

# Osseo-Maple Grove Athletic Association

## FINANCIAL PROCEDURES POLICY

(OMGAA Policy 2001.02)

This policy is hereby created and adopted as a submission exhibit for 501c3 Charitable Status approval with the U.S. Federal I.R.S.

### **Section 1 - Purpose:**

The purpose of this policy is to establish enforceable and accountable procedures for the purchase of goods and services on behalf of, and for the exclusive use by, the **Osseo-Maple Grove Athletic Association**. For the purposes of this policy, traveling league registration fees and tournament entry fees shall be considered as goods. For the purposes of this policy, annual or monthly leases, service contracts or other re-occurring expenses shall be considered as services.

### **Section 2 - Authority:**

The authority to establish this policy is provided by **Section 7 - General Duties and Responsibilities of the Board of Directors** Item C of the **Osseo-Maple Grove Athletic Association - By Laws**.

### **Section 3 - Financial Procedures Policy:**

#### **Item 1: General**

- a) The President, Treasurer and Secretary shall be responsible for developing financial policies and procedures. Based on the annual records review, as outlined in Item 10 of this Section, these officers shall review this policy to determine if modifications are required.
- b) Responsibility for administration of the approved financial procedures policy shall be shared between the President and the Treasurer.
- c) Financial duties and responsibilities shall be separated or shared so that no one director has sole control over disbursements.
- d) A blanket director dishonesty insurance policy with coverage in the amount of \$50,000 (minimum) shall be maintained by the OMGAA.
- e) The Treasurer shall establish and maintain electronic accounting procedures using an established and commonly accepted accounting software system.

#### **Item 2: Book of Original Entry (General Ledger not used)**

- a) The OMGAA will use a cash system for accounting of all funds. The Treasurer will be responsible for posting all financial activity to the General Journal, and shall summarize, by report, journal entries monthly to the Board.
- b) All accounting entries and methods will comply with generally accepted accounting practices.
- c) The Treasurer shall prepare monthly reports for each program and present these reports to the Board of Directors at the regularly scheduled meeting. Individual program directors are responsible for reviewing these reports and for comparing actual income and expense amounts with their approved budgets

### Item 3: Receipts

- a) All cash and checks received by OMGAA Directors, Coordinators, Coaches or volunteers acting on behalf of the OMGAA; shall be forwarded to the Treasurer.
- b) The Treasurer shall deposit all monies received and record cash, check and electronic bank deposits using the approved software system.

### Item 4: Disbursements

All disbursements shall be by OMGAA Check or approved Association Debit Card. No cash disbursements shall be allowed.

- a) Disbursements by Check
  1. Each disbursement check shall bear the signature of at least two (2) authorized Officers of the Board. No officer may sign any OMGAA check made payable to him/herself. All disbursements shall be recorded in the electronic check Register.
  2. In no event shall blank checks be signed in advance. In no event shall checks be made out to CASH, BEARER, PETTY CASH or any other payee not identified as a specific individual or vendor.
  3. The Treasurer shall issue disbursements only when printed invoices or receipts have been received in the amount of that disbursement. Each received invoice or receipt shall reference a duly authorized PURCHASE ORDER by number, date and goods or services provided.

**Exception: Re-occurring annual or monthly disbursements for approved expenses shall be recorded and duly noted without an accompanying PURCHASE ORDER.**

4. Where disbursements are made to individual OMGAA teams or program directors from incomes due to OMGAA sponsored fundraising events, the Treasurer will require and secure a duly authorized purchase order from the program director which references specific fundraising event from which such monies are derived. Prior to issuing such disbursements, the Treasurer shall verify that the referenced event has produced monies sufficient to pay such disbursements and that those monies have been received and deposited into the OMGAA checking account.
  5. In the event that it is necessary to issue a duplicate check, the Treasurer will prepare an OMGAA Purchase Order that will cross-reference the original check being duplicated. For duplicate checks of \$50.00 or greater, a stop payment order will be executed on the original check prior to issue of the duplicate.
- b) Disbursements by Association Debit Card
  1. Debit Card Disbursements shall be recorded by a duly authorized PURCHASE ORDER, and copied to the Treasurer at the time of disbursement by the card holder responsible for such disbursement.
  2. Monthly card activity statements, shall be reviewed by the card holder, acknowledged for accuracy by initial, and submitted to the Treasurer within seven (7) calendar days of receipt.

3. Discrepancies noted on the monthly card activity statements must be reported to the Treasurer within three (3) days of discovery. Such activity statements shall be submitted to the Treasurer by the card holder.
4. The Treasurer shall reconcile all monthly activity statements with the General Account activity statements, and address discrepancies with the banking institution.
5. Association Debit Cards with reported discrepancies shall be suspended from use until such discrepancies are resolved and further use is authorized by the Treasurer. If such discrepancies cannot be resolved, the card shall be discontinued and a new card procured.

#### Item 5: Reconciliation

- a) Monthly bank statements shall be received by the Treasurer directly, either electronically or by unopened mail. The Treasurer shall reconcile the bank statement and the OMGAA check register monthly.
- b) The Treasurer shall prepare and present to the board, monthly financial reports detailing current balances and past month history for all accounts.

#### Item 6: Program Budgets

- a) Annual financial budgets will be prepared for each OMGAA Program by the Program Director, and submitted to the Board of approval at the regularly scheduled December meeting of the OMGAA Board of Directors. The President or his/her approved delegate, shall prepare and submit budgets for administrative expenses or reoccurring expensed not assigned to specific OMGAA Programs. Budgets shall include expected revenues and expenses.
- b) The Treasurer shall prepare Budget Performance Review Reports for each program, and present these reports to the Board of Directors at the regularly scheduled September meeting of the OMGAA Board of Directors. These reports shall detail approved budgets, actual expenditures, and variances.
- c) The President, Treasurer and Secretary, shall each maintain a copy of all approved program budgets on file. Program budgets are general OMGAA information and may be published or shared with members.

#### Item 7: Purchases

- a) All purchases of goods and/or services on behalf of and for the exclusive use by the OMGAA must be approved in advance and be documented with a completed and duly authorized OMGAA Purchase Order. Only OMGAA Directors may make purchase on behalf of OMGAA. Purchased orders must clearly identify the vendor, purchasing Director, purchasing OMGAA program, goods or services purchased, quantities, unit prices and total costs.
- b) The purchasing director is responsible for knowing if the purchase is within the approved budget for his/her program. Expenditures, which exceed approved budgets amounts, or spending exceptions to the budget must be approved by the Board of Directors prior to being incurred.

**Exception: Total expenses approved on a per/player or per/team basis shall not require board approval where approved per/player or per/team expense has not changed from approved budgeting. Changes in per/player or per/team expense must be approved by the Board prior to being incurred.**

- c) The purchase goods and services not identified within an approved budget must be reviewed and approved by the Board of Directors. The Board may require Bid Requests for such purchases, from multiple venders, which contain clear specifications and do not unduly restrict competitive bidding.
- d) Upon payment, the Treasurer certifies the validity of the invoice being paid, and acknowledges that it has been reviewed and checked for accuracy. Expense purchase orders for the Treasurer will be verified and approved by the President.
- e) No individual may incur expenses on behalf of OMGAA without approval from a Director. Expenses incurred without prior authorization shall be the responsibility of the incurring party unless otherwise subsequently approved by the Board upon receipt of an approved Purchase Order and verification of available funds.
- f) No individual shall be reimbursed for expenses incurred on behalf of OMGAA in excess of \$1000.00 (accumulative maximum) annually. All disbursements for reimbursement must be approved by the Board during a regularly scheduled meeting.

#### Item 8: Consultant and Vendor Contracts

- a) Consideration will be made of volunteer member capabilities to accomplish services before contracting for them. Where outside contracts must be written, each contract shall clearly define work to be performed, terms and considerations of the contract, method of delivery and an established delivery date where applicable. The President and Secretary shall maintain copies of written contracts.
- b) The President, at the direction of the Board of Directors by means of motion and vote, shall prepare and present an appropriate OMGAA Purchase Order which will cross reference the contract by consultant/vendor name, address, date of contract and summary of goods or services to be provided.
- c) Only the President may sign consulting or vendor contracts on behalf of the OMGAA.

**Exception: When necessary for expedience, the Board of Directors may allow the Treasurer to sign a consulting or vending contract in the Presidents absence provide the President approves such proxy. No such proxy shall be deemed as precedence setting.**

- d) All consultants shall provide evidence of liability insurance coverage, and qualifications to perform the requested service, prior to issuance of the contract.

#### Item 9: Insurance

- a) The President and Secretary maintain an Insurance register. Insurance policies will be maintained by the Secretary.
- b) Insurance policies will be reviewed by the President and Secretary prior to being submitted to the Board for approval.

#### Item 10: Other Considerations

- a) The President will authorize preparation of U.S. IRS Form 990.
- b) The President will authorize preparation of U.S. IRS Form 1099-Misc for any payee of at least \$600.00 during any tax year.
- c) The President will authorize the preparation and gathering of U.S. IRS Form W-9, as required.
- d) Donations to the OMGAA of cash and non-program related income shall be separately accounted for.
- e) The Board of Directors shall appoint an auditing group for the purpose of reviewing the financial records at the conclusion of each financial year. This review will be completed prior to the last day of February, and shall be presented at the regularly scheduled March meeting of the OMGAA Board of Directors.

#### **Section 4 - Review:**

The Association Executive Committee shall jointly review the **Financial Procedures Policy** annually. Changes to the **Financial Procedures Policy** must be approved by the OMGAA Board of Directors by means of motion and vote at any regularly scheduled meeting of the OMGAA Board.

All OMGAA Board Directors shall review this policy annually, and indicate their understanding and acceptance by affixing their signature where indicated under **Addendum 1 - Acknowledgments**.

#### **Section 5 - Penalties for Violation:**

Where incurred expenses or disbursements are discovered in violation of this policy, the OMGAA Board of Directors may require reimbursement for all, or a portion of such incurred expenses or disbursements from the offending Director, coordinator, coach or member.

The OMGAA Executive Board may authorize legal actions where necessary to enforce the financial procedures policy or its penalties.

Adopted by the OMGAA Board of Directors  
December 18th, 2001

END OF DOCUMENT

Revised March 15, 2005  
Revised January 19, 2016  
Revised January 17, 2017