

# **ARSI Financial Policies and Procedures**

**As of March 2023**

## **Purpose**

This document provides the Financial Policies and Procedures for ARSI. It is to be used with the following documents to effectively manage the ARSI financials.

- ARSI Calendar of Financial Events
- ARSI Financial Statement Guidelines
- ARSI Investment Policy
- ARSI Bylaws, Handbook, and Policies/Procedures Documents
- ARSI meet financials spreadsheet
- ARSI on-line checkbook
- ARSI QuickBooks

All these documents can be found on the ARSI Google Drive.

## **Receivables**

There are six primary activities that occur within ARSI that warrant receivables processing. The procedures for each are detailed below:

### **Registrations:**

USA Swimming registration fees are based on the athletes registering online with USA Swimming. USA Swimming pays ARSI for its portion of registration fees around the 10<sup>th</sup> of the following month in which the athletes register. The Treasurer creates an invoice in Quickbooks for this amount.

### **Sanctions:**

The ARSI Sanctions Chair approves the sanction and will advise the bookkeeper of meet. The bookkeeper will add the event to the Meet Financial spreadsheet and begin the meet revenue tracking/collections. The sanction fee is added to the total Meet Fees on the Meet Financial spreadsheet.

### **Swim Meets:**

After each sanctioned event, the team shall fill out the Post Meet Form no more than 7 days after the sanctioned event. The ARSI Bookkeeper will then charge the hosting team's credit card on file. If the team does not have a credit card on file, the team will submit a check to ARSI.

### **Zones:**

Swimmers who participated in the Zones meet pay a fee to participate in the event. The families can choose to pay online or via a check. If paid via check, the ARSI Zones Chair shall prepare and deposit all

checks received. The listing of online payors and the deposit record will be sent via email to the ARSI Treasurer who will then issue an invoice(s) for the meet registrations. The ARSI treasurer will then apply the payments in the deposit to the invoices and reconcile those recorded payments with the deposit. The Zones Chair issues a report with the number of attendees and their accounting is audited against the Quickbooks reports.

#### **Hall of Fame:**

Hall of Fame donors and/or attendees may choose to pay online or via check. If paid via check, the ARSI Hall of Fame Chair shall prepare and deposit all cash and checks received. The deposit record and report will be sent via email to the ARSI Treasurer who will then issue an invoice(s) for the tickets or donations included on the deposit or via online. The ARSI treasurer will then apply the payments in the deposit to the invoices and reconcile those recorded payments with the deposit. The HOF Chair issues a report with the number of attendees and donors and their accounting is audited against the Quickbooks reports.

#### **Miscellaneous Income:**

When a miscellaneous income transaction occurs, an email is generated by the accepting party and is sent to the Treasurer who creates an invoice in Quickbooks. The accepting party will deposit the funds and/or transfer to the General Chair who will deposit. The Treasurer applies the payment to the invoice when it comes through the bank.

#### **Insufficient Funds for Receivables:**

If checks written to ASI are returned due to NSF, the responsible party will be charged for the NSF and will still be held responsible for the original debt. If reclamation of the NSF fee does not happen, the fee goes to the account for which the revenue was to occur. This is done to motivate the committee chair to reclaim the lost revenue.

#### **Cash Handling for Receivables:**

If cash is accepted for any receivables event, the amount should be verified by the committee chair and an additional HOD member. An email will be sent to the Treasurer with the amount and the witnessing HOD member will be copied on the email.

All receivables are reconciled monthly with the bank statement and a reconciliation report is produced and retained in Quickbooks reporting.

#### **Payables/Expense Transactions**

There are several ARSI business operation activities that warrant Payables processing. All payables are reconciled each month with the bank and reports are generated and saved in the Quickbooks repository. These activities are broken down into four primary types:

#### **Reimbursement/Stipends/Recognitions**

These are payables where a check is written from an email notification from a committee chair. Specifically, the committee chair sends an email to the General Chair and the Treasurer denoting the checks to be written. The Treasurer writes the check and logs it into the On-line check register (google

drive) and the Bookkeeper posts the check to Quickbooks. The amounts given are based on the ARSI Handbook. These transactions consist of the following:

- Athlete Travel Payouts. The athlete's parents will submit the Athlete Travel Fund form. The senior chair will make sure the athlete competed in meet and approves eligibility for payment. The Treasurer will write the check out to the parents and mail out the checks.
- Coach of the Year Award. The Finance Chair generates the request for checks to be sent to the Coach of the Year award recipients based on the voting process around ARSI Long Course Meet.
- Officials Reimbursement. The Officials Chair generates the request for the checks to be sent to the teams for the officials non-athlete membership renewals and for their background checks.
- Registration Chair Stipend. The Registration Chair submits an email requesting their stipend as approved by the Fall HOD for the year.
- LSC Admin. The LSC Admin submits an email with weekly timesheets at the end of the month requesting payment for hours worked for that month.
- Zones Coach's fees/per diems. The Zones Chair generates the request for the checks to be sent to the Zones coaches.

#### **Vendor-generated invoices for services/materials ordered**

These are payables that a Committee Chair ordered for activities in their purview. The Committee Chair is responsible for ordering the items while managing their budget for their committee. The invoice for the items are sent to the Treasurer, Committee Chair, or the General Chair. The Treasurer writes the check and posts the copy of the receipt/invoice on the on-line check register. The Bookkeeper posts the check/payable to Quickbooks. These transactions happen in all of the committees, but primarily are for State meet awards, HOF dinner expenses, officials shirts, zones equipment such as towels, shirts, etc..

#### **Point of Sale Purchases via the Credit Card and/or personal committee chair payments**

ARSI has a credit card that is issued in the name of Arkansas Swimming and is used for approved purchases. The approval for usage is given at the Fall HOD to a Committee Chair to manage their purchase within their budget. However, the Committee Chair must contact the Treasurer to insure funds are available before the credit card is used. The debt limit on the card is \$2000 and may be waived for a purchase by the Admin Vice Chair in communication with the Issuing Bank. The Treasurer posts the debt in Quickbooks. The transactions primarily occurring via the credit card include Colorado Timing Equipment purchases, Zone and USA Swimming and Officials conferences where incidental expenses are compiled by a group of attendees, airline tickets for Zones/Conference attendees, large HOF vendor services (conference center, caterer).

At times, Committee Chairs or ARSI members use their own personal payment methods for purchasing items to be reimbursed by ARSI. These events are limited and discouraged. The purchase must be approved by the committee chair before occurring and the receipt must be sent to the committee chair, Treasurer, and General chair for payment. The Treasurer writes the check and posts it to the on-line check register. The Bookkeeper posts the debt to Quickbooks.

#### **Recurring Constant or Variable Payables directly from the Bank Account**

ARSI has three different drafts that automatically occur via the Bank Account:

- Monthly internet fee. This fee is deducted on the same date each month. It is a pre-approved amount that is constant. There is no warning of the withdrawal. A post is made in Quickbooks when the bank account is reconciled.
- Credit card usage fees. There is a monthly service fee to use this process via teamunify. It is a constant fee that posts without warning on the same date every month. A post is made in Quickbooks when the bank account is reconciled.
- Merchant service fees. These fees are generated when online payment is used to accept funds for ARSI primarily for zones or HOF. These are variable fees based on the size of payment received. Warning email to the Treasurer/pay pal user is given when fees are drafted. A post is made in Quickbooks when the bank account is reconciled.

### **General banking and check writing guidelines/policies**

Note: See the Investment Policy for the bank account and bond/money market account information.

Check signing: The Treasurer and the General Chair are authorized to sign checks for ARSI under the following constraints:

- Checks for amounts of \$5,000 or less shall require one authorized signature; checks for more than \$5,000 shall require two authorized signatures.
- In lieu of two signatures, email documentation may be utilized if it specifically states the amount and purpose of the check.
- Members with signing privileges on ARSI accounts should not write checks directly to themselves. If this cannot be avoided (i.e. the other signor is not available) then the Finance Chair, General Chair, or Treasurer will make a note of approval in the memo line with their signature.
- No checks should be made out to "Cash"
- Blank checks should not be written
- Pre-numbered checks should be used and used in sequence
- If a check needs to be voided or cancelled, the bank should be called and the check void/cancellation will occur. When possible, the party responsible for causing the void/stoppage (team or individual that lost a check), will incur the cost of the void/cancellation. If recovery of the cost is not possible, the charge will go into the "office" expense category with a memo line. As well, voided checks that cross fiscal periods will need to be denoted as to why balances don't reconcile.

### **Receipts:**

Reimbursements to Members for services (e.g. stipends for travel meet coaches) WILL NOT be provided until complete, accurate, and receipt documentation have been submitted to the ARSI Admin Vice Chair who will scan and attach to the ARSI google doc on-line check register.

- The specified documentation is a mandatory requirement and must be in the hands of the ARSI Admin Vice Chair no later than 60 calendar days after the completion of the event for which reimbursement is sought.

### **Bank Statements:**

The monthly bank statements will be sent directly from the bank to the ARSI Treasurer and Finance Chair.

### **Credit Card**

Credit Card will be issued in the name of Arkansas Swimming and held by the Treasurer, but may be used with approval by Committee Chairs. The card must be returned to the Treasurer within two weeks from the return of any event needing the card.

## **Financial Reports, Government Reporting, and Document Retention**

### **Monthly Reconciliation Reports**

The Bookkeeper will reconcile the bank account to the Quickbooks ledger each month and the resulting Reconciliation report will reside in the QB repository. The reports will be reviewed by the Finance Chair on a semi-annual basis.

### **Semi-Annual or as-needed Income Statements and Balance Sheets**

The Finance Chair will create the following reports for the HOD every April and September:

- Year-to-date financial income/expense statement.
- Year-to-date versus budget statement
- Year-to-date versus prior year-to-date statement
- Balance sheet showing current year versus previous years. This document shows the bank balance and the Investment account balance for ARSI. Raymond James reports provide the information for the latter.

The report data for the current year will be accessed from Quickbooks. The report will be transferred to an excel sheet that contains the repository for all previous years. The definition/characteristics of the income statement components can be seen on the Financial Statement Guidelines document. Current standings of the financials may be requested, as-needed, for a BOD meeting that falls outside of the semi-annual HOD meetings.

### **Annual Proposed and Finalized Budget**

The Finance chair will create a proposed budget for the Fall HOD meeting. During the meeting, modifications will be made and approved. The Finance Chair will then post the final Budget to the ARSI Google Drive.

### **Annual IRS Reporting and USA Swimming Reporting**

The following reports will be created for the IRS and USA Swimming for annual tax reporting:

- 1099 to any vendors. The Treasurer will generate 1099s to the vendors/government in January of every year. Previously, the only 1099s has been to the Registration Chair for their stipend for registrations and LSC Admin. Other vendors will need to be analyzed each December for 1099 eligibility.
- 990EZ IRS report – the Finance Chair will create the 990EZ and supporting tax forms to be submitted to the IRS by May 15 each year. If it is decided to change the ARSI accounting year to coincide with the ARSI Swim Year (8/31 to 8/31) the forms will be due to the IRS by January 15. The 990EZ form is based on ARSI's level of revenue. If this changes, other 990 forms may be needed. (990 is for non-profit organizations)
- USA Swimming Reports. The Finance Chair will send the following to USA Swimming each May
  - o A copy of the 990EZ forms
  - o The end-of-fiscal year income statement with the old and new budget
  - o The LSC Financial Assessment Program document. The template for this document is on the USA Swimming website.

### **Document Retention**

ARSI shall retain all financial reporting documents for a period of 7 years. The Finance Chair shall retain the Tax Returns and Income Statements and the Treasurer shall maintain the data in Quickbooks.

Note: The periods for which documents are to be retained are based on the statute of limitations for a lawsuit. E.g. because the Internal Revenue Services (IRS) has six years after the filing of taxes during which they can bring a claim for penalties if there has been an underreporting of income by 25 percent or more, most policies require retention of tax returns for seven years. Additionally, the policies state that no documents may be destroyed or altered where there is pending, threatened or reasonably foreseeable governmental investigation.

### **AS A FINAL NOTE:**

#### **Conflict of Interest**

The directors of ARSI shall sign a conflict of interest and code of ethics document that resides on the Google Drive. The Finance Chair and Treasurer are especially expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided