

Vermont State Amateur Hockey Association

2024 Leadership Symposium

Financial Responsibilities of Associations

Guest Speaker: Chris Washburn, CPA/CGMA



Financial Policies and Procedures

- Developing and implementing financial policies and procedures
 - Cash vs Accrual basis of accounting
- Creates consistency and continuity in a volunteer organization
- Ensuring transparency and accountability in financial management
 - Monthly report out
 - Posted tax returns on the association website
- Importance of segregation of duties and internal controls
- Regular review and updating to keep pace with changing dynamics of the organization



Operating Plan & Budget

- Importance of budgeting and alignment with organization goals/priorities
- Components of a comprehensive budget
 - Revenue and expense by functional class
 - Capital spending for long-term purchases (equipment, facilities, etc)
- Strategies for creating realistic revenue and expense budgets
 - Utilization of prior years as a base
 - Planned # of teams and ice/games/officials
 - Other known annual revenues or expenses



Financial Reporting & Analysis

- Types of financial reports relevant to nonprofit organizations (e.g., income statement, balance sheet, cash flow statement)
 - **Balance Sheet** – likely less impactful for most local associations (cash and receivables)
 - **Income Statement** – highest priority!
 - Utilize to compare to budget and determine profitability
 - Segregate by functional classes if warranted (Travel, House, Girls, Adult, General, etc.)
 - **Cash Flow Statement** – Only for accrual based accounting organizations
- Importance of timely and accurate financial reporting
- Key to transparency and decision making.



Compliance

- IRS reporting – 990
 - 990N
 - 990EZ
- 501c3 status
- State reporting requirements
 - Varies by State
- 1099-NEC reporting
 - Contractor relationships
- Roles and responsibilities of the board of directors in overseeing financial compliance



Risk Management

- Identifying, assessing and strategies for mitigating financial risks faced by nonprofit organizations
 - Audit/Review by external firm
 - Audit committee
 - Internal controls
 - Financial Policies and Procedures
 - Dual account access and review of accounts
 - Secondary review of monthly account reconciliations
 - Expense approvals: ice time (scheduler), travel, equipment, pro-shop, officials (scheduler), etc



Question & Answer

- **The Floor is yours!**

