

FINANCIAL PROCEDURES MANUAL Cause Collective

I. General

1. The Board of Directors formulates financial policies, delegates administration of the financial policies of the Executive Director and reviews operations and activities.
2. The Executive Director has management responsibility including financial management.
3. Current job descriptions will be maintained for all team members, indicating financial duties and responsibilities.
4. Financial duties and responsibilities should be separated if at all possible so that no one team member has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
5. Professional financial service providers will be established annually. For calendar year these include accounting software, payroll services, insurance, banking, restricted investments and retirement services, and auditors.
6. The Executive Director will maintain a current and accurate chart of accounting activities.
7. These policies and procedures will be reviewed annually by the Board of Directors.

II. Cash Receipts and Mail (includes checks)

- A. Region V Operations Staff will receive and open all CAUSE COLLECTIVE mail. Checks received will be recorded into a log and stamped "For Deposit Only", along with CAUSE COLLECTIVE account number. Operations Staff then puts checks into Region V's Fiscal Associate's secured mailbox.
- B. Fiscal Associate takes checks and records them into an excel spreadsheet and notifies the Executive Director to pick up the checks. Checks remain secured in Fiscal Associates office until they are picked up by the Executive Director.
- C. Executive Director will pick up checks and sign a log sheet from Fiscal Associate's office. The Executive Director enters checks into accounting system and completes a bank deposit slip. They then verify the amount matches with Fiscal Associates log sheet total. Checks remain secured in the Executive Director's office until deposited into the bank.
- D. CAUSE COLLECTIVE PayPal Account: Funds will be deposited into the CAUSE COLLECTIVE checking account once a month and reflected into the accounting system by the Executive Director. The Treasurer will review the CAUSE



COLLECTIVE PayPal account quarterly. Review of this account by the treasurer will be documented in the Board meeting minutes.

1. Cash Receipts: The PayPal account will be used for receiving payments such as CAUSE COLLECTIVE trainings, member dues, and donations.

2. Purchasing through the CAUSE COLLECTIVE PayPal will require permission of the Board and noted in the meeting minutes.

III. Cash Disbursements

A. Check Authorization

1. All invoices will be immediately forwarded to the Executive Director who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with bid requirements.
2. Prior to payment, all invoices will be approved (indicated by initialing) by the Executive Director, who will code the invoice with an appropriate expense or other chart of accounts line item member and class (where applicable).
3. The Executive Director will ensure that all conditions of specification on a contract or order have been satisfactorily fulfilled. The Executive Director is responsible for timely follow-up on discrepancies and payment.
4. Approved invoices will be entered into the accounting system.
5. The Executive Director will prepare checks on a bi-monthly basis or as needed.
6. Authorized signers of CAUSE COLLECTIVE include the board treasurer, president, and past-president.

B. Checks

1. The Executive Director will be responsible for all blank checks. All blank checks will be stored in a secure office.
2. All checks will be signed by two authorized signers.
3. The Executive Director will generate checks for approved invoices through the accounting system.
4. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
5. In no event will:
 - a. Invoices be paid unless approved by an authorized signer
 - b. Blank checks (checks without a date and payee designated) be signed in advance
 - c. Checks be prepared on verbal authorizations, unless approved by an authorized signer.
6. In the event that it is necessary to issue a duplicate check for checks in an amount over \$15, a stop payment will be ordered at



the bank on the original check.

C. Debit Card Policy

1. The Board of Directors will approve the issuance of all debit cards.
2. Current policy authorizes one user, the Executive Director.
3. The card will have a daily purchase limit of \$1,000. The President can approve a one day limit increase if necessary.
4. Receipts or invoices for each purchase must be kept on file with check receipt/invoices.
5. The card may be used only for the purchase of goods or services for official business.
6. All purchases will be within current budget line item amounts unless prior board approval has been documented.
7. The Executive Director is responsible for its protection and custody, and shall immediately notify the bank and Board Chair if it is lost or stolen.
8. The Executive Director issued the card must immediately surrender the card to the current Board President when affiliation with Cause Collective has ended.
9. The person using a debit card for purchases that cannot be substantiated as a necessary purchase for official business will be subject to disciplinary action.

D. Bank Reconciliations

1. Bank Statements will be received directly and viewed by the Executive Director and Treasurer on a monthly basis. All transactions and copies of checks on the statement will be reviewed by both Executive Director and Treasurer. Review of the bank statement will be documented at the regular Board meeting.
2. The contracted accounting firm will reconcile the bank statement monthly.
3. The Executive Director shall verify the reconciliation of the bank accounts on a monthly basis.
4. On all checks outstanding over 90 days, the Executive Director follow up and take appropriate action.

IV. Purchasing

A. Purchases Under \$2,000

1. All purchases must be approved in advance by the Executive Director

B. Purchases of \$2,000 or more

1. Purchases over \$2,000 will require Board of Directors approval, if



- the item is not included in the approved operating budget.
2. All bid requests will contain clear specifications and will not contain features which unduly restrict competition.
 3. The Executive Director will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
 4. The Executive Director will obtain at least 3 bids wherever possible unless prior approval by the Board of Directors has been obtained.

V. Payroll

1. Time Sheets

- A. Each non-salaried employee will be responsible for completing a time sheet on a bi-monthly basis.
- B. Completed timesheets will be dated and signed by the employee, and submitted to the Executive Director at the end of each pay period.
- C. No payroll checks will be issued without a completed time sheet.
- D. Incomplete time sheets will be returned to the employee for correction.
- E. The Executive Director will collect and review each timesheet and will verify the accuracy of the time sheets.
- F. Salaried employees will be paid twice a month on the last day and 15th of the month. Pay for the 15th reflects time for the 1st – 15th and pay for the last day reflects time from the 16th to the last day of the month.

2. Payroll

- A. The accounting firm will enter payroll, make direct deposit transfers (as applicable), print payroll reports and send reports to the Executive Director.
- B. The Executive Director will review the payroll reports before the payroll checks or pay stubs are distributed.
- C. Checks will not be issued to any person other than the employee without written authorization from the employee.
- D. The contracted accounting firm is responsible for entering payroll reports into the accounting system.
- E. All terminations will be paid at regular pay date.
- F. Pay raises of any executive staff must be approved by the board and must be confirmed to the contracted accountant directly from the board president.

3. Payroll Taxes

- A. The contracted accounting firm will prepare and transmit the payroll tax reports and W-2 forms. The contracted accounting firm or Treasurer of the Board or audit firm will prepare the 1099 forms.
- B. The Executive Director will verify payroll tax preparation on a

quarterly basis.

4. Benefits

- A. Payroll will be prepared in accordance with the personnel policies and benefit plan.

VI. Travel & Expenses

1. Each employee will complete an expense voucher if any traveling is done. Voucher should include all expenses including credit card charges. Voucher will reflect reimbursement sources other than CAUSE COLLECTIVE.
2. Mileage to and from residence will not be paid by CAUSE COLLECTIVE.
3. The expense voucher will be submitted within 30 days for payment, with a total, signed by the employee, authorized for payment by the Executive Director. Expense vouchers of the Executive Director will be authorized by the board president.
4. Reimbursement will be based upon current travel policies. Receipts must be attached to the expense voucher for lodging, common carrier transportation, and receipts for meals where required.
5. Incomplete expense vouchers will be returned.
6. Employees will be reimbursed for travel and other related expenses at the rate set by the Board. The Executive Director must approve employee travel and workshop expenditures prior to their occurrence. The organization will reimburse no more than the standard mileage rate for the business use of a car as established by the IRS. CAUSE COLLECTIVE will reimburse meal expenses incurred in direct connection with CAUSE COLLECTIVE employment, based on actual receipts. The mileage rate will be established as needed by the Board.

VII. Consultants

1. Considerations will be made of internal capabilities to accomplish services before contracting for them.
2. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
3. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. The Board of Directors will approve audit and other significant contracts.
6. The contracted accounting firm or audit firm will prepare 1099 returns for consultants at year-end.

VIII. Property

1. Equipment

- A. Equipment shall be defined as all items (purchased or donated) with a unit cost of \$500 or more and a useful life of more than one year.
- B. A depreciation schedule shall be prepared at least annually by the auditors for the audited financial statements.



- C. The Executive Director or contracted accounting firm will record all equipment in the accounting system.
- D. An entry must be made whenever property is disposed of or acquired.

IX. Leases

1. Real Estate

- A. The Executive Director will review leases prior to submission to the Board of Directors for approval.
- B. All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by the Executive Director.
- C. The Executive Director will keep a copy of each lease on file.
- D. The contracted accounting firm or treasurer of the Board will be notified of each lease and lease specifications, and will make proper general journal entries for same.

2. Equipment

- A. The Executive Director will review all leases.
- B. All leases, clearly delineating terms and conditions, will be approved and signed by the Executive Director.
- C. The Executive Director will keep a copy of each lease on file.
- D. The contracted accounting firm or Treasurer of the Board will be notified of each lease and lease specifications, and will make proper general journal entries for same.

X. Insurance

- 1. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary.
- 2. The Executive Director will carefully review insurance policies before renewal.
- 3. The Executive Director will maintain insurance policies in insurance files.
- 4. Insurance policies will correspond to the calendar year whenever possible.

XI. Telephone

- 1. Personal long distance calls or fax transmissions made on CAUSE COLLECTIVE telephones by employees are not permitted.
- 2. CAUSE COLLECTIVE business calls from phones outside the office should be billed to CAUSE COLLECTIVE's telephone account.

XII. Books of Original Entry

- 1. CAUSE COLLECTIVE will utilize a double entry system for accounting for all funds.
- 2. Adequate documentation will be maintained to support all general entries.
- 3. At the end of each month a Statement of Financial Position of Statement of Activities (by class if applicable) will be reviewed by the Executive Director.
- 4. The Statement of Activities report will include a comparison to the budget.

5. CAUSE COLLECTIVE will maintain its monthly accounting records on an accrual basis. The preparation of audited financial statements will conform to generally accepted accounting principles on an accrual basis.

XIII. Grants and Contracts

1. The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Executive Director will maintain originals of all grants and contracts in a file.
2. The Executive Director will prepare and maintain a Grant/Contract Summary form for each grant or contract awarded to CAUSE COLLECTIVE. This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all required financial and program report and due dates.
3. Payments for projects for which CAUSE COLLECTIVE serves as fiscal agent shall be paid out bi-monthly.
4. The Executive Director will prepare financial reports to funding sources as required.
5. The Executive Director will review and approve all reports to funding sources.
6. It will be the responsibility of the Executive Director to ensure that all financial reports are submitted on a timely basis.

XIV. Budgets

1. The Executive Director will prepare the financial budget and present to the Board at the May board meeting.
2. The Board of Directors must approve financial budget.
3. The Executive Director will ensure that budgets are on file, located in the CAUSE COLLECTIVE Google Drive/CAUSE COLLECTIVE Business/Budgets folder.
4. The Board of Directors must approve proposed changes in the budget.

XV. Loans

1. The Board of Directors will approve loans.
2. A promissory note will be prepared and signed by the Board Chair and another officer of the Board before funds are borrowed.

XVI. Other

1. Minutes of Meetings
 - A. The Secretary of the Board will prepare accurate minutes of all meetings of the Board of Directors. These minutes will be signed by a Board member and forwarded to the Executive Director to be placed on file.
 - B. The Executive Director will note all items in the minutes relating to finance and take appropriate action.

2. Accounts Receivable
 - A. Documentation will be maintained for accounts receivable at year-end.
 - B. Accounts receivable will be recorded in the books at year-end only and collected on a timely basis.

3. Financial Procedures
 - A. Financial procedures will be reviewed annually by the Board of Directors.
 - B. The Board of Directors must approve changes to the financial procedure manual prior to implementation.

4. Form 990
 - A. The Board of Directors in conjunction with the audit will authorize preparation of the Form 990 by the auditing firm.
Form 990 will be signed by an Executive Officer of the Board.
 - B. Copies of Form 990 will be filed in the Executive Director's files, and a copy of CAUSE COLLECTIVE's Form 990 and Form 1023 shall be available for public inspection and/or copying.

5. Audits
 - A. The Board of Directors shall annually contract with an independent auditing firm for a full audit of the books.

6. Personnel Files
 - A. The Executive Director will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.
 - B. The Executive Director will maintain personnel files containing health information separately from standard personnel information.

7. Fiscal Agent Status
 - A. CAUSE COLLECTIVE Board must authorize all fiscal sponsorship arrangements.
 - B. All fiscal sponsorship arrangements will begin with a written agreement, stating the terms of the relationship and the purpose for the use for funds.
 - C. Fiscal sponsorships will be limited to projects for which CAUSE COLLECTIVE Board of Directors determines that the project is charitable and consistent with the CAUSE COLLECTIVE's mission, and that no real or perceived conflicts of interest exist with Board members.
 - D. The CAUSE COLLECTIVE will negotiate with the sponsored project a rate for indirect or direct cost to cover the CAUSE COLLECTIVE's

- expenses of administering the temporarily restricted fund.
- E. Sponsored projects will be required to submit full and complete quarterly and year end reports to CAUSE COLLECTIVE by the end of CAUSE COLLECTIVE's fiscal year, and must include:
 - 1. Detailed expenses using budget categories for original grant;
 - 2. Program accomplishments and activities;
 - 3. Lobbying expenditures; and
 - 4. Amount of remaining funds.
 - F. Any changes in the purpose for which grant funds are spent must be approved in writing by CAUSE COLLECTIVE before implementation. CAUSE COLLECTIVE retains the right, if sponsored project's breaches the fiscal sponsorship agreement, or if a sponsored project jeopardizes CAUSE COLLECTIVE legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
 - G. CAUSE COLLECTIVE's Executive Director will submit regular reports to the Board of Directors on the status of active fiscal sponsorships.
 - H. CAUSE COLLECTIVE will file appropriate tax forms for sponsored projects including IRS form 1099.

8. Record Retention

- A. The following records shall be kept on file for the length of time specified:

Accident reports and claims (settled cases)	7 yrs.
Accounts payable ledgers and schedules	7 yrs.
Accounts receivable ledgers and schedules	7 yrs.
Audit reports of accountants	Permanently
Bank Statements of reconciliations	7 yrs.
Checks (cancelled for important payments, i.e. Taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to The underlying transaction)	Permanently
Construction documents	Permanently
Contracts and leases (expired)	7 yrs.
Correspondence (routine) with customers or vendors	1 yr.

Correspondence (general)	3 yrs.
Correspondence (legal, tax, and other important matters only)	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Employee personnel records and I-9's	7 yrs.
Financial statements	Permanently
Insurance policies (expired)	3 yrs.
Insurance, current accident reports, claims, policies, etc.	Permanently
Minute books of directors and stockholders, including By-laws and charter	Permanently
Payroll records and summaries, including payments to pensioners	7 yrs.
Tax returns and worksheets, revenue agents' reports, and other Documents relating to determination of income tax Liability	Permanently
Time Sheets	7 yrs.

Approved by CAUSE COLLECTIVE Board of Directors on 3/14/17

