

Protecting the Organization

Ways to Protect the Organization

- Financial Policies
- Organizational Structure
- Documents and Manuals
- Insurance

Internal Ways to Protect the Organization

Financial Policies & Reporting

- Budget
- Expense Reimbursement Policies
- Audits, Reviews, Compilations
- Year End Filings, Tax Forms
- Record Retention

Elements of a Budget

- Income
- Expense
- Notes Payable
- Assets & Real Property
- In Kind Contributions

Budget Process

- Working papers
- Budget notes, projections, assumptions
- Committee meetings
- Approval by membership
- Periodic Evaluation

Numbers Need More Information

Budget Notes 2009

as of 10/04/2008

DUES & FEES

508

- Fees for membership, benefits or participation:
- Credit card accounts, 1 @ \$60/each
- Postmaster, Mailing Permit \$450
- Postmaster, PO Box rental, \$150 annually

MILEAGE & TRAVEL

515

- Reimbursement for travel miles on personal cars of staff and board.
Assume 5 events, \$200/event=\$1,000; No airfare in 2008.

HOTEL ACCOMMODATIONS

520

- Hotel expense during contract negotiations, meetings, conferences.
- CLEAT Convention, 3 nights, 4 rooms @\$119/room=\$1428

Budget Notes:

- Document your commitment and assumptions
- Let you review strategic goals for the year in advance
- Provide historical reference

Expense Reimbursement Policy

- Organizational Requirements
- IRS Requirements
 - Business meals
 - Business mileage

Properly document the expense:

- association business before the meeting
-Tolman, Reyes, myself; officers meeting prior to the board meeting about agenda items. Attorney Smith present for final agenda review.
- Expense Reimbursement Forms can be helpful to be sure all information is included in reimbursement request.

Financial Terms

- Audit – highest level of assurance
- Review – limited assurance
- Compilation – cursory review only
- Agreed Upon Procedures – addressing direct concerns

Tax Reporting

Deadline is 4 ½ months after the end of the organizations' fiscal year

Form 990, 990 EZ, 990 N (e-postcard)

Form 990 T-Unrelated Business Income

**New reporting for organizations with less than \$25,000 annual receipts.

Suggested Record Retention

Accounts Payable	7 years
Audit reports	Permanently
Bank Statements	3 years
Checks, for asset purchases	Permanently
Minute books, by-laws	Permanently
Patent papers, trademark	Permanently
Payroll records	7 years
Tax returns	Permanently

— National Council of Nonprofit Associations, www.ncna.org

Checks & Balances on Your Financial Procedures

Look at the system, not the people

Safety precautions take time.

Organizational Structure

- Job Descriptions
 - Officers
 - Staff
 - Volunteers
- Segregation of Duties/Check & Balances
- Term limits

Method for Financial Expenditures

1. Treasurer receives invoice
2. Treasurer issues check
3. President reviews printed check & invoice
4. President signs checks
5. Payment is sent
6. Independent person reviews bank statement & reconciles account

Income Safeguards

- Document source of funds
- Keep documentation association with transaction
- Cash transactions require extra attention

Conflicts of Interest

- Association members
- Association members family
- Association officers

Relationships can benefit the associations, but it needs to be declared and known.

Documentation and Manuals

- Treasurer's Guide
 - Leadership Orientation Manual
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- Emergency Manual

Details of a Treasurer's Guide

Who can sign checks (signers, one or two needed)
Check writing schedules (pay on 1st and 15th, or weekly)
Investment policy
Book keeping codes
Invoice preparation
Credit card handling
Board reimbursement policies
Access to accounts & accounting programs
Financial statements schedule
Record retention policy
Budget process

Leadership Orientation Manual

Articles of Incorporation, By Laws
Annual calendar of events, meetings, deadlines
Description of Board Member Responsibilities
Insurance
Budget, Financial Statements
Committee assignments
Resource sheet (CPA, attorney)

Emergency Manual

Financial Information:

Bank account
Brokerage account numbers
Accountant, bookkeeper, or CPA
Insurance coverage
Law firm
Registered agent

Types of Insurance Policies

- Fidelity Bond
- Directors' & Officers Insurance
- Employment Practices
- Property Insurance
- General Liability
- Special Event Policy

IRS Public Documents

- IRS Determination Letter
- Application for Exemption
- Form 990, most recent 3 years

Organizational Documents

- Constitution, By-Laws, Articles of Incorporation
- Sales tax certificate
- Franchise Tax Exemption
- Corporation Minutes

Corporation Meeting Minutes

Because many people are involved in history of organization, written communication is important.

The purpose of taking minutes is to protect the organization and the people who participate in the meeting.

Guidelines for Meeting Minutes

- Accurate minutes should be kept of all official meetings, including committee meetings.
- Minutes should record what was considered and accomplished, not record the conversations, reports and work assignments.
- Meetings should indicate the place, date and time of the meeting, and names of all participants, including guests and staff. Anyone arriving late or leaving early should be noted.
- Include a note if financial documents are distributed or if previous minutes are approved or corrected.
- The ultimate legal importance of the meeting can be very important if legal issues are raised.
- Drafts of minutes or audio/video should not be retained once the minutes are approved.
- Distribute minutes within a reasonable time to those who attended and those who were supposed to attend the meeting.
- Consider asking legal counsel to review minutes before they are distributed.

Treasurer's Guide

As of _____

Who can sign checks _____

Duplicate or single signature required

On line banking access:

Login: _____ Password: _____

Banking Cycle _____

Banking statement closes on what day of the month

Check writing schedule _____

Investment Policy _____

Accounting Program _____

Version _____ Enhancements: _____

Support provided by _____

Contact #: _____

Paid through _____ (or per call fee) _____

Password: _____

User: _____ Type of use _____

User: _____ Type of use _____

User: _____ Type of use _____

Credit Cards Issued to:

Name	Expiration	Credit amount
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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Board Reimbursement Policy: _____

Record Retention Policy

Accounts Payable	7 years
Audit Reports	Permanently
Articles of Incorporation	Permanently
Bank Statements	3 years
Checks, for Asset Purchases	Permanently
Minute Book, By-Laws	Permanently
Patent papers, Trademark	Permanently
Payroll records	7 years
Tax Returns	Permanently

*National Council of Nonprofit Associations, www.ncna.org

Budget Process

Budget year: _____
Who prepares the budget? _____
Prepared for discussion in what month? _____
Presented to membership for adoption, when? _____

Emergency Manual

Current as of: _____

Association Name: _____

Bank: _____

Accounts, (name and number)

Statement sent to: _____

_____	_____
_____	_____
_____	_____
_____	_____

Name of banking contact: _____

Contact information: _____

Accountant/CPA _____

Contact information: _____

Insurance:

Agent: _____

Contact Information: _____

Policies in place/ policy terms

(attach declaration pages of policy)

Law Firm: _____

Registered Agent: _____