

Financial Policies and Procedures for South Carolina USATF Association

Purpose: Proper financial practices are very important. Proper practices help to prevent and detect errors, theft and fraud, help to maintain complete, accurate, and up-to-date financial records of all Association income, expenses, fiscal and physical assets and liabilities.

Contracts: No person or persons shall enter or sign any contracts without the approval of two third of the elected Association Officers. All contract will also be sent to the Finance Committee. A copy of all signed contracts must be sent to the Treasurer and Finance Committee within 10 days of signature.

Receipt of Funds: Our Association faces the risk that funds we receive may be stolen, lost or that someone may be falsely accused of stealing or misappropriating funds. All funds whether cash or checks, which the Association receives should be deposited intact into the bank account, with no monies removed to make payment for other purposes. Cash is easily stolen or lost and must be handled carefully. All deposits when possible should be verified. This verification must be sent to the Treasurer within 10 days of receipt.

Funding Requests: Any Association member or committee may submit a request for funding from the Association.

The request may be in any format, but must specify the purpose, the dollar amount requested, the goods or services to be purchased and their source, the timeframe of the expense, and an explanation as to how the expense will benefit the Association and its members.

Requests should be submitted to all elected Officers of the Association.

Requests are then forwarded to the Finance Committee which will

recommend approval or disapproval to the elected officers within 10 days of receipt, and the requestor is advised of the recommendation. Payment by check should be encouraged for most funding requests.

Bank Account: The Association Officers must approve the opening and closure of any bank accounts. Per USATF Regulation 7(B), the Treasurer of the Association should maintain custody and control of the bank accounts and other financial assets of the Association.

Payment by Checks: We face the risk that our funds will be spent on unauthorized items. All checks will be signed by the signers designated by the Association Officers. All disbursements from the Association funds should be by checks. This allows us to track how our funds are spent, who is spending them and who is authorizing expenditures. All original invoices or receipts should be forwarded immediately to the Treasurer for review and authorization to pay.

The Treasurer will review all invoices for mathematical accuracy, agreement with written invoice, and conformity to budget or Association authorization.

The Treasurer will ensure that all conditions and specification on a contract order have been satisfactorily fulfilled, including inventory items received against packing slips. By approving an invoice, the Treasurer indicates that he/she has reviewed the invoice and authorized a check. The Treasurer is responsible for timely follow-up on discrepancies and payment.

Expense not Invoices: In some cases, expenses may not be invoiced, such as storage. When such expenses are due, the Treasurer needs to ensure that the expense is in the budget and write a note authorizing payment of the expense and the amount of the expense. All contracts for such items must be submitted to the Treasurer to be on file. Upon

approval of the invoice the Treasurer is authorized to prepare all checks. If a check is voided, the check will have "VOID" written in large letter in ink and on the face have the signature portion of the check torn out. Void checks will be kept on file.

Duties of Check Signers: All checks will be signed by the signers designed by the Association Officers. Prior to signing a check, a check signer will do the following: (a) Compare the check to the original invoice or the Treasurer's note to pay the expense, (b) Make sure that the Treasurer has initialed the invoice. This is to protect against the risk that you are paying based on a copy of the bill that has already been paid. (c) Check the date on the invoice or the Treasurer's note against the date of signing the check. If the difference is more than 60 days, get written approval from the Treasurer before signing the check.

This is to mitigate the risk that the Association is paying the same expense twice.

Prohibited Practice: In no event will the following be allowed: (a) Blank checks be signed in advance, (b) Checks be made out to cash. Each check signer will be made aware that signing blank checks the bank is entitled to charge our account for any checks that has a valid signature.

Expense Reimbursement: In proper circumstances, Association members, and volunteers are entitled to be reimbursed for expenses related to the Association that they incurred on behalf of the Association. To receive reimbursement, you must meet the following requirements: (a) Your expense must have been authorized in advance by the Association or later approved by the Association, (b) Your expense must have been incurred for goods or services purchased for the Association, (c) If your expense is for travel, the travel must be for work related to the Association. We will reimburse no more than the

standard mileage rate for business use of a car as established by the IRS. A Google map must accompany any such claim for mileage.

To be reimbursed for expenses: You must provide reasonable documentation showing the date, amount and what the expense was for.

Credit card receipts and store receipts that do not describe the purchase are not reasonable documentation. Your receipt must describe the purchase. All original expense reimbursement receipts should be forwarded to the Treasurer within 10 days from the date the expense was incurred. Original receipts must accompany completed reimbursement requests or the request will be returned.

Overpayment: If for any reason an individual is overpaid for expenses or does not attend an event which travel expenses were reimbursed for, the overpaid amount must be returned to the Association within 30 days.

If a post report is not supplied to the Association Officers upon 10 days of return of an individual from a business trip any amounts paid in advance to the individual must be reimbursed to the association.

A \$40 per day diem is normally used to simplify expense reporting. If a per diem is not used, meal expenses are limited to per diem amounts. Alcohol and bar charges are not reimbursed. When a person travels less than a full day or meals are available, the per diem is adjusted. Per diem is split out \$10 for breakfast, \$10 for lunch and \$20 for dinner for meal allowances. When an individual is traveling for less than a full day or meals are made available, the per diem amount is adjusted. This usually happens on the first and last day of a business trip, if breakfast is provided at housing and/or lunch is provided at the event the individual is attending.

In the case of meals, the names of all persons at the meal and a brief description of the business purpose must be written on the receipt in accordance with IRS regulations.

Hotel charges are limited to room and tax for a standard room. Upgrades to suites or other higher cost rooms will not be reimbursed. Charges for tips, movies, health clubs, mini-bar, are not reimbursed.

Individuals are expected to use no or low cost transportation systems where available. Event shuttles and hotel courtesy vehicles cover many typical transportation needs. When a no-cost system is unavailable, airport transfer should be made by the most economical available option.

Rental cars should be shared when two or more persons are on a common itinerary. Economy class cars should be used unless the size of the group dictates a larger vehicle. Rental should be refueled before return. Luxury vehicles, or other high cost cars and other non-essential options will not be reimbursed.

Travel approval expenses must be preauthorized. All airline tickets must be purchased at least 21 days in advance. Exceptions in higher air fare costs must be approved. Travel is booked on the lowest cost class reasonable itinerary. The Association will reimburse checked baggage fees for one bag only. No reimbursement will be made for change fees or other costs. If a special request to fly a certain airline, make non-business stopovers; or upgrade from coach class results in a higher ticket price, the difference must be paid by the individual at the time of the booking. No reimbursement will be made for flight changes unless an external factor, such as a change in meeting schedule has occurred. Costs associated with missed flights, including stand-by fees or other charges will not be reimbursed.

Purchasing: The Association wants to ensure that all purchases or contracts on behalf of the Association are authorized by the Association or by Association policies. Unauthorized purchases or contracts deplete the Association's resources and interfere with the Association's ability to govern properly. All purchase or contracts made on behalf of the Association must be made pursuant to the Association approved budget or Association rules.

Association Credit/Debit Cards: Association credit/debit cards can be misused when people charge personal expense on them, failure to obtain documentation showing that a purchase was for the Association or put expenses on the Association credit/debit card for

Purchase that are embarrassing to the Association. An Association cardholder may use the credit/debit card only for official purposes directly related to the needs of the Association. The cardholder may not use an Association credit/debit card for personal purposes, even if he or she plans to reimburse the Association. The following purchases are not allowed on the Association credit/debit card: personal purchases, cash advances or loans, purchases for other organizations, alcohol, personal entertainment, fuel for personal vehicles, purchases from a business you own or operate unless pre-approved by the Association, any item inconsistent with the mission and value of the Association.

Procedures: The Association cardholder should follow these procedures: (a) Upon issuing an Association credit/debit to a cardholder, the cardholder should sign a statement that the cardholder has read and understand the credit/debit policy and will reimburse the Association for any personal charges on the credit/debit card within 10 days, (b) The Association cardholder must give advance written approval to make a purchase whenever practical. The cardholder's

purchases request should describe the purchase and cost, (c) The cardholder must keep the original receipt that describes each purchases made on the card. The credit/debit card receipt is not sufficient, (d) The original receipt must be sent to the Treasurer within 10 days, (e) The cardholder will email the Treasurer after each use of the Association credit/debit noting the date, vendor, and amount of each charge made. This will allow the Treasurer to be aware of the cash that will be taken from the Association account.

Expense Form: The cardholder must prepare and sign an expense detail form and attach original receipts and a copy of the purchase request. In the case of meals the statement must include the names of all persons at the meals and a brief description of the business purpose, in accordance with IRS regulations.

Approval by Finance Committee: The cardholder must give the expense detail form to the Finance Committee for approval. The Finance Committee shall review each purchase to ensure that it was reasonable, necessary and the best value for the Association. The Finance Committee will reconcile the expense detail form to the credit/debit bank statement, and follow up on any inconsistencies.

Notification of Loss/Theft: The cardholder must notify the bank, Association Officers immediately in the event that the card is lost or stolen.

Bank Reconciliation: Even the most honest and attentive individual makes mistakes. Monitoring allows us to uncover errors. If our records and the bank records do not agree, it is likely that our records are wrong. Monitoring also assist us in identifying discrepancies between our accounting records and our banking records that suggest theft or fraud, checks signed by unauthorized signers, and identity theft.

The Treasurer will monitor the Association's accounts regularly and will prepare a written reconciliation of all bank accounts which proves that the balances presented on our financial reports agree with the records of the bank on a monthly basis.

Financial reports including Trial Balance Sheet, Income Statement, bank reconciliation and account reconciliations will be sent to the Association Officers, chairs and Finance Committee within 10 working days of the month bank statement.

Reconciliation: The Treasurer will reconcile the bank statement monthly. The reconciliation should be done within 7 days of receiving the statement, as follows:

Check all checks for correct signatures and protest to the bank any incorrect signatures.

Review the checks in the bank records to ensure that: the name of the payee, the amount of the check and the date of the check agree with the Association accounting records; whoever the check was made out to was the depositor of the check; and each check has a valid signature.

Compare the bank deposit records with our accounting records to determine whether each deposit recorded in the accounting records agrees with the bank record.

Check the cash entries in the receipt book provided by event organizers against the bank record of deposits to ensure that all cash was deposited. Check whether the ending balance in the general ledger cash account agrees with the bank statement. List all outstanding checks over 180 days, take appropriate action.

Financial Reports/Records: The Treasurer will prepare and furnish a finished copy of the closing year's tax returns to the Association Officers ten days prior to filing. File, or cause to be filed, income tax

returns for the current year, not later than the standard deadline established by the IRS. Furnish a copy of the tax return and a Copy of the most recent year-end financial statements to the Secretary and the USATF National Management Office. Post the yearly tax return, with the tax ID number blacked out, on the USATF South Carolina website.

The Treasurer shall assist the Finance Committee in arriving at an Association Budget. Such budget shall be presented to the Association Officers. The budget shall be furnished at the Association annual meeting. The approved Association budget shall be posted on the USATF South Carolina website.

The Treasurer shall conduct or arrange for an annual inventory of all Association assets, documents and transmit the results to the Finance Committee and Association Officers.

The Treasurer will ensure that the financial records and tax returns are preserved for at least seven years.

The Treasurer shall upon request of the Association Officers or Finance Committee, assist and cooperate fully with the conduct of outside audits by providing access to all records and accounts, responding fully to all inquiries within 10 days.

Position Transfer: The Secretary per Association By Laws must provide the minutes from the Association annual meeting within 30 days. These minutes will be the record of the new Association Officers, i.e. Treasurer and President. These minutes and completed bank forms with the current elected President and Treasurer must be taken to the bank. The Treasurer and President are responsible for acquiring all past used credit/debit cards and cancelling them at the bank. The past Treasurer is to deliver to the current Treasurer in 30 days the past 7

years financial records, all unused checks and deposit books, Association deposit stamp, current accounting computer system back up and download disc(s), current materials, current and past check stubs and any other financial materials.