

CHAPTER FINANCIAL POLICY

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PURPOSE

The IAFN is committed to responsible financial management. The entire organization, including the board of directors and staff, will work together to make certain that all financial matters of the organization are addressed with care, integrity, and in the best interest of IAFN.

The policy and procedural guidelines contained in this statement are designed to:

1. Protect the assets of IAFN Chapters
2. Ensure the maintenance of accurate records of IAFN's Chapter financial activities;
3. Provide a framework of operating standards and behavioral expectations; and,
4. Ensure compliance with federal, state, and local legal and reporting requirements.

PERSONS AND AREAS AFFECTED

The CEO, Finance Director and the Chapter Board of Directors of IAFN have the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors (BOD). Exceptions, changes or amendments to written policies may only be made with the prior approval of the BOD at any time. A complete review of the policies shall be conducted every two years.

The CEO, every Chapter Officer, and designated staff with finance related responsibility are expected to be familiar with and operate within the parameters of these policies and guidelines.

LINE OF AUTHORITY

Board of Directors have the authority to deactivate chapters when deemed appropriate at the request of the CEO.

Finance Director has the authority to audit bank accounts, request supporting documentation And notify the CEO when deactivation for non-activity/non-compliance should occur.

CEO has the authority as designated by the Board of Directors to deactivate chapters when deemed appropriate.

Chapter Officers as elected by the chapter membership have the responsibility to create an annual operating budget and execute and comply with the financial policy as outlined.

FINANCIAL CONTROLS AND OPERATING PROCEDURES

OPERATING PROCEDURES

The **Chapter President will work with the Chapter Treasurer** to maintain accurate company financial records. Bookkeeping support may be provided by staff (in-house or contractual) as designated. Annual documentation shall be made to the IAFN staff liaison covering, at a minimum, receipts, disbursements, receivables, and payables.

The **Treasurer** will be required to provide monthly financial review to the Chapter President.

FINANCIAL REPORTING

- Annual budgets are prepared by the Treasurer, and Chapter President and presented to and approved by the Chapter Officers by February 15th of the current year.
- Monthly Financial Reviews are provided to the Chapter Officers by the Treasurer.
- Detailed Financial Reports are provided to the IAFN Finance Director when necessary.
- Periodic Financial review will be conducted by the IAFN Finance Department.
- The Fiscal Period for the organization and chapters shall be January 1 to December 31.

SAFEGUARDING ASSETS

- The Chapter Treasurer shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Association are implemented and maintained.
- The Treasurer & Chapter President shall provide fiscal oversight in the safeguarding of the Assets of the chapter and shall have primary responsibilities for ensuring that all internal and external financial reports fairly represent its financial condition.
- A proper electronic filing system will be maintained for all financial records.
- Actual income and expenditures will be reviewed on a quarterly basis by the Treasurer and chapter officers and periodically with the IAFN Finance Department.
Bank statements are promptly reconciled on a monthly basis within 7 days of receipt of statement by the Chapter Treasurer.

POLICIES ON DISBURSEMENTS

- The Treasurer has (a) expenditure approval up to the parameters set by the annual operating budget as approved by the Chapter Officers, and (b) single signature authority up to and including \$1,000 with the exception of the Treasurer's personal expense reimbursement items which must be approved by the Chapter President. Expenditure requests will be initiated in writing or through online bill payment system and approved within specified authority by the Chapter Officers.
- The Chapter President approves check requests after comparing to supporting documentation.
- One signature, plus written (email is acceptable) approval by the IAFN CEO &/or Director of Finance is required on all chapter expenditures over \$1,000. All disbursements are made via Automated Clearing House (ACH), or check when ACH is not applicable, through online bill payment system and are accompanied by substantiating documentation.

- In order to provide reimbursements for independent consultants a W9 (if contractor is new) and email address must be submitted to the Treasurer
- Any expenditure that summarily exceeds 10% in excess of the approved annual budget for the activity must be approved by the IAFN's CEO or Finance Department.

POLICIES ON RECEIPTS

- A copy of all receipts is made for deposit file documentation and will be attached to a copy of the deposit slip and electronically retained for our records.
- All checks are stamped or written with "Deposit only" immediately upon receipt.**
- Funds collected during chapter events will be deposited via branch transaction, mobile transaction or via mail to IAFN home office. Mailed transaction must be sent using FEDEX, UPS or any other trackable source. Tracking information to be provided to the IAFN finance department upon shipping.
- The Treasurer or designated Chapter Officer will be responsible for preparing the documentation on receipts for deposits and for making deposits as necessary.
- A copy of the deposit slip from the Bank is compared and electronically attached (Scanned/ faxed) to the corresponding receipt copies and cash listing for Treasurer review during reconciliation of the monthly finances and transactions.
- Treasurer will provide statements of deposits to the Chapter Officers and/or IAFN Finance Department when requested.

POLICY ON END OF YEAR ACCOUNTING

Treasurer will prepare the financial statement for review by all Chapter Officers. Once reviewed and approved by all Chapter Officers the Chapter President will electronically submit the documents to the staff Liaison at the IAFN home office by designated deadline.

ACCOUNTING PROCEDURES

ONLINE BILL PAY

The Chapter's current financial institutions online bill payer services will be utilized in the following capacity:

- Vendor payments such as but not limited to rental payments and contractors
- Vendor or customer refunds where approved by the Chapter President or **Treasurer** of the IAFN.
- All bill pay payments must be approved by the Chapter President either with a standing approval for the reoccurring monthly payments or on a case by case basis.
- All scheduled bill pay payments over the amount of \$1000.00 will be approved by the **CEO and Finance Department** of the IAFN as stated in the financial policy.
- All approvals either by **CEO** or Finance Department can be done via email or live in person.
- IAFN Chapters are required to utilize their banking institutions online bill pay service to process and record accounts payable transactions.

- All vendor and contractor invoices with accompanying back up documentation are scanned &/or emailed electronically by each chapter to the home office on a quarterly basis

MONTH END ACCOUNTING PROCEDURE

- Treasurer shall maintain an electronic record of all bank transactions, listing all checks disbursed and all receipts deposited on a monthly basis and review with chapter officers. Treasurer will conduct the bank reconciliation.

END OF YEAR ACCOUNTING PROCEDURES

Annual financial statements will be targeted for closing within a period of six weeks after the year end date. The preliminary year-end report is given to the IAFN Staff Liaison for review. The year-end financial statements will be targeted for delivery to the CEO under a time-line to be set in advance by IAFN staff liaison.

BUDGET PROCEDURE

The budget is based on a fiscal year. The Treasurer will commence the budgeting process for the following fiscal year in the summer/fall of each year prior to the annual vote of new Chapter Officers. In preparing the budget, the Treasurer is responsible for setting up a budget template which includes historical information and a place to note the upcoming year's budget and assumptions. Furthermore, the Chapter President is responsible for monitoring the preparation of the budget and final review before submitting it to the chapter membership.

COMPUTER AUTHORIZATION AND BACK UP

The chapter banking institutions will have access controlled by unique user IDs and passwords.

The Finance Director will control which other Chapter Officers will be given passwords so that they can have access to the accounting software. Each user must have his/her own unique user ID. User IDs of former chapter officers will be removed at the conclusion of term.

ACCESS TO RECORDS AND RECORDS RETENTION

Some records of IAFN Chapters are generally open to public inspection as may be required by law (e.g., IRS rules governing Form 990, audit reports and financial statements). However, human resources and personnel files are not open to public examination and may only be released with the permission of the IAFN CEO. Questions in this area are to be handled by the CEO in consultation with the Finance Director and the Finance Committee.

Record retention is governed by various rules and statutes of limitations. Certain documents must be retained indefinitely (e.g. chapter minutes, chapter formation documents and other governing materials), financial records such as receipts should be retained for 7 years. Any questions relating to record retention are to be handled by the IAFN Staff Liaison.

FINANCIAL INFORMATION

Financial statements and other financial information are furnished by the Treasurer to the Finance Director, CEO, Staff Liaison and Board of Directors as necessary and appropriate. This information is not to be made available to persons who are not authorized to receive it.

IRS FORMS

The Chapter is responsible for the annual filing of the Form 990. A Submission confirmation of the Form 990 or 990N or 990EZ including significant schedules from the Internal Revenue Service must be electronically submitted to the IAFN Home Office annually as part of the annual renewal documentation requirements by May 15th of the following year.

ADMINISTRATIVE FEE

There is no administrative fee at this time.