



# Financial Policies & Procedures

## Summary of Monthly and Annual Financial Tasks

### Monthly Tasks

### Annual Tasks

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| <ol style="list-style-type: none"> <li>1. Match bank expenses with expense in QuickBooks Online.</li> <li>2. Review and save bank statement on cloud based system.</li> <li>3. Bank reconciliations for the checking and savings account.</li> <li>4. Reimburse and pay for monthly expenses.</li> <li>5. Present a financial report at monthly board meetings and membership meetings (if requested)</li> </ol> | <ol style="list-style-type: none"> <li>1. Prepare annual budget and present to the Board (May).</li> <li>2. Prepare end-of-year financial statements and present to the Board. Statements should be saved on the cloud based system (June)</li> <li>3. Prepare annual Form 990 and submit to the Internal Revenue Service (On/before October 15).</li> </ol> |
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## 1. Significant Financial Policies

- a. **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting using the Generally Accepted Accounting Principles (GAAP).
- b. **Accounting System:** Capital Referees will utilize QuickBooks Online as its accounting system. One username and password will be maintained. Members designated by 3.a will have access to the accounting system.
- c. **Fiscal Year:** The fiscal year begins June 1<sup>st</sup> and ends May 31<sup>st</sup>.
- d. **Income Tax Status & Form 990:** Capital Referees is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. Capital Referees will complete a Form 990 at the end of its fiscal year.
- e. **Capital Assets:** Capital Referees capitalizes all goods with useful life of more than one year and an acquisition cost over \$2500. All other goods will be expensed as supplies.
- f. **Loans:** Use of organization funds for loans to members or Board members is prohibited. This includes advances for work to be performed.
- g. **Treasurer's Reports:** The Treasurer will present a monthly report at Board meetings. At the request of the Board or membership, the Treasurer will give a report at membership meetings. Upon completion of the end of year financial statements, the Treasurer will present an end-of-year financial report to the Board.

## 2. Authority

- a. **Contracts, Leases, and Other Agreements:** The Board must vote to enter into any contract, lease, or other agreement that obligates the organization. The President is the sole board member authorized to sign any contract, lease, or other legal document on behalf of the organization.
- b. **Accounting Professionals:** The Board of Capital Referees may opt to hire an accounting professional to assist with the financial records and reporting for the organization. The accounting professional will have access to all financial records necessary to complete their responsibilities.

## 3. Records Retention

- a. **Records Location:** Financial records will be maintained on a cloud-based system with the President, Treasurer, an accounting professional (if applicable per ii.c of these policies), and any member of Capital Referees as voted on by the board.
- b. **Length of Records Retention:** Capital Referees will maintain the following documents for the indicated number of years:
  - i. 501(c)4 designation letter from the Internal Revenue Service: Permanent
  - ii. Tax Exempt documents with the State of Texas: Permanent
  - iii. Annual Budget – 7 years minimum
  - iv. Bank Statements – 7 years minimum
  - v. Bank Reconciliations – 7 years minimum
  - vi. Expense reports and expense documentation – 7 years minimum
  - vii. End of year financial statements – 7 years minimum
  - viii. Annual Form 990 submission – Permanent

#### 4. **Banking**

- a. **Bank Account Authorization:** The Board of Directors is responsible for authorizing all bank accounts (including changes in banking institutions and additions or closing of accounts) and check signers. No transfers shall be made to accounts that are not authorized by the Board, unless approved by the Board.
- b. **Check Signers:** The President and Treasurer will be authorized as signatories for checks.
- c. **Cancelled Checks:** Cancelled checks will be marked void and destroyed.
- d. **Bank Statements:** Bank statements will be emailed to the Treasurer directly from the bank and saved on the cloud-based system.
- e. **Bank Reconciliations:** Banks statements will be reconciled within 30 days of receipt by the Treasurer. Bank Reconciliations will be stored in the cloud-based system.
- f. **Debit Card:** Capital Referees will maintain a debit card for the President and Treasurer to be used at their discretion on budgeted expense.
- g. **Petty Cash:** Capital Referees will not maintain a petty cash fund.

#### 5. **Expenses and Documentation**

- a. **Annual Budget:** The Treasurer will present an annual budget for approval by the Board.
- b. **Expense Approval:** Budgeted expenses and Board approved expenses may be paid for by the President or Treasurer with no board approval. The President or Treasurer may move 10% of the annual budget without board approval. Expenses that are not budgeted for or are not approved by the Board may not be paid for by the President or Treasurer.
- c. **Supporting Documentation:** The Treasurer will maintain supporting documentation for all expenses in the cloud-based system. Supporting documentation, at a minimum, should include an invoice, expense report, or email outlining the expense. Travel expenses should always include an expense report and receipts (if applicable).

#### 6. **Check and Cash Receipt**

- a. **Check Receipt:**
  - i. Incoming mail will be opened and deposited by the Treasurer.
  - ii. All checks collected by board members in-person, such as at a monthly meeting, will be given to the Treasurer for deposit.
  - iii. All checks will be immediately stamped “for deposit only” by the Treasurer upon receipt.
- b. **Cash Receipt:** Capital Referees will discourage all cash transactions. If a cash transaction must be made, the treasurer will be informed of the cash receipt and the cash will be deposited at the next available opportunity.
- c. **Online payments systems:** Capital Referees may utilize online payment systems to collect funds from schools, members, or other entities. Online payment systems must be directly linked to a Capital Referees bank account for direct deposit of funds. Online payment systems may not link to other bank accounts.

## 7. Travel

On occasion, members and board members must travel to conduct the business of Capital Referees. If a member or board member travels outside the official service area for a minimum of 12 hours, they will be eligible for reimbursement of travel costs within the following policies. An expense report must be issued

- a. Lodging: Capital Referees will reimburse for lodging costs to the extent that the nightly rate is reasonable.
- b. Per Diem: Capital Referees will reimburse based on General Service Administration (GSA) rate amounts which can be found at [www.gsa.gov](http://www.gsa.gov). On travel days, 75% of the per diem may be reimbursed. Per diem is paid in lieu of collecting meal receipts.
- c. Personal Vehicle Mileage: Capital Referees will reimburse for personal vehicle mileage based on the current GSA rate. Members and Board members should ensure that the cost of a rental car or airfare are not more efficient than personal vehicle mileage.
- d. Rental Car: Capital Referees will reimburse for the cost of a rental car, fuel, and any additional insurance coverage the traveler opts for. The traveler should ensure that the size and cost of the rental car are reasonable.
- e. Airfare: Capital Referees will reimburse for the cost of airfare. All airfare should be for coach class, and the traveler should ensure the costs are reasonable.

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Adopted by the Board of Directors on July 18, 2016