

Financial Procedures for Great Old Broads for Wilderness  
October 2018

**Incoming monies:**

- When people pay for memberships, give gifts or purchase merchandise online (possible only by credit card), the Membership Maven is notified by email.
- All online transactions are processed through NEON merchant services, with data entered automatically into NEON. The cost to Broads of this processing is 2.6% plus \$0.30 per transaction. The money is deposited weekly into our checking (operating) account. The Membership Maven records these and provides a deposit report to the Bookkeeper.
- Electronic funds transfers (sustaining members) go directly into our checking account, which costs Broads \$0.25 per transaction.
- When money is received via mail or in person – usually in the form of checks – the Membership Maven records the amount in NEON.
- Usually once a week, the Operations Manager will take checks to the bank to deposit them into the checking account. The deposit is categorized into memberships, gifts, merchandise, grants, program revenues or other, with appropriate Account number and Class for each category.
- All monies (except raffle ticket sales) are deposited into the checking account, with amounts above what is needed for operating expenses transferred to savings.
- When the bookkeeper comes in each month, Membership prepares a Merchant Account Deposit form that lists all of the credit card deposits for the previous month, broken down into the above mentioned categories. The Operations Manager prints out the bank statements for the bookkeeper.
- The bookkeeper reconciles the bank account statements each month.
- There is a separate bank account for any raffle income, set up according to Colorado raffle law.
- We track all individual donations and grant monies of \$5,000 and more for the 990 Schedule B. That spreadsheet is found in the server/financial info/grants & large donors. When the 990 is complete and ready to be published on the website, Schedule B is not included. If the 990 is sent to anyone, Schedule B is not included. (Note: all donor checks of \$5000 and above and all foundation checks are copied and placed in a foundation or major donor file.)

**Accounts payable:**

- Some of our accounts (i.e. utilities, credit card bills, NEON) are set up to be paid automatically, either through EFT from our checking account, or charged to one of the Broads credit card accounts.
- All Staff Directors have credit cards.
- When bills come to the Broads office -
  - The Operations Manager will code them by account and class, and pay it via Bill Pay through our bank account. After Bill Pay is arranged, the amount, account and class are entered into QuickBooks, and paper bill filed.

- If the bill needs to be paid more expeditiously, the Operations Manager can print the check, get it signed by the Executive or Associate Director, and then mail it to the biller.
- The Executive Director and the Associate Director are the only staff members authorized to sign checks.
- All invoices, receipts and credit card statements are coded by the Operations Manager – first by “account”, and then by “class”.
- Nearly all of the data input into QuickBooks is performed by the Operations Manager. The bookkeeper reviews entries during the monthly visit.
- The Operations Manager inputs the credit card charges in QuickBooks, and reconciles the statements before the Bookkeeper comes in.
- Any invoices that are recurring (utilities, NEON, insurance, etc.) are coded and, generally, auto-paid. These are entered into QuickBooks.
- **Petty Cash:**
  - Petty cash is maintained by the Membership Maven and is used for small, miscellaneous expenses, mostly by staff members who do not have a Broads’ credit card.
  - Examples of expenses charged to petty cash are: incidental postage and office supplies
  - There is a “ledger” in the petty cash bag where “who, what, when and how much” are recorded and receipts placed into bag.
  - When petty cash runs low it is generally replenished with \$100 from the operating account. No other monies should go into the petty cash account.
  - The ledger will be balanced on a quarterly basis.

#### **Budgeting:**

- The Associate Director (AD) and Operations Manager are responsible for creating the budget, with significant input from the Executive Director (ED).
- The AD and ED, along with the Operations Manager, review the current year’s budget and project any changes for the coming year in creating the budget for the next fiscal year.
- The Board of Directors reviews the budget prior to the annual board retreat, and recommends any changes. A final budget is approved by the Board, ideally prior to the beginning of the fiscal year.
- If there are any major changes in the budget that arise during the fiscal year, a revised budget is created with the original budget being saved and labeled so that the Board can see what changes have been made.

#### **Bank**

- Operations Manager has the authority to transfer funds with approval by ED or AD.

#### **BANK**

BankofColorado.com

Papers need to be signed at the bank when a new signer is added. The Executive and Associate Directors are signers. Tokens are provided by the bank to appropriate staff to log in to the online bank site. Currently, the Membership Maven, Operations Manager and ED have tokens.

3 accounts – Checking (Operating) account, raffle account, savings account

- On the 5<sup>th</sup> or 6<sup>th</sup> of the month a bank statement is available. One statement is printed for each account and made available to the Bookkeeper.
- When a raffle is held, all money goes to the Raffle account

Funds can be transferred between accounts when necessary, as determined by the ED, AD and/or Operations Manager. No money may be transferred from Raffle into Savings or Operation, and can only be used according to Colorado Raffle rules.

### **Vanguard Account**

In addition to the Bank of Colorado accounts, a Vanguard brokerage account is maintained for the purpose of receiving security donations.

- Per our Investment policy, securities received are sold within 30 days of receipt.
- The cash proceeds are kept in a Vanguard money market fund.
- With the approval of the ED, funds may be transferred from or to Bank of Colorado accounts with an eye to receive the highest interest rate on excess funds.

### **Financial reports:**

- At the end of each month, after the bookkeeper's visit, the Office Manager runs the financial reports for the Executive Director, Associate Director, and Board Treasurer. Copies of all of these reports are kept on the server.
- The Operations Manager reviews the reports for accuracy before sending them out, then saves them to Broads Financials on the Z drive. The ED and/or AD review them before the Operations Manager sends them to the Board Treasurer.
- The Board Treasurer reviews financials, asks for any clarifications, and creates a Treasurer's Report, which is sent to the entire board for review.

The reports that are run and sent for review are:

### **Found in Memorized Reports, then Company – (change accrual method to cash if needed)**

1. Balance Sheet - Standard Balance Sheet (month and year)
2. P&L YTD (P&L Oct – month and year)
3. P&L prev year comp (Previous Year Comparison) (P&L Prev Yr Comp month and year) Found in Memorized Reports only
4. P&L Budget v Actual YTD (thru end of month)
5. P&L Budget v Actual YTD month and year

The Vanguard Brokerage quarterly report goes to bookkeeper – she updates in QuickBooks and then files them in Shelley's office in a notebook kept on a shelf.

### **Notes on budget categories – August 15, 2011**

#### **Payroll Expenses:**

Payroll reports are kept in a file cabinet in Shelley's office; 3<sup>rd</sup> drawer. The file cabinet is to be kept locked at nights and on weekends.

For the 990 these are the Payroll Class categories

Admin (GO) includes

- Staff hours
- Admin hours
- Bookkeeping and accounting expenses (QB Professional Fees)

Wilderness (Wild/Prog) includes

- Advocacy hours
- Broadwalk hours
- Broadsides hours
- Board hours

Fundraising (FR) includes

- Fundraising hours
- Membership hours

**Breakdown of classes other than payroll:**

Advertising – WILD

Auction Pay Fee – Fundraising

Automobile Expense – WILD

Bank Service Charges – MEM

Board – WILD

Broadsides – MEM

Campaign Expense – WILD

Conferences – WILD

Dues, Subscriptions – WILD

Equipment – GO or WILD

Insurance:

- D & O Liability – GO
- General Liability – WILD
- Worker's Comp – Added to Payroll Expenses

Licenses and permits – GO

Membership Expenses – MEM

Merchandise Purchase – MEM

Postage/Delivery – MEM or AUC

Professional Fees:

- Legal and Consulting – WILD
- Bookkeeping and Accounting – GO
- Payroll Processing – added to payroll expenses (see above)

Program Expenses – Broadwalk, Broadworks, BootCamp and WILD

Repairs – GO

Sponsorships – WILD

Telephone and Internet – split 80% Wild, 10% GO, 10% FR

Travel and Entertainment – Depends

Utilities – split 80% Wild, 10% GO, 10% FR

#### **Fiscal Year End Reporting for Tax Preparer:**

After all Fiscal Year transactions are recorded and reconciled by the bookkeeper (it is recommended to reconcile two months past FY ending to pull in any outstanding transactions), the Operations Manager will create financial reports for the tax preparer. These reports are:

- Cash basis FY P&L
- Cash basis FY P&L by class
- Cash basis FY Balance Sheet
- Cash Basis FY Payroll Summary
- Cash Basis FY Donations by Donor of \$5000 or more.