

## American Cider Association Financial Policies and Procedures

### Overview

**Banking-**The organization maintains a checking account and savings account at Chase bank. The organization maintains a checkbook for the checking account and can transfer money between the two accounts. The Secretary is the only person authorized to make transfers between the two accounts. The Executive Director and the Chair of the Finance Committee have online banking access. The Executive Director and Secretary of the Board of Directors both have debit cards linked to the checking account.

**Accounting system-**The organization is on an accrual basis.

**Accounting records-**all records are maintained in Quickbooks with schedules, receipts and other backup documentation maintained in a file system. The bookkeeper, Executive Director and Chair of the Finance Committee all maintain access to Quickbooks, however, the Executive Director will have limited functions that allows for viewing financial activity and pulling reports.

**Merchant account-**In order to accept online payments the organization maintains a merchant account through PayPal. This account syncs with Quickbooks. The Bookkeeper, Executive Director and Chair of the Finance Committee have access to the account.

**Membership Database-**Database is maintained through NEON CRM, a membership database program. The organization's staff maintain the database, invoice members and tracks member dues and other member payments. The Bookkeeper also has access.

### Expenses

All disbursements from the organization's funds will be made by check unless wire is requested by the invoicing party. This allows the organization to track how funds are spent, who is spending them and who is authorizing expenditures.

The checks are electronic checks and they will be stored in a locked location at all times. The organization will also maintain bank issued checks to be used by the Executive Director in situations where the bookkeeper is unavailable to issue an electronic check.

All expenses must be approved by the Executive Director prior to issuing a check. The Bookkeeper and Executive Director are the only people authorized to issue checks. The Executive Director should only issue checks in the event the Bookkeeper is not available and will only issue handwritten bank checks. The Executive Director and the Chair of the Finance Committee are the only people authorized to sign checks. For all expenses over \$10,000, the Executive Director must get approval from the Chair of the Finance committee prior to disbursement.

All third-party contracts will be reviewed and approved by the Executive Director, or a designee of the Executive Director prior to any commitment of funds.

### Procedures for issuing and tracking expenses

**Approval:** To receive approval for a reimbursement or request an advance check the request must go through the Executive Director in writing. When seeking reimbursement for travel, a travel expense

report must be completed. All supporting documentation for the expense must be included. This includes receipts, vendor invoices and mileage tracking. The receipt must contain information on what the charge was for, not just the amount. Failure to provide the necessary documentation will result in the denial of reimbursement.

**Submitting an expense tracker:** All reimbursement and check requests should be submitted to the Executive Director. Reimbursements will only be paid out via check.

**Credit card/debit card purchases:** The Executive Director and Secretary of the Board have campaign debit cards that can be made available for purchases. Receipts for purchases made on the credit card will be submitted with the accounting code written on them. The bookkeeper will then properly code each expense in QuickBooks.

**Travel expense procedure:** When requesting reimbursement for a travel expense a travel expense report must be complete and submitted. The organization will pay travel expenses as follows: Mileage will be paid at the IRS mile rate; air and ground transport along with meals and incidentals will be reimbursed at cost. Hotels will be reimbursed at cost as long as the cost is below the IRS rate for the travel location.

**Expense tracking and issuing checks:** The Bookkeeper will record all expenses and invoices in Quickbooks and assign the proper budget code. The checks will then be issued electronically via Quickbooks. The checks will then be signed by the Executive Director and then distributed.

**Record keeping:** The check stub, check request/travel report, invoice and/or receipts will be stapled together and filed.

**Grant Records:** Records will be maintained by the Bookkeeper and the Executive Director that identify the source and application of funds for grant-funded activities.

### **Receipt of Funds**

All funds, whether cash, check or credit card, which the organization receives will be deposited intact into the bank account, with no monies removed to make payments for other purposes.

Membership dues and conference fees will be tracked in both the membership database and Quickbooks. All other income will be tracked in QuickBooks.

All income regardless of source must be processed by the main office in Portland. Money should not be left unattended for any reason. Money should be processed and logged by two people and a donation log completed by both.

### **Procedures for receiving and tracking funds**

**Grant Records:** Records will be maintained by the Bookkeeper and the Executive Director that identify the source and application of funds for grant-funded activities.

**Receipt of checks in the office:** The mail will be opened by two people and a log of the donations that is signed by both people will be retained with the checks. The accounting code should be written on all checks to ensure proper coding.

**Funds received outside the office:** All donations collected outside of the office should be sent to the Portland office immediately ensuring the money is properly secured.

**Online credit card payments:** Credit card payments will be processed by PayPal. PayPal syncs with Quickbooks and all transactions automatically upload. After they are uploaded in Quickbooks they will be assigned an accounting code.

In the event the organization receives a credit card number from a member that information will be shredded as soon as the income is recorded. The organization will not retain donor credit card information under any circumstance.

**Record keeping and making the deposit:** All incoming donations will be recorded and processed through QuickBooks.

**Checks/cash:** The bookkeeper will follow the below steps to record and deposit the money.

- A batch of checks/cash will be created for every bank deposit and will be assigned a unique batch number.
- An excel spreadsheet will be created that lists all check/cash in that batch as well as accounting code.
- The batch will be recorded in Quickbooks with proper account codes assigned.
- All checks/cash will be photocopied.
- The checks/cash will be deposited at the bank using a deposit slip
- The deposit receipt from the bank; printout of QuickBooks deposit slip and summary; excel document listing checks; copies of checks; and any check stubs get stapled together with batch number written on top. The entire packet gets filed.

**PayPal:**

- Income generated through PayPal will automatically get deposited in our bank account.
- Each batch that comes through will be assigned a batch number and each transaction assigned an accounting code.

### **Reconciliation and Financial Statements**

It is imperative for the financial health of the organization that the books are reconciled monthly and financial statements are produced for the Executive Director and board. The internal books will be reconciled with both the bank and the member database. Once financial reports are produced for the month there will be no changes to the financial records for that month.

#### **Procedures for reconciliation and financial statements**

**QuickBooks reconciliation:** QuickBooks will be reconciled with the bank account on a monthly basis. The reconciliation will be done by the Chair of the Finance Committee. A reconciliation report will be printed following the reconciliation and filed together with the bank statement.

**Database reconciliation:** As an added measure and to ensure both database and Quickbooks accuracy the database and QuickBooks will be reconciled every month.

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**Financial statements:** Each quarter following the bank reconciliation the Executive Director will provide the board with the following reports:

- Bank reconciliation report
- Statement of Activity
- Statement of Financial Position
- Budget Vs. Actuals

#### **Third Party Vendors**

We must retain W-9's for all third party vendors that we expect to pay more than \$600 to and that are not registered as a corporation. Since it is not always obvious how companies are registered it is good practice to get a W-9 from all third party vendors. Completed W9's should be directed to the bookkeeper.