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Introduction

Financial controls and procedures are essential and serve as a system of checks and balances to protect the Iowa Swimming Local Swim Committee (LSC) incorporated as Iowa Swimming, Inc. (IASI), its staff and volunteers from risk. These policies and procedures must be followed for IASI to serve its primary mission to provide resources to its membership for excellence. IASI is dedicated to ensuring that all financial operations are conducted under the highest standards of integrity and ethics and in compliance with strict internal controls to safeguard the organization's assets and provide a strong financial foundation.

IASI Swimming operates on a fiscal year commencing the 1st of September and finishing on the 31st of August of the following year. All financial records are maintained on a cash or modified cash basis. IASI will strive to reach a goal of maintaining operating reserves of a minimum of 100% and a maximum of 200% of its annual operating expenditures budget.

Cash Management

1. Deposits and Cash Receipts

Office Personnel shall have the following duties regarding IASI cash receipts:

1. Office staff shall prepare all cash and checks received for deposit by stamping each check with the approved bank stamp and recording each item on a bank deposit slip or similar listing.
2. All deposits shall be made into the IASI general account. Deposits shall be made in a timely fashion, but no less frequently than once per week.
3. The office staff member who processes the deposit of cash and checks will not be the same person who performs the monthly bank reconciliations.
4. All incoming monies (checks, cash) shall be promptly recorded into the current bookkeeping software system of IASI by the Treasurer.
5. Any documents accompanying monies for deposit will be separated and appropriately handled or filed.
6. Checks deposited via Remote Deposit Capture Device ("Scanned Checks") shall be marked as electronically deposited.
7. Scanned Checks shall be stored in a secure location by the IASI office staff. Scanned Checks shall be batched together by deposit day and by week.
8. Scanned Checks shall be retained for a period of 90 days or as otherwise indicated by a Bank's Services Agreement.
9. Scanned Checks shall be shredded when the 90-day retention period expires.
10. Cash is to be counted, bundled and deposited in a timely manner being held no longer than 7 days. Un-deposited cash will be stored in a secure location by the IASI office staff.

2. Customer Credits

1. Customer (e.g., Club) credits will be entered and tracked in the IASI accounting system, by the Treasurer.
2. Customers who request a reimbursement of their credit balance will receive payment in accordance with Section 0 Cash Disbursements.
3. Customers who request to maintain a credit balance will be required to provide an email address and will receive an emailed statement at least one time per year.
4. If a customer requests reimbursement of a balance greater than or equal to the value of 10 non-athlete registrations, the transaction must be approved by the Finance Vice-Chair.
 - a. This shall not apply to transactions where registration files are sent to the office in more than one file within a 30-day period (e.g. athletes and coaches sent separately).

3. Credit Cards Payment

1. IASI will accept a credit card payment for payments via the TeamUnify LSC website.
2. A processing fee will be added to each payment processed with a credit card.

4. Debit Cards

The IASI Finance Committee shall approve no more than 3 members or staff to have a debit card attached to the IASI checking account for the purpose of conducting IASI business. It can be used for making advance reservations to conferences/meetings, paying for IASSI Board of Directors authorized travel expenses, purchasing items needed to host swim meets (e.g., printing and supplies), paying for team travel expenses when outside of Iowa (e.g. zones), etc.

1. Users of the debit cards must obtain Treasurer or Finance Vice-Chair authorization before charging any expense over \$500.
2. The cards must not be used for personal expenses.
3. The cards will be kept in a secure location when not being used.
4. If a card is lost or stolen, it must be reported immediately, and replacement cards issued.
5. When the card is used, the following information must be promptly submitted to the IASI Treasurer to allow for proper accounting:
 - Debit card receipt; Date of purchase; Place of purchase;
 - Purpose of debit card purchase; amount spent; and Person who used the card.

5. Cash Disbursements

1. Vendors must submit an itemized invoice for payment. Volunteer members must submit a written or electronic request, with supporting receipts, for reimbursement of expenses. No payments will be processed without invoices, receipts or similar documentation. Any payments to contractors must have a W-9 on file at the LSC office for that contractor prior to payment.
2. All payments and disbursements will be accounted for in the current IASI accounting system. The invoice/request for payment will be entered into the IASI accounting software by the Treasurer.
3. Copies of invoices, reimbursement requests and supporting receipts will be stored electronically in the transaction on the IASI accounting system as well as in the IASI electronic document storage location.
4. Approval for payments will be deemed granted if the requested amount is within the current year approved IASI budget and not yet spent or appropriated. The IASI Board of Directors must approve any request for payment in excess of the remaining unspent budgeted amount.

PAPER CHECKS

1. Physical control of all checks will be with the IASI Treasurer. Unused checks will be kept in a secure location.
2. In order to maintain internal controls, the Finance Committee shall review all checks issues on a monthly basis.
3. Office personnel shall not have signature authority on IASI checks.
4. Unless decided otherwise by the IASI Board of Directors, the Treasurer, the Finance Vice-Chair, the General Chair and/or the Administrative Vice-Chair shall be authorized to sign checks for IASI. Checks for an amount less than \$5,000 shall require one authorized signature; checks for an amount of \$5,000 or more shall require a two voucher system where two of either the Finance Vice-Chair, the General Chair and the Administrative Vice-Chair shall approve the payment in writing (electronic or physical) before the check is signed and issued.

ELECTRONIC PAYMENT

1. Vendors for recurring monthly or periodic expenses (i.e. utilities, phone, other services, etc) can be paid through the online banking system of IASI bank.
2. An IASI Employee or Treasurer will initiate the transaction on the bank's online banking site and the Treasurer will enter the details of the electronic payment into the IASI Accounting Software, according to the procedures for invoices.
3. The bank's online banking site will require approval by an IASI Board authorized signatory to the account, before the payment is actually released and paid. The signatory will review supporting material to ensure the disbursement is legitimate.

6. Purchases

1. Only the Finance Vice-Chair shall authorize expenditures against the approved budget of the committee. There shall be no separate checking accounts for projects carried out under the direction of any committee without express authorization of the Board of Directors. All IASI funds must be received and disbursed by the Corporation.
2. When purchasing gear, equipment, supplies or similar items, or procuring services for IASI that cost more than \$500, IASI shall use one of the following methods, depending on the budgeted or estimated cost of the purchase.
 - a. Small Purchase Process – purchases between \$500 and \$5,000 require three direct or over-the-phone quotations of rate, cost, etc. Such quotes may also be obtained via the Internet.
 - b. Mid-Purchase Process – purchases between \$5,000 and \$10,000 require that the purchaser obtain three written estimates of the total cost. This process does not need to be a sealed bid process.
 - c. Large Purchase Process – purchases totaling over \$10,000 require that there be three (3) sealed bids. An Invitation for Bids (IFB) notice must be prepared and sent to at least three reputable vendors. The IFB should include a complete, accurate and realistic specification and description of the goods or services to be procured, the location where the bid form and specifications may be secured, and the time and place where bids should be submitted. The purchasing committee shall open all proposals at the same time and evaluate the price/value proposition. If detailed specifications for the goods or services cannot be prepared and the primary basis for awarding the contract is not cost, then the Mid-Purchase process may be used. The exception for this bid process is contracting for facilities for hosting the LSC Championship meets where the facilities are chosen by the Technical Planning Committee based on availability and meet requirements.
3. Purchases of less than \$500 that are included within the approved IASI budget can be made without any additional approvals.
4. Each Committee Chair is responsible to ensure that the committee adheres to the appropriate process when making purchases.
5. Regardless of the process followed, a report to the Board shall be prepared setting forth the date that searches/calls were made, the responses received, the parties contacted, the prices obtained, etc. If three vendors are not available for a specific goods or services, a statement explaining the final procurement will be prepared and filed. The report may be included in a committee report to the Board, when appropriate.
 - Whenever possible, as least two of the bids obtained hereunder should be solicited from vendors located within the geographic boundaries of IASI.
6. The Finance Committee can grant a waiver for the procurement process. If such a waiver is granted, the Finance Committee will notify the IASI Board as to the reason for the waiver at the next scheduled Board meeting.
7. While it is the responsibility of each committee to be diligent about controlling the expenditure of IASI funds, awards should be made to the vendor who provides the best value proposition to IASI for that purchase.

8. Anyone involved in the procurement of goods or services for IASI shall be subject to the IASI Code of Conduct.

7. Other Cash/Check Policies

1. Office personnel are not authorized to make transfers between IASI cash accounts. The Finance Vice-Chair, Treasurer or designee will initiate all internal account transfers.
2. Office personnel shall notify the payee of any check outstanding for more than 60 days that the check will be cancelled if not cashed within 180 days. After 180 days, any outstanding check will be assumed lost and payment will be cancelled. It will be the responsibility of the payee to request issuance of a replacement check.
3. IASI will impose a charge of \$20, plus any related bank charges, for any deposited check that is returned for insufficient funds ("NSF") or due to a closed account. IASI will send a letter to the individual who wrote the check. A copy of the letter may be sent to the club's treasurer, via first class mail. The club will have 5 business days to resubmit a check for the full amount due IASI. Any club or individual who fails to make good on the check and pay the service charge will be referred to the IASI Board of Directors for action.

Grants To The LSC

1. All money grants, donations or in-kind contributions shall be recorded as general revenues of the Corporation except for grants for athlete scholarships.
2. Grants for athlete scholarships shall be added to any existing scholarship investments.
3. Obligations contained in the grant or gift shall be included in the budgeted expenses of the Corporation.
4. The Finance Vice-Chair, in consultation with the General Chair and Division Heads will approve all grants requests.

Cash Reserve Policy

1. Purpose

The purpose of the Cash Reserve Policy is to define the categories, the calculation and the investment approach for IASI's excess cash reserve. The policy will enable the LSC to support strategic business practices and to:

- Manage cash flow interruptions.
- Minimize the need for working capital borrowing.
- Meet commitments, obligations, or other contingencies.
- Generate investment income.

2. Definitions

IASI shall consider three classes of cash, as defined below:

1. Operating Reserve

- Cash required to financially operate the organization for a period of time, should business conditions require such a reserve.
- Funds to meet unfunded and unexpected organization needs.
- Funds for emergency and emerging needs of subsidiaries.
- Funds to make up a deficiency in budgeted revenue, either in results or collection experience. IASI will strive to reach a goal of maintaining operating reserves of a minimum of 100% and a maximum of 200% of its annual operating expenditures budget. If the Operating Reserve is and has been less than 75% of the targeted reserve level for two consecutive years, the Board of Directors, in the absence of any extraordinary circumstances, will adopt an operational budget that includes a projected surplus sufficient to rebuild the Operating Reserve Fund to its targeted reserve level over the following three years.

2. New Program Reserve (NPR)

- To support new programs defined during the annual budget process.
- New programs are programs that have not been FUNDED nor BUDGETTED within the last 5 years.
- Defined during the annual budget process.
- No greater than 25% of Operating Reserves.

3. Investment Reserves

- Any extra cash not covered by Operating Reserve or New Program Reserve.
- The Scholarship Investment Fund.

3. Investment Approach

The Operating Reserve and the New Program Reserve will be invested in Money Market Funds, held at more than 1 institution. The Investment Reserve will be invested according to the Investment Policy Statement approved by the Board of Directors.

4. Policy Oversight/Review

This policy shall be managed by the Finance Committee, overseeing the Operating Reserve, the New Program Reserve and the Investment Reserve.

This policy will be reviewed every four years (in the fiscal year that Olympic Trials are held) by the Finance Committee or sooner if conditions warrant. Any changes thereto will be approved by the Board of Directors.

Reporting, Reconciliations and Month End Processes

1. Monthly Office Processes

1. Within eight (8) days after the end of each month, office personnel together with the Treasurer will reconcile the following:
 - a. Monthly Registrations reported by USA Swimming vs Monthly registrations reporting by the MAS accounting software. Any variances will be explained in the report.
 - b. The bank balance of all bank accounts vs the balance according to the IASI accounting software
2. The Finance Vice-Chair will review those reconciliations each month and report any unusual variances to the IASI Board of Directors.

2. Monthly Reports

1. The Treasurer will present the following reports to the Finance Committee on a monthly basis (along with discussion of major variances)
 - a. Balance Sheet.
 - b. YTD Income Statement compared to Budget,
 - c. YTD Income Statement compared to Previous Fiscal Year.
 - d. Transaction Report.
 - e. Bank Statement.

3. Quarterly Reports

1. In addition to the reports presented monthly, at the end of each quarter the Finance Vice Chair with the Finance Committee will prepare and present to the Board of Directors the following reports (along with discussion of major variances)
 - a. Budget vs Actual.
 - b. Investment Portfolio Performance.
 - c. Any Investment Portfolio Rebalancing Recommendations.

4. Annual Process

1. The IASI Audit Committee will review the MAS financial statements annually. This review shall be completed no later than the end of the third month after the end of the IASI fiscal year.
2. The Treasurer will prepare and file the annual tax return(s) for IASI, based on the approved financial statements. The tax return(s) will be reviewed by the Finance Committee, and then submitted to the appropriate agencies.

3. The Finance Vice-Chair will submit a copy of all pertinent financial reports to USA Swimming within five (5) months after the close of the MAS fiscal year, as provided in Article 509 of the USA Swimming Rules and Regulations. These reports will also be presented to the IASI Board of Directors.
4. The IASI Audit will also review all IASI internal controls and recommend updates to the LSC Financial Policies and Procedures. The findings shall be reported to the IASI Board of Directors.

Budgeting

1. All expenditures made in the name of the IASI are subject to and governed by the annual operating budget approved by the Board of Directors and House of Delegates.
2. The House of Delegates, at its Spring meeting, approves the IASI budget. This budget is for the period beginning September 1st and ending August 31st of the following year.
3. Within the second week of January, the Finance Vice Chair will provide the Division Chairs the prior two years actual expenditures as well as the prior year's budget.
4. The Division chairpersons are asked to review their programs, confer with their committees, and prepare a statement of their needs for the next fiscal year.
5. All proposals for the budget must be submitted to the Budget Committee by the February Board of Directors meeting to be considered.
 - a. If a new program is being proposed, full documentation; including a statement of why the program should be funded and a breakdown of program cost is required.
 - b. Any current program which requests a significant change in funding must present full documentation; including a statement of why the program should be funded.
6. The Budget Committee constructs the proposed annual budget based on the submitted proposals as amended by the Board of Directors to the House of Delegates at the Spring meeting. The budget will be entered into the LSC's accounting software for tracking and reporting.
7. Once adopted, it is the role of the Finance Vice-Chair and Treasurer to implement and enforce the budget.
8. The budget should be approved as a living document, one with built-in flexibility. The Board and staff should be charged to live within the budget.
9. The Finance Vice-Chair will oversee expenditures and determine that the intent of the House of Delegates is being carried out.
10. The Finance Committee will review and approve all changes regarding the manner in which budgeted funds are expended.
11. Minor changes to the budget programs already approved will be handled administratively by the Finance Committee.
12. New programs adopted during the year with budgetary impact will require Board of Directors budget amendments to adequately fund the programs.