

Financial Control and Accounting Policies for Terrell Chamber of Commerce

Access to Records:

- **To Members-** It is the policy of the Chamber to allow members to inspect the following records of the Chamber. Members must give written notice of the member's demand at least five business days before the date the member wishes to inspect and copy. The member's demand must be made in good faith and for a proper purpose. The member must describe with reasonable particularity the purpose and the records the member desires to inspect and the records must be directly connected with the purpose. The Chamber may impose a reasonable charge to cover copying costs.

- 1) IRS Form 990 (last 3 yrs).
- 2) Financial statement (last 3 yrs).
- 3) Alphabetical list of the name and address of all members.
- 4) Articles of incorporation and all amendments currently in effect.
- 5) Minutes of board of directors meetings for the past three years.
- 6) A list of names and business addresses of its current directors and officers.

- **Public (non-member)** –It is the policy of the organization to allow the public access to the last three years of Form 990. This access will be at the chamber office on the day of the request. The original file copy of Form 990 will remain at the chamber office without exception.

A Record Reviewed/ Distribution Log will be maintained for all requests made to review or receive copies of all or part of these records.

Accounting Computer File Back-Up Procedure:

The Chamber utilizes an online version of Quickbooks for record keeping. As it is online, it is automatically backed up and always available.

Accounting Method:

It is the policy of the Chamber to use the cash basis of accounting that recognizes revenues when they have been received and expenses when they have been dispersed.

Accounts Payable:

It is the policy of the Chamber to pay expenses as they are incurred and when proper documentation (invoice, statement) is present. Expenses incurred by staff members must be approved by the CEO. Expenses incurred by the CEO or Executive Board member must be reviewed by two other Executive Board members. (See Check Signing Policy.)

Accounts Receivable:

Accounts receivable are considered any money owed to the Chamber by others for membership dues, board luncheons, events, sponsorships, or other services rendered by the Chamber.

- **Collecting Accounts Receivable-** It is the policy of the Chamber to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. A record of all correspondence from initial invoice to collection efforts will be kept in "Chamber Master" or other Chamber reporting software.

1) Collection Procedures/Non Dues Revenue- It is the policy of the Chamber to forward an invoice immediately following completion of an event, service, purchase of goods, or program related charges.

- In 30 days after the date of the original invoice, an employee will contact the person(s) by phone or email regarding the invoice in an attempt to collect the amount due.
- In 45 days, a letter will be sent with another copy of the invoice.
- If 60 days elapse without payment, the person/business will be contacted via phone to secure the amount due and send a follow up letter if contact is not made.
- At 60 days, a list of delinquent amounts will be presented to the Executive Board.
- If 90 days have elapsed without payment, a final attempt will be made to collect the amount due via telephone or personal visit from CEO or Board Member. If the attempt is unsuccessful and the amount exceeds \$500, the account will be presented to the Executive Board for further action including but not limited to collection agency or attorney action. (For amounts less than \$500, see Accounts Receivable Write-Off Procedures)

2) Collection Procedure /Member Dues- It is the policy of the Chamber to send membership dues invoices at least 30 days prior to the member dues renewal date. A record of all correspondence from initial invoice to collection efforts will be kept in "Chamber Master" or other Chamber reporting software.

- 45 days after the date of the original invoice, a second invoice will be sent.
- If 60 days have elapsed without payment, the member will be contacted via telephone or email to ensure the correct billing information and that the invoice was received. If the invoice was not received, another invoice can be mailed, emailed, or delivered personally by a Director, CEO, or Chamber staff member. A list of delinquent members will be presented to the Executive Board Committee.
- If 90 days have elapsed without payment, a final attempt via telephone contact will be made to secure payment. If the attempt is unsuccessful, members will be placed on a "Membership Drop List" to be presented for approval at the next regularly scheduled Executive Board Meeting. If approved, see Write Off Procedure for Accounts Receivable. Members will be removed from all literature, website and email communication list. A "drop letter" will be sent to inform the member they have been dropped.

● **Write Off Procedure of Accounts Receivable**- It is policy of the Chamber to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated.

If a receivable is deemed uncollectible, the following approvals are required before write-off implementation:

<u>Amount</u>	<u>Approval</u>
\$500 or less	CEO or employee responsible for revenue
Greater than \$500	Board of Directors

Once a write off has been implemented, any further transactions will be on an advance payment basis.

Bank Reconciliation

It is the policy of the Chamber for the VP of Operations to reconcile the bank statements monthly. This person cannot be a check signer. The CEO will review the bank statement reconciliation monthly.

Cash Handling Procedures for Events

Events, such as luncheons, Fundraisers and festivals often require cash for change, and may require more than one bank. The bank could be a register box, drawer, or bank bag.

Prior to the event, the VP of Operations will determine how much change is necessary and in what denominations and ensure that it is available. Dollar amount will be documented in each bag. Funds are verified once returned to the chamber office.

If applicable, items sold will also be documented. (See attached form.)

If monies need to be transported from one location to another during an event for change or any other reason, the following must be done:

- Bank Bags or boxes must be utilized to transport the money.
- If law enforcement is available, it is recommended that the money carrier be with an officer during the transport.
- Monies that are taken from one location to another must be documented – Amounts and denominations in both “bank” locations.
- Start and end amounts should be documented as well in each “bank” location.
- A separate Change bag should be used for change only. It should start and end with the same amount.
- When making change, two people should be present and the denominations of bills placed in the bag and removed from the bag should be documented.

Chart of Accounts

It is the policy of the Chamber to maintain a chart of accounts. The chart of accounts will be updated during the budget process to reflect any new expenses or asset lines.

Check Disbursements

- It is the policy of the organization to keep unused check supplies safeguarded under lock and key.
- All check disbursements will require invoices, expense vouchers, or other appropriate backup prior to being signed.
- Signed checks that have not been mailed or distributed will be put under lock and key at the end of each day.

Check Endorsement/Stamp

It is the policy of the Chamber to endorse checks with a stamp that includes the following:

For Deposit Only
Full Organization Name
Designated Account (Operations, Tourism, etc.)
Bank Name
Account Number

Check Signers

It is the policy of the Chamber to give check-signing authority to the following positions:

- CEO
- Director of Marketing
- All members of the executive board

All checks issued for payment of the Chamber's debts will require two actual signatures. Never will a stamped signature be accepted.

Additionally, individuals involved with check preparation and bank reconciliations are prohibited from having check-signing authority.

Contract Signing Authority

It is the policy of the Chamber to grant authority to sign contracts to the CEO, as long as the financial implications of the contract are included in the organization's budget.

If the financial implications of signing a contract is not included in the organization's budget, the Executive Board's approval is required before authority to sign the contract is granted.

Contributions

It is the policy of the Chamber to send thank you letters on the Chamber's letterhead acknowledging all contributions, regardless of the amount.

Control Over Payments Made With Checks and Cash

It is the policy of the organization that all incoming money (except credit cards- see Control Over Credit Cards) received by mail and/or in person will be recorded in a check log. Logs will include the following information about each payment:

- Category- (listed are some but not all possible categories) Dues, Board Luncheons, Auction, Networking, Donation, and Hot Funds
- Date Received
- From
- Payment Type- Cash, Check, Charge
- Amount
- Monies will be deposited within 7 days of receipt.

Control Over Payments Made With Credit Cards

Due to the fees associated with taking credit card payments, the Chamber will not accept a credit card as payment for invoices less than \$10.00, except at an event.

All credit card payments are deposited directly in the Operations account. All payments will be logged in the Operations log. The credit card payment is entered into the credit card terminal, and the terminal is batched at the end of the day or the end of the event. A check is then written from the Operations account to the appropriate account, which the payment is due. The check from the Operations account is then logged into the appropriate account log as all other payments and added to the deposit for that account. It is the policy of the Chamber not to keep anyone's credit card information on file. Any document containing credit card information is shredded once the information has been entered into the credit card terminal and approved for payment.

Review of Financial Statements

It is the policy of the organization to direct the CEO and treasurer to distribute the reviewed financial statements to the Board of Directors and to the organizations entitled to receive a copy because of the contractual agreement. The Board of Directors will approve the financial statement during the monthly board meeting. The approved financial statement will be scanned in the google Financial Folder.

The authority to distribute the statements to other individuals or firms requesting them will be left to the discretion of the CEO or the Treasurer. A log will be maintained in the Financial Folder.

Credit Cards

It is the policy of the organization to issue credit cards to the following individuals:

- CEO & President
- All full time employees

Individuals incurring expenses via credit card will review the credit card statement and provide appropriate documentation for each purchase at the end of each month. Credit cards are not to be used for personal expenses.

Document Retention

It is the policy of the organization to shred confidential and sensitive documents when the time period required to keep documents is met. All other documents are put in a recycling bin.

Confidential/Sensitive documents are documents containing information such as, but not limited to: account numbers, social security information, salary information, passwords etc.

Document	Period to Keep Before
Payroll Records	7 yrs.
Payroll Tax Returns	7 yrs.
Form 990	7 yrs.
Files of Dropped Members	3 yrs.
Credit Card Information Used for Payment	Immediately After Processing Complete
Auction Information	2 yrs.
Bank Statements	3 yrs.
Financial Records (Quickbooks)	Electronically

Documents for the current (and some previous years) will be kept in a file cabinet or drawer.

Executive Board of Directors

This committee is chaired by the Chamber's Treasurer. The overall mission is to deal with the organizational financial vitality.

It is the policy of the Chamber to invest excess funds in the following list of approved investments:

- FDIC Insured Certificates of Deposit

Federal Identification Number

It is the policy of the Chamber to give the organizations Federal Identification Number for specific requests and only after the reason for the request has been validated.

Financial Statement Preparation and Distribution

It is the policy of the Chamber to prepare monthly financial statements. These statements will be prepared within 10 working days after the close of the month.

The statements are prepared by the VP of Operations and will be given to the CEO for approval. Once approved, the statement will be presented to the Board of Directors at the regular monthly meeting for approval.

Fiscal Year

The fiscal year of the Chamber shall be January 1st through December 31st.

Insurance Coverage

It is the policy of the Chamber to have an outside specialist review the organization's insurance policies to ensure that coverage and limitations adequately meet the needs of the organization, members and employees.

Loans

It is the policy of the Chamber to prohibit loans to employees and members under all circumstances.

Logo

It is the policy of the Chamber to include the organization's logo on all forms.

Nonsufficient Funds Check

It is the policy of the Chamber to credit any check returned by the bank for any reason back to the account to which the money was posted.

It is the policy of the Chamber to note redeposit returned checks, but to have the writer pick up the check and replace it with cash, cashier's check or money order. Checks written for merchandise, not picked up by the writer, will be turned in for collection by an agency. Other checks for dues, booths, luncheons will result in the writer being denied access to those events/privileges. If the check for events (booths/sponsorships) is returned after the event and is not picked up by the writer, it will be turned in for collection.

Postage

It is the policy of the Chamber to select the correct entity on the meter at the time posting is done to charge the appropriate function/entity for actual postage. Employees are required to reimburse Terrell Chamber of Commerce for any charges resulting from their personal use of the postage machine.

Refunds

Refunds are issued at the discretion of the President & CEO.

Repairs and Improvements

It is the policy of the Chamber to pay expenses for repairs and improvements when the work is complete and an invoice is received.

Request for New Policies and Procedures

It is the policy of the Chamber to encourage employee involvement in keeping the Accounting and Financial Policies and Procedures Manual up to date. Requests for changes or additions to current policy should be presented to the CEO for discussion among the staff members. If the policy is a written policy, agreed changes will be made to the Accounting and Financial Policies and Procedures and the effective date of the change (once approved by the board) will be noted.

Telephone Expenses

It is the policy of the Chamber to require employees to reimburse the Chamber for personal telephone calls should those calls cause the phone bill to exceed the contracted amount.

Time Sheets

It is the policy of the Chamber that all hourly employees complete timesheets for every pay period. Paychecks will not be distributed until approved timesheets have been submitted.

Travel Expenses

It is the policy of the Chamber to establish travel limitations and guidelines as follows:

- Authorizations- Travel for the current year is approved and budgeted during the budget process. Unplanned travel requires approval by the Executive Committee.
- Personal Mileage-Employees are reimbursed for use of their personal cars on Chamber business at the IRS mileage rate.
- Public Carrier-Employees traveling by public carrier must purchase their tickets using the most cost effective means. Employees will travel coach, unless an upgrade is approved in advance by the Board of Directors.
- Lodging- Employees will book the most cost effective lodging available. Employees will be reimbursed entirely for the basic room charge and applicable taxes. Receipts are necessary.
- Meals- Meals during travel are approved and budgeted during the budget process.
- Taxi/Uber/Ride Share- Actual taxi/airport shuttle fares including tip, will be reimbursed entirely. Receipts are necessary. Tips must be noted on taxi receipt.
- Entertainment-All entertainment expenses are at the cost of the employee.
- Tips- Reasonable tips for baggage handling will be reimbursed. Receipts are not required. Tips for meals and taxis are discussed elsewhere under these guidelines.
- Parking and Tolls- Parking fees and toll expenses will be reimbursed. Receipts are necessary.
- Car Rentals- Car rentals will be reimbursed only when necessity has been established and approved. For example, taxi or shuttle service is not available to reach hotels or meeting sites from the airport or lodging facility or in case of breakdown of an employee's car while they are away on company business.
- Travel Expense- Expenses should be charged to a corporate credit card when possible. All cash expenses will be reimbursed within 30 days of the properly completed request. (all receipts received)

All expenses and reimbursements are subject to final approval of the CEO and Chairman.

Voided Checks

It is the policy of the Chamber to note voided checks in the checkbook log. Voided checks are recorded in Quickbooks (or other financial software). If the physical check is available, it is marked "Void" and will be filed in payables. If the check is not physically available, a copy of the bank's stop-payment order will also be filed in payables. If the check is lost or destroyed and no "stop-payment" is issued it will be noted in Quickbooks.