

# San Antonio Ivy Educational Fund, Inc. Financial Procedures Guide

## Purpose of the Guide

The purpose of this guide is to assist San Antonio Ivy Educational Fund, Inc. financial officers in establishing an orderly method of recording revenues and expenditures and accurately reporting the Board's financial operations.

The budget, financial operations and financial reports shall reflect the way funds are collected and used to implement program goals. The regular reporting of financial operations and financial status is essential to strong fiscal operations.

## General Information

The San Antonio Ivy Educational Fund, Inc. must keep all funds in accounts at established financial institutions. As financial officers change, the SAIEF Board will submit proper documentation (SAIEF Board Minutes) to ensure the financial institution has the names of the current financial officers (President, Vice-President and Treasurer) who are authorized to sign checks, along with their corresponding signature cards. Separate accounts will be maintained for the following fund accounts:

- SAIEF Board Operations,
- Alpha Tau Omega Chapter Programming,
- Diamond Endowment, and
- SAIEF Special Accounts.

The financial institution provides monthly statements by mail and electronically enabling the treasurer to provide the SAIEF Board current balances in each account and all monthly activity. Only current financial officers will have access to SAIEF banking accounts.

### **A. SAIEF Board Operations**

A checking account for SAIEF Board Operations shall be maintained for the purpose of depositing funds to pay SAIEF Board general and administrative obligations.

### **B. Alpha Tau Omega Chapter Programming**

The Alpha Tau Omega Chapter programming budget will be managed by the SAIEF Treasurer and all funds maintained in a separate account. An annual budget will be decided by the Alpha Tau Omega budget committee process and funding for chapter programming will be provided to SAIEF through chapter fundraisers or by an assessment. All Financial Procedures outlined in Section III below shall be followed for this account.

### **C. Diamond Endowment**

This account shall be used to manage funds specified to recognize and honor the Diamond (75 year) members of the Alpha Tau Omega Chapter of Alpha Kappa Alpha Sorority, Inc. Current designated Diamond Members include: Audrea Adams, Henrietta Eugene Roberts Stevenson, Nettie Josephine Rice Taylor, Laura N. Banks-Reed, Katie Jones, and Armelia Deboe Woods.

### **D. Special Accounts**

A separate account shall be maintained to manage restricted funds and other funds set aside for special purposes, e.g. (specific scholarship funds, SAIEF specific fundraising funds ...).

## **III. Financial Procedures**

This section outlines detailed financial procedures for handling SAIEF finances. These may include the handling of funds, record keeping, budgeting, banking procedures, bonding, auditing and internal controls.

### **Who Handles Funds**

One of the most important aspects in the receipt and disbursement of funds is separation of duties. No one Board member/officer shall be permitted to handle a financial transaction from start to finish, as it pertains to the receipt and disbursement of funds. This internal control provides appropriate checks and balances and also reduces the probability of error.

Those Board members who are elected to handle finances should have basic bookkeeping and accounting skills, knowledge of proper procedures for handling and reporting finances, and the ability to establish an orderly and accurate method of recording revenues and expenditures. Other attributes that should be exhibited are honesty, integrity, and punctuality.

The required financial officers on the SAIEF Board are the Financial Secretary, Assistant Financial Secretary and Treasurer or Assistant Treasurer.

### **A. Revenues**

The Financial Secretary receives all funds in the name of the Board, regardless of the source. This includes, but is not limited to; donations, funds raised through special projects, contributions, and other sources. She issues a receipt identifying the source of funds and then turns such funds over to the Treasurer within 5-7 business days with a transmittal of funds form indicating the source of the funds. The use of a credit card receiving machine (i.e. squares, card swipers, etc.) for the receipt of funds is authorized with established internal controls. It is advised that these procedures and controls be established at the time such programs using these resources are formed and be a part of the established procedures for the execution of the specific program or initiative. The funds received via this method should be handled by the Financial Secretary in the same way as all other funds received in the name of the Board.

The Treasurer deposits intact all funds received from the Financial Secretary into the appropriate SAIEF bank account. The deposit should be made within 5-7 business days of receipt of funds from the Financial Secretary. Monies may be received online through

electronic alternatives such as PayPal or Zelle. Receipt of funds via this method is authorized with established internal procedures. Electronic receipts are issued to payee which will serve as their receipt. The Financial Secretary should create a report of funds received electronically, (eg. Zelle or PayPal).

## **B. Expenditures**

All Board expenditures must be authorized, either by inclusion in the budget or by vote of the Board. The procedure for disbursement of funds begins with a voucher that is prepared and signed by the committee chairman or other authorized individuals. The voucher contains the purpose for the expenditure, the name of the person or committee requesting the expenditure, the amount of the expenditure and the budget line item, with the original and a copy of the receipts attached. All other applicable items on the voucher should also be completed.

The requester should keep a copy for her records. The voucher is then signed and approved by the SAIEF Board President and SAIEF Treasurer. The SAIEF Treasurer then issues a check, in the authorized amount, signed by the SAIEF Treasurer and SAIEF Board President (or by any two of the Board officers authorized to sign checks). The purpose for the expenditure should be clearly stated on the check and also in the check register.

Credit cards, prepaid cards, and/or other electronic transactions (Zelle, PayPal, etc.) are authorized with established appropriate internal control procedures and approval of the Board.

## **A. Financial Records**

The Treasurer and Financial Secretary must maintain monthly financial records. These financial records shall include as a minimum, the following:

- Remittance Report
- Monthly Treasurer Reports showing Activity and Balances.
- Bank Reconciliation Reports
- Comparisons of Budget to Actual Expenditures

The monthly financial secretary and treasurer's report is presented to the SAIEF board.

## **B. Responsibilities of the Financial Secretary**

- The Financial Secretary shall provide a receipt for all income directly received, recording such information in a pre-numbered duplicate receipt book. Information recorded shall include payee and purpose of payment, date received and payment amount. The original copy is given to the individual from whom the money is received. The duplicate copy remains in the receipt book for the Board record and audit purposes. For electronic receipts, (Looking into Zelle AP for automated reports)

- The Financial Secretary must make written monthly summary financial reports to the board of all receipts and any returned checks during the month. She must maintain a Remittance Report.
- The revenue as shown in the duplicate receipt book should agree with the revenue in Remittance Report that is maintained by the Financial Secretary.
- The Financial Secretary shall maintain a Remittance Report, which summarizes the amount of monies given to the Treasurer. This report should be signed and dated by both the Financial Secretary and the Treasurer.
- The Financial Secretary is not involved with the disbursement of funds; i.e. she does not sign vouchers or checks.
- If the bank does not honor a check that was included in a deposit, it should be shown as an expenditure on the next Financial Report. If the check is subsequently deposited, it must be shown as revenue once again. A returned check fee based on the bank's NSF fee charge will be charged for all checks submitted to SAIEF that are returned by a financial institution. Funds for the amount of the original check plus the fee must be remitted to SAIEF in the form of a money order, cashier's check or certified check. The Financial Secretary is responsible for collecting payment for returned checks, including the returned check fee.

### **C. Responsibilities of the Treasurer**

- The Treasurer shall provide monthly written financial reports to the Board that include revenue received, expenditures by category, and beginning and ending bank balances.
- The Treasurer must maintain a check register spreadsheet for each account and keep it current, showing deposits, the amounts of checks written against the checking account, and the new balance after each transaction. If the bank does not honor a check that was included in a deposit, the balance should be reduced; if the check is re-deposited, the balance should again be increased. (Bank charges do not apply as SAIEF is a 501(c)3.)
- The Treasurer shall also maintain for each account Bank Reconciliation Reports, Disbursement Reports, and Comparison of Budget to Actual Expenditures Reports. She must also maintain in her records Disbursements Journal that includes the year-to-date expenditures, classified by purpose.
- All deposits shall be made in a timely manner, 5-7 business days of receipt from the Financial Secretary. The Treasurer shall keep copies of all Remittance of Funds Reports received from the Financial Secretary. Totals on the Remittance of Funds Reports shall match bank deposits.
- The Treasurer should ensure that funding is available in the respective line items and that voucher requirements stated in Section III B. above are being followed. To help safeguard the assets of the Board, all disbursements should be made by check.
- The Treasurer shall provide bi-annual Financial Reports to Alpha Tau Omega Chapter on the ATO Programs account during the bi-annual meetings. These reports

shall include revenue received, expenditures by category, and beginning and ending bank balances.

#### **IV. Budget**

A budget is an itemized listing of expected revenues (income) and expenditures for the fiscal year.

➤ **Who Prepares the Budget?**

The SAIEF budget is developed by the SAIEF Operations budget committee for the upcoming fiscal year. The Treasurer generally serves as the Budget Chairman. The SAIEF budget should be presented to the board for review and approval during the October board meeting.

➤ **When Should the ATΩ Budget be Prepared?**

The budget should be prepared prior to the beginning of the Board fiscal year. Alpha Tau Omega Budget Committee will be responsible for preparing the chapter's program budget which will be managed by the SAIEF Board. It will be presented in October and voted on in November.

➤ **Budget Control**

- Money may be spent on budgeted items if a signed voucher by the committee chairman and co-chair and the funds are available in the committee's budget.  
Once a budget has been approved, a voucher should be prepared by the individual designated to do so.
- All expenditures, including advances, must be supported by invoices, original receipts or supporting documents and attached to an approved voucher to substantiate payment (Requester and committee chairman should maintain a copy of receipts). All expenditures should be submitted to the SAIEF Treasurer no later than 30 (thirty) days after the event/program. NO expenditures submitted after 30 (thirty) days will be honored/completed for reimbursement. All December expenditures must be submitted before December 15th for reimbursement (NO EXCEPTIONS).
- Petty cash funds are prohibited.

#### **V. Taxes**

**A. Tax Exemption**

- The San Antonio Ivy Educational Fund, Inc. (SAIEF) operates in accordance with the tax-exempt purpose of Section 501(c)(3) of the Internal Revenue Service Code; therefore, donations and contributions to the SAIEF are tax deductible for members and donors.
- Thank you/Donation Letters will be distributed by the Financial Secretary and signed by the SAIEF Board President for donations and contributions.

**B. Employer Identification Number (EIN)**

The SAIEF Treasurer will maintain the employer identification number (EIN), which will only be given to businesses/corporations for purchases over \$200.00.

**VI. Bonding, Internal Controls and Auditing**

**A. Bonding**

All SAIEF Board members will be bonded.

- Bonds will cover positions and not individuals, i.e. blanket bond.
- The SAIEF president and treasurer will review bonding coverage annually when the bond is renewed to ensure the board coverage is adequate.
- A copy of the coverage will be maintained by the SAIEF President and Treasurer.

**B. Internal Controls**

SAIEF has developed and implemented internal controls, as outlined within, to safeguard assets.

**C. Audits**

The financial records of the SAIEF Board must be audited internally on an annual basis by the SAIEF Audit Committee and a written report made to the Board and to the Chapter.

Members of the SAIEF Audit Committee must be independent from the daily financial operations of the Board. (May not include the SAIEF Financial Secretary or the SAIEF Treasurer).

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