



## APPENDIX B

### FINANCIAL CONTROLS

#### ARTICLE I - GENERAL PRINCIPLES & GUIDELINES

- B1.1. BSC will establish and maintain bank accounts for the various functions required to operate the BSC's day-to-day operations.
- B1.2. BSC shall establish and maintain accounts at a local bank. There is no restriction on using a national, regional or local bank chain.
- B1.3. All funds shall be deposited into and all expenses shall be paid from only approved accounts.
- B1.4. All bank accounts must be opened with BSC's employer identification number (EIN).
- B1.5. All accounts must be FDIC insured.
- B1.6. Investment accounts or other non-FDIC insured accounts are not permitted.
- B1.7. All accounts will use BSC's official mailing address.
- B1.8. All bank statements will be mailed directly to BSC or emailed directly to the Treasurer.
- B1.9. The Board of Directors will approve the opening and/or closing of any bank or investment account.
- B1.10. The Board of Directors will approve the authorized signers on the BSC's bank accounts; minimum authorized signers will include the President, Vice-President, and Treasurer.

#### ARTICLE 2 - ACCOUNTING PROCEDURES

- B2.1. Accounting procedures shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.
- B2.2. BSC will use the cash basis of accounting utilizing an approved software program (i.e. QuickBooks) to maintain, track, operate and reconcile all accounts. BSC does not closeout "books" monthly; although all efforts must be made to ensure financial transactions are recorded in the month incurred.
- B2.3. **Journal Entries.** All financial transactions will be recorded in the approved accounting software. All journal entries will be posted in a timely manner in relation to when the transaction occurred. The Treasurer is responsible for posting all journal entries. The President and/or Vice President will review all journal entries on a quarterly basis, at a minimum.
- B2.4. **Bank Reconciliations.** The Treasurer will reconcile all accounts within 30 days of receipt of bank statements. Any discrepancy must be immediately reported to the President and reported during the next scheduled board meeting financial report. The Treasurer will provide a copy of the reconciliation report to any board member upon request.



**B2.5. Financial Document Retention.** The Treasurer will maintain and store the clubs' financial records at an approved location and within ready access for review.

B2.6.1. Financial records can be temporarily kept in the Treasurers' possession. Within 60 days of the end of the calendar year, the Treasurer will consolidate the years' financial records and store at the approved location.

B2.6.2. Past years' financial records will be kept for a period of 10 years. Financial records older than 10 years can be destroyed. The Treasurer will inform the board that a particular years' record will be destroyed; the Board of Directors has the opportunity to authorize maintaining such records for a longer period of time.

### **ARTICLE 3 - INTERNAL CONTROLS**

**B3.1 Intent.** BSC's internal controls prescribe safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded. BSC internal controls are designed to prevent deliberate or misguided use of funds for unauthorized purposes.

**B3.2. Lines of Authority.** The Treasurer is appointed by the Board of Directors and reports directly to the President.

**B3.3. Conflict of Interest.** All members of the Board of Directors, volunteers, staff, employees, and independent contractors are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest.

B3.3.1. A conflict of interest occurs when the personal, professional, or business interests of a director, employee, volunteer, or independent contractor conflict with the interests of the club. Both the fact and the appearance of a conflict of interest should be avoided.

B3.3.2. Upon or before election/appointment of a director and/or hiring of a paid employee, they must review and sign BSC's Conflict of Interest Policy document

B3.3.3. Specific details of BSC's Conflict of Interest Policy are found in Appendix C.

**B3.4. Segregation of Duties.** The BSC's financial duties are the primary responsibility of the Treasurer with oversight provided by the President, Vice-President, and the Board of Directors. This oversight is necessary to prevent fraud and error and to protect the BSC's assets while maintaining efficiency of operations.

B3.4.1. The President, Vice President, and Treasurer will have full and equal access to all bank accounts; to include any online banking and cash management functions.

B3.4.2. The President, Vice President, and Treasurer will have full and equal access to the BSC's accounting software.

B3.4.3. Any other person approved by the Board of Directors for access to bank accounts or accounting software will only get temporary read-only access.



B3.4.4. The Treasurer is responsible to ensure access is granted based on election or appointment; and removed when board terms expire or the Director resigns or is removed from office.

B3.5. **Security.** The club maintains physical security of its assets to ensure only authorized persons have direct or indirect access to money, accounts, real estate and other valuable property.

B3.5.1. Persons with authorized access to financial accounts will secure their usernames and passwords from unauthorized disclosure. Passwords should be changed on a regular basis; at minimum change passwords semi-annually.

B3.5.2. The Treasurer will maintain enough blank financial documents (checks, deposit slips, etc.) to operate for one year.

B3.5.3. The Treasurer will back-up the accounting software files every 60 days.

B3.5.4. Cash will be stored in the clubhouse money safe when not used for club operations.

#### **ARTICLE 4 - FINANCIAL PLANNING & REPORTING**

B4.1. Basic financial planning and reporting procedures shall conform to GAAP to ensure accuracy of information and compliance with external standards.

B4.2. **Budgeting Process.** The club shall prepare an annual budget consisting of revenue projections and anticipated expenditures.

B4.2.1. The President will work together with the Budget Committee and Treasurer to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming fiscal year.

B4.2.2. The Treasurer will ensure that the budget is developed using the BSC's standard revenue recognition and expense allocation procedures.

B4.2.3. The Budget Committee and/or Treasurer will present a draft budget to the board at least 30 days prior to the end of the fiscal year.

B4.2.4. The Board of Directors will review and approve the budget at its last meeting prior to the start of the fiscal year.

B4.2.5. The budget can be revised during the year only if approved by the Board of Directors.

B4.3. **Internal Financial Reports.** The Treasurer will provide the board a monthly report summarizing the BSC's current financial position and include explanations for any budget variance.

B4.3.1. The Treasurer will prepare the following financial reports for the board on a monthly basis: Profit & Loss Statement and Balance Sheet. Both reports will include month and year-to-date values and comparison to budget data.

B4.3.2. The complete financial report shall be provided to the Board of Directors in electronic form not less than three (3) days prior to the regularly scheduled monthly meeting.



B4.3.3. In the event the financial report or any portion of the financial report is not available, it will be presented at the next regularly scheduled monthly board meeting in addition to the report due at that meeting.

B4.3.4. The Board of Directors will review prepared financial reports each month.

B4.3.5. The Treasurer will prepare the following year-end financial reports for the Board of Directors within 30 days following the end of the BSC's fiscal year: Profit & Loss Statement, Budget vs Actual and Balance Sheet.

B4.3.6. The Treasurer will prepare or provide any financial data, records, reports, or material requested by the Board of Directors.

**B4.4. Tax Compliance.** The President and Treasurer are responsible to ensure that all forms and reports to comply with federal, state and local tax regulations are submitted in a timely basis.

B4.4.1. The Treasurer will report to the Board of Directors starting in March on the progress of the Federal Form 990 completion and filing. The Treasurer will file, or coordinate the filing of, any required extension for completing the Federal Form 990.

B4.4.2. The Treasurer will complete, or coordinate the completion of, and file the Federal Form 990 by May 31<sup>st</sup> each year. The Treasurer will present the completed Federal Form 990 to the Board of Directors at the next meeting following completion.

B4.4.3. The Treasurer will coordinate with the Board of Directors to provide any/all completed Federal Form 990s to any person requesting such for review.

B4.4.4. The Treasurer in coordination with the President and Director of Coaching will ensure that the club has current Federal Form W-4s for employees and Form W-9s for all independent contractors providing services to the club.

B4.4.5. The Treasurer will complete federal and state employee income tax withholding filings and payments based on approved due dates (i.e. quarterly/monthly).

B4.4.6. The Treasurer will complete, or coordinate completion of, and distribute the annual W-2 and 1099-MISC tax documents by January 31<sup>st</sup> each year.

B4.4.7. The Treasurer will complete Nebraska sales tax filings based on the state's due dates.

## **ARTICLE 5 - REVENUE & INVOICES**

**B5.1. Program Billing & Payments.** BSC uses the Nebraska State Soccer's approved registration program for setting program fees and collecting funds for our soccer programs. BSC may use their current website vendor or an electronic payment vendor to collect fees for BSC-sponsored camps and clinics.

B5.1.1. The Board of Directors will establish the program fees and payment structure for all soccer program and post such fees within the online registration system.

B5.1.2. The Club Administrator in coordination with the Treasurer and Competition Director will create automatic payment plans for Competitive and Recreational programs.



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B5.1.3. The Club Administrator and Treasurer are authorized to adjust player fees for BSC sponsored discounts – financial aid, fundraising, etc.

B5.1.4. The Treasurer will reconcile all electronic remittances (automatic deposits) against the designated program(s) within BSC's approved accounting software program.

B5.1.5. The Club Administrator will send a notice to a parent/family when an automatic monthly payment is declined. The Club Administrator will work with the affected family to make the required payment and/or update the payment method.

B5.1.6. In the event of a continual non-payment of account, the Club Administrator will notify a parent/family that their child (player) will not be able to participate until the account is paid. The Club Administrator will also notify the coach and team manager that the affected player cannot participate in club activities until further notice.

B5.1.7. The Club Administrator will keep the Board of Directors apprised of all outstanding player balances.

B5.1.8. The President and Treasurer will determine appropriate collection efforts for long outstanding invoices.

**B5.2. Payments Received.** The club recognizes, records, and reports revenue in the month it is received.

B5.2.1. The club accepts cash, checks, credit cards and electronic payments (i.e. PayPal) for all services provided and program fees.

B5.2.2. The Treasurer will mark all received checks with the BSC's "for deposit only" stamp.

B5.2.3. Cash payments will be held secure until deposited in the clubhouse safe or other secure location as determined by the Treasurer.

B5.2.4. Electronic payments received are "stored" within the vendor's system until transferred (deposited) into the BSC's operating account.

B5.2.5. Electronic payment notifications will be sent to the Treasurer's organizational email account and will be kept for a minimum of 60 days.

B5.2.6. The Treasurer is responsible for classifying revenue received into the appropriate account within the accounting software program.

**B5.3. Deposits.** All cash or checks received will be deposited intact into the BSC's operating account as soon as practical. A deposit slip will be prepared for all deposits.

B5.3.1. All cash and check deposits will be made in person at the BSC's approved bank.

B5.3.2. Any director or paid employee of the club can make a deposit into an approved club bank account.

B5.3.3. The Treasurer will generate a deposit report for all deposits regardless of who makes the deposit and file the report with the other monthly financial records.

B5.3.4. No monies will be removed from any deposit to make payments or for other purposes.



B5.3.5. Bank generated deposit verification slips will be given to the Treasurer for account reconciliation and filing.

B5.3.6. Electronic payments may be grouped together into deposits as required; however, deposits from all electronic accounts will be generated at least once a month regardless of amount.

## ARTICLE 6 - EXPENDITURES

**B6.1. Purchases, Invoices & reimbursements.** All expenses will be paid by checks drawn from the BSC's bank account(s).

B6.1.1. The Treasurer, with concurrence from the President, can use the BSC's debit card for expenses that require electronic payment (online) for purchases that cannot be supported by an invoice.

B6.1.2. Automatic withdrawals or electronic payments are not permitted; except as approved by the Board of Directors for recurring expenses (i.e. utilities, taxes).

B6.1.3. Funds transfers between BSC accounts may be used when necessary but should be kept to a minimum.

B6.1.4. Any expenditure in excess of \$1,000 for the purchase of a single item or service should have bids from three (3) independent companies/persons, if possible. These bids will be reviewed by the Treasurer and the bid award must be specifically approved in advance by the Board of Directors.

B6.1.5. Any director, volunteer, paid employee or independent contractor requesting expense reimbursement must have obtained approval for the expense and provide the Treasurer with associated receipts.

B6.1.6. The Treasurer will pay all expenses, invoices, and/or reimbursements within 30 days of receipt.

**B6.2 Payment Authorization.** The President, Vice-President or Treasurer can authorize expenditures of \$500 or less which conform to the approved budget. The Board of Directors must authorize and approve all expenditures above \$500 and any purchase which does not conform to the approved budget.

**B6.3. Check Signatures.** All checks written for more than \$1,000 requires two authorized signatures. Exception: only one signature is required for expenditures over \$1,000 that are expected in the normal course of operations (i.e. salaries, league fees, utility bills).