's or Crime)
15. General Liability Policy (aka Business Owners)
16. Monthly reconciliations (available in QuickBooks)
17. Policies & Procedures Manual and the Guide to Financial Management
18. Physical Property Asset List
19. Outstanding Contracts
20. ASCAP and BMI reports (available online)

Annual Review Procedures

Executive Board Minutes

1. Review all Executive Board minutes to ensure approval of the annual budget and any Board action(s) pertaining to the budget including approval of overages and adjustments (GFM 2.1 and GFM 2.2).
2. Review prior year Financial Review to ensure any deficiencies have been addressed and recommendations discussed.
3. Review Quarterly Financial Review reports to ensure any deficiencies have been addressed.

Budget vs. Actuals (Profit/Loss Statement) and Balance Sheet

1. Total of all Assets from Prior Year Balance Sheet
+ Income
- Expenses
= Total of all Assets from Final Balance Sheet

Bank Accounts Statements (Checking, Savings and/or Money Market)

1. All voided checks should be clearly marked. The bank register should be reviewed in QuickBooks to confirm that the checks have been voided. The memo line will indicate "Voided" with an amount of 0.00.

Check	Split			
06/18/2013	2501	Bank of America Visa Card	Voided	0.00 R
	Check	227F Insurance & Bonding:Miscellaneous		
06/18/2013	2502	Bank of America Visa Card		447.55 R

2. Review and verify monthly bank account reconciliations in QuickBooks. A reconciliation history and reports can be found under Tools > Reconcile > History by Account (GFM 4.1 d)

Other Current Assets Statements and Investment Percentages

1. Verify that the last statement for each account (managed advisory account, CD, etc.) matches the balance on the Balance Sheet and that interest, dividends and capital gains have been recorded correctly.
2. Review percentage allocation of total assets to the operating fund, short-term investments and long-term investments and make recommendations for any changes needed (GFM 3.1, GFM 3.2 and GFM 3.3).
3. Verify reserve fund balance is no less than the most recent operating budget plus contractual obligations (GFM 3.4).

Sponsor Income (tracked under Events in Wild Apricot)

1. Verify that the income reflected on the Budget vs. Actuals report matches the Registration by Type report from Wild Apricot.
2. Note any outstanding sponsor income.

Deposit (Income) Verification

1. Perform a random check of deposits in QuickBooks and trace the deposit to the bank statement. Several “large” deposits should be reviewed as well as several other random deposits.
2. Using the Final Registration by Type report from Wild Apricot, verify that income matches each respective line on the Budget vs. Actuals report for each event.
3. Verify cash collected for membership and conference registration is properly deposited. Verify cash collected for the charity is properly deposited. (GFM 4.3 b).

Membership Verification

1. Verify from the Membership Paid Income report that revenue matches the income line 01 Membership Dues.

Signed IRS Form 990

1. Verify that the IRS Form 990 was filed timely with appropriate signatures (P&P 6.3i).
2. Verify that the Total Revenue, Total Expenses and Net (Total) Assets on the 990 agree with the Budget vs. Actuals report and Balance Sheet for the applicable fiscal year.

Vouchers and FormsExpenditure Vouchers

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to ensure all were paid timely, properly posted and included the appropriate approvals.
2. Verify accuracy of approval of payments over \$5,000 and appropriate budget approvals (GFM 7.4.1 and GFM 4.3 a).
3. Payments or reimbursement to President – verify accuracy of expenses and completeness of documentation.
4. Payments or reimbursements to Treasurer – verify accuracy of expenses and completeness of documentation (GFM 4.3 d)
5. Authorization of the responsible Committee Chairperson for reimbursement made to members of the committee (GFM 4.3 f).

Travel Expense Vouchers

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to ensure that travel expenses conform to P&P 10.6.1.
 - A. Mileage reimbursed at IRS business rate not to exceed 1,000 miles round trip and documentation of mileage is provided. Mileage rate not to exceed 50.5 cents per mile.
 - B. Airfare reimbursed at coach class are appropriate and receipts attached.
 - C. Rental vehicles verify President or Treasurer prior approval.
 - D. Taxi and shuttle – verify receipts and tips were reasonable.
 - E. Verify reimbursement was at single room rate and receipts attached.
 - F. Verify meals reimbursed at established rate of \$50 per day or the daily allowance is reduced by the suggested amount when a meal is provided by SASFAA. The suggested meal allowance is breakfast \$10, lunch \$15 and dinner \$25.
 - G. Verify group meals include names of all participants on the receipt.

Credit Card Expense Forms

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to verify that credit card expenses have been accurately reported on the credit card expense form and have not been paid a second time on a travel expense voucher or an expenditure voucher.
2. All expenses charged to a credit card must be reported by the user to the Treasurer within ten (10) days of receiving his or her credit card statement. All itemized charges on the statement must correspond to a valid receipt. (P&P 10.7)
3. Verify use of the credit card has not been to circumvent Policies & Procedures outlined in 10.6.1, 10.6.2, 10.6.3, 10.6.4, 10.6.5, 10.6.6 and 10.6.7.

Contractual Obligations, Insurance Policies and ASCAP/BMI Reports

1. Verify that the Employee Theft Policy is sufficient for the total assets and make recommendations for any needed adjustments in coverage (P&P 10.4.1 and GFM 5.3).
2. Review the coverage for the General Liability Policy and make recommendations for any needed adjustments in coverage (P&P 10.4.2 and GFM 5.4).
3. Review potential liability from outstanding contracts.
4. Verify President is only signature on contracts (GFM 5).
5. Verify ASCAP and BMI reports have been filed and applicable payments made.

Honoraria

1. Verify guidelines were followed (P&P 10.6.1 and GFM 11.6).

Policies & Procedures Manual and the Guide to Financial Management & the Office of Treasurer

1. Verify that all applicable policies and procedures are being followed.

Physical Property Asset List

1. Review the prior year physical property asset list and compare to the current list for additions or deletions. If there are changes from prior year, verify through minutes of the Executive Board that the addition or deletion was approved.
2. Verify who has possession of the equipment.

Member Accounts in Wild Apricot

1. Verify pending (unpaid and partially paid) invoices/registrations have been cancelled for each event.
2. Verify Aging Receivables have been reviewed and updated (should only be unpaid membership invoices at year-end).

9.2 Quarterly Financial Review Guide

(Assumes use of and access to Wild Apricot and QuickBooks Online)

Items Needed for Quarterly Review

1. Prior Year Final Budget vs. Actuals (Profit/Loss Statement)
2. Prior Year Final Balance Sheet
3. YTD Budget vs. Actuals (Profit/Loss Statement)
4. YTD Balance Sheet
5. Executive Board Minutes (available on the website)
6. Last Monthly Statements of Quarter for all Bank Accounts (Checking, Savings and/or Money Market) and Other Current Assets/Investments (Managed Advisory Accounts, CDs, etc.)
7. Final Registration by Type report for each event closed during the quarter
8. YTD Membership Paid Income report
9. Backup for all expenses for review of travel expense vouchers, mileage reimbursement vouchers, expenditure vouchers and credit card expense forms
10. Monthly reconciliations (available in QuickBooks)
11. ASCAP and BMI reports (available online)

Quarterly Review Procedures

Executive Board Minutes

1. Review Executive Board minutes from previous quarter for any Board action(s) pertaining to the budget including approval of overages and adjustments (GFM 2.1 and GFM 2.2).
2. Review prior Quarterly Financial Review reports to ensure any deficiencies have been addressed.

Budget vs. Actuals (Profit/Loss Statement) and Balance Sheet

1. Total of all Assets from Prior Year Balance Sheet
+ Income
- Expenses
= Total of all Assets from YTD Balance Sheet

Bank Accounts (Checking, Savings and/or Money Market)

1. All voided checks should be clearly marked. The bank register should be reviewed in QuickBooks to confirm that the checks have been voided. The memo line will indicate “Voided” with an amount of 0.00.

Check	Split			
06/18/2013	2501	Bank of America Visa Card		
	Check	227F Insurance & Bonding; Miscellaneous	Voided	0.00 R
06/18/2013	2501	Bank of America Visa Card		

2. Review and verify monthly bank account reconciliations for the quarter in QuickBooks. A reconciliation history and reports can be found under Tools > Reconcile > History by Account. (GFM 4.1 d)

Other Current Assets Statements and Investment Percentages

1. Verify that the last month's statement for each account (managed advisory account, CD, etc.) matches the balance on the Balance Sheet and that interest, dividends and capital gains have been recorded correctly.
2. Review percentage allocation of total assets to the operating fund, short-term investments and long-term investments and make recommendations for any changes needed (GFM 3.1, GFM 3.2 and GFM 3.3).
3. Verify reserve fund balance is no less than the most recent operating budget plus contractual obligations (GFM 3.4).

Sponsor Income (tracked under Events in Wild Apricot)

1. Verify that the income reflected on the YTD Budget vs. Actuals report matches the Registration by Type report from Wild Apricot.
2. Note any outstanding sponsor income.

Deposit (Income) Verification

1. Using the Registration by Type report from Wild Apricot, verify that income matches each respective line on the Budget vs. Actuals report for each event that closed during the quarter.
2. Verify cash collected for membership and conference registration is properly deposited. Verify cash collected for the charity is properly deposited. (GFM 4.3 b).

Membership Verification

1. Verify from the YTD Membership Paid Income report that revenue matches the income line 01 Membership Dues.

Vouchers and FormsExpenditure Vouchers

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to ensure all were paid timely, properly posted and included the appropriate approvals.
2. Verify accuracy of approval of payments over \$5,000 and appropriate budget approvals (GFM 7.4.1 and GFM 4.3 a).
3. Payments or reimbursement to President – verify accuracy of expenses and completeness of documentation.
4. Payments or reimbursements to Treasurer – verify accuracy of expenses and completeness of documentation (GFM 4.3 d)
5. Authorization of the responsible Committee Chairperson for reimbursement made to members of the committee (GFM 4.3 f).

Travel Expense Vouchers

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to ensure that travel expenses conform to P&P 10.6.1.
 - A. Mileage reimbursed at IRS business rate not to exceed 1000 miles round trip and documentation of mileage is provided.
 - B. Airfare reimbursed at coach class are appropriate and receipts attached.
 - C. Rental vehicles verify President or Treasurer approval.
 - D. Taxi and shuttle – verify receipts and tips were reasonable.

- E. Verify reimbursement was at single room rate and receipts attached.
- F. Verify meals reimbursed at established rate – breakfast \$10, lunch \$15 and dinner \$25.
- G. Verify group meals include names of all participants on the receipt.

Credit Card Expense Forms

1. Review expenditures posted in QuickBooks and select a sample and request documentation from the Treasurer to verify that credit card expenses have been accurately reported on the credit card expense form and have not been paid a second time on a travel expense voucher or an expenditure voucher.
2. All expenses charged to a credit card must be reported by the user to the treasurer within ten (10) days of receiving his or her credit card statement. All itemized charges on the statement must correspond to a valid receipt. (10.7)
3. Verify use of the credit card has not been to circumvent Policies & Procedures outlined in 10.6.1, 10.6.2, 10.6.3, 10.6.4, 10.6.5, 10.6.6 and 10.6.7.

Contractual Obligations, Insurance Policies and ASCAP/BMI Reports

1. Verify that the Employee Theft Policy is sufficient for the total assets and make recommendations for any needed adjustments in coverage (P&P 10.4.1 and GFM 5.3).
2. Review the coverage for the General Liability Policy and make recommendations for any needed adjustments in coverage (P&P 10.4.2 and GFM 5.4).
3. Review potential liability from outstanding contracts.
4. Verify President is only signature on contracts (GFM 5).
5. Verify ASCAP and BMI reports have been filed and applicable payments made.

Honoraria

1. Verify guidelines were followed (P&P 10.6.1 and GFM 11.6).

Member Accounts in Wild Apricot

1. Verify pending (unpaid and partially paid) invoices/registrations have been cancelled for each event that closed during the quarter.
2. Verify Aging Receivables have been reviewed and updated.