

NEVADA YOUTH SOCCER ASSOCIATION

SECTION 18

FINANCIAL POLICIES AND PROCEDURES

18:01:00 INTRODUCTION:

18:01:01 Financial policies and procedures are guided by an accounting concept called internal control. Internal control is defined by the *American Institute of Certified Public Accountants* as a process "effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of the following objectives:

- A. Reliability of financial reporting.
- B. Effectiveness and efficiency of operations.
- C. Compliance with applicable laws and regulations.

18:01:02 The financial policies and procedures are the control activities that help ensure that the management carries out its financial duties with the least amount of risk.

18:02:00 OBJECTIVE:

18:02:01 The objective of this policy is to create a practical but comprehensive approach to internal controls for NYSA, by developing general financial policies that can be easily modified as the organization may require.

18:02:02 It is the purpose of these financial policies to provide consistent application of conduct and proper internal controls to safeguard the assets of the Association, while performing the duties as described in the NYSA constitution, bylaws, and policies. To this end, all funds raised and disbursed in the name of the Association must be managed in such a way that the tax-exempt status of the Association will not be endangered.

18:03:00 DEFINITIONS:

18:03:01 The following NYSA terms and definitions apply throughout this policy:

- A. "Association" means NYSA.
- B. "Event" means AGM, BOD meeting, or NYSA-sponsored tournament. It is not a committee, office, or officer of the Association.
- C. "Line Item" means a specific line with corresponding amount in the Association's budget. Normally there are several line items within an area of the Association budget.
- D. "Program" means the operations of a specific officer, committee, or office of the Association.
- E. "Officer" means any position specified as an officer in the NYSA constitution or bylaws.

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- F. "Fiscal Year" is from September 1st through August 31st of each calendar year.

18:04:00 NYSA FINANCIAL MANAGEMENT AND CONTROL:

18:04:01 The President and Treasurer shall be in regular contact concerning the financial performance of the Association.

18:04:02 General Requirement of all Association Accounts:

18:04:02:01 All income of the Association shall be deposited into, and all expenses shall be paid by check drawn against the Association's accounts. The Association's accounts are as follows:

- A. **Types of Account:** The NYSA board can decide types of accounts needed based on recommendations of treasurer and accounting firm.
- B. **Location of Assets:** The Treasurer shall maintain the Association accounts. Operating accounts must be placed in institutions insured by the Federal Deposit Insurance Corporation (FDIC). Credit Unions may be used if appropriate insurance is provided.
- C. **Name of Accounts:** All Association accounts shall be in the Association's name.
- D. **Signatures Required:** Checks for the payment of expenses shall be signed by any two of the following officers: the Treasurer, President and/or signatory designated by the President and ratified by the BOD. Checks under \$500.00 may carry a single signature.

18:05:00 BUDGETING AND REGULAR FINANCIAL REPORTING:

18:05:01 Budget:

18:05:01:01 The Treasurer and/or their designee shall compile and present a proposed budget for the Association at the Annual State Workshop.

18:05:01:02 The BOD shall review and approve the proposed budget for submission to the AGM for the membership's approval.

18:05:02 Financial:

18:05:02:01 The Treasurer or bookkeeper is to prepare financial statements as soon as possible after the end of each month, comparing actual revenues and expenses with budgeted revenues and expenses. The Treasurer or bookkeeper is to provide the following reports when requested by executive board or NYSA President given a 48 hour notice.

- A. Balance Sheet

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- B. Copy of Check Register (48 hours notice)
- C. Profit and Loss Summary

18:05:03 **Safeguarding of Assets and Physical Controls:**

18:05:03:01 The Office Manager has responsibility for the physical security of assets until delivered to the Treasurer. The physical security of assets is a basic component of internal controls, and a basic component of accounting procedures and policies. The Treasurer and Executive Director are to ensure the following:

- A. Valuable assets are kept in a locked safe location
- B. Bank deposits are made frequently (at a minimum of once per week).
- C. Blank check stock is stored in a secure locked location.
- D. Assets and potential liabilities are adequately insured against loss (six months minimum).
- E. A physical inventory of all fixed assets and physical property is performed at least annually.
- F. Computer and physical security of financial information, and destruction of financial information, is exercised in accordance with the policy in Section 3 – General of the NYSA policies.

18:06:00 **DOCUMENTED ACCOUNTING PROCEDURES AND CONTROL:**

18:06:01 **Individual Compensation:**

18:06:01:01 All individuals (including referees and assignors) providing a service that is compensated by the Association are to provide name, address, and Social Security number or Employee Identification Number to the State Office on an Internal Revenue Service (IRS) Form W9 for the purpose of the Association filing IRS Form 1099, as needed. The Treasurer us to keep records to establish individual eligibility. The Referee Receipt of Payment Form can be found on the Forms page of the NYSA web site. The IRS Form W9 can be found on the IRS web site.

18:06:01:02 The establishment and documentation of these responsibilities and procedures are necessary steps for effective internal control, and for adequate reporting to maintain 501.(c).(3) status.

18:07:00 **CONTROLS OVER SPECIFIC ACCOUNTS AND TRANSACTIONS:**

18:07:01 **Cash and Cash Equivalents:**

18:07:01:01 Cash and cash equivalents are the lifeblood of the Association, and, unfortunately, can too often be easily diverted through theft, embezzlement, and misuse. Therefore, controls over cash and cash equivalents are among the most rigidly enforced. It is the preferred policy to be a NO CASH business but in the case

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where cash is used the following are basic cash control objectives and are designed to ensure the following:

- A. All cash and cash equivalents for NYSA are received and deposited in a timely manner in the NYSA bank accounts.
- B. All disbursements are for authorized transactions and for the correct amounts.
- C. All adjustments to cash accounts are authorized by the appropriate personnel.
- D. Cash held by third parties, such as banks and brokerages, is considered safe and liquid.
- E. All accounts are reconciled to the general ledger in a timely manner.
- F. All transactions are recorded in the correct account, in the correct amount, and in the proper accounting period.

18:07:02 **Cash Receipts:**

18:07:02:01 Controls over cash receipts are necessary because they furnish a level of assurance that all monies received are deposited in the NYSA accounts. The following cash receipt controls are to be exercised:

- A. Checks should be endorsed to Nevada Youth Soccer Association or US Youth Soccer of Nevada, and are to be deposited as soon as possible.
- B. For on-site cash collections, such as concessions and T-shirt sales, cash collections are to be counted in the presence of two (2) people who sign off as having approved the cash count. A form is to be completed for each day of an Event. The forms to be used for concessions and T-shirt sales can be found on the Forms page of the NYSA web site.
- C. The Treasurer or his designee is to conduct prompt investigation of checks returned for insufficient funds. Payers issuing checks that are returned to NYSA marked as Non-Sufficient Funds (NSF) are to be charged a thirty five-dollar (\$35.00) administrative fee by NYSA for each return. Bank charges incurred by NYSA related to NSF checks must also be recovered from the payer of the check.

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18:07:03 **Cash Disbursements:**

18:07:03:01 Effective controls over cash disbursements are necessary in order to ensure that the cash expenditures of NYSA are made only for authorized purchases from reputable vendors. The following cash disbursement controls are to be exercised:

- A. Physical access to cash and unissued checks is to be restricted to authorized personnel.
- B. Checks are to be prepared only by an authorized signatory and the Treasurer is to document transactions.
- C. NYSA is to require two signatures on all checks over \$500.00, in keeping with the recommendations of USYS *Guidelines for Financial Management in Youth Soccer*. The signatories are to review the supporting documentation to ensure that each payment item has been reviewed and approved. Electronic invoices are allowed.
- D. Payment is to be made only from an original invoice, rather than from a statement or invoice photocopy.
- E. Proper documentation for checks will be kept in office files or electronically through Quick Books.
- F. Checks are to be pre-numbered and issued in numerical sequence. Voided checks are to be retained so that the numerical sequence can be verified.
- G. The use of post-dated checks, checks payable to bearer or cash, and pre-signed blank checks is prohibited.
- H. Recurring monthly expenses (e.g. copier contract, rent, phone bill) are to be paid without need of a voucher and may be set up for automatic payment. The Office Manager or Executive Director is to initial invoices to confirm that the expense is correct or reasonable, prior to giving the invoice to the Treasurer for payment.
- I. Other expenses are to be submitted on a voucher or via email and approved by the appropriate committee chair, Executive Director and the President. The voucher form to be used can be found on the Forms page of the NYSA web site.

18:07:04 **Credit Cards:**

18:07:04:01 Credit cards have become a way of life and NYSA is no exception. Volunteers cannot be expected to constantly pay funds from their private sources in order to maintain and perform the everyday requirements or functions of the Association. The Treasurer is to make credit cards available to volunteers and to the state office staff, as deemed necessary and as approved by the BOD. The following credit card controls are to be exercised: Bank debit cards will be issued to the President and Executive Director for operational use. Additional debit cards can be approved by the Board of Directors. Credit cards will also be held by the Executive Director and President.

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- A. ODP may be issued a debit/credit card if approved by the NYSA president.
- B. Monthly bills are to be reconciled by the user with the bookkeeper.
- C. Loss of the credit card is to be reported immediately to the Executive director and the bank of issue. The Executive Director will contact bookkeeper and other related parties
- D. Non-compliance by any authorized credit card user with the above credit card controls will have their credit card privilege revoked.

18:07:05 **Other Cash Controls:**

18:07:05:01 Cash controls employed by the NYSA are also to include the following:

- A. Include individuals handling cash in fidelity bond coverage.
- B. Use only banks with a solid financial position and safety rating as a depository institution. Banks must be FDIC insured. Credit Unions must have NCVA insurance.
- C. Limit the number of bank accounts to the minimum necessary to safely and properly conduct the business of the Association. Unused accounts are to be closed promptly.
- D. Reconcile all bank accounts as soon as possible after receiving the statements and make necessary adjustments to the general ledger.
- E. Investigate and resolve old outstanding checks.

18:07:06 **Payroll:**

18:07:06:01 Payroll and related employee benefits are one of the largest single expense items for NYSA. One of the best controls is the employment of an outside payroll service. This practice provides a mechanism to ensure that appropriate payroll reports are filed and introduces an additional level of control in the management of NYSA finances. The following payroll controls are to be exercised by the Treasurer:

- A. Payroll and related benefits are to be paid only to bona fide employees at approved salary and benefit rates.
- B. Payroll transactions are to be properly recorded in the general ledger.
- C. Payroll taxes are to be properly reported and remitted to federal and state taxing authorities.
- D. Payroll records are to be maintained in accordance with NYSA and government policies.
- E. Employee benefit programs are to be maintained in accordance with applicable laws and regulations.

18:07:07 **Investments:**

18:07:07:01 Monies within NYSA can be in the following:

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- A. Bank interest-bearing accounts
- B. Bank certificate of deposits with FDIC insured institutions
- C. Government-backed investments

18:07:08 **Fixed Assets:**

18:07:08:01 Controls over fixed assets are designed to ensure that only properly approved items are purchased, assets are safeguarded and adequately insured, and that asset depreciation is properly accounted. The following fixed asset controls are to be exercised by the Treasurer:

- A. A capital budgeting process is to be used to adequately budget for fixed asset acquisitions.
- B. The sale or disposal of fixed assets is to be documented.
- C. Acknowledgment requirements for charitable contributions exceeding \$250.00 and quid pro quo contributions are to be met.
- D. IRS requirements for non-cash gifts are to be met.
- E. Monitoring and follow-up on outstanding promises to give.

18:07:09 **Player Fees:**

18:07:09:01 The player fees are set out in NYSA policies or in other USYSNV official documents. The Executive Director is to ensure that fees are calculated properly and BOD is to provide adequate explanation of fee allocation.

18:07:10 **Grant or Contract Revenue:**

18:07:10:01 The BOD is to review and approve all acceptable grant and contract proposals, unless it has delegated such authority to the President.

18:07:10:02 The Treasurer is to ensure that the accounting system is properly designed to capture direct costs and revenues for each individual grant or contract for the purpose of inclusion in the annual IRS filing.

18:07:10:03 The Treasurer is to properly supervise grants and contracts to ensure that expenditures are made only for the purposes stated in the grant and that compliance with grant requirements is met.

18:07:10:04 The Treasurer is to ensure that expenditures under the grant are properly documented so that independent accountants or the granting agency can audit them.

18:07:11 **ODP Accounts:**

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18:07:11:01 The ODP committee is to set a deadline for the following payments. No payment by the deadline date will result in the specified action. NYSA is not to pay fees on behalf of a player on a loan basis under any circumstances.

- A. Tryout fee – a player not paying the tryout fee at the tryout is not to be allowed to participate.
- B. Training fee – a player not paying the training fee by the specified date is to be suspended from the program until payment is made.
- C. Regional Tournament fee and other related expenses – a player not paying the Regional Tournament fee (including travel and accommodation costs) by the specified date is to be replaced on the roster by an alternate.
- D. Regional Camp or Sub regional event Fee - a player not paying the Regional Camp fee (including travel costs) by the specified date is to be replaced on the roster by an alternate.

18:07:11:02 Any player submitting a personal or sponsor's check that does not clear will not be allowed to participate in the ODP until the fee for which the check was refused is paid, plus the bank NSF fee. Any player that submits a second personal check that does not clear will be ineligible for participation in the ODP for the remainder of the soccer year. The player will be responsible for the bank NSF fee. Checks will not be accepted from a sponsor that has previously submitted a check that did not clear. A player will be placed in bad standing for non-payment of outstanding fees more than thirty (30) days old.

18:07:11:03 Payment plans and refunds for ODP must be approved by the ODP committee and made by the Treasurer only.

18:07:11:04 ODP coaches are not to be credited for their child's ODP expenses. All coaching salaries are to be paid directly to the coach.

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18:07:12 **Other Revenue Sources:**

18:07:12:01 The Treasurer/Bookkeeper is to segregate advertising revenues in the general ledger and identify the sources(s) associated with earning the revenues for general accounting purposes.

18:08:00 **PROPERTY RECORD AND ACCOUNTABILITY:**

18:08:01 **Annual Inventory:**

18:08:02 **Audits:**

18:08:02:01 The BOD shall audit all Association accounts annually with the approval of an Audit Contract. Audit should begin within two (2) months of the end of the fiscal year, and no later than November 1st. Audits may be formal or informal.

18:08:02:02 The results of all audits shall be provided to the BOD, and a copy kept with the Corporate Book of Minutes, as well as in the State records with the IRS annual returns.

18:08:02:03 The Treasurer is to post a summary statement of financial activity for the preceding fiscal year on the State web site.

18:09:00 **EXPENSE VOUCHERS AND RECEIPTS:**

18:09:01 **Voucher Submission:**

18:09:01:01 Accumulating expenses is an everyday event in conducting business for NYSA. NYSA is committed to reimbursement of legitimate expenses as quickly as possible. In order to accomplish this, the Voucher Request Form (available on the Forms page of the State web site) is to be submitted to the State Office NO LATER than three (3) months (90 calendar days) from the date the expense was incurred. All expenditures submitted for reimbursement older than 90 calendar days from the date of the submitted form must be brought by the claimant before the BOD for review and consideration for reimbursement. All claims for reimbursement are to be accompanied by the appropriate receipts as proof of expenditure.

18:09:01:02 Voucher requests are required for all expenditures not considered regular monthly expenses or budgeted items (rent, phone bills, copier contract, consumable office supplies etc.).

18:09:01:03 The recognized signature or approving authority for vouchers for each committee will be the appropriate committee chairperson. Prior to submitting the Voucher Request Form, the form must be reviewed and approved by the committee chair.

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After their approval, committee chairpersons must submit the form for review and approval by the Executive Director or President.

18:09:01:04 After approval is obtained, the Voucher Request Form is to be forwarded, with all accompanying original receipts, to the Treasurer to process payment.

18:09:01:05 The Office Manager is to maintain a list of authorized committee chairpersons, signed by the President, to be filed in the State Office and with the Treasurer.

18:09:01:06 The President or First Vice-president will be the approving signatures for vouchers submitted by members of the BOD and office staff.

18:10:00 **UNAUTHORIZED EXPENDITURES:**

18:10:01 Unauthorized expenditures are defined as follows:

- A. Not contained within the annually approved budget.
- B. Not approved by the appropriate committee chairperson.
- C. Not expended in the interest of soccer.
- D. Submitted on a voucher without an approving signature.
- E. Submitted without supporting documentation of personal expenditure.

18:11:00 **TRAVEL AND PER DIEM RATES:**

18:11:01 **Lodging:**

18:11:01:01 The Association will reimburse reasonable lodging rates when out of town travel is necessary. A valid receipt must accompany all claims for reimbursement of lodging expenditures.

18:11:02 **Meals:**

18:11:02:01 Any cost incurred for meals over the daily allowance will not be reimbursed to the individual. The daily meals allowance are as follows:

- A. **In-state Travel:** The standard rate allowed by NYSA for in-state travel is thirty-five dollars (\$35.00) per day.
- B. **Out-of-state Travel:** The standard rate allowed by NYSA for out-of-state travel is fifty dollars (\$50.00) per day.
- C. Meals may be purchased directly by officers with bank cards as long as no per diem was issued. These expenses would reconciled monthly.
- D. On occasion the president and/or executive director may purchase meals for guests, customers, potential sponsors, referees or other interested parties in the best interest of youth soccer.

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- 18:11:02:02 Per diem is computed for each twenty-four (24)-hour period of travel, and shall not be paid for fractional days. For example, if the traveler departs on a Friday afternoon and returns on a Sunday afternoon, this shall be considered two days for purposes of the payment of per diem.
- 18:11:03 Internal Office Financial procedures
- 18:11:03:01 Expense Reporting
- A. On a monthly basis the president, executive director and any other card holder will submit a list of all expenditures paid and attach all necessary receipts to the bookkeeper and/or treasurer.
 - B. Both the executive director and the president will have the authority to approve referee, tournament, office management and other re-occurring expenses. The president will approve all reimbursements to the SYRA, Executive Director and Board Members.
- 18:11:04 **Responsibilities**
- 18:11:04:01 President
- A. The President will approve expenses for reimbursements and sign all contracts on behalf of NYSA.
 - B. The President will be allowed to spend up to \$5,000 without board approval.
 - C. The President will meet on a quarterly basis or as needed with the Treasurer, Executive Director and external bookkeeper to review financial matters and upcoming state events.
 - D. The President will make the final decision on an external bookkeeper.
- 18:11:04:02 Executive Director
- A. The Executive Director will be responsible for all office procedures in regards to finances.
 - B. The Executive Director will ensure that any person receiving payment for services by NYSA has a 1099 on file.
 - C. The Executive Director will meet on a quarterly basis or as needed with the Treasurer, President and external bookkeeper to review financial matters and upcoming state events.
- 18:11:04:03 Treasurer
- A. The Treasurer will meet on a quarterly basis or as needed with the President, Executive Director and external bookkeeper to review financial matters and upcoming state events.
 - B. The Treasurer will ensure payment of monthly any expenses of NYSA on time to avoid any late charges.
 - C. In coordination with an external bookkeeper the Treasurer will collect and review all monthly bank statements and internal financial reports submitted.
 - D. The Treasurer will report immediately to the President and Executive Director anything abnormality that may occur with NYSA's financials records.

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- E. The Treasurer will confirm that the appropriate files are set up in the office and ensure that the documentation being kept is sufficient for an audit.

18:11:04:04 Bookkeeper

- A. An external bookkeeper may be hired with approval of the President. Such bookkeeper may assume duties assigned to one of the above parties for execution, however the board member still maintains the responsibility of the position.