

Financial Controls/Processes:

Section 1.01. Budget.

The Executive Board shall present to the membership at the first regular meeting of the membership after the officers have been elected, or as soon thereafter as practicable, a budget of anticipated revenue and expenses for the year. This budget shall be used to guide the activities of the organization during the year, including serving as approval for anticipated expenditures. Any substantial deviation from the budget must be approved in advance by the executive board.

Section 1.02. Obligations.

The Executive Board may authorize any officer or officers to enter into contracts or agreements for the purchase of materials or services on behalf of the organization.

Section 1.03. Loans.

No loans shall be made by the organization to its officers or members.

Section 1.04. Checks.

All checks, drafts, or other orders for the payment of money on behalf of the organization shall be signed by the Treasurer or by any other person as authorized in writing by the Executive Board, except that checks of \$250 or more must have the signature of at least two officers, such as the Treasurer and the President. Checks shall bear notice of this requirement above the signature line as follows,

“Two signatures required for checks in the amount of \$250 or more.”

Section 1.05. Banking.

The Treasurer shall deposit all funds of the organization to the credit of the organization in such banks, trust companies or other depositories as the Executive Board may select and shall make such disbursements as authorized by the Executive Board in accordance with the budget adopted by the membership. All deposits and/or disbursements shall be made as soon as practicable upon receipt of the funds and/or orders of payment.

Section 6.06. Financial controls.

The organization shall adopt appropriate financial controls to ensure the integrity of its funds. Specifically, without limitation, the organization shall maintain separation of financial controls so that, minimally:

- (a) all expenses must be approved by the executive board by way of approval of an annual budget, or Special request thereto, or be approved by separate resolution of the Executive Board;
- (b) all large purchases exceeding \$1000 must have a minimum of 3 bids and reviews by the Executive Board or a waiver granted via the board when multiple suppliers are not available.
- (c) checks exceeding \$250 must be endorsed by at least two officers/employees authorized by the Board of Directors, and checks of the corporation shall include above the signature line a notice to this requirement;
- (d) an officer or other individual without check signing authority designated by the Board shall review all bank statements;

Section 1.07. Financial Report.

The Treasurer shall present a financial report at each membership meeting of the organization and shall prepare a final report at the close of the year in accordance with the organization's financial policies. The Executive Board shall have the report and the accounts examined annually. If the organization grosses less than \$150,000 per year, the financial practices and accounts may be reviewed by an internal audit committee. The internal audit committee shall consist of two or more board or voting members of the organization who are not involved in the routine handling of the organization's finances, including not having signature authority on bank accounts or approval authority over disbursements. If the organization grosses between \$150,000-250,000 in receipts, an external professional, such as a certified public accountant (CPA), shall be hired by the audit committee to perform a financial review or compilation. A full audit shall be conducted by an external CPA when annual gross receipts equal or exceed \$250,000.

Section 1.08. Fiscal Year.

The fiscal year of the organization shall be from January 1 to December 31 but may be changed by resolution of the Executive Board. Financial Control Process shall be reviewed by new board of directors upon first board meeting of the year.

Section 1.09. Record retention.

All records of the organization shall be maintained and destroyed in accordance with law, and standard record retention guidelines. Financial records shall be maintained as follows:

RECORD	HOW TO STORE	PERIOD OF TIME
Year end Treasurer's financial report/statement	Store in corporate record book.	<u>Permanent</u>
Treasurer's reports, periodic	Compile & file records on yearly basis.	<u>Three Years.</u> Store w/financial records. Destroy after three years.
Bank statements, canceled checks, check registers, invoices, receipts, cash tally sheets, investment statements, and related documents	Compile & file records on a yearly basis.	<u>Seven Years.</u> Store w/financial records. Destroy after seven years.