

A4LE Region/Chapter Financial Guidelines

Overview

The primary goal is to have a structure of segregated duties and a system of checks and balances. To have an understanding of the segregation of duties and delegation of authority, one must look at the management of the financial operations of the organization. The organization uses Robust as their association management system and QuickBooks as its accounting software.

Responsibilities

The primary accounting functions are performed by the Director of Operations, A4LE Accountant with additional support from the Office Administrative Assistant, and Region/Chapter staff.

The Director of Operations role is to provide the following:

- Supervise the general ledger, accounts payable and accounts receivable.
- Cash receipts processing- enters cash receipts, reconciles and post batches through the A4LE association management system, completes bank deposit, maintains receipt files, monitors accounts receivable.
- Provides financial reports upon request (Profit/Loss Statement, Transaction Detail List/check register) to the Region/Chapter Treasurer, Region/Chapter President, CEO, and Board of Directors.
- Processes cash disbursements ensuring proper authorization has been met.
- Files and maintains all disbursement supporting documentation.
- Coordinates with the A4LE Accountant the annual review/audit.
- Prepares financial documentation as directed by the CEO. Assures that there are limitations on authority and that internal controls are in place.
- Prepares and files 1099 annual report.
- Implement policies and procedures to maintain and protect A4LE Region/Chapter assets.

The A4LE Accountants role is to provide the following:

- Creates adjusting journal entries.
- Generates and reconciles monthly bank statements.
- Prepares and maintains Fixed Assets and Depreciation schedule.
- Coordinates annual review/audit with designated Auditors.

Other A4LE staff will provide the following:

- Processes and maintains check receipts.
- Credit Card processing- processes credit card transactions, processes daily online batches.
- Maintain W9 request forms.

The Region/Chapter staff role is to provide the following:

- Assist Region/Chapter Treasurers with developing annual budgets. A suggested budget format available upon request.
- Assists with processing cash disbursements ensuring proper authorization has been met.
- Create outstanding invoices on transactions not paid in full.
- Assists Director of Operations with maintaining all disbursement supporting documentation.

Cash Receipts

1. Cash Receipts Processing

Cash receipts are centralized to ensure that cash received is appropriately directed, recorded, and deposited timely.

1.1 *Checks:*

All checks will be received by a staff member that has no access to the accounting system. Currently, the Office Administrative Assistant has been designated as that person. The Office Administrative Assistant photocopies all incoming checks, applies the receipt to the appropriate account through the main database. Checks are then forwarded to the Director of Operations to make bank deposits, which are made on a weekly basis. The Director of Operations prepares the bank deposit ensuring that funds are credited to the appropriate income accounts and makes entry in the accounting system. The Director of Operations will attach the weekly bank deposit receipt and copies of the checks to the income accounts report and file by date. If Region/Chapter Treasurer receives checks for deposit they are to forward to the Director of Operations. The Director of Operations will confirm receipt of all checks forwarded by Treasurers.

1.2 *Cash:*

Cash transactions are rare, however, if cash is received, the same procedure will be followed as for checks and the remittance will be noted that it was "paid in cash". Cash is then included with other checks for deposit to the bank.

1.3 *Credit Cards:*

We accept Visa, MasterCard and American Express. Credit cards may be processed in-house or online through A4LE's merchant account and payment gateway. Credit Card transactions are protected by A4LE's own security certificate that is renewed annually. Credit card transactions are batched daily. The Director of Operations receives a payment gateway receipt for all credit card purchases. After the Director of Operations totals the credit card batch they are forwarded to the Office Administrative Assistant to apply the receipt to the appropriate account through the main database. These receipts are totaled and batched daily and automatically deposited to A4LE's bank account. The Director of Operations records these funds in the accounting system. They are placed in a restricted Region/Chapter account within the A4LE bank account. The Director of Operations reconciles these restricted accounts after respective event concludes transferring the cash to appropriate region/Chapter bank account minus any associated credit card fees (which are typically 3.5%).

Accounts Receivable

2. Cash Management

Transactions are processed through the main database and invoices are automatically generated. Accounts receivable balances are reviewed by Region/Chapter staff after each conference/event has occurred. At such time all outstanding balances are invoiced. A second invoice is generated 30 days after the first invoice is issued.

2.1 *Invoicing:*

The majority of invoicing is generated by the main database. These invoices will be sent electronically and include the following information: name of individual and company; mailing address; description of what is being invoiced; amount; and remittance information.

2.2 *Accounts Receivable Entry:*

All invoices are entered with an offsetting revenue account classification. The Director of Operations will review the summary of entries on a regular basis to ensure the appropriate accounts are entered for revenue to be applied.

2.3 *Collection Procedures:*

Invoices not paid after the second invoice will be reviewed at the end of the fiscal year with the Region/Chapter Treasurer. When an item is determined uncollectible, the receivable will be taken off the books.

2.4 Bad Debt Procedures:

At year-end uncollectible items will be written off and the Region/Chapter leadership will be made aware of such bad debt.

Accounts Payable / Disbursements

3. Processing Bills

The primary objective for accounts payable and disbursements is to ensure the following: Disbursements are properly authorized; bills are paid in a timely manner; and operating cash is managed for maximum benefit. Accounts payable will be processed weekly by Director of Operations. Checks written for over \$10,000 will require two signatures.

3.1 Bill Payment Process:

Bills received for Regions/Chapters will be directed for payment to Director of Operations (Region/Chapter payables may also be directed to Region/Chapter staff for payment). The Region/Chapter staff or Director of Operations will confirm authorization for payment. All cash disbursements made on behalf of the Regions/Chapters will require and authorized signature by the Region/Chapter Treasurer. In cases where the cash disbursement is [payable to the Treasurer a second signature will be required from the Region/Chapter President. Authorizations received through Treasurer and/or Presidents email will be accepted as a signature.

3.2 Expense Reimbursement Voucher:

A completed Expense Reimbursement Voucher and copies of all receipts will be required for out of pocket expense reimbursement (Region/Chapter Expense Reimbursement Voucher is a separate document contact Region/Chapter staff for an electronic copy). Expense vouchers will be verified for proper authorization, calculation and receipts prior to making payment.

3.3 Check Preparation:

Invoices are entered and checks are generated through the accounting system by staff. Checks are matched with the appropriate supporting documentation before being presented to the authorizing signer for signature. All check stock is controlled by the Director of Operations and stored in a secured location. Check processing will occur weekly.

3.4 Credit Card Bill Payment:

There are no Region/Chapter credit cards. If a bill needs to be paid immediately the A4LE credit card will be used. Region/Chapter bills paid through A4LE credit card will be reimbursed by the Region/Chapter. Direction to pay by A4LE credit card is authorization for Region/Chapter payment.

3.5 Stop Payments:

Stop payments may be made for checks lost in the mail or for other valid reasons. Stop payments are processed by the Director of Operations through electronic authorization to the bank. Any fees associated with stop payments will be charged to the respective Region/Chapter.

3.6 1099's:

Vendors that need to receive a 1099 are noted in the accounting system and mailed a W9 form to request vendor identification number. 1099 forms will be processed by the Director of Operations and will be mailed to the vendors no later than January 31 as directed by the IRS.

Bank Reconciliation

4. Bank Reconciliation Procedure

Cash is the organizations most liquid and sensitive asset, therefore, it should be the object of utmost control. Bank reconciliation is an important control factor and the cash account will be reconciled monthly. The

Director of Operations receives the bank statements and forwards them to the A4LE Accountant who will process the bank reconciliation by verifying deposits and disbursements through the accounting system. Any long running non-reconciling items will be investigated.

Financial Statements

5. Financial Statements Processing and Reporting

Preparing financial statements and communicating financial information is a necessary accounting function. Statements are management tools used in making both tactical and strategic decisions. Statements will be prepared and distributed to the Region/Chapter Treasurer, Region/Chapter President, Executive Director/CEO and A4LE Board of Directors upon request for current fiscal year. Review/audit statements will be available annually to the entire membership, creditors, and outside governing bodies.

5.1 *Income Statement/Profit Loss:*

An income statement or "Profit Loss" provides a detail of each revenue and cost center by line item. The Director of Operations will generate this statement and distribute to the Region/Chapter Treasurer and Region/Chapter President upon request.

5.2 *Transaction Detail List/Check register:*

The Director of Operations will generate a detailed list of transactions posted during the current fiscal year-to-date and distribute to the Region/Chapter Treasurers and Region/Chapter President.

5.3 *Region/Chapter Conference Financial Performance Report:*

The Region Chapter staff will generate a conference financial performance report after all applicable expenses have been met. The report will be distributed to the Region/Chapter Treasurer and Region/Chapter President.

5.4 *Accrual Processing:*

A4LE operates on an accrual basis, which means that income and expenses are recognized and recorded through journal entries at the time they are incurred and earned. The Director of Operations will process all Region/Chapter accrual entries.

5.5 *Annual Audit:*

An audit is a review of the association's financial condition by an independent organization to render an opinion on the integrity of the association's finances. The review/audit is conducted annually and is inclusive of headquarters and all regions and chapters operating and incorporated under the A4LE TIN. All financial back up documentation will be filed and stored at A4LE headquarters for up to five years. There will be no documents or statements the Region/Chapter Treasurer will be required to maintain with the exception of reporting to respective Region/Chapter Boards. Any and all cash receipts and/or expenditures Treasurer may receive should be forwarded to A4LE headquarters Director of Operations or Region/Chapter staff for proper processing.

References

How-to Quick Reference

1. *How do I deposit checks?*

Treasurers do not have the ability to deposit checks. They are to forward checks to A4LE HQ Director of Operations or Region/Chapter staff.

2. *How do I get a bill paid?*

Any bills/invoices the Treasurer receives should be forwarded to A4LE HQ Director of Operations or Region/Chapter staff for payment processing. All expenditures require authorization by the Region/Chapter

Treasurer or President (authorization received from respective email addresses will be considered as an authorized signature). If a bill/invoice requires immediate payment contact Region/Chapter staff and they will make payment via A4LE credit card.

3. How do I get a personal reimbursement?

For personal reimbursements the "Region/Chapter Expense Reimbursement Voucher" should be used for submitting such expenses (copies of receipts are required with the voucher). The same authorization as bills/invoices applies.

4. How can I access account daily balance?

Treasurers will not have direct access to account balances. They can contact the Director of Operations or Region/Chapter staff for daily balances. Detailed transaction reports/check register will be provided, upon request, by the Director of Operations.

5. How do I know when a check is deposited?

All checks deposited will be listed on the detailed transaction report/check register. Checks will be deposited once a week usually on Fridays.

A4LE HQ Staff

Director of Operations: Michelle Mitchell

A4LE Accountant: Keith Dimond

Regional Directors:

Carla Terian (SO)

Janell Weihs (NE)

Barbara Worth (SE)

Donna Robinson (SW, PNW, MWGL)

Membership Coordinator/Administrative Assistant: Edi Francesconi