

Sierra Nevada Swimming

Financial Policies

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Certified Public Accountants
Created February 11, 2021

SIERRA NEVADA SWIMMING FINANCIAL POLICIES

Sierra Nevada Swimming (herein after referred to as SNS) adopts the following Financial Policies.

I. ACCOUNTING POLICIES

A. Accounting Method

It is the policy of SNS to use the cash basis of accounting that recognizes revenues when they have been deposited and expenses when they have been paid for internal reporting and tax purposes.

B. Accounts Payable Accruals

It is the policy of SNS to not accrue expenses and pay vendors and contractors for services as the expense is submitted for payment.

C. Long-Term Debt

It is the policy of SNS to avoid debt. However, if the board makes capital purchases that require financing, it is the policy to include the current portion of long-term debt (the amount due to be paid within 12 months) with current liabilities on the financial records. Only the non-current portion of long-term debts will be included in the long-term debt section of the financial records.

D. Chart of Accounts

It is the policy of SNS to maintain a chart of accounts. All employees involved with account coding responsibilities or budgetary responsibilities will be issued a chart of accounts, and the chart of accounts must be updated on a routine basis.

E. Check Disbursements

It is the policy of SNS to keep unused check supplies safeguarded under lock and key. All check disbursements will require approved invoices or expense vouchers.

Expenses incurred by any member which have not been funded and approved will not

be paid by SNS.

F. Check Signers

For expenses \$5,000 or greater, the invoice will be sent electronically to the Board's Chairperson, Administrative Vice-Chair, Executive Director, and Finance Chairperson for dual approval before it is paid or check issued. Any two of the listed are needed for approval.

SNS accounts have the Executive Director, Board Chairperson and SNS Accountant as designated check signers.

G. Contract Signing Authority

It is the policy of SNS to grant authority to sign contracts to the Executive Director, as long as the financial implications of the contract are included in the SNS budget. Unless expressly authorized by the Board Chairperson, no officer, director, committee member or any other person may sign a contract or obligate SNS or its funds in any way.

H. Reimbursement for Travel and Other Miscellaneous Expenses

It is the policy of SNS to reimburse the staff, or approved SNS coaches, officials or members participating in LSC or USA Swimming programs for appropriate expenses incurred while traveling. All reimbursement of travel and expenses should follow the SNS Travel and Entertainment Policy and Procedures. Properly documented expense reports will be approved by the Executive Director and paid by SNS.

I. Segregation of Duties

It is the policy of SNS to work with SNS's independent CPA firm to ensure adequate segregation of duties exist. Suggestions on improving controls through duty segregation will be given serious consideration, and employees will be required to participate in the interest of both SNS and the employee.

J. Control Policy

SNS does not allow for checks made out to Cash. Checks made out to personnel are for reimbursable expenses with dated receipts.

The SNS accounting firm, currently Alison Turner & Associates (ATA) does make out checks to itself to pay monthly itemized bills for services, and for subscriptions it pays

on behalf of SNS.

SNS Treasurer will keep Board apprised of all payables and unusual expenses.

Unsigned blank checks are kept in a locked cabinet at ATA or the current accounting firm.

K. Fiscal Year

The fiscal year begins September 1.

L. Funds

SNS has three funds established: General, Age Group, Senior. Meet fees are allocated to each of these funds in a formula set forth by the Board of Directors each year.

The SNS Registrar will provide the breakdown of fees allocated into each fund with every deposit of Meet Fees as computed in Section 2.B of the SNS Rules and Regulations.

Meet fees payments by host teams must be made with 40 days of completion of meet or fines will be assessed as stated in Section 3.E of the SNS Rules and Regulations.

M. Bank Reconciliations

SNS bank activity is reviewed weekly and statement reconciliations are performed monthly.

N. Outstanding Checks

SNS will monitor its written checks on a monthly basis. If a check is not cashed within 30 days, the Treasurer and Executive Director will work together to contact payee and make sure the check has been received. At 60 days, if check is still uncashed, the Treasurer and Executive Director will work together to contact payee again and give them 30 days to cash check or forfeit funds. At 90 days, the check will be voided/stopped. Payee can at this time issue a new bill or request for payment from SNS.

II. REVENUES AND FUNDS DUE

SNS has fees and fines identified and amounts defined in the Rules and Regulation Document. All such payments shall be made to the Registrar or his/her representative. The general procedures are:

Revenue

- A. Payment to SNS by a host team of their portion of meet fees shall be made within 40 days of the meet. Completion of a meet establishes debt of the host team to pay portion of the fees due SNS, without further notice from SNS officials.
- B. Registrations to USA Swimming are processed in several ways. Swim-smarter.com handles the swimmer registrations. Non-athlete members (Officials, board members, etc.) are sent via check. Team and coach registrations are also sent by check.

Fines

- A. It shall be the function of the official involved to notify the Registrar, or his/her authorized representative of the amount of fees or fines established, why it is due, and who is responsible for payment.
- B. Fines are due and payable at the time of establishment of the fine in accordance with the applicable section of this Manual. All SNS fines will be paid into the general fund. If the debt is a fine which requires immediate payment, the Registrar shall make such notification necessary to bar entry or competition in future meets.
- C. If the debt is Entry Fee(s) not paid at a meet, the swimmer or team involved shall be barred from entering another meet until the debt is paid.

Judgment

At each Board/House meeting the Finance Vice Chair, Treasurer or Trustees shall report unpaid fees or fines which have not been paid and ask the Board/House for a determination of Judgment of funds due. If approved, the Treasurer, or representative, shall initiate the procedures for collection of funds.

Reporting

- A. **Meet Fees**
The SNS Registrar should provide monthly reports detailing meet fees by meet and broken down into the three SNS funds: Age, Senior, General owed by each host team.
- B. **Sanction Fees**
The SNS Registrar should provide monthly reports on sanctions issued and sanction fees owed by each host team.

C. Registrations

The SNS Registrar should provide monthly reports on registrations broken down in the same categories as the USA Swimming Monthly Registration Report.

All three reports should be reconciled monthly by the Treasurer against bank deposits. Over or underpayments should be brought to the attention of the Registrar and Financial Vice Chair so they can determine if efforts are needed to collect funds due or return overpayments.

III. ACCOUNTS RECEIVABLE WRITE-OFF POLICY

It is the policy of SNS to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. If after following collection procedures a receivable is deemed uncollectible, approval from the Board, is required before write-off implementation of any receivable over \$500. For any receivable under \$500, two of the following four individuals: Board's Chairperson, Administrative Vice-Chair, Executive Director, and Finance Chairperson, must approve the write-off.

It is the policy of SNS that the following actions occur prior to write-off procedures being initiated:

1. Get a signed commitment letter as soon as a funding agreement is reached.
2. Send invoice out as soon as signed commitment letter is received.
3. SNS staff to provide monthly monitoring of accounts receivable list and generate an invoice every month until payment is received.
4. After 120 days, initiate involvement from Finance Committee so that the individual case may be evaluated and next steps may be assessed.

A listing of all write-offs for the current month should be included with the monthly financial statements for review by the Finance Committee.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Invoices written off that are dated during the current year will be treated as a reduction of the appropriate revenue account.
2. Invoices written off that are dated prior to the current year will be treated as bad debt.

IV. TRAVEL REIMBURSEMENT POLICY AND PROCEDURES

Must comply with the Travel and Entertainment Policy and Procedures

A. Staff & Board of Directors

It is the policy of SNS to reimburse parking fees to attend any in-person House of Delegates meeting. Parking receipts are required and electronically sent to the SNS Treasurer within 15 days of meetings.

B. Coaches, Officials, Members

It is the policy of SNS to reimburse travel expenditures to attend any in-person training, seminar, camp, or special program not already reimbursed by USA Swimming or other sponsoring organization. Per Diems for food and incidentals for travel days on either end of the trip are also permissible and paid at a rate determined by the Executive Director and will be pro-rated if meals are provided as part of the program. Trip expenses should be submitted to the SNS Treasurer as one report within 15 days of returning from trip.

C. Funding of SNS Representatives at the USA Swimming Annual Meeting

The SNS Board shall determine the selection of individuals to be funded to attend the USA Swimming Annual Meeting in accordance with the budget and needs of SNS. The delegates to USA Swimming Annual Meeting shall normally be:

1. General Chair
2. Admin Vice Chair
3. Senior Vice Chair
4. Age Group Vice Chair
5. Finance Vice Chair
6. Coaches Representative
7. Athlete Representatives (2)

Exception: When SNS members filling these positions are delegates to the USA Swimming House by way of other activity or cannot attend, the SNS House or Board may elect to send other members in their place.

Travel Expense: The amount to be established for Travel Expense shall be determined in the budget or by the Board as a part of the General Fund. It shall be divided equally among delegates. Each delegate must register and attend USA Swimming Convention sessions for at least three days. Funding to any individual may be in whole or in part for travel expenses, hotel, registration and meals.

D. Senior Travel Fund

The reimbursement of costs associated with senior travel meets is spelled out in Section 8 of the Rules and Regulations document.

V. BUDGET POLICY AND PROCEDURES

It is the policy of SNS to annually prepare an annual budget forecast, including a 12-month detailed operational budget for the upcoming fiscal year.

A. Procedures

A multi-year business plan/strategic plan should be approved each year at the HOD meeting. Budgets will be developed with the short-term and long-term view in mind. Budgets will be prepared by staff and reviewed and approved by the Finance Committee prior to submittal to the Board of Directors for approval.

B. Budget Approval Limitations

In any one fiscal year, the Board may approve a maximum of \$20,000 in cumulative expenses yearly which are not allocated to any specific operation or programmatic need that would serve to improve or enhance the Association's operation or programs.

Funds may be spent or committed which are not budgeted and pre-approved by the Audit and Finance Committee at the Board's discretion, as long as it follows specific operation or programmatic need. All payments must be documented with appropriate receipts. Even if budgeted, SNS leaders and agents must be prudent and justified in obligating and spending all funds seeking competitive bids whenever possible and in negotiating the lowest appropriate cost.

VI. FINANCIAL STATEMENT PREPARATION AND DISTRIBUTION POLICY

It is the policy of the SNS to prepare and distribute quarterly financial statements that will include a Year to Date SNS Budget vs Actual. These statements will be prepared and distributed to the Board at the following scheduled meetings.

1st Quarter Reports – December Meeting

2nd Quarter Reports – March Meeting

3rd Quarter Reports – June Meeting

VII. INSURANCE

It is the policy of SNS to have a periodic independent insurance consultant review the SNS insurance policies to ensure coverage and limitations adequately meet the needs of SNS, members, employees, and board members.

VIII. INVESTMENT POLICY

SNS holds cash balances for working capital and emergency cash flow needs. The staff will be prudent on the type of investment and the liquidity of the balance of cash in excess of the working capital reserve. The overarching principles, in priority order, to guide investment decisions are (1) preservation of principal, (2) maintenance of liquidity, and (3) maximization of return.

When SNS working capital and emergency cash flow needs are exceeded (\$250,000), excess funds will be moved to the SNS investment account.

VIV. FINANCIAL STATEMENTS

On an annual basis the board will review and engage in a financial statement audit to maintain our Affiliate Agreement with USA Swimming.

X. 1099

SNS will follow IRS policy and issue 1099s to all service providers. W9 forms need to be submitted prior to entity being paid.