

Osseo-Maple Grove Athletic Association
FINANCIAL PROCEDURES POLICY
(OMGAA Policy 2001.02)

Section 1 - Purpose:

The purpose of this policy is to establish enforceable and accountable procedures for the purchase of goods and services on behalf of, and for the exclusive use by, the **Osseo-Maple Grove Athletic Association**. For the purposes of this policy, traveling league registration fees and tournament entry fees shall be considered as goods. For the purposes of this policy, annual or monthly leases, service contracts or other re-occurring expenses shall be considered as services.

Section 2 - Authority:

The authority to establish this policy is provided by **Section 10 - General Duties and Responsibilities of the Board of Directors Item 5** of the **Osseo-Maple Grove Athletic Association - By Laws**.

Section 3 - Financial Procedures Policy:

Item 1: General

- 1) The Officers of the Board of Directors (President, Vice-President, Treasurer and Secretary) are responsible for developing financial policies and procedures. Based on the annual audit, these officers shall review this policy to determine if modifications are required.
- 2) Responsibility for administration of the approved **FINANCIAL PROCEDURES POLICY** shall be shared between the President and the Treasurer.
- 3) Financial duties and responsibilities shall be separated or shared so that no one director has sole control over receipts, disbursements, reconciliation of accounts, audits, financial reports or any other controlling or reporting procedure.
- 4) A blanket director dishonesty insurance policy with coverage in the amount of \$50,000 (minimum) shall be maintained by the OMGAA.

Item 2: Book of Original Entry (General Ledger not used)

- 1) The OMGAA will use a cash system for accounting of all funds. The Treasurer will be responsible for posting all financial activity to the General Journal, and shall summarize, by report, journal entries monthly to the Board.
- 2) All accounting entries and methods will comply with generally accepted accounting practices.

Item 3: Receipts

- 1) All cash and checks received by OMGAA Directors, Coordinators, Coaches or volunteers acting on behalf of the OMGAA; shall be forwarded to the Treasurer and be accompanied by an OMGAA approved ADeposit Log Sheet@.
 - 1) Where such receipts are for the purpose of player registration, the deposit log sheet shall cross-reference each check or lump sum of cash to the player's last name and registration number indicated on the players registration form.
 - 2) Where such receipts are for the purpose of registration into OMGAA sponsored tournaments, the deposit log sheet shall cross reference each check or lump sum of cash to the team registering by team name and head coach name and address.
 - 3) Where such receipts are for the purpose of sponsorship or gifts to the OMGAA, the deposit log sheet shall cross reference each check or lump sum of cash to the sponsor/donors name and check number if applicable.
 - 4) Where such receipts are from the sales of concessions, used equipment or overstocked uniform apparel at OMGAA sponsored events, the deposit log sheet shall cross reference each check or lump sum of cash to the OMGAA event as Aconcessions@, Aequipment@ or Auniforms@ as appropriate.
- 2) The Treasurer shall endorse all checks by rubber stamp to read as follows:

PAY TO THE ORDER OF
 WELLS FARGO BANK, MINNESOTA N.A.
 MAPLE GROVE, MN
 091000019
 FOR DEPOSIT ONLY
 OSSEO MAPLE GROVE ATHLETIC ASSOCIATION
 3160515098

- c) The Treasurer shall deposit, intact, all received checks and monies using a separate deposit slip for each deposit log sheet, and record all cash receipts in an established and board approved cash receipts journal.

Item 4: Disbursements

- 1) All disbursements shall be by OMGAA Check. No cash disbursements shall be allowed. Each disbursement check shall bear the authorizing signature of at least two (2) Officers of the Board. No officer may authorize any OMGAA check made payable to him/her self. The Treasurer shall be responsible for all blank checks. All disbursements shall be recorded in the OMGAA Check Register.
- 2) In no event shall blank checks be signed in advance. In no event shall checks be made out to Acash@, Abearer@, Apetty cash@ or any other payee not identified as a specific individual or vendor.
- 3) The Treasurer shall issue disbursements only when printed invoices or receipts have been received in the amount of that disbursement. Each received invoice or receipt shall reference a duly authorized APURCHASE ORDER@ by number, date and goods or services provided.

Exception: Re-occurring annual or monthly expense disbursements shall be approved

by means of motion and vote during any regularly scheduled meeting of the OMGAA Board of Directors.

- 4) Where disbursements are made to individual OMGAA teams or program directors from incomes due to OMGAA sponsored tournaments, the Treasurer will require and secure a duly authorized APURCHASE ORDER@ from the program director, verified by the Tournament Director which references by date and program the appropriate tournament from which such monies are derived. Prior to issuing such disbursements, the Treasurer shall verify that the referenced tournament has produced monies sufficient to pay such disbursements and that those monies have been received and deposited into the OMGAA checking account.
- 5) In the event that it is necessary to issue a duplicate check, the Treasurer will prepare an OMGAA Purchase Order that will cross-reference the original check being duplicated. For duplicate checks of \$15.00 or greater, a stop payment order will be executed on the original check prior to issue of the duplicate.

Item5: Reconciliation

- a) Monthly bank statements shall be received by the Treasurer directly and unopened. The Treasurer shall reconcile the bank statement and the OMGAA check register immediately upon receipt of the monthly bank statement.
- 2) The Treasurer shall prepare and present to the board, monthly financial reports detailing current balances and past month history for all accounts.
- 3) The Treasurer shall prepare and present to the Officers of the Board, monthly reports for all checks more than 60 days outstanding, detailing the check number, date of issue, amount and payee name and address. The Secretary shall take appropriate action at the direction of the Officers of the Board, to insure proper disbursement of funds.

Item 6: Purchases

- a) All purchases of goods and/or services on behalf of and for the exclusive use by the OMGAA must be approved in advance and be documented with a completed and duly authorized OMGAA Purchase Order. Only OMGAA Directors may make purchase on behalf of OMGAA. Only Officers of the Board may approve purchases. Purchased orders must clearly identify the vendor, purchasing Director, purchasing OMGAA program, goods or services purchased, quantities, unit prices, total costs, and approving Officer of the Board.
- 2) The purchasing director is responsible for knowing if the purchase is within the approved budget for his/her program. (Ref. Item 12: Program Budgets)
- 3) The purchase of non-expendable goods with a single item purchase price greater than \$100.00 must be approved by the Board of Directors by means of motion and vote at any regularly scheduled monthly meeting. The purchase of non-expendable goods with a single item purchase price greater than \$500.00 must receive at least two (2) written quotes from competing sources prior to approval. Bid requests for such purchases must contain clear specifications and may not contain features which unduly restrict competitive bidding. In addition to the required purchase order, all invoices for single items with a price greater than \$100.00 must be

- verified and approved by the purchasing Director who has taken delivery, prior to payment.
- 4) Upon payment, the Treasurer certifies the validity of the invoice being paid, and acknowledges that it has been reviewed and checked for mathematical accuracy.

Item 7: Beneficiary and Board Expenses

- 1) No individual may incur expenses on behalf of OMGAA without approval from a Director. Any individual incurring expenses while carrying out duties for the OMGAA must complete, sign and date an OMGAA Purchase Order for such expenses. Purchase orders will be verified and approved by the Treasurer.
- 2) Expense purchase orders for the Treasurer will be verified and approved by the President.

Item 8: Consultants

- 1) Consideration will be made of volunteer member capabilities to accomplish services before contracting for them. Where outside contracts must be written, each contract shall clearly define work to be performed, terms and considerations of the contract, method of delivery and an established delivery date where applicable. The President shall maintain copies of written contracts.
- 2) The President, at the direction of the Board of Directors by means of motion and vote, shall prepare and present an appropriate OMGAA Purchase Order which will cross reference the contract by consultant name, address, date of contract and summary of services provided for approval by the Board of Directors.
- 3) All consultants shall provide evidence of liability insurance coverage, and qualifications to perform the requested service, prior to issuance of the contract.

Item 9: Equipment

- 1) Equipment shall be defined as all items, purchased or donated, with a useful life of more than one (1) year, held in possession by the OMGAA, any Board Director, Coordinator or Coach on behalf of and for the exclusive use by the OMGAA. The Equipment Director will maintain a property record for each item of equipment, which shall list a description of the item, date of purchase or acquisition, purchase price or fair market value, and location. OMGAA ID Numbers shall be assigned for all equipment greater than \$500.00 in value.
- 2) The Equipment Director shall take a physical inventory of all equipment prior to the October meeting of each calendar year. A depreciation schedule shall be prepared and included in the annual audit. The Equipment Director shall reconcile current inventory with previous inventory and purchase logs, and prepare a report explaining discrepancies. An entry shall be made in monthly board meeting minutes whenever property valued over \$500.00 is acquired or disposed.
- 3) Coordinators and coaches are to notify the Equipment Director immediately for all cases of lost, damaged or destroyed equipment.

Item10: Leases

- 4) The President and Treasurer shall jointly review all leases prior to submission to the Board for approval. All leases, approved by the Board, must clearly state terms and conditions.
- 5) Only the President may sign leases on behalf of the OMGAA. The President must sign all leases approved by the Board.
- 6) Both the President and Secretary shall maintain one (1) copy of each lease.

Item 11: Insurance

- 1) Both the Secretary and Treasurer will prepare and maintain an Insurance register. Insurance policies will be maintained by the Treasurer, and correspond to the program year whenever possible.
- 2) Insurance policies will be reviewed by the President and Treasurer prior to being submitted to the Board for approval.

Item 12: Program Budgets

- 1) Annual financial budgets will be prepared for each OMGAA Program by the Program Director, and submitted to the Board of approval at the regularly scheduled December meeting of the OMGAA Board of Directors. Budgets shall include expected member participation, revenues and expenses.
- 2) The President and Treasurer, each, shall maintain a copy of all approved program budgets on file. Program budgets are general OMGAA information and may be published or shared with members.
- 3) Expenditures, which exceed approved budgets amounts, or spending exceptions to the budget must be approved by the Board of Directors prior to being incurred.

Exception: Total expenses approved on a per/player or per/team basis shall not require board approval where approved per/player or per/team expense has not changed. Changes in per/player or per/team expense must be approved by the Board of Directors prior to being incurred.

- 4) The Treasurer shall prepare Budget Performance Review Reports for each program, and present these reports to the Board of Directors at the regularly scheduled September meeting of the OMGAA Board of Directors. These reports shall detail approved budgets, actual expenditures, and variances.

Item 13: Other Considerations

- 1) The President will authorize preparation of U.S. IRS Form 990.
- 2) The President will authorize preparation of U.S. IRS Form 1099-Misc for any payee of at least \$600.00 during any tax year.
- 3) The President will authorize the preparation and gathering of U.S. IRS Form W-9, as required.
- 4) Donations to the OMGAA of cash and non-program related income shall be separately accounted for.
- 5) The Board of Directors shall appoint an auditing group for the purpose of reviewing the financial records at the conclusion of each financial year. This review will be completed prior to the last day of February, and shall be presented

at the regularly scheduled March meeting of the OMGAA Board of Directors.

Section 4 - Review:

The OMGAA Executive Board shall jointly review the **Financial Procedures Policy** annually. Changes to the **Financial Procedures Policy** must be approved by the OMGAA Board of Directors by means of motion and vote at any regularly scheduled meeting of the OMGAA Board.

All OMGAA Board Directors shall review this policy annually, and indicate their understanding and acceptance by affixing their signature where indicated under **Addendum 1 - Acknowledgments**.

Section 5 - Penalties for Violation:

Where incurred expenses or disbursements are discovered in violation of this policy, the OMGAA Board of Directors may require reimbursement for all, or a portion of, such incurred expenses or disbursements from the offending Director, coordinator, coach or member.

The OMGAA Executive Board may authorize legal actions where necessary to enforce the financial procedures policy or its penalties.

Adopted by the OMGAA Board of Directors
December 18th, 2001

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