

Olathe Chamber of Commerce

Financial Policies & Procedures Handbook

Approved July 24, 2007

BASIC POLICY STATEMENT

The Olathe Chamber of Commerce is committed to responsible financial management. The entire organization including the board of directors, administrators, and staff will work together to make certain that all financial matters of the organization are addressed with care, integrity, and in the best interest of the Chamber.

The policy and procedural guidelines contained in this handbook are designed to:

1. Protect the assets of the Chamber;
2. Ensure the maintenance of accurate records of the Chamber's financial activities;
3. Provide a framework of operating standards and behavioral expectations; and,
4. Ensure compliance with federal, state, and local legal and reporting requirements.

The Chamber president has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Exceptions to written policies may only be made with the prior approval of the Finance Committee. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years.

Every Director and every Administrator with financial related responsibility is expected to be familiar with and operate within the parameters of these policies and guidelines.

Adopted by the Olathe Chamber of Commerce Board of Directors July 24, 2007.

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Adopted by the Olathe Chamber of Commerce Board of Directors

_____, 2007.

LINE OF AUTHORITY

Board of Directors

has the authority to execute any policies it deems to be in the best interest of the organization within the parameters of the organization's articles of incorporation, bylaws, or federal, state, and local law. The Board of Directors, in compliance with Chamber bylaws and the Chamber's contract with the City, shall arrange an annual audit of the financial statements of the Chamber by an independent certified public accountant.

Executive Committee

has responsibility for business in the interim between meetings of the Board of Directors. It shall supervise and attend to fiscal matters of the Chamber and may refer matters to a proper committee or to the Board of Directors.

Treasurer and The Finance Committee

have the authority to perform regular, in-depth reviews of the organization's financial activity; oversee the development of the annual budget; determine the allocation of investment deposits.

President

has the authority to make spending decisions within the parameters of the approved budget; employ and terminate personnel; determine salary levels; create and amend operating procedures and controls; make decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority; enter into contractual agreements within board designated parameters.

Vice President, Finance

has whatever authority as may be designated by the President -- such as, the authority to design the organization's accounting system; make spending decisions within the parameters of the approved budget; make fixed asset purchase decisions within a certain dollar amount; make decisions regarding the allocation of expenses.

Vice Presidents, Department and Program Directors, or Managers

have whatever authority as may be designated by the President -- such as, the authority to make spending decisions within the parameters of the approved department or program budget.

Indemnity Policy

The Chamber shall purchase and maintain insurance on behalf of any person who is serving at the request of the Chamber, as a Director, Officer, Employee, Agent, Staff Volunteer or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such.

Investment Policy

Only cash necessary to meet anticipated day-to-day expenditures, plus a reasonable cushion for emergencies shall be kept available. Any excess cash shall be invested in a liquid, income-producing instrument or account as approved by the Board of Directors. The investment objectives of the Olathe Chamber of Commerce, in order of importance, shall be the safety of principal, liquidity, and a competitive rate of return.

General Investment Guidelines

The Finance Committee shall have primary responsibility for the administration of the investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s).

Delegation of Responsibility

- Should include internal groups/individuals, i.e., Board of Directors, Treasurer, Finance Committee, and may include staff.
- Should also include external groups such as investment managers, bank custodians and investment consultants.

Reserve Policy

The Chamber of Commerce recognizes that it relies on revenue sources which may be variable beyond its control, but provides services that must be consistently delivered. In order to ensure continuity of the Chamber's function in all departments, the Chamber will maintain a board restricted reserve for each department. The reserve shall be reflected on the Chamber's balance sheet as a long-term asset and shall be accessible only for extraordinary circumstances upon approval by a majority of the Chamber's Board of Directors or the unanimous concurrence of its Executive Committee.

As a target, the Chamber will budget one month's average revenue to be transferred to board restricted reserve for each Chamber Operations, the Economic Development Department and the Convention and Visitors Bureau. Actual transfer to reserve will be made after year end by action of the Chamber's Board of Directors.

Based on the potential for emergency needs, the target accumulation for each board restricted reserve fund will be the average revenue for the department for one calendar quarter.

Policy for Services Provided by Members

The Olathe Chamber of Commerce receives a broad variety of services from its members. These include liability insurance, health insurance, banking services, payroll services, office equipment and others. It will be the responsibility of Chamber staff to obtain these and similar services at the most effective cost. It is recognized, however, that a formal request for proposal is not always warranted.

When a Chamber officer, director or staff member is notified that a specific Chamber service is provided and can be provided competitively by a member who is not providing the service to the Chamber, a request for proposal for that service will be issued to all members who are providers of that service sufficiently in advance of the next renewal date of the service to permit competitive bidding for the service. A request for proposal may also be issued any time that the Chamber President or a member of the Chamber's Executive Committee believes that competition among members may improve the cost of the service.

Involvement with Community Events

Because the Olathe Chamber of Commerce receives hundreds of requests to support, publicize, and help organize a variety of community events, the following policies shall govern Chamber responses to such requests. The policies are designed to help ensure careful consideration in the face of finite Chamber resources and to provide a basis for fairly assessing each request.

- **Priorities**

When a commitment is made to support a community event at some level, priority will be given to those events that complement the mission of the Chamber. Specifically, priority will be given to events that attract significant numbers of visitors to Olathe and are not aimed primarily at residents. The Chamber recognizes the worth of both types of events but will be more likely to support those that generate visits, in keeping with the functions of its Convention and Visitors Bureau.

Priority will also be given to events and programs sponsored by the Chamber's community partners. Nevertheless, given the large number of these activities, the Chamber will not be able to participate in all of these events and programs of its partners, even though the Chamber recognizes their value.

- **Financial Support**

Because the Chamber has limited resources, it should not be assumed by any civic organization or group that the Chamber has funds designated or automatically budgeted for investment in events outside of Chamber functions. (An exception would be NAIA and other championships or events for which such investment is provided by contract). Assistance provided by the Olathe Chamber of Commerce ordinarily will be in the form of in-kind services, such as assistance in promoting and publicizing an event rather than donating funds that otherwise would support the mission of the Chamber. If such in-kind services are provided, the Chamber should be listed as a contributing sponsor of the event.

- **Staff Support**

While the Chamber recognizes the importance of volunteerism and is itself dependent on volunteers to fulfill its mission, Chamber staff are unable to honor all requests for their participation on planning and fundraising committees and boards associated with community events and activities. If staff are obligated to attend unlimited numbers of outside meetings unrelated specifically to Chamber business, they are less able to further the mission of the Chamber. At the same time, the Chamber can not always provide sufficient staff to man a booth at community events unless the event is very specifically tied to the Chamber's mission.

- **Chamber Sponsorships**

Given its limited resources to invest in outside events, programs, and activities, the Chamber must be selective in agreeing to sponsorships. Priorities as indicated above will rule decisions of this type. Once the Chamber has agreed to sponsor a specific event or activity, the Chamber should be listed as among sponsors but not made to appear as though it is hosting or planning the event. This policy is especially important when the Chamber has no control over the quality of the event or activity. Signed permission must be obtained from the Chamber for the use of its logo in connection with sponsorships.

Approved by Board June 2006

Criteria for Endorsements and Affinity Programs

The following is a description of criteria set by the Board of Directors of the Olathe Chamber of Commerce for affinity programs. To make this process as systematic as possible, the Chamber, its staff and volunteers follow the described set of criteria to begin negotiations with vendors before establishing a new affinity program.

1. Chamber's mission.

- The proposed program supports the Chamber's vision that it is the voice that advances the economic well being and quality of life in the Olathe community.
- The program helps to attract and retain Chamber members.
- The applicant or program sponsor is a member of the Olathe Chamber of Commerce.
- The proposal fits or complements and does not overlap current product offerings.
- The program presents tangible economic benefit for Chamber members.

2. Eligibility.

- A company proposing an affinity program to the Olathe Chamber must be an active member and in good standing for at least one year.

3. Revenue stream.

- The proposal includes a realistic revenue projection against which this component of the program can be measured.
- The program compensates the Chamber for intangible expenses, including staff time, postage, marketing, etc.
- The program provides a positive cash flow of at least \$5,000.00 annually to the Chamber or added value to Chamber members that supports a lower revenue marketing potential.

4. Local competition.

- The program provides a valid opportunity for the Chamber and its members without placing the Chamber as endorser or program sponsor in competition with its members.
- To the extent that aspects of the program compete with Chamber members, the program has unique features that cannot be found at the local level.
- The vendor's method of sales does not negatively impact the Chamber's product sales.
- The vendor's product sales will not detract from current Chamber products or member investments.

5. Marketing and customer service.

- The vendor does not rely on Chamber staff for marketing and customer service.
- The vendor has processes and procedures in place to ensure good customer relationships that reflect positively on the Chamber.
- The vendor has a proven business track record reflected in reliable letters of reference.
- If the vendor is a middleman, the organization providing the product has a proven business record reflected by reliable letters of reference.
- If a new company, the vendors, employees and managers have a history of reliability with respect to proposed product.
- The vendor has provided as a part of the application proof of its legal organizational structure.

6. Product timeline.

- The proposal adequately describes the expected life cycle of the product and anticipated market behavior, including the projection of a certain number of early adopters, before the product would be accepted by general membership.
- The proposal defines specific goals of the product upon which a continued relationship with the Chamber will be based.
- The proposal contains measurable indicators of program success.
- The program is terminable on a specific date consistent with the nature of the product and the marketing plan and may be terminated for cause at any time for failure to meet projections or for any other cause detrimental to the Chamber or its image.
- The program does not require an exclusive relationship with the Chamber in the absence of extraordinary circumstances.

Each proposed affinity program will be reviewed in comparison to the above guidelines by a task force appointed for that purpose. Any affinity program must be approved by the Chamber's Board of Directors after consideration by a task force and the Executive Committee.

Adopted by the Board of Directors of the Olathe Chamber of Commerce on December 18, 2001.

FINANCIAL CONTROLS AND OPERATING PROCEDURES

Operating Procedures

The Vice President of Finance will also function as Accountant with primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other staff as designated. Monthly reports shall be made to the President covering, at a minimum, receipts, disbursements, receivables, and payables.

The Vice President of Finance will be required to include detailed budget comparisons in monthly financial reports to the Treasurer and the Executive Committee. Standard journal entries shall be reviewed by the Vice President of Finance for reasonableness and posted to the general ledger. (Non-standard journal entries are to be reviewed by the auditor).

The Finance Committee will be required to provide quarterly budget reviews and annual reviews of the adequacy of insurance coverage.

The Board of Directors will be required to secure an independent audit annually.

Separation of Duties

Within the Chamber's financial management and reporting system, a number of checks and balances have been established. Given the small size of the Chamber staff, there are limitations in our ability to provide a complete separation of duties and responsibilities. We believe, however, that through the combination of a sound accounting system, regular oversight by management, the Executive Committee, the Board of Directors and the following policies, we can achieve sufficient separation of duties and responsibilities.

- The check signer(s) must not be the person who writes checks or who does the bookkeeping.
- Bank statements are reconciled by someone other than the check signer or writer.
- Deposit documentation and reconciliations are prepared by a person other than the one recording the receipts.

Financial Reporting

- Annual budgets are prepared by the President and Vice President of Finance and approved by the Board.
- Budgets are reviewed quarterly by the Finance Committee and may be adjusted as necessary to reflect changing conditions.
- A Chart of Accounts is available and used to code receipts and disbursements to the proper accounts.
- Non-standard journal entries are discussed with the CPA to ensure proper accounting treatment.
- Detailed Financial Reports are provided to the Treasurer and Executive Committee within 30 days of the close of each month.
- Summary Financial Reports are provided to the Board of Directors at each Board meeting.
- Reference explanations for any material budget variances are provided for the above referenced reports.
- Annual audits will be conducted by an independent CPA at the close of each fiscal year. Copies of these reports will be made available to the Board of Directors.
- The Fiscal Period for the organization shall be January 1 to December 31.

Safeguarding Assets

- The President shall have primary responsibility for ensuring that proper financial management procedures are maintained and that the policies of the Board are carried out.
- The Finance Committee shall provide fiscal oversight in the safeguarding of the assets of the Chamber and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all financial records.
- Actual income and expenditures will be compared to the budget on a monthly basis.

- The Chamber will maintain a bank balance sufficient for its immediate operating needs.
- All excess cash will be kept in an interest bearing account.
- Bank statements are promptly reconciled on a monthly basis.
- Documents on all securities and fixed assets will be kept in a locked file. Inventory records will contain description, serial numbers (if applicable), date of purchase or receipt, valuation, and date of valuation.
- Appropriate insurance for all assets will be maintained.

Fixed Assets

Asset expenditures of \$500.00 or more, either a new purchase or an addition to an existing asset which increases its life, shall be reflected on a schedule of fixed assets and depreciated over an appropriate useful life.

Assets with long-term use will be depreciated straight line over time with a full year of depreciation taken in the year of acquisition, based on the following schedule:

- Furniture and office equipment.....5 years
- Computer software.....3 years
- Computer hardware.....3 years
- Leasehold Improvements.....Life of lease, or 10 years, whichever is less

Payroll Controls

- Personnel files are to be maintained at organization's site for all employees. Changes in payroll data (i.e., pay changes) are approved by the President before files are updated.
- The Vice President of Finance shall maintain payroll records to determine: who will be paid, in what amounts, for what time periods, the allocation of labor charges between each department, and the dollar amount to be charged each for direct labor. The President shall assist in the determination of direct and indirect costs.
- An outside payroll processing firm will be used to process the payroll. The Vice President of Finance notifies the payroll service of any changes to the payroll master file. The payroll service generates the payroll register, payroll checks and tax deposit checks, and sends them to the Vice President of Finance. The Vice

President of Finance reviews the payroll register for proper processing of amounts.

- The payroll and tax deposit records are made available for review by the President.

Computer Controls

- The Vice President of Finance is responsible for inputting the financial data into the computer for generating financial reports. Only the Vice President of Finance and the Vice President of Technology will have access to the password required to log onto the system.
- Detailed printouts of cash receipts and cash disbursements are to be obtained. The Vice President of Finance is responsible for comparing the detailed printouts to source documents for accuracy.
- All subsidiary account balances are reconciled to the control accounts monthly.
- A trial balance on the general ledger totals should be obtained and compared to detailed reports for accuracy of balances.

Disbursements

- The President has (a) expenditure approval up to the parameters set by the annual operating budget as approved by the Board, and (b) single signature authority up to and including \$2,000. The deliberate splitting of vouchers or invoices which have the sole purpose or effect of meeting the parameters of this authority is expressly prohibited.
- The President's personal expense reimbursement items must be approved by a Board member (preferably the Treasurer) having check signing authority.
- Expenditure requests will be initiated in writing and approved within specified authority by the President.
- The President approves check requests after comparing to supporting documentation. The Vice President of Finance prints the pre-numbered checks only with approved requests. The unsigned check, support and request are presented to authorized check signers for their signatures (information on checks is compared to support for accuracy).
- Two signatures are required on all organizational checks over \$2,000. The President's personal expense checks require one signature of a Board member, regardless of amount.
- All disbursements, except petty cash, are made by check and are accompanied by substantiating documentation.
- All checks are pre-numbered and accounted for monthly.
- The checks print in three (3) parts:
 - * The check and one stub showing remittance advice is sent out for payment.
 - * The second stub is filed by vendor, with supporting documentation attached.
- All voided checks must be defaced and retained numerically, either in a file or with canceled checks.
- No checks may be written to "cash" or "bearer", except to obtain startup cash for a specific event. The event name must be specified in the payee field with full documentation of purpose attached.
- Blank checks are stored in a locked drawer.
- The receptionist is responsible for invoices and check requests being filed in the appropriate vendor file once they have been paid.

- An "imprest" petty cash account is used. The amount of the petty cash account is \$200.
- Vouchers are required for all petty cash disbursements. The petty cash fund is reconciled (beginning amount less voucher amounts) before the fund is replenished. Checks are written only after an approved check request has been presented.
- The President and one of four Board members are the two signatures which are required on all checks over approved limits. If the President is absent, two Board members' signatures are required, or one Board member and one executive staff member.
- Blank checks may never be signed in advance.

Receipts

- Two copies of all receipts are made; one for deposit file documentation and one for source file documentation (i.e., posting to the database and/or general ledger).
- All checks are stamped with "Deposit only" stamp immediately upon receipt.
- The receptionist will be responsible for preparing the documentation on receipts for deposits and will be responsible for making daily deposits.
- Copies of all receipts are given to the Vice President of Finance, who posts the detailed cash listing to the accounts receivable system or general ledger (amount, date received, account number, etc.)
- A summary listing is compared to the receptionist's deposit listing to ensure all postings equal amounts deposited.
- A copy of the deposit receipt from the bank is compared and attached to the corresponding receipt copies and cash listing.

Credit Card Receipts

The Chamber receives credit card payments for membership investments, sponsorships, event payments and other purposes. All credit card information is delivered to the staff assistant upon receipt. The staff assistant prepares a compilation of credit card payments which is delivered, along with all credit card information, to the Vice President of Finance. The database and other accounting records are updated from the compilation and attached credit card information. This information may be maintained for a reasonable period of time by the Vice President of Finance and shall be secure when not attended. Periodically, all credit card information will be destroyed by shredding. No member credit card information will be maintained in the Chamber office or by Chamber employees after delivery to the staff assistant.

Staff Expense Allocation

The policy of the organization is to charge employee administrative expense to events and projects that are undertaken by the Chamber. While the factoring in of staff time should be reviewed as part of the overall cost of an event, it should not be the sole deciding factor on whether or not an event or project is undertaken. Computation of staff cost per hour will be reviewed periodically and will include, but is not limited to, the following elements:

- Salaries

- Insurance
- Payroll tax
- Retirement benefits
- Workers compensation insurance

Time allocated to events will be submitted to accounting for inclusion in payroll/event cost reports.

ACCOUNTING PROCEDURES MANUAL

Billings and Receivables

- All membership dues are reviewed and established as a first step in the budgeting process then approved by the board of directors.
- All billings for services or goods are approved in advance by authorized personnel and submitted in writing to the Vice President of Finance.
- The Vice President of Finance prepares all billings and invoices on a timely basis. Membership billings are prepared 30 days prior to the anniversary date. Current billings, along with past due invoices, are submitted to the Vice President of Membership Services for review prior to mailing.
- The Vice President of Finance records a summary of all billing/invoice activities in the general ledger as part of the month-end closing process.
- The Vice President of Finance reconciles the accounts receivable ledger to the general ledger on a monthly basis.
- The Vice President of Finance prepares a status report on all outstanding receivables, on a monthly basis, and submits the report to the President, Treasurer, and Board of Directors.
- The Vice President of Finance initiates collection procedures on all invoices older than 30 days.

New Members.

The Vice President of Membership Services generates a membership application form and gives the application with payment to the receptionist. The receptionist will enter the new member into the system. A verification form is printed and forwarded to the new member to verify the accuracy of the information. A copy of the application is attached to the check log along with payment documentation.

Membership Drive.

The Vice President of Membership Services is responsible for collecting all payments and membership applications for new members. Information will be verified and forwarded, along with payment, to the staff assistant who is responsible for creating the check log. The staff assistant will set up the new member from the application and print a verification form to fax to the new member. Credit card payments will be transmitted immediately upon receipt of the verified application, and a receipt sent to the member.

All payments received from new members are added to the check log for that day and forwarded to the Vice President of Finance, along with the remittance advices and new member applications.

Renewals.

Dues invoices are prepared the first week of each month and given to the membership director for review before they are mailed to members. These invoices are for the following month's dues.

Past Due Accounts.

Immediately after the cash receipts are posted from the last check log of the month, invoices for all past due accounts are generated and passed on to the membership and program directors for review before they are mailed. All membership accounts 90 days past due are cancelled.

Cancellations.

Prior to the monthly board of directors meeting, an updated 60- and 90-day list of delinquent members is generated and presented to the board for approval of the cancellation of members who are 90 days past due.

When a member requests cancellation of membership (usually soon after receiving a renewal invoice), the 90-day period is escalated, and cancellation is immediate. The reason for escalation is to prevent sending additional invoices after the member has requested cancellation. The membership director receives a copy of any correspondence requesting cancellation in order to follow up with the member.

Database Changes.

All database changes will be forwarded to the Vice President of Finance (or the assistant) *in writing*. A member profile sheet from the membership database can be used for this purpose. The profile sheet is then kept as documentation of the change.

Programs/Events.

Registration may be accomplished by using pre-printed forms, by telephone, by receipt of payment, or by on-line registration. Generally, the staff assistant will receive the registration form first. If payment is by credit card, the information should be transmitted immediately and noted in the list of attendees. A copy of the registration, along with payment information will be attached to the check log, which is sent to the Vice President of Finance. A copy of the check log will be sent to the program director.

If reservations taken by telephone, staff should always obtain the following information:

- Company name
- Telephone number
- Number of attendees
- Names of attendees (if available)
- Payment information

Generally, Chamber events are pre-paid. If an attendee makes a reservation but does not make immediate payment, the staff assistant should advise the Vice President of Finance to ensure that all expected revenue is recorded properly.

Sponsorships.

Upon confirmation of the sale of a sponsorship, either single or a sponsorship package, a billing request should be submitted to the Vice President of Finance to ensure proper recording of the receivable. A copy of the proposal should be forwarded to the staff assistant. When payment is received, the staff assistant should include a copy of the proposal with the payment information, which is attached to the check log. A copy of the check log will be sent to the sales person.

Requests for Billing.

To request special billings for members and non-members, use the Request for Billing form located at H:\Data\Forms. The completed form is forwarded to the Vice President of Finance for processing.

Cash Receipts

- All checks and cash receipts received through the mail are restrictively endorsed immediately by The receptionist and recorded in the cash receipts register (check log), listing the date received, payor, check number, and amount received.
- The receptionist will make a copy of each cash receipt, and attach all copies to the check log.
- This daily check log is distributed to all department managers. This process notifies all concerned persons of monies they may be expecting.
- The receptionist shall prepare the bank deposit daily, attaching a copy of the deposit receipt to the cash receipts copies, and forwarding the entire package to the Vice President of Finance.
- The Vice President of Finance shall code all cash receipts according to the chart of accounts, and record in the database and general ledger. The Vice President of Finance then prepares a deposit summary sheet, comparing totals to the check log. The summary sheet is then attached to the check log and the bank deposit confirmation slip.
- The Vice President of Finance updates the cash receipts worksheet, using the cash receipts summary sheet.
- The Vice President of Finance posts the cash receipts journal to the general ledger on a timely basis.
- If no deposit is made, a check log is printed for that day, indicating "No Deposit" and forwarded to the Vice President of Finance.

Credit Card Receipts

The Chamber accepts the following credit cards in payment of membership investments, sponsorships, event payments, and other services.

- American Express (3******)
- Visa (4******)
- MasterCard (5******)
- Discovery (6******)

The following information must be obtained from the cardholder:

- Card Type
- Name on card
- Card number (10 digits)
- Security (CVVS) code (3 digits)
- Expiration date
- Address of cardholder
- Telephone number of cardholder

Payroll

- All personnel salaries/wage rates are authorized by the President and/or the Board of Directors. All changes in employment are likewise authorized by the President and/or the Board of Directors.
- The Vice President of Finance maintains all personnel records and monitors the usage of vacation and sick time.
- Each supervisor reviews and approves all time and attendance records for their employees. The approved time records are submitted to the President for final approval.
- The Vice President of Finance shall prepare the payroll, using the approved time records and salary/wage rates for each employee, using a third-party payroll service. All payroll expenses are recorded in the general ledger by the Vice President of Finance.
- Once the payroll service returns the pre-signed checks, the Vice President of Finance distributes the payroll to all employees. The payroll checks and payroll register are available at all times for review by the President.
- All payroll tax deposits are prepared at the time payroll is prepared. The payroll service is responsible for payroll tax deposits and automatically withdraws the appropriate funds from the Chamber's operating account.

Bank Reconciliations

- The Vice President of Finance shall maintain a record of all bank transactions, listing all checks disbursed and all receipts deposited on a daily basis.
- On a monthly basis, the receptionist will reconcile the bank statements to the general ledger cash accounts, and notify the Vice President of Finance of any discrepancies.
- The Vice President of Finance will resolve all discrepancies with the assistance of the receptionist and the bank, if necessary.
- The Vice President of Finance will adjust the general ledger as needed.

Accounts Payable

- All invoices received are stamped with the date received by the receptionist and are directed to the Vice President of Finance.
- The Vice President of Finance obtains approval of all invoices and expenditures by authorized personnel. Approved invoices should be returned to the Vice President of Finance *immediately*.
- The account records all invoices in the accounts payable system upon receipt, and places the invoices in the unpaid open invoice file.
- All invoices from unfamiliar or unusual vendors must be reviewed by the President for approval.
- The accounts payable ledger is reconciled with the general ledger by the Vice President of Finance on a monthly basis.
- Standard payment terms are net 30 days. Any agreement with a supplier contrary to standard terms must first be discussed with the Vice President of Finance.
- New vendors will be set up in the accounting system and sent a request for tax pay payer information (Form W-9).
- Contact information on non-member vendors will be forwarded to the Vice President of Membership Services.

Disbursements

Vendor Invoices.

- The Vice President of Finance prepares all checks for the approved expenditures, using pre-numbered checks.
- The checks, with support documentation (approved invoices, check requests), are forwarded to the President. The President reviews all checks and supporting documentation prior to signing checks. Any check for amounts over \$2,000 need two signatures. The Vice President of Finance, or assistant, will be responsible for obtaining the second signature from an authorized signer.
- After the checks are signed, the Vice President of Finance checks the documentation against the signed check before mailing. The check copies and supporting documentation is then submitted to the receptionist for filing in the

vendor file. The receptionist is responsible for mailing all checks.

- The receptionist will file the check stub, with supporting documentation attached, by vendor, in alphabetical order.

Staff Expense Reimbursements.

Requests for reimbursement of allowable expenses are turned in to the Vice President of Finance immediately following the last working day of the month. Requests for reimbursement must be accompanied by documentation of mileage and/or original receipts for purchases. Reimbursements must be approved by the appropriate manager. All reimbursements will be reviewed by the Vice President of Finance and approved by the President. Reimbursement of the President's expenses will be reviewed and approved monthly by the Treasurer.

Operating Expenses.

Occasionally, a check is issued when there is no actual invoice (example: registrations or point-of-sale purchases, deposits or volunteer reimbursements). To request payment, use the Disbursement form located at H:\Data\Forms. Include a complete description of the payment, along with any special instructions, and give it to the Vice President of Finance. You should allow two weeks for processing.

Startup Funds.

When cash is needed for an event, use the Startup form located at H:\Data\Forms. Include the name/date of the event along with any special instructions. Startup funds should be requested several days in advance of the event to allow time for processing.

Credit Cards.

Credit cards are issued to certain staff members for purchases of low dollar value merchandise and services. While credit cards eliminate the cost of processing invoices and drafting checks for each vendor, they also create a corporate liability. For that reason, credit cards are used only for Chamber purposes and are subject to strict cardholder purchasing controls:

- The bank should accept requests to issue credit cards and set cardholder limits only from an authorized signer.
- In order to keep to a minimum the number of cards issued, the need for a credit card should be justified in writing and submitted to an authorized signer.
- The person whose name appears on a card is responsible for protecting that card and is accountable for all purchases made using that card number. The Chamber assigns specific credit limits for each cardholder. Total monthly charges should stay within these limits. Any deviation must be pre-approved by the President.
- Documentation must provide the Vice President of Finance with enough detail to allow verification of all charges on the statement; such as an itemized sales

receipt, pricing/billing information on a document that accompanies the shipment of items. On-line purchases must have a detailed print-out of the purchase. All credit card billings will be reviewed by the Vice President of Finance and approved by the President. The President's credit card expenses will be reviewed and approved monthly by the Treasurer.

- The use of a credit card must be appropriate. A cardholder or unauthorized individual who makes an improper purchase with a card will be responsible for payment of the charge. Improper use of a card by an employee, including no documentation of purchases, is grounds for disciplinary action and may result in cancellation of the individual's card.
- Under no circumstances may cash advances be used on company issued credit cards. Nor should a Chamber employee ever use a company issued credit card to purchase fixed assets (equipment costing \$500 or more).
- Routine charges made for pre-approved luncheons, trips, (including airline, hotel and meals), registration, supplies or online purchasing of goods or services are permitted. When in doubt regarding proper usage, ask the president.
- Entertainment should be limited to key volunteers, special guests, and/or related to a Chamber event or program. When paying for lunches, documentation should include who attended, the purpose and the appropriate account code.
- Credit card bills are expected to be paid in a timely manner in order to avoid late fees and finance charges. To allow time for processing, all credit card purchase receipts will be turned in to the Vice President of Finance within one week after incurring the expense. If all receipts are not on hand when the billing arrives, the Vice President of Finance will notify staff and provide a response date for documentation of expenses. Failure to provide a receipt will result in revocation of credit card privileges and a charge back to the cardholder.

Petty Cash Disbursements.

Expenses paid from petty cash must be supported by receipts, which should contain the following information:

- Date of payment
- Signature indicating receipt of funds
- Cash register receipt or handwritten receipt on which the word "Paid" appears
- Amount paid
- Description of expenditure

The total disbursements plus the cash on hand must equal the specified amount of the petty cash fund at all times. The receptionist will reconcile the petty cash fund as needed and will submit a check request for reimbursement of the petty cash fund to the account.

All petty cash vouchers used must be attached to the check request as supporting documentation.

Authorized Purchasers.

Only designated Chamber staff members are authorized to make purchases on behalf of the Chamber. Volunteers should direct requests for such expenditures to the Chamber. A Chamber staff member will handle all purchases, subject to budgetary constraints.

BUSINESS RECORD RETENTION SCHEDULE

ACCOUNTING AND FISCAL CORPORATE

Accounts Payable Records	5	Financial Statements	P
Accounts Receivables Records	5	Fixed Assets Records	P
Annual Reports	P	General Ledgers	P
Audit Reports	P	Insurance Policies (After expiration)	5
Audit Reports (Internal)	3	Inventories	7
Bank Statements & Reconciliations	3	Invoices	7
Bonds	P	Journals/Cash Books	7
Budgets	3	Leases (After Expiration)	6
Canceled Checks	7	Legal Briefs	P
Check Registers	P	Licenses	P
Contracts (After Expiration)	7	Merger Acquisition Records	P
Copyrights	P	Minutes	P
Correspondence (General)	3	Office Equipment Records	6
Correspondence (Legal)	P	Patents	P
Deposit Slip Duplicates	2	Profit & Loss Statements	P
Expense Analysis & Distribution Schedules	7	Property Records	P
		Trademark Records	P

PERSONNEL

Annuity or Deferred Payment Plan	P
Contracts (After Termination)	5
Earnings Records	6
Employee Personnel Files	3
Employee Withholding Statements	7
Employment Applications	5
Insurance Records	P
Payroll Records	5
Retirement & Pension Plans	P
Time Cards	2
Training Manuals	P
Travel Records	1

TAXATION

Depreciation Schedules	P
Tax Bills & Statements	P
Tax Returns & Work Papers	P

(Numerals indicate number of years records should be stored, P = Permanently)