

APA-NC Chapter Financial Management Policies

Introduction

The following is organized according to the Financial Management Guide issued by APA in April, 2013.

1.2 Roles and Responsibilities of the Treasurer, Officers and Executive Members

Chapter officers and members of the Executive Committee are responsible for overseeing APA-NC's financial management and safeguarding the organization's finances.

The Chapter Treasurer is responsible for banking, bookkeeping and financial reporting to the Chapter Executive Committee and to the IRS.

The Chapter President is responsible for working with the Treasurer, the Chapter officers, and the Executive Committee to ensure that appropriate financial systems and controls are in place, and that the designated procedures are followed. In addition, the Chapter President is responsible for approving checks above the designated threshold (\$10,000).

Chapter officers and members of the Executive Committee members are responsible for reviewing quarterly and annual financial statements and providing general financial oversight for the organization.

1.3 Liability Insurance

APA-NC carries a policy through the Cincinnati Insurance Company in the amount of \$1,000,000 for each occurrence and \$2,000,000 aggregate. This is the amount recommended by APA.

2.0 Incorporation

APA-NC is an incorporated 501 (c) (3) Not-for-Profit and the Employer Identification Number is 58-1416274.

2.3 Tax Exemption

APA-NC is exempt from federal income taxes, and therefore from state income taxes. We annually file a Form 990, and supporting documentation, to the IRS. We are not exempt from state sales tax.

3.0 Method Accounting

APA-NC uses a "Cash Basis" method of accounting, meaning that income and expenses are recorded when received or disbursed.

4.0 Internal Controls

Bank Statements - Bank transaction statements come to the Treasurer and checks and deposits are reconciled on a monthly basis. The Chapter uses Quick Books for the check register, for reconciling statements and for financial reports.

Invoices - Invoices are paid by the Treasurer after approval by the appropriate officer or Executive Committee member. Invoices for payments to contractors must reference a contract and provide information regarding hours billed and reimbursements for supplies. All invoices for reimbursement must contain receipts for the event, materials, fuel or other expenses incurred on behalf of the Chapter. See "Reimbursement Request" addendum for a recommended format for reimbursements.

Financial Statements - The Chapter Treasurer is responsible for preparation of Financial Statements, and Statements of Financial Position as of a specific date. The Statement of Financial Position is reported to the Executive Committee on a quarterly basis and sent to the APA national office in Chicago.

5.0 Financial Transactions

Bank Accounts – APA-NC has three accounts with the State Employees Credit Union of North Carolina. The first is an **interest-bearing** checking account, the second is a Money Market account, and the third is a Shares account that is required for bank purposes. Statements are received monthly from SECU and transactions and balances may also be viewed on-line. Either the Treasurer or the President may sign chapter checks. The Chapter has a debit card that can be used by the Treasurer or Chapter Administrator for minor expenses. The Chapter does not have a credit card.

Deposits – Checks for deposit are stamped "NCAPA, For Deposit Only, 6717117" and deposited within one week of receipt. The deposits are recorded in the checkbook ledger and in Quickbooks for Non-Profits. The records are also available on-line from SECU.

Disbursements – Disbursements are recorded in the checkbook ledger and in Quickbooks for Non-Profits.

Review and Approval – All payments to contractors or vendors must be approved by the responsible officer or Executive Committee member. A record of each such approval shall be provided in the form of an email or an initialed and dated invoice and shall be filed in APA-NC's financial records system in a timely manner.

Reimbursements – Requests for reimbursement must be accompanied by the appropriate receipts. Examples include cash register receipts from stores where supplies were purchased, credit card receipts for fuel purchase and receipts for meals, where these have been approved as part of an event or committee activity. In general, all reimbursements are tied to the Chapter's annual budget and are charged against the appropriate line.

Examples of reimbursements include:

- 1) Travel costs while on Chapter business where travel funds have been appropriated through the budget process. It should be noted that the Chapter will pay for fuel costs when an individual drives a personal vehicle, but will not pay mileage unless there is a contract that specifies mileage reimbursement.
- 2) Supplies such as poster material, copies, markers, refreshments and so forth used at a Chapter-sponsored event.
- 3) Working lunch expenses for Chapter committees, provided funds have been budgeted in the annual budget.

Unauthorized reimbursements include:

- 1) Expenditures that are not contained in the annual budget or approved by the Executive Committee.
- 2) Expenditures that exceed the annual budget and are not approved by the Executive Committee.
- 3) Expenditures that are not accompanied by supporting documentation.

The use of postdated checks, checks payable to the bearer cash and pre-signed blank checks are prohibited.

W-9 Forms – The Chapter sends copies of our W-9 to other entities upon request.

6.0 Financial Reporting

Reporting to National - Each quarter the Treasurer sends a bank statement to APA, reporting the Chapter's assets as of the end of the quarter (12/31, 3/31, 6/30, 9/30). Annually, the IRS 990 is sent to APA.

The Treasurer shall provide a financial statement to the Executive Committee prior to each quarterly meeting. The statement will summarize all expenditures and income for the period covered and compare the amounts to the approved budget. At the end of the fiscal year, the Treasurer shall provide the Executive Committee with a similar report which summarizes the fiscal year.

Budget Evaluation and Review – APA-NC uses the same fiscal year as APA, that is January 1 – December 31. Preparation of the annual budget for the Chapter begins with approval of a work plan for the upcoming year, typically developed at the Annual Retreat in August. The Retreat is used to confirm existing initiatives and to propose new initiatives that will require funding.

Following the Retreat, officers and other committee chairs estimate what their programs will cost and communicate those needs to the Treasurer. Communication may also include estimates of revenue. It is the responsibility of the Treasurer to draft a budget based on these requests and to test it against costs and revenues for the current year. It should be noted that

the Chapter's greatest revenues and expenses are associated with the Annual Conference which typically occurs in October.

Budget Amendments – All proposed amendments to the adopted budget that exceed the approved allocation shall be submitted to the Executive Committee in writing two weeks prior to a meeting or other venue in which approval can be solicited.

The budget is approved by the Executive Committee, and expenses can then be charged against specific lines.

Grants – The Chapter President and Treasurer shall be responsible for the proper distribution of grant funds. Grant funds shall be distributed in conformance with the requirements of the grant.

Investments – The Chapter makes only safe, relatively liquid, investments, such as placing reserve funds in CDs or Money Market accounts.

Reserves – The Chapter maintains a reserve of 50-100% of the costs of operating the Chapter for a year. This is the amount recommended by APA.

7.0 Audits and Record Retention

Audits – An audit may be conducted as requested by the Executive Committee. The Treasurer is responsible for soliciting quotes for audits from accredited firms and selecting one, subject to Executive Committee approval.

Records Retention – Records of various types are generated by Chapter members, committee chairs and others throughout the year. The Chapter has a Google Workspace account in which these records are electronically stored. The Treasurer is responsible for all financial records including annual budgets, invoices, financial statements and IRS forms. All officers and other designated members of the Executive Committee shall have access to the Workspace account.

8.0 Tax Filings

The Treasurer annually files a Form 990 and associated Schedules with the IRS, and sends a copy of the 990 to APA.