

FINANCIAL AND ACCOUNTING PROCEDURES HANDBOOK

Approved 6/15/16

The Unitarian Universalist Fellowship of Mankato is committed to responsible financial management. The entire organization including Board of Director Officers and Members, Finance Committee and staff will work together to ensure that the financial matters of the organization are addressed with care, integrity, and further Unitarian Universalist Fellowship of Mankato's policy and work plans.

The procedures listed in this document are to:

- Protect the assets of Unitarian Universalist Fellowship of Mankato
- Ensure that accurate records of the organization are maintained
- Provide guidelines for operating standards
- Provide additional guidelines beyond the by-laws and articles of incorporation
- Ensure compliance with federal, state and local regulations and as amended

The UUFM intends to make this handbook a flexible tool. While all Board Members and staff have the responsibility for ensuring that financial policies and procedures are adhered to at all times, the Unitarian Universalist Fellowship of Mankato Finance Committee will review and make recommendations for any necessary changes or additions at least annually. This Procedure Handbook can be amended at any given time by the majority vote of Board Members.

This Procedure Handbook was adopted by the Unitarian Universalist Fellowship of Mankato Board of Directors at a regular meeting.

President

Date

FINANCIAL AND ACCOUNTING PROCEDURES HANDBOOK

I. Definitions

1. **Internal audit:** An informal audit by the Treasurer, two members of the Finance Committee and a member of the Board of Directors as specified in the By Laws to review checking account statements, reconciliations and assure that all financial records are in order.
2. **Personnel record:** All non medical records pertaining to an employee. This shall include any application for employment, wage or salary history; notices of commendation, warning, discipline, or termination; authorization for a deduction or withholding of pay; fringe benefit information; leave records; and employment history with the employer, including salary and compensation history, job titles, dates of promotions, transfers, and other changes, attendance records, performance evaluations, and retirement records.

II. Line of Authority

The line of authority is the system Unitarian Universalist Fellowship of Mankato has set up to outline who has responsibility for controlling and handling the financial resources of the Unitarian Universalist Fellowship of Mankato.

Board of Directors: The Board of Directors has the authority to execute any policies they deem necessary for the Unitarian Universalist Fellowship of Mankato's success. They will operate within the guidelines of the Articles of Incorporation, Bylaws, and by federal, state and local regulations and laws. The Board of Directors sets the direction for the organization and approves projects. The Board of Directors has the authority to hire employees.

Executive Committee: The Executive Committee, consisting of all officers of the Board, has and may exercise all the powers of the Board of Directors in managing the organization when the Board of Directors is not in session.

Treasurer: The Treasurer has authority as given by the Board of Directors. The Treasurer has the authority to perform in-depth reviews of the Unitarian Universalist Fellowship of Mankato's financial activity, assist in the development of the budget, and makes recommendations to the Board of Directors. The treasurer shall describe to the board at least annually how the congregation's cash is handled, what safeguards are in place, what changes should be made, if any, and s/he should immediately report any irregularities.

Bookkeeper: The Bookkeeper is directed by the Board of Directors. The bookkeeper designs and keeps accurate data on the Unitarian Universalist Fellowship of Mankato's financial assets. The Bookkeeper follows policies as outlined in this document. The Bookkeeper is responsible to the Treasurer and the Board of Directors. The Bookkeeper may be a non Unitarian Universalist Fellowship of Mankato employee or contractor who provides assistance to the Unitarian Universalist Fellowship of Mankato.

Finance Committee: The committee assists the Unitarian Universalist Fellowship of Mankato's Board in managing resources and assets effectively, in a timely manner and prudently. The committee will assist in seeing that the organization's assets are used for the greatest good and to further Unitarian Universalist Fellowship of Mankato's mission, by recommending policies and procedures for Board action.

Office Administrator and Staff: The Office Administrator and Staff are required to follow the policies and procedures adopted by the Board of Directors. The Office Administrator will have access to passwords and locked files and shall assure that policies and procedures are followed.

Volunteers: Volunteers of the Unitarian Universalist Fellowship of Mankato report to the Board of Directors and/or the Unitarian Universalist Fellowship of Mankato staff. They are required to follow the policies and procedures adopted by the Board of Directors.

III. Financial Operating Procedures And Reporting Requirements

A. Fiscal Year

The fiscal year for Unitarian Universalist Fellowship of Mankato is July 1 to June 30th of the following year.

B. Duties

The Treasurer, Bookkeeper and Office Administrator will have joint responsibility for designing and maintaining the accounting system. They will coordinate monthly reports, do payroll, and provide reports as requested by the Treasurer and the Board of Directors.

The Bookkeeper will create monthly financial reports that reflect receipts, disbursements, receivables, and payables. Monthly reports will also include the approved budget vs. actual comparison, balance statement and cash flow. The bookkeeper will be responsible for the timely filing of required federal and state tax forms and making timely payments on these liabilities.

C. Audits

Prior to the annual meeting an Audit Committee consisting of the Treasurer, two members of the Finance Committee and a member of the Board of Directors shall complete an internal audit of UUFM finances for presentation at the Annual Meeting.

An external independent audit shall be conducted if required by state or federal regulation or to satisfy the requirements of a grant. The Unitarian Universalist Fellowship of Mankato will follow the standards and financial reporting for nonprofit organizations.

D. Preparation of Budget, responsibilities

1. Annual Budget preparation for the next fiscal year will commence each year approximately 30 days after the Mid Year meeting.
2. At the Mid Year meeting the President and Finance Committee Chair shall request that all Committee Chairs provide budget requests to the Treasurer for review by the Finance Committee.
3. The Treasurer shall collate all requests from committees and provide the Finance Committee with recommended changes for the next fiscal year. The Treasurer shall also compute the cost of continued per member dues to the UUA and the Mid America Region.
4. The Finance Committee will submit a preliminary budget to the Board for consideration no later than March 15th.
5. The Pledge Drive subcommittee shall utilize the preliminary proposed budget and information regarding costs of membership for their annual pledge drive.
6. The Board shall submit its recommended budget for membership amendment at the annual meeting.
7. The final budget shall be approved at the June Board meeting.

E. Budget reviews

Budget comparisons to actual operating income and expenses will be reported and reviewed at each regular Board of Directors meeting and at the Midyear meeting.

Monthly financial reports will be provided to the Board of Directors at a regular meeting or at an Executive Committee meeting by the Treasurer, with the assistance of Staff and Bookkeeper.

F. Payroll Controls

Changes in payroll, including salary, status, etc. will be approved by the Board of Directors or Executive Committee before Personnel files are updated.

Personnel records (pay status, performance evaluations, etc.) are maintained by the Unitarian Universalist Fellowship of Mankato Personnel Committee, which shall monitor the use of Personal Time Off (PTO).

Each Employee is required to complete a timesheet as directed by the Personnel Committee.

Time sheets shall be approved by the Treasurer. The approved time records are filed in the Employee's file and a copy is sent to the bookkeeper for payroll purposes. The bookkeeper creates the payroll check.

G. Computer Controls

The Bookkeeper, Treasurer and designated staff shall have passwords to UUFM financial information. Passwords to view the data only shall be given to other Board Members and staff as necessary.

Passwords will be changed on a periodic basis, but in any event no less than once a year or whenever there is a change in staff or Board of Director officers.

A complete list of password information shall be given confidentially to the President of the Board of Directors and updated as necessary. The Office Administrator will maintain password protected financial records on site.

Data files will be backed up regularly, but no less than weekly. If backups occur on site, electronic copies of backups will be kept offsite, as directed by the Treasurer.

H. Disbursement Procedures (Accounts Payable)

The Bookkeeper and/or Office Administrator shall prepare all invoices in a timely manner. Prior to payment, a copy of the invoice shall be preserved electronically. All monthly expenses shall be consistent with the categories established in the budget, as approved by the Treasurer.

The Treasurer shall approve all requests for reimbursement before payment is made.

The Treasurer shall monitor in a timely manner all automatic or electronic payments. All electronic transfers shall be password protected and the

Treasurer, Bookkeeper and Office Administrator shall follow the same password procedures as outlined in Paragraph G above.

The Treasurer, Bookkeeper and Office Administrator will monitor all bank accounts which utilize electronic transfers on a regular basis but no less than weekly, and all three shall be copied in any communications regarding such transfers.

At the monthly Board of Directors meeting Directors may question any expenditure and the Treasurer shall provide any information requested.

For any printed checks one of four authorized signers shall approve the expenditure.

The Office Administrator is responsible for filing all paid invoices.

All checks shall be pre-numbered. All voided checks must be defaced and retained either on the check stub or filed in chronological order with the year's financial files. No checks may be written "cash" or "bearer."

Persons should not sign checks made out to them personally.

Blank checks are stored in a locked safe, drawer or cabinet. Blank checks may not be signed in advance.

I. Receipt Procedures

As soon as possible after receipt of checks, they will be stamped with the following: "Deposit only"

Checks and cash received will be given to the Office Administrator. The Office Administrator will enter receipt information electronically and notify the Bookkeeper of deposits. A copy of the check, the deposit slip and any supporting documents will be filed. The checks and cash will be deposited by the Office Administrator, Treasurer, or authorized person at least weekly. Until deposited, the checks and cash will be stored in a locked drawer or file cabinet.

J. Sunday Collections

The Sunday offering shall be counted by two persons (usually board members for confidentiality reasons) working together in the same room. Both shall initial a written form noting the amounts received in checks and in cash. The form shall be part of a routine system maintained by the staff to record the collection along with attendance and other information about the weekly service.

The person who makes out the bank deposit for Sunday Collections shall be a third person, not one of the cash counters. A copy of the deposit slip must be saved and compared with the deposits noted on the monthly bank statement.

The offering proceeds shall be stored in a secure place until deposited.

K. Bank Reconciliations

All bank statements are to be sent to the business office of the Unitarian Universalist Fellowship of Mankato. The Office Administrator or Treasurer will review the bank statement and send or deliver it to the Bookkeeper. On a monthly basis the Treasurer or Bookkeeper will reconcile the bank statements and report any discrepancies to the Treasurer and/or the Board President.

The discrepancies will be resolved by the Office Administrator, Bookkeeper, Treasurer, President and the bank. Resolution of discrepancies will be documented.

L. Code of Conduct For Purchasing and Returns

Employees will not participate in the selection, award or administration of a contract if the employee, any of the employee's family members or partners, or an organization which employs or is about to employ any of these persons, has a financial or other interest in the organization selected for the contract. This is an inappropriate conflict of interest.

Employees will not solicit or accept gratuities, favors, or anything of monetary value from contractors. Unitarian Universalist Fellowship of Mankato employees and Board Members may not accept gifts of \$25.00 or more two times per year from the same individual contractor or organization.

If any of the employees violate this code, the code will make them subject to disciplinary action. Selective purchasing will be documented when purchasing supplies and equipment over \$500. Documentation will include supplier and the reason why the purchase went to the place of business, this will include comparison pricing.

Returns are to be documented and receipts signed by one staff member and one board member.

The board will make efforts to purchase supplies from recycled material.

M. Reporting Contributions and Record Keeping

Persons who pledge to the UUFM shall receive a report of their pledge payments at least bi-annually, with the name and contact information of the person to contact if there is a discrepancy. Such statements shall also report non-pledge contributions when these can be identified.

N. In- Kind Record Keeping

To keep track of in-kind contributions for budget purposes or to match grant funded projects, the following procedures shall be followed:

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be assigned a value for grant purposes. Rates for volunteer services shall be consistent with those paid for similar work. Paid fringe benefits that are reasonable, allowable and allocable according to the federal guidelines may be included in the valuation.

Volunteer services that will be so utilized shall be documented and signed. This shall include the type of service, date of service, and number of hours or a dollar amount.

The Office Administrator shall maintain a form for donated items. For all donated items, whenever possible, the donor shall provide a receipt indicating value. If unknown, the donor shall assign a value on the form.

The Office Administrator shall maintain a file for said documents for a period of ten years.

O. Credit and Debit Accounts

All UUFM credit or debit cards will be kept in a locked file or cabinet. New accounts must be approved by the Board. When purchases are made on an account, a copy of the receipt shall be given to the Office Administrator. Payment shall be made upon receipt of an invoice. Purchases must follow the reporting disbursement, code of conduct, and procedures as outlined above. Only authorized Board or Committee Members and staff will have access to the credit accounts for purchases.

P. Travel Documentation

All Staff who have a professional expense budget will inform the Board of Directors of anticipated travel. Receipts are required for lodging, parking transportation and meals. Reimbursement for expenses shall be approved by the Treasurer and may not exceed budgeted allowance.

Q. Property and Equipment

All Board property, equipment and major supplies shall be maintained accurately and the Buildings and Grounds Committee shall create an inventory with the following information:

- Description of the equipment
- Manufacturer's serial number, model number, national stock number, or other identification number
- Acquisition date or date received
- Location of equipment
- Condition of equipment
- Ultimate disposition data

The inventory of property shall be reviewed by the Board of Directors prior to the Midyear meeting to ensure accuracy. The Office Administrator shall maintain a file for said documents.

All equipment purchases will be documented by keeping a copy of the invoice or receipt on file. The file will be kept at the Unitarian Universalist Fellowship of Mankato office. Staff will keep all files regarding equipment inventory.

R. Insurance

The Board will maintain the following insurances:

- Board Members and Officers Liability Insurance
- Building and Liability Insurance
- Workers Compensation Insurance
- Property Insurance on Furnishings and Equipment

Other insurances may be held by the Board if deemed necessary. The Office Administrator shall maintain a file for said documents.