



Wellsville Area Chamber of Commerce, Inc.

Financial Policies and Procedures

The Wellsville Area Chamber of Commerce is committed to responsible financial management. All members of the organization (compensated staff and directors) are responsible to work collectively to make sure that financial matters related to the organization are addressed with care, integrity, and in the best interest of the Chamber.

The policy and in this handbook are designed to:

- 1. Protect the assets of the Chamber*
- 2. Ensure accurate maintenance of records of Chamber activities*
- 3. Provide a framework of operating standards and behavioral expectations, and*
- 4. Ensure compliance with Federal, State and local legal and reporting requirements.*

The Executive Director the Chamber is responsible for administering these policies and ensuring compliance with procedures approved by the Board of Directors. Exceptions to these policies are allowed only with the prior approval of the Board. A complete review of these policies will be conducted every two years (2015, 2017, 2019, etc.).

All members of the organization (compensated staff and directors) with any level of fiscal responsibility are expected to be familiar with and operate within the parameters of these policies and guidelines.

As noted in Article 2, Section 4 of the organization's By-Laws, Limitation of Methods, The Wellsville Area Chamber of Commerce shall observe all local, state, and federal laws which apply to a not-for-profit organization as defined in Section 501 (c) (6) of the Internal Revenue Code.

1. LINES OF AUTHORITY - AUTHORITY AND RESPONSIBILITY FOR ASSETS

- a. Authority to Commit Resources – The Executive Director is charged to manage the day-to-day operations of the Chamber. He/she is granted authority to satisfy any fiscal obligation of the Chamber up to \$500 without Board approval. Any expenditure above that amount requires Board approval before the expense is incurred or payment is made. Approval may be obtained electronically with the affirmative approval of the majority of Board members serving at the time.
- b. Personal Indemnity Clause – Members of the Board, volunteers, and compensated staff agree not to hold the other party responsible for any damage or liability that may occur during the transaction of approved business of the organization. The agreement is not valid if one of the

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parties performs actions in a negligent or intentionally bad manner, or if one of the parties has committed a fraudulent or criminal act.

- c. Significant Funds Transfer – In order to ensure the financial stability and the appropriateness utilization of funds under the supervision of the Executive Director of the Wellsville Area Chamber of Commerce, Inc., the following policies are to be strictly adhered to.
 1. When funds are insufficient in a specific account to manage current indebtedness, the Executive Director is instructed to transfer funds from other available sources under these specific parameters:
 - a. Funds may be transferred as needed, without Executive oversight, between the Revenue Account and the Operating Checking Account or Retail Checking Account.
 - b. Funds may be transferred as needed, without Executive oversight, between the Retail Checking Account and the Operating Checking Account or Retail Checking Account.
 - c. Funds may be transferred with Executive oversight, between the Health Insurance Checking Account and the Operating Checking Account or Retail Checking Account. Such oversight will consist of prior approval, in writing (e-mail is allowable) by the Board President and the Board Treasurer before action is taken.
 - d. Funds may be transferred with Executive oversight, between the Scholarship Savings Account and the Operating Checking Account or Retail Checking Account. Such oversight will consist of prior approval, in writing (e-mail is allowable) by the Board President and the Board Treasurer before action is taken.
 - e. Funds may be transferred with Executive oversight, between the Gift Certificate Checking Account and the Operating Checking Account or Retail Checking Account. Such oversight will consist of prior approval, in writing (e-mail is allowable) by the Board President and the Board Treasurer before action is taken.
 - f. Funds may be transferred with Executive oversight, between the Development Corporation Checking Account and the Operating Checking Account or Retail Checking Account. Such oversight will consist of prior approval, in writing (e-mail is allowable) by the Board President and the Board Treasurer before action is taken.

Questions should be referred to the WACOC Board President or the WACOC Treasurer.

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2. INVESTMENT POLICY

The Chamber Board of Directors shall be good stewards of member funds and they shall seek to maximize returns whenever possible. It is the responsibility of the Board of Director and specifically the Treasurer of the Board for funds management (gain/loss and reinvestment).

The Chamber shall maintain four separate and distinct fund pools: *Current Year Operational Cash*; *Undesignated Reserves*; *Designated Reserves*; and *Investments*. Each category shall function under parameters determined by the Board of Directors and each fund shall remain inviolate from the others unless deemed appropriate by the Board.

- *Current Year Operational Cash* – funds derived from membership fees and the various entrepreneurial endeavors of the Chamber during a specific fiscal year. Funds will be budgeted in accordance with organization by-laws and past practice in advance of expenditure. Funds that are unexpended at the end of the fiscal year will revert to Undesignated Reserves and will not be available for expenditure without Board approval.
 - *Undesignated Reserves* – Accumulated, unrestricted funds existing under Board authority. Undesignated Reserves shall be maintained in an account type with sufficient liquidity to address unplanned expenses and/or the needs of the organization.
 - *Designated Reserves* – Accumulated, restricted funds existing under Board authority. Specific accounts are to be determined and funded to a level acceptable to the Board of Directors. Examples of Designated Reserves include, but are not limited to Building Repair, Technology and Equipment (depreciated) Replacement, Contingency, etc.
 - *Investments* - Accumulated, restricted funds existing under Board authority that are placed on deposit with recognized financial entities with the objective of wealth enhancement. Acceptable forms of Investments may include, but are not limited to money market accounts, high yield checking accounts, or other equivalent methods of guaranteed return cash management tools. Investment in stocks, bonds, or other similar commodities is specifically prohibited.
- a. Accumulation and Disposition of Excess Revenue
 - i. Strategy for Planned Accumulation – Every effort will be made to prudently manage Chamber resources, including competitive bidding for any purchase or service over \$500 in value. Procedures for these expenses will be determined by the Board of Directors in conjunction with the Executive Director at the time of occurrence.
 - b. Financial Reserve Goals – within ten years of the adoption of these policies the following financial milestones will be realized:
 - i. Undesignated Reserves – funds on deposit equivalent to 25% of annual operating revenue.

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- ii. Designated Reserves – full funding on deposit equivalent to accounts/categories determined by the Board of Directors on an on-going basis.
 - iii. Investments – Goal to be determined by the Board of Directors in January, 2019.
 - c. Reporting/Review – The Chamber Treasurer, in conjunction with the Executive Director and other members of the Executive Committee will provide a monthly update on all financial categories.
 - d. Performance Benchmarks
 - i. Operating Cash shall be sufficient for the normal operation of Chamber in any fiscal year, with a planned savings equivalent to 10% of the anticipated total budget incorporated as a line item within the budget.
 - ii. Reserve Funds shall be drawn from actual cash balance excess at the end of the fiscal year. Management of Unrestricted and Restricted Reserves shall be at the prerogative of the Board of Directors under the leadership of its Executive Committee.
 - iii. Investments shall be drawn from Unrestricted Reserves at the discretion of the Board of Directors under the leadership of its Executive Committee.
- 2. Operating Procedures
 - a. Separation of Duties
 - i. Required Approvals
 - 1. Expenditures of \$500 or less can be made at the discretion and under the signature of the Executive Director.
 - 2. Expenditures of \$501 to \$1000 require the approval of the Board President or his/her designee. That approval may be offered electronically and will not require signature on any payment tool.
 - 3. Expenditures above \$1001 require Board approval. Pre-approval of known expenses is an acceptable management activity. That approval may be offered electronically or within the context of organization minutes and will not require signature on any payment tool.

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- b. Funds Designation
 - i. Funds received by the Chamber, with the exception of those received on behalf of contracting agencies, are considered to be Chamber funds and are subject to the policies and procedures prescribed herein. Funds specifically excluded from these policies include monies received on behalf of other community service organizations for sign-up, merchandise, or other services (i.e. Lion's Fishing Derby, etc.). Funds received for Chamber-sponsored or Chamber-assisted programs (Shop with a Cop, etc.) are subject to these policies. Questions should be referred to the Board Treasurer.
- c. Funds Management and Administrative Services Agreements
 - i. In instances when the Wellsville Area Chamber of Commerce and/or the Wellsville Development Corporation agree by contract to provide administrative services and/or funds management for external agencies, those funds will be administered according to the specific language of the applicable individual policies and of the contract. Administrative Services/Funds Management Agreements must be approved by the BOD before being considered operant.
- d. Conflict of Interest (reference by-laws)
- e. Access to and use of Corporate Credit Cards
 - i. At this time, there are no corporate credit cards attributable to the Chamber.
- f. Receipts and Purchase Documentation
 - i. All expenses of the Chamber must be documented by original purchase receipts. In the absence of receipts, expenses will be reviewed by the Board President and Treasurer. Approval of unreceipted expenses is expected to be the exception in any pattern of financial transaction. Repeated non-compliance may subject a Director or staff member to exclusion from expenditure authority.

Per Diem Reimbursement Allowances

- i. Allowance will be consistent with current U.S. General Services Administration guidelines. Current information is available at: <http://www.gsa.gov>.
- ii. The Board of Directors will offer approval in advance of travel for any Per Diem Reimbursement and may reserve the right to limit reimbursement to a lower rate.

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- b. Prohibited and Allowable Expenses
 - i. Any expense deemed to be in support of the Chamber’s mission and approved activities will be generally considered as an acceptable expense.
 - ii. In most cases, expenses for travel, lodging, meals, and alcoholic beverages should be incurred in moderation and with the prior approval of the Board of Directors.
 - iii. Questions should be referred to the Chamber Executive Committee in advance of expenditure. The Board of Directors reserves the right to exclude any expense deemed inappropriate even after expense is incurred.
 - c. Cash Advance and Repayment Procedures
 - i. In limited circumstances and with the approval of the Board of Directors or the Executive Committee, cash advances are allowable.
 - ii. Repayment must occur within ten days of the advance. Any remaining cash and receipts consistent with expended funds will be rectified within the prescribed period.
 - iii. Only one cash advance will be available to the Directors or staff members at a given time.
4. Budget and Financial Procedures
- a. Budget Development Timetable (reference by-laws)
 - i. Required Approval Processes (reference by-laws)
 - b. Financial Reporting Requirements
 - i. As previously noted in this document
 - c. Outside Accounting Activity
 - i. A bi-annual audit is required of all organization accounts and transactions
5. Operations that Incorporate Controls, Checks, and Balances, and Protection of Assets
- a. Safeguarding Assets – The Executive Director is responsible as follows:
 - i. Inventory – The Executive Director will maintain an up-to-date inventory of all Chamber physical assets with a value of \$250 or more. That inventory will be shared with the

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Board Treasurer on a quarterly basis. Any additions or deletions will be noted within the context of the report.

b. Payroll Controls

- i. The Executive Director is responsible for the submission of payroll data to an external payroll management firm as required by an approved schedule. In the absence of the Executive Director, the Board Treasurer is responsible for applicable submission.
- ii. An overtime payment to hourly wage employees requires the prior approval of the Board of Directors and will be reported concurrent with submission to the Board Treasurer.

c. Personnel File Maintenance

- i. The Executive Director will maintain subordinate personnel data in a locked file in the Chamber office. This will include position description data, evaluative tools, records pertaining to compensation, and any commendation or concerns related to employee performance. Documentation of any compensation data will also be maintained in the file. That file is available on demand to any member of the Executive Committee and with the approval of the Board President to any other Board member.
- ii. The Board President will maintain personnel data related to the performance of the Executive Director in a locked file in the Chamber office. This will include position description data, annual evaluative tools, records pertaining to compensation, and any commendation or concerns related to employee performance. Documentation of any compensation data will also be maintained in the file. That file is available on demand to any member of the Executive Committee and with the approval of the Board President to any other Board member.

d. Computer Controls

- i. Chamber employees will utilize computers and technology-related equipment in a professional manner consistent with assigned duties. Personal use should be limited and conservative in scope. Violation of this policy could result in sanction or other action consistent with the scope of the infringement.

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6. Accounting Procedures Manual

a. Types of Income

- i. Membership Dues – Income from membership dues will be accounted for in an electronic ledger. It is the responsibility of the Membership Services and Communication Committee Chair and the Chamber Treasurer to audit this account on a semi-annual basis.
- ii. General Program Income – The Executive Director will provide a separate quarterly income report to the Board of Directors in January, April, July, and October as part of the month activity report to the Board of Directors. A specific, audited cost/expense report will be generated by the Executive Director in conjunction with the event coordinator for each Chamber “Special Event” as the books are closed on the event.
- iii. Grant/Contract Revenue – The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.
- iv. Cash Receipts/Income – In addition to regular monthly summaries provided to the Board, the Executive Director will provide a separate quarterly comparative (past 3 years) income report to the Board of Directors in January, April, July, and October as part of the month activity report to the Board of Directors.

b. Cash Disbursement — The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.

c. Checks Returned for Non-Sufficient Funds - – The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.

i. Payroll Generation and Wage Rates, Determination of Applicable Taxes, and Workman's Compensation Payments [*assumes retention of external provider*]

1. Will be part of services rendered by the external payroll management firm under contract to the Chamber. The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.

d. Human Resources Management – is the prerogative of the Chamber Executive Committee in conjunction with the Board of Directors. Actions will occur in concert with approved Personnel Policies and Sexual Harassment Statements.

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- e. Benefit Management – is the prerogative of the Chamber Executive Committee in conjunction with the Board of Directors.
- f. Bank Reconciliations - The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial reports.
- g. Billing & Receivables - The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.
- h. Accounts Payable - The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.
- i. Petty Cash Fund – of up to \$100 is allowable. All expenses and reimbursements will be tracked electronically and will be available, on-demand by any member of the Executive Committee. The Chamber Treasurer, in conjunction with the Executive Director will provide data as part of the accepted format for the monthly financial report.
- j. Expense Account Request –limited to Per Diem payment schedules as previously detailed.
- k. Vendor Selection/Contracts – Any predictable expense of \$500 or more is subject to competitive bidding from a minimum three comparable vendors. In the event of emergency, this requirement may be waived by action of the Board President.
- l. Competitive Bidding/Contracts – will occur under the direct supervision of the Executive Director, under consult with the Executive Board and Board oversight.
- m. Business Record Retention Schedule – Business records will be maintained in a manner consistent with generally accepted accounting principles and US Internal Revenue Service requirements.
- n. Depreciation and Capitalization – Any equipment item over \$250 in purchase price will be inventoried and a depreciation schedule will be applied for planned replacement. The Chamber Treasurer, in conjunction with the Executive Director monitor tracking requirements.

7. TICKET USE, DISTRIBUTION, AND RECONCILIATION

All Chamber functions or events requiring an admission charge will adhere to ticket management policies and procedures for use, distribution, and reconciliation. Deviations from this policy are not allowed without the permission of the Chamber Treasurer.

- a. Ticket Requirements and Selection
 - i. All ticketed processes and functions will be monitored and reported through the use of a unique **WACOC Event Report Form (ERF)**. A facsimile of that form is included as an

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appendix to this document.

- ii. The complexity of the ticket used will be dictated by the expected audience, ticket price, and aggregate expected proceeds from sales. Ticket style may range from two-part roll tickets to numbered, stub tickets that may require custom printing.
 1. Events with an entry cost of less than 10 dollars or with an expected attendance of 50 or fewer participants will be documented through the use of two-part roll tickets.
 2. Events with cost of greater than 10 dollars or with an expected attendance of 51 or more participants will be documented through the use of numbered, stub tickets.
 3. Proceeds from fifty/fifty sales will be documented through the ERF.

b. Ticket Distribution and Sales

- i. Chamber staff and members of the Board are encouraged to aggressively market tickets for Chamber events and functions. In selected circumstances, subject to Board approval, tickets may be also sold by Chamber member organizations.
- ii. The number of tickets distributed to all parties and those retained in the Chamber Office will occur according to the determination of the event planning committee. The ERF will note the recipient and the range of numbers for all tickets released.

c. Use and Reconciliation

- i. Chamber personnel will be required to fully reconcile used and unused tickets at the conclusion of the specified sales period. This must be done within two business days of the end of sales. Errors or deficiencies should be reported to the Treasurer immediately upon notation.
- ii. Extended ticket sales (over one week) will require weekly reconciliations reported by Chamber personnel to the Treasurer via the ERF each Friday. This reconciliation process will include the periodic deposit of any proceeds and total sales to date obtained to that date.
- iii. Ticket sales that reach \$500 must be immediately reconciled with the Treasurer and deposited in the appropriate account. This requirement will be repeated at each \$500 increment thereafter.
- iv. Events offering different pre-sale and at-the-door prices will require differently printed and/or colored tickets at the time of sale.
- v. Questions, concerns, and special needs should be referred to the Board Treasurer.

8. EVENT SPECIFIC POLICIES & PROCEDURES

- a. Holidays in the Village Holiday Jackpot - The Holiday Jackpot, a traditional component of Holidays in the Village requires significant oversight and management. The following procedures are enacted to ensure proper management.
 - i. Jackpot amounts are approved by the Chamber BOD, upon recommendation of the Events Committee at the November meeting.
 - ii. Jackpot participant must enter each week during the Holidays in the Village program.

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- iii. Entries are available from participating Jackpot merchants.
 - iv. Entries for each drawing close at 3 pm on the day of the drawing.
 - v. Chamber representatives will procure those entries and convey them to the Office before 4 pm.
 - vi. A single winner will be selected at or before 4 pm. A confidential communiqué to participating merchants will be developed and immediately conveyed by Chamber representatives. That communication will be prominently labeled, "***Do not open until 7 pm.***"
 - vii. Entries must be on the official Jackpot entry form. Mechanically reproduced and unofficial entries will not be considered. A maximum of five individual entries are allowable. Entries in excess will indicate exclusion from that week's drawing.
 - viii. In order to win, entrants must be present in a participating merchant when selected.
 - ix. If there is no winner, unclaimed jackpots roll over to the next week.
 - x. Questions, concerns, and special needs should be referred to the Board Treasurer.
9. Other financial matters not addressed in this document are at the discretion of the Board of Directors at the time of occurrence.