

SAFIT

INTERNAL CONTROLS and OPERATING PROCEDURES

02April2007

ACCOUNTING METHODS

- The Southwest Association of Freshwater Invertebrate Taxonomists (Herein called SAFIT) shall utilize an accrual-based account methodology.
- Fiscal Year shall be defined as January 1 to December 31.

ESTABLISHMENT OF FUNDS AND ACCOUNTS

- The Board of Directors (or Committee when properly vested with such authority) shall establish and authorize any and all banking, institutional, credit or monetary funds for SAFIT.
- Only fund accounts authorized by such action shall be recognized or utilized.
- Three standing and specific accounts are authorized by these policies for SAFIT:
 - 1) operational checking account
 - 2) money market or similar open savings account
 - 3) office petty cash account
- All SAFIT banking or institutional accounts shall require the signature of two board officers for approval of all financial transactions. Officers with authority to sign include the President, Vice President, or Treasurer. All banking accounts established for the SAFIT shall be established with financial institutions that are insured through either FDIC or FSLIC. All accounts shall be established in such a manner to ensure that account balances do not exceed the coverage amounts under FDIC or FSLIC.

Operational Checking

- The operational checking account shall be utilized for all SAFIT disbursements.

Money Market/Open Savings

- A Money Market or open savings account shall be utilized for holding of SAFIT funds not needed for immediate use. This will maximize SAFIT interest return on those funds.

Petty Cash

- An office petty cash fund shall be established in the amount of \$100.00. No other petty cash fund is authorized.
- The petty cash fund shall be used solely for emergency and office-related expenses.
- The Treasurer shall be responsible for maintaining all records of expenses, disbursements and reconciliation of the petty cash account.

Budget

- Under the supervision of the President and prior to the beginning of each fiscal year the Treasurer shall prepare a draft operating budget. The Draft Operating Budget shall be approved by the Board of Directors.

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MEMBERSHIP

Term of Membership

- Membership is for one full calendar year; January 1 through December 31.
- Membership fees are due January 1.
- Membership dues paid prior June 30 shall apply to membership for the current year.
- Membership paid after June 30 shall apply to the remainder of the current year and include following year.

Membership Dues

- Membership dues are \$25.00 (twenty-five dollars, US) per year.
- Late membership dues are cause for revocation of membership.
- All members that are past due shall receive a minimum of one warning prior to revocation.
- Past due annual membership fee warnings shall occur no later than March 31 and will be transmitted via email.

FILES and RECORDS

General Office Files

- A review and update of all general office files shall be completed at a minimum of once every twelve months.
- A master file listing/directory shall be maintained with a review and update occurring at regular intervals. In addition, all newly established files shall be added to the directory whenever such files are created.
- A comprehensive record of donors and clients shall be maintained and periodically updated to reflect all changes in status.

Fiscal Files

- All financial records shall be maintained at the central office of the SAFIT under the direction and supervision of the Board Treasurer.
- Files shall be maintained in a manner reflecting the fiscal year for the agency.
- At the conclusion of each fiscal year, current files and records shall be transferred to historical storage files (archive) within the central office location.

Membership Files

- All membership files shall be maintained at the central office of the SAFIT under the direction and supervision of the Board Secretary
- Membership files shall be maintained on a monthly basis
- All communication to membership shall be through the Board Secretary or President.

File Backups

- All electronic files will be backed up and maintained physically separate from the original filing system.
- Electronic back ups should occur not less than on a quarterly basis.

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FISCAL MANAGEMENT

Reconciliation of Accounts

- All SAFIT accounts shall be reconciled monthly. A monthly review of all accounts and financial reports shall be made by the Treasurer.
- The Treasurer shall report the status of all accounts to the Board of Directors at every meeting of the Board.

Disbursements

- All disbursements (excepting those made through the office petty cash fund) shall be made by check drawn on the established operating checking account for SAFIT.
- All disbursements shall utilize pre-numbered checks used in sequence. Any and all "voided" checks shall be mutilated and retained by stapling the voided check to the respective check stub.
- At no time shall disbursements be made to "bearer" or to "cash".
- All banking materials, records, blank checks, and deposit books shall be maintained in secure cabinets in the SAFIT office under the supervision of the Board Treasurer or President. Only those individuals authorized as signers for the SAFIT accounts shall have access to these banking materials.
- Disbursements shall be prepared from original invoices. Each disbursement shall require submission of a check request form and appropriate backup documentation. Invoices shall be date stamped upon receipt and marked "approved for payment" by the President or designee. All invoices or vendor statements shall be marked "Paid" with date of payment and check number utilized for payment indicated. All disbursements shall be reviewed and approved by the Executive Director. The President or Treasurer shall countersign all disbursement approvals.
- A monthly review of all disbursements shall be conducted by the Treasurer or President for verification of accuracy, documentation and appropriate approval.
- The Treasurer shall be authorized to expend funds as approved by the Board of Directors under the organization's annual operating budget. Additionally, the Treasurer may authorize expenditures of up to \$500.00 in non-budgeted funds not to exceed \$1,500.00 in any fiscal year. With approval of the President, the Treasurer may authorize non-budgeted expenditures of up to \$1,000.00. All non-budgeted expenditures in excess of \$1,000.00 shall require prior approval from the Board of Directors.
- Disbursements shall be made on a monthly basis, at a minimum. All bills or requests for reimbursement shall be processed monthly. Checks shall normally be disbursed no later than on the last business day of the month.
- All requests for reimbursement shall be reviewed and approved by the Treasurer and President. All reimbursements are subject to budgetary limitations as established in the organization's approved operating budget. No reimbursement shall be made without appropriate backup documentation.

Expense Reimbursements, Expense Accounts and Advances

- Standing or permanent advances shall not be made on SAFIT funds. Under special circumstances, with prior approval of the Board of Directors, an advance may be

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made to an individual for specific use of funds relating to SAFIT programs or business.

- All reimbursement and expense reports shall be submitted on SAFIT reimbursement forms. Original receipts and appropriate documentation for claims submitted shall be attached to all requests for reimbursement and expense reports.
- Reimbursement of expenses submitted shall adhere to approved reimbursement guidelines.
- Claims for mileage reimbursement shall include attachment of a mileage log recording date of travel destination, purpose, and total mileage claimed. Rates for reimbursement of mileage claims shall conform to business reimbursement rates allowed under current United States Internal Revenue Services regulations.

Deposits and Receipt of Monies

- Any gifts (monetary or otherwise) resulting from fund-raising activities, solicitations and acceptance of gifts or contributions that are presented with restrictions of use shall be approved by the Board of Directors.
- Deposit of monies shall be made on a monthly basis, or whenever more than two hundred dollars (in either cash or check) has been received and recorded by the SAFIT office.
- All items to be deposited shall be stamped "For Deposit Only to the Account of "SAFIT ", with the appropriate SAFIT bank account number.
- A deposit slip for established SAFIT accounts shall be completed. A photocopy of the deposit slip and all items to be deposited shall be made for file purposes and attached to a Deposit Summary Sheet.
- All funds received shall be recorded in the Income Log.
- Pre-numbered, duplicate receipts shall be used to document all cash donations. These receipts shall be utilized at all SAFIT sponsored events. The duplicate receipt shall be retained in the receipt book.
- Written confirmation, including appropriate cash receipts, shall be issued to all funding sources unless funding source specifically requests that no acknowledgement be sent.

Receivables

- Receivables shall be aged monthly.
- Delinquent accounts shall be followed up for collection.
- Receivables from miscellaneous sources shall be reviewed periodically by the Treasurer and significant amounts shall be reported to the Board of Directors.
- The Treasurer shall review the write-off of all receivables. All write-offs shall require approval from the Board of Directors prior to implementation.

Loans

- The loan of SAFIT funds shall be prohibited.