



FINANCIAL POLICIES

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Accounts Payable Policies and Procedures

Policy – Accounts Payable

- The Chief Executive Officer (CEO) is responsible for the timely processing of vendor invoices. Whenever possible, the Operations Manager (OM) should take advantage of payment discounts and optimize cash flows.
- Any expenditure of the agency's funds will be approved in accordance with the criteria in the policy.

Procedures – Accounts Payable

1.0 PURPOSE AND SCOPE

- 1.1 To document the primary functions of the OM in processing payments.
- 1.2 Ensure vendor payments are approved and made no sooner than necessary to maintain adequate vendor relations.
- 1.3 The primary functions of Accounts Payable are to:
 - a) Maintain and manage vendor information and payment terms.
 - b) Generate and record disbursements.
 - c) Maintain and record liabilities of the company.
 - d) Provide useful information concerning payment inquiries.

2.0 GENERAL RULES

- 2.1 All proposed expenditures must be reviewed and approved, in advance, by the CEO.
- 2.2 Transactions that do not have evidence of appropriate documented approval will not be processed.
- 2.3 In general, the acceptable payment terms are net 30 days after receipt of vendor invoices, goods and supporting documentation.
- 2.4 Invoices must be prepared and the approval of an officer of the board, usually the Treasurer, obtained for all purchases over \$500 that were not approved as part of the annual budget process.
- 2.5 Check Request forms must be prepared for payments whenever an invoice will not be furnished by the vendor prior to the need for the check. The check request requires the same levels of approval (see below) as invoice payment.
- 2.6 Payments will only be processed using original invoices and not statements.

3.0 VOUCHER APPROVAL AND ENTRY

- 3.1 Invoices must be stamped with the receipt date when the mail is opened daily.
- 3.2 Invoices should be matched with supporting documentation, if appropriate.
- 3.3 The invoice must be reviewed for sales tax and the sales tax deducted when appropriate.
- 3.4 Invoices will be approved by the CEO prior to payment. NOTE: Individual items of equipment costing less than \$1,000 will be coded to supplies expense.
- 3.5 Approved invoices will be entered into QuickBooks as paid.
- 3.6 Invoices with attached check stubs are filed.

4.0 PETTY CASH

- 4.1 A petty cash fund will be maintained in an amount to be approved by the Board.
- 4.2 The cash will be secured in a locked metal box inside of a file cabinet. The key to the lock metal box is kept by the CEO or CEO designee.
- 4.3 All petty cash used will be documented by a petty cash voucher form and appropriate receipts will be attached.
- 4.4 Petty cash will be reimbursed by a check made payable to cash, using a check request form.
- 4.5 Petty cash checks should be kept inside the petty cash box and taken to the bank to be cashed as soon as possible after the check has been signed.
- 4.6 Petty cash will be reimbursed no more than once per month.

5.0 SIGNATURE AUTHORITY

- 5.1 The CEO has the authority to commit agency funds for the purchase of goods and services and to approve the payment of related invoices for any individual item under \$500 and all expenditures that were approved by the Board of Directors as part of the agency's annual budget.
- 5.2 An officer of the board must approve any expenses in excess of \$500 that were not approved in the annual budget process and must be documented PRIOR TO committing the funds.
- 5.3 The CEO is NOT authorized to approve her/his own expense report. It must be approved by the Treasurer or an officer of the board.
- 5.4 Checks in excess of \$5,000 require two signatures; at least one must be an officer of the board.

6.0 NEW VENDOR APPROVAL

6.1 All vendor additions or changes (including address changes) will be performed by the OM.

6.2 Any change in vendor will be subject to approval of the CEO.

7.0 PAYMENT PROCESSING

7.1 The OM processes payments on the business day nearest the 15th and 30th of each month or as needed.

7.2 Manual checks will be issued for emergency payments, which cannot be made during the normal check payment cycle. Manual checks should be kept to a minimum.

7.3 Blank checks will be secured in a locked cabinet.

7.4 The printed checks will be matched to the approved invoices with the supporting documentation.

7.5 The matched checks will be given to the CEO to review, approve and sign the checks. (A board officer can review, approve and sign in the absence of the CEO.) All documents are filed alphabetically by vendor. See 8.0 Reconciliation for inserted statement

7.6 Signed checks will be placed in the United States mail at the end of the day of check processing. If the check signer is not available, the checks will be secured in a locked cabinet or safe overnight.

7.7 See bank account reconciliation procedures below at “Cash Receipts” Section 8.0.

8.0 EXPENSE REPORT PROCESSING

8.1 Expenses to be reimbursed to an employee must be approved IN ADVANCE by the CEO. This advance approval may be verbal if the expense is less than \$100.

8.2 Expense reports with receipts attached should be submitted to the CEO for approval at the end of each month.

8.3 The employee is responsible for obtaining proper expense report approvals. An individual cannot approve his/her own expenses. An officer of the board must approve the CEO’s expense report.

8.4 The approver is responsible for verifying all receipts and account coding.

9.0 RECONCILIATION

- 9.1 It is the responsibility of the OM to reconcile the general ledger balance in accounts payable to the unpaid bills file at the end of each month.

Cash Receipts Policies & Procedures

Policy – Cash Receipts

- The OM is responsible for the timely processing of cash and checks received.
- All funds received by the agency will be deposited daily into bank accounts authorized by the board of directors. CVENT deposits electronically.

Procedures – Cash Receipts

1.0 PURPOSE AND SCOPE

- 1.1 To document the primary functions of the OM in processing receipts.
- 1.2 Ensure receipts are properly controlled and secured prior to deposit.
- 1.3 The primary functions of Receipts Processing are to:
 - a) Secure funds and deposit in a timely manner.
 - b) Maintain general ledger revenue accounts.
 - c) Balance checking account monthly.
 - d) Provide useful information concerning receipts.

2.0 GENERAL RULES

- 2.1 Cash and checks received must be properly secured at all times. Checks will be stamped with restrictive endorsement immediately upon receipt.
- 2.2 Funds are to be deposited into authorized bank accounts in the name of the agency daily. In the event that a deposit is not possible on the date the funds are received, the funds must be placed in the agency safe for immediate deposit on the next business day.
- 2.3 Accounting system will be maintained on a cash basis then transferred to an accrual basis for purposes of the audit in keeping with GAAP standards which require accrual for the audit.

3.0 DEPOSIT PREPARATION AND CONTROL

- 3.1 Mail should be opened daily and any checks received should be immediately stamped: “For deposit only Nonprofit Leadership Center of Tampa Bay.”
 - 3.1.1. Checks received at events or from walk-ins should also be stamped immediately. Hand delivery of checks should be discouraged.
 - 3.1.2. Payments by cash should be discouraged. When cash is received, a written receipt (in duplicate) shall be made; one copy to be given the payer; the other copy of the receipt and the cash is to be given to the OM for immediate deposit. If the OM initially receives

the cash, then the CEO must initial the cash receipt prior to the cash being deposited in the bank.

- 3.2 Checks should be copied and copies stapled to any correspondence received with the check. The correspondence should be stamped with the receipt date.
- 3.3 Deposit forms should be prepared in duplicate as soon as possible after receipt of the mail and deposits taken to the bank before close of business each day and filed appropriately. If the deposit reflects a grant/contribution award, a copy of the deposit will be placed in the grant file as well as in the appropriate deposit file.
- 3.4 The Deposit receipt with original bank encoding will be attached to the copy of the deposit ticket and a copy of each check and any related correspondence.

4.0 CREDIT CARD POSTING

- 4.1 Credit card payments are received on-line through CVENT software. The software provides an On-Line Transaction Report by date and by credit card type, which will be run on the last business day of each month, prior to deposit posting. The report should provide data since the last report was run.
- 4.2 A bank statement will be printed from the bank's web page on the same date that the CVENT report is run.
- 4.3 The receipts per CVENT must be totaled by date, credit card type and event (called Class in QuickBooks).
- 4.4 Each total should be compared to the bank statement entries for credit card payments (broken down by date and credit card type on the bank statement). NOTE: The bank date may be one to three days after the CVENT date.
- 4.5 Credit card payments should then be posted to the general ledger using gross amounts for program fees (by event aka class in QB) and net amount for cash. The difference should be posted to credit card fees expense.
- 4.6 The CVENT report and the bank statement copy should be retained and filed with other monthly reconciliation documents.

5.0 DEPOSIT POSTING

- 5.1 The OM posts receipts to QuickBooks on the business day they are received, prior to processing of disbursements.

6.0 A/R REPORTS

- 6.1 OM will run an accounts receivable report at the end of each month for CEO review. OM will follow-up on all unpaid accounts.

7.0 RECORD FILING

- 7.1 The OM will retain the deposit tickets with the supporting documentation attached. These copies will be filed by date.
- 7.2 For grants, deposit copies and supporting correspondence will also be filed with the grant application and related reports by funder.

8.0 RECONCILIATION

- 8.1 It is the responsibility of OM to reconcile the general ledger CASH accounts at the end of each month. Reconciliations can be done using statements available on the Internet and should be completed by the 10th working day of the following month. The reconciliation is then reviewed by the CEO.
- 8.2 The OM will reconcile the CVENT transactions, Merchant Services Group, and Bank Atlantic Bank Statements monthly.
- 8.3 Bank fees and other items not posted elsewhere should be posted by the OM from the bank statement.
- 8.4 Items outstanding for more than thirty days will be investigated.
- 8.5 All breaks in check number sequence should be researched and understood.
- 8.6 The CEO will review and approve the reconciliation.

9.0 MONTHLY REVIEW

- 9.1 OM will produce the following reports for the CEO monthly:
- a.) General ledger
 - b.) Aging Receivables
 - c.) Bank Reconciliation
 - d.) Class Report
 - e.) Balance Sheet
 - f.) Profit and Loss, YTD
 - g.) Budget Projections
- 9.2 CEO will send the General Ledger, Balance Sheet, Profit and Loss, and Budget Projections to the board Treasurer monthly.

Credit Card Policies & Procedures

Policy – Credit Card

- It is the policy of Nonprofit Leadership Center of Tampa Bay to develop and implement a system for the agency to maintain effective controls over the use of a corporate credit card for certain business related expenditures. The policy will apply to certain key employees. The CEO controls the use of all corporate credit cards of the organization through his/her designee.

- Credit card limits are established by the board of directors and overseen by the CEO.

Procedures – Credit Card

1.0 GENERAL RULES

- 1.1 Employees who use a corporate credit card shall give expenditure receipts to the OM. The OM shall match each receipt to the monthly invoice and reconcile each receipt and expenditure prior to payment. The OM shall assign the correct general ledger accounts to each expenditure in preparation for processing payment.

- 1.2 All credit card transactions must remain at or below approved budget line items.

- 1.3 CEO will review all credit card statements on a monthly basis to ensure all expenditures are approved.

General Ledger Adjustment Policies & Procedures

Policy – General Ledger Adjustments

- The CEO is responsible for the timely review of the general ledger and preparation and approval of necessary adjustments.
- The OM posts adjustments to the general ledger with proper documentation and approval of the CEO.
- Materials adjustments require the approval of two officers of the board of directors. Material for this purpose shall be defined as a change in the method of accounting (cash versus accrual) or an adjustment that will cause an audit adjustment (deviation from GAAP accounting) of more than \$5,000.00.

Procedures – General Ledger Adjustments

1.0 PURPOSE AND SCOPE

- 1.1 To document the primary functions of the OM in posting adjustments.
- 1.2 Ensure adjustments are posted only with proper review and approval.
- 1.3 The primary functions of Adjustments Posting are to:
 - a) Ensure accurate account balances in the general ledger.
 - d) Correct posting errors.
 - d) Provide useful information on financial reports used by the CEO and board.

2.0 GENERAL RULES

- 2.1 The general ledger will be reviewed by the CEO on a monthly basis and adjustments, if needed, will be posted by the OM prior to presentation of the financial report to the board of directors.
- 2.2 Adjustments, though sometimes needed, should be kept to a minimum and not used in lieu of accurate posting of receipts and disbursement.
- 2.3 The Treasurer of the board of directors should review adjustment reports on a monthly basis to ensure that adjustments are not reducing the accuracy of financial reporting to the board.

3.0 ADJUSTMENT PREPARATION AND APPROVAL

- 3.1 The CEO will review the detailed general ledger and financial reports as soon as practicable after month end.

- 3.2 The CEO will complete General Ledger Adjustment forms for any adjustments needed based on this review. This includes posting errors as well as changes in classification and may include accruals of significant items not recorded elsewhere.

4.0 ADJUSTMENT POSTING

- 4.1 The OM posts adjustments to QuickBooks as soon as practicable after they are received from the CEO.
- 4.2 An adjustment register will be completed after the adjustments are posted and the supporting documentation will be attached.
- 4.3 The adjustment register with supporting documentation attached should be given to the CEO for approval.

5.0 RECORD FILING

- 5.1 The OM will retain the approved adjustment registers with supporting documentation attached. These copies will be filed by date.

Fixed Asset Policies & Procedures

Policy – Fixed Assets

- All asset purchases with a value of \$1,000.00 or more will be capitalized and classified as a Fixed Asset. Depreciation will be determined on an annual basis and recorded after the Year-End Audit/Review is complete.
- All asset purchases with a value of less than \$1,000.00 will be expensed to the appropriate account.
- When considering whether an asset meets the \$1,000.00 limit, all expenditures needed to get the asset into its normal usable state should be combined to calculate the total asset value (e.g. freight, set-up expenses, consulting, etc.)

Procedures – Fixed Assets – See details at Accounts Payable Policies & Procedures above.

Payroll Tax Reporting Policies & Procedures

Procedures – Payroll Tax Reporting

1.0 GENERAL RULES

- 1.1 All payroll reports and payroll deposits are prepared and made by QuickBooks Intuit automatically each pay period.

Travel Reimbursement Policies & Procedures

Policy – Travel Reimbursement

- All travel must be approved in advance, in writing, by the CEO
- NLCTB will not reimburse for alcohol, entertainment or telephone calls.
- NLCTB will only reimburse with original receipts.
- Airline reservations must be obtained at the best possible rate.
- NLCTB will only reimburse for coach class or the equivalent.
- All airline tickets over \$400 must be approved by CEO before the purchase is made.
- NLCTB will not pay for fees incurred by schedule changes, delays in booking or cancellation fees that were the result of changes made by the employee. Delays or changes caused by weather or airline delays that result in unexpected costs will be reimbursed by NLCTB on a case by case basis.
- Any unused ticket must be reimbursed in full to NLCTB.
- NLCTB will only reimburse for meals when meals have not been provided or arranged by the event coordinators. The reimbursement amount for each meal is:
 - Breakfast \$8.00
 - Lunch \$12.00
 - Dinner \$20.00
- NLCTB is a tax exempt organization. Please travel with a tax exempt form to present at the time of each purchase. Please see the Operations Manager for a copy of this form.

Procedures – Travel Reimbursement

- 1.0** NLCTB is a tax exempt organization. Please travel with a tax exempt form to present at the time of each purchase. Please see the OM for a copy of this form.
- 2.0** Employees are to complete a travel expense reimbursement form no later than five days after travel has been completed and submit the form for payment.
- 3.0** See “8.0 EXPENSE REPORT PROCESSING” above, at “Accounts Payable Policies & Procedures”.

Handling the Mail Procedures

Procedures – Handling the Mail

- 1.0** The mail will be picked up from the mailbox by the Operations Manager. The mail will be opened by the CEO. After opening the mail, the CEO will return pertinent mail to the OM for handling and distribution. If there are checks in the mail, the CEO will give these to the OM for deposit according to the deposit handling procedures outlined in the “Cash Receipts Policies & Procedures.

- 2.0** In the absence of the CEO, the Program Manager will open the mail. In the absence of the Operations Manager, the Program Manager will substitute for the Operations Manager.