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**GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INC.**

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# **Financial Management Policies and Procedures**

Grambling University National Alumni Association, Inc.  
Financial Management Policies & Procedures

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# Grambling University National Alumni Association, Inc.

## Financial Management Policies & Procedures

### A. Purpose

The Financial Management Policy and Procedures for the Grambling University National Alumni Association (“GUNAA”) are designed to:

- Protect the assets of the organization;
- Ensure the maintenance of accurate records of the organization’s financial activities;
- « Provide a framework for the organization’s financial decision making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for staff: and
- Ensure compliance with federal, state, and local legal and reporting requirements.

Effective fiscal policies and procedures result in three interrelated outcomes:

1. Informed discussion of the organization’s potential areas of risk and system needs,
2. Decision-making about an appropriate level of policies and procedures to address those risks and needs, and
3. Documenting those decisions and revisiting them regularly.

### B. Scope

The scope of this document will include the following areas within Financial Management:

- Staffing
- Accounting Procedures
- Internal Controls
- Financial Planning & Reporting
- Revenue
- Cash Receipts, Donations/Gifts & Accounts Receivable
- Procurement & Purchases
- Expenses, Cash Disbursements & Accounts Payable
- Asset Management

### C. Involvement

The most important part of developing policies and procedures is that they are discussed, agreed upon, and regularly reviewed at least annually by both the decision makers in an organization and by those who will be implementing them on a day-to-day basis. This will be a combination of the GUNAA Board members, GUNAA Finance Committee, CUNAA Business Manager, GUNAA Treasurer, GUNAA Financial Secretary, Office Management staff, front line financial staff and a Finance Advisory Task Force, if applicable. The full Board of Directors has ultimate approval of the broad policy decisions as recommended.

1. **GUNAA Board and Finance Committee:** Serves as another set of eyes on the procedures to ensure that they adequately address the broad policy goal.
2. **GUNAA President or Vice-President (in the absence of the President or when the President is the payee):** Has the responsibility to approval all request for payment.
3. **GUNAA Business Manager:** Has the responsibility to administer the policies and ensure compliance with the procedures once they have been approved by the Board of Directors. It is good practice to train staff regularly on the policies and procedures.

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4. **GUNAA Treasurer:** Has the responsibility to sign checks and to ensure that they are recorded.
5. **GUNAA Financial Secretary:** Has the responsibility to ensure all funds are deposited and recorded.
6. **Office Management and Front-Line Financial Staff:** Provide feedback on the day-to-day procedural steps. Together, they give insights to determine the most efficient and effective ways to implement a given policy direction.
7. **Finance Advisory Task Force:** An appointed group of volunteers by the GUNAA President to provide recommendations on financial management policies and procedures for consideration by the GUNAA Board and Finance Committee. These volunteers have an education and/or a minimum of two (2) years of professional experience in the Finance and Accounting practice. The professional experience may include roles in external audit, internal audit, internal controls, accounting, financial analysis, controllership, accounting financial systems, forensic accounting, financial planning and business operations improvements.

**D. Staffing**

Policy: There should be a minimal level of staffing always to administer, monitor and oversee the operations of GUNAA. Staffing can include a part-time, full-time, independent contractor or assignee by an employment agency that meets the minimum job qualifications and conditions noted in the job description at the time of signed employment agreement or contract of services by an authorized GUNAA Board member(s) as designated. Volunteer Management is covered a separate section in the Appendix.

The Responsibility Matrix located in Appendix provides the responsibility for each individual or group in the financial management process.

**1. Training**

All staff and Board members involved with the daily operations or periodic monitoring and reviewing shall be involved in training on technology, processes and/or procedures upon onboarding and thereafter a minimum frequency of twice a year for a duration of two to eight hours on each occasion. The training sessions may be solely or a combination of live, virtual or video/audio recording. The Business Manager and Finance Committee shall determine the source of training options available. It is not in the best interest of GUNAA to have staff or Board members operate in noted positions without proper and adequate training to maintain the viability of the organization and mitigate potential risks, fraud or misuse, intentionally or unintentionally.

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### **2. Background Checks**

Upon initial employment, start of elected term or volunteer assignment, consider a federal background check with subsequent bi-annual background checks to assess the appropriate level of access to financial and membership data and processing of transactions. The cost will be at the expense of the elected official and volunteer. For employees, this will be at the expense of the organization.

### **3. Business Continuity**

To ensure business continuity for short-term and long-term periods, the Financial Secretary should serve as a backup to the Bookkeeper or Accountant. They will maintain the proper segregation of duties while acting as a backup until the position is no longer vacant. Upon the immediate notification of a vacancy of the Bookkeeper or Accountant, the GUNAA Board shall review all viable and reasonable options and make a decision within a reasonable amount of time to fill the vacancy to avoid a prolonged vacancy. It is not in the best interest of GUNAA to operate below minimal staffing levels for any duration to maintain the viability of the organization and mitigate potential risks, fraud or misuse, intentionally or unintentionally.

## **E. Volunteer Management**

Managing volunteers is like managing paid staff, except that volunteers don't expect to be compensated for their services. However, they do expect to be treated with respect, trained (as needed), supervised, and provided with feedback and rewarding experiences.

- Volunteers should not receive compensation for their services (receiving it can turn them into "employees" in the eyes of the law).
- + Volunteer time has value; however, volunteers cannot deduct their time on their personal income taxes.
- » Track and monitor volunteer's activity and time spent on a regular basis. Consider use of free or low-cost volunteer management software, such as [signup.com](http://signup.com).
  - o New technology is available to track volunteer time, match volunteers to service opportunities and communicate with volunteers via mobile devices with database solutions for scheduling and managing volunteer work flow and other purposes.
- For the annual report IRS Form 990, volunteer time is NOT reported as a contribution (see also FASB Accounting Standards 116). However, it can be acknowledged on Part III, Statement of Program Service Accomplishments.
- Volunteers are not covered by workers' compensation insurance. An option exists to purchase "volunteer accident insurance."
- See Volunteer Policies in Appendix for more details,

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### **F. Accounting Procedures**

Basic accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

#### **1. Recording Transactions**

QuickBooks is the book/system of record for recording all transactions, including those initiated from third party systems such as Priority Payments, PayPal, Eventbrite, Red Podium, QGiv, etc. (this is not an exhaustive list).

- a. **Entering & Compiling Transactions:** There shall be a minimum of one Bookkeeper or Accountant responsible to input transactions into the book/system of record, compile data for reports, file and complete other prescribed duties noted in the job description.
- b. **Reviewing & Approving Transactions:** At a minimum, the Financial Secretary and/or Business Manager should be actively engaged with the Bookkeeper or Accountant to oversee, review and approve transactional activity and financial reports as determined within the Financial Management Policy and Procedures and maintaining proper segregation of duties. Ideally, an experienced Senior Accountant or Senior Financial Analyst could perform the reviewer functions on a daily basis. The Financial Secretary and/or Business Manager provide approvals and continually oversee operations.

#### **2. Business Year**

The organization operates on a calendar year of January 1 to December 31.

#### **3. Basis of Accounting**

**Policy:** The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

#### **Procedures:**

1. Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 5 business days after the close of the month.
2. Year-end books are closed no later than 10 business days after the end of the fiscal year.
3. Vendor invoices received after closing the books will be counted as a current-month expense unless the amount is greater than \$500 and a substantial level of details are available to create a liability as an Accounts Payable.
4. At the close of the fiscal year, all expenses that should be accrued into the prior fiscal year are so accrued, to ensure that year-end financial statements reflect all expenses incurred during the fiscal year.



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5. Revenue or received donations are always recorded in the month in which it was earned or pledged.

### **4. Journal Entries**

**Definition:** Journal entries are double entries in the accounting system (debit & credit) recording the business transactions of the organization.

**Policy:** Journal entries for correction, reclassification and adjustments shall be posted prior to the end of each monthly closing period.

If a journal entry is required after the month end close period (5 business days after the month ending), supporting documentation must be submitted for approval by the Business Manager. The approver must have written or electronic evidence of the approval prior to the entry in the system of record.

- a. A correction journal entry is to rectify the effect of an incorrect entry previously made.
- b. A reclassifying journal entry is a type of correction entry used to correct an incorrect classification used or to change the classification of an entry.
- c. An adjustment journal entry is to adjust account balances that involves an income statement account (revenue or expense) along with a balance sheet account (asset or liability) and typically relates to the accounts for accrued expenses, accrued revenue, prepaid expenses and unearned revenue.

#### **Procedures:**

1. Bookkeeper or Accountant is responsible for preparing the journal entry, including the appropriate supporting documents. After approval, posting the entry into the system of record. (Preparer).
2. the Financial Secretary reviews Revenue and donation/gift related entries and the Treasurer reviews expense and purchase related entries prior to posting and verified in the system after posting by the Preparer (Reviewer).
3. Approval shall be documented by the Business Manager (Approver).

### **5. Bank Reconciliations**

**Policy:** All bank statements for all accounts (checking, savings, annuities, if applicable) will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 3 **business days of the month close period**. Reconciliations of cash in bank are a vital part of a good control environment.

#### **Procedures:**

1. The Business Manager is responsible for ensuring that the Bookkeeper, Accountant or a person not responsible for writing the checks and counting receipts should reconcile all bank accounts.

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- If that is not possible, the Treasurer or someone designated by the board should at least open and review the bank statements as well as the cancelled checks (if returned) prior to submitting them for reconciliation.
- 2. The reconciliation should be written on the back of the statement or on a separate sheet attached to the statement. Alternatively, the reconciliation can be performed in the accounting system in use, if functionality exists and include documentation of the bank statements and/or balances.
- 3. The reconciled total must equal the bank account total. All variances or discrepancies must be investigated and documented. There should be no unidentified explanations.
- 4. The Business Manager will review and approve reconciliation reports by signing and dating the report in the upper right-hand corner.

### **6. Monthly Close**

**Policy:** All transactions, including journal entries, must be posted in the system of record for transactions with a financial review according to financial policies and/or internal controls by the 5<sup>th</sup> business day of the following month. Financial reports provided for review by the 7<sup>th</sup> business day of the following month.

*\*A business day is defined as Monday- Friday, excluding federal or state holidays.*

#### **Procedures:**

1. Bookkeeper or Accountant ensures that all transactions are entered into the book/system of record.
2. The Financial Secretary and Treasurer ensure that the transactions entered are complete and accurate based upon the revenue and purchases made during the period. Any modifications are made in the book/system of record via journal entries.
3. Bookkeeper or Accountant provides system generated financial reports for view and sign-off by the Financial Secretary, Treasurer and Business Manager.
4. The signed financial reports are provided to the Board of Directors for review.

### **7. Record Keeping (Hard Copy and Electronic Copy)**

**Record Retention Policy:** Note the schedule below based upon the document type. All items are to be stored in a locked cabinet or restricted access area.

#### **Procedures:**

1. All hard copy documents are to be stored in locked file cabinets, restricted access area or at the authorized third-party off-site storage facility.
2. All electronic documents are to be stored in a designated server host, cloud based that has restrictive access or external drive that can be locked in a designated storage location.
3. third party off-site storage locations must be approved and authorized by the Board of Directors.
4. Any documents stored at the authorized third-party storage facility must be included on a complete and up to date inventory listing.

The document inventory listing must contain a minimum of the following:

- document name
- date of creation or last modified
- purpose of document

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- document source
  - document owner
  - retention type (permanent or 7 years),
  - name of person submitting document to storage
  - date placed into storage
  - signoff by Financial Secretary and Business Manager
5. Filing of documents should be completed at a minimum of a weekly frequency.
  6. The Financial Secretary and/or Business Manager should ensure all documents are properly stored and inventoried.
  7. Any documents designated to be shredded or destruction based upon expiring the record retention policy must be reviewed by the Financial Secretary, Business Manager and President prior to any destruction. The inventory listing should be updated.

All other documents not classified as permanent or seven (7) years should be retained a minimum 48 months or 4 years to cover to two terms of GUNAA administration teams.

### PERMANENT

- General Ledger
- Payroll (journals, ledgers, W-2, 940)
- Cash Receipts & Disbursements Journal
- Depreciation Schedule
- Annual Financial Reports
- Finance Council Minutes
- Corporate Legal Records, licenses
- Legal Correspondence relating to Corporate Status
- Special Contracts
- Insurance Policies for General Liability

### SEVEN (7) YEARS

- Accounts Receivables & Payables
- Expense Reports, Invoices, Petty Cash Slips
- Cancelled Checks, Bank Statements & Deposit Slips
- Daily Cash Reports
- Payroll Data & Correspondence not in Permanent Records
- Accident Reports & Closed Claims
- Insurance Policies Other Than General Liability
- Insurance Correspondence & Related Files
- Leases & Contracts (after terminations)
- Monthly Financial Reports
- Personnel Files and Records (post-employment)
- Personnel Applications, Resumes, Job Ads
- Interoffice Correspondence
- Miscellaneous (meeting reports, correspondence, etc.

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### **G. Internal Controls**

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded. Internal controls are a set of policies and procedures to prevent deliberate or misguided use of funds for unauthorized purposes.

#### **1. Lines of Authority**

**Policy:** The Board has the authority to develop and approve fiscal policies and review them annually. A Finance Committee or Finance Task Force, if applicable may provide recommendations to the Board for new policies or updates to existing policies.

The President or Vice-President (in the absence of the President of for expenditures payable to the President) have the authority to approve purchases and expenses, and the Treasurer and Business Manager will sign checks.

The Financial Secretary and Business Manager for revenue, in accordance with the approved budget and noted dollar amount thresholds that may include additional Board members, such as the President.

#### **2. Conflict of Interest**

**Policy:** All employees (full-time and part-time), Grambling State University student interns and members of the Board of Directors 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.

*A conflict of interest occurs when the personal, professional, or business interests of an employee, student intern or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.*

#### **Procedures:**

1. Upon or before hire, election, or appointment each employee, Standing and Ad Hoc Committee Chair and Co-Chair, and Board member must provide a full written disclosure of all direct or indirect financial interests that could potentially result in a conflict of interest. Examples include employer, business, and other nonprofit affiliations, and those of family members or a significant other. This written disclosure will be kept on file and will be updated annually, and as needed.
2. Employees and Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the employee, Board member, Committee Chair or Committee Co-Chair will not be permitted to participate in the transaction or decision.
3. Conflict of Interest Disclosure Statement
  - Must be completed and be on file by all GUNAA Board Members, Finance Committee, Program Chair/ Co-Chair and Fundraising Committee Chair/Co-Chairs by the 2<sup>nd</sup> Tuesday of January annually or within 30 days of being appointed or at any time to disclose new information.

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- The Business Manager shall ensure that all Annual Conflict of Interest Surveys are submitted in a timely fashion and available for review upon request by independent auditor or GUNAA Board member.
4. Should there be any dispute as to whether a conflict of interest exists:
- The Business Manager shall determine whether a conflict of interest exists for an employee and shall determine the appropriate response.
  - The Board of Directors shall determine whether a conflict of interest exists for the Business Manager, Committee Chair, Committee Co-Chair, or a member of the Board, and shall determine the appropriate response.

### **3. Segregation of Duties**

**Policy:** The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

#### **Procedures:**

1. Check signers should not be involved in expense approval or basic accounting procedures.
2. No person involved with record keeping should be involved with cash handling, credit/debit card processing or deposits.
3. Someone outside of the accounting function, such as the Office Manager, should open and log all checks received.
4. Committee chair, co-chair or members are not authorized to collect cash or checks, or process credit/debit cards at events.

### **4. Physical Security**

**Policy:** The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

#### **Procedures:**

##### **a. Blank Check Stock**

- Blank check stock shall be stored in a locked cabinet with restricted access to noted persons such as the Treasurer and President.

##### **b. Cash/Checks**

- Bank deposits should be made daily during events, fundraising campaigns, chapter dues/fees submissions and other high peak periods, or a minimum of at least weekly during low peak periods. this is contingent upon proper safeguards in place to secure cash on hand overnight.

##### **c. Bank-Issued Credit & Debit Cards and Gift Cards**

- Only eligible, designated and approved signers of a GUNAA bank account should be authorized to be issued bank credit and debit cards.
- Purchases tendered with a bank credit, debit card or gift card are restricted to the same purchasing guidelines and procedures as a check.

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### **d. Technology**

- Passwords to accounting and event/donation/customer management software, email or other organizational software should not be shared or stored in work area.
- All passwords should be changed a minimum of every 90 days.

## **H. Financial Planning & Reporting**

### **1. Budgets**

**Policy:** The GUNAA annual budget is prepared and approved annually for all departments and committees. The budget is prepared by the Business Manager and the Board Finance Committee. The budget is to be approved by the Board of Directors and active members prior to the start of each fiscal year.

#### **Procedures:**

One of the most effective internal controls is the presentation and use of a budget that is compared with the actual receipts and disbursements ideally monthly or at a minimum of a quarterly frequency. The following procedures should be used.

1. The Business Manager shall prepare and submit a detailed budget for Board of Directors and GUNAA active membership for review and approval annually prior to the new fiscal year.
  - a. Assumptions used to build the budget should be substantiated upon actual past transactions, experiences or other factual events to support the budget line item and amount.
  - b. In the absence of actual past transactions, experiences or other factual events, the budget line item should be removed or only based upon a fraction of the previous year's budget amount.
2. An approved budget shall be in place prior to the start of each fiscal year.
3. The Financial Secretary shall prepare a monthly statement of receipts and the Treasurer shall prepare a monthly statement of expenditures that are compared against the budget. The Board of Directors should approve this statement.
4. The Business Manager shall prepare a monthly statement of budget vs. actual based upon the statements provided by the Financial Secretary and the Treasurer. Significant variances in the budget vs. actual numbers should be promptly investigated. At a minimum, the variances should include the following sections and/or budget line items.
  - a. Fundraising & Program Activities — A budget and actual report must be created and maintained for the following activities/events
    1. All Fundraising Campaigned
    2. Program & Events - National Convention
    3. Program & Events - Homecoming
    4. Program & Events - Bayou Classic
    5. Gaming (Video Bingo)
  - b. Major Purchases excluding Fundraising & Events (Greater than \$500)
  - c. General Operations (Administrative, Travel, Maintenance, etc.)
  - d. Committee Expenses

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### **2. Internal Financial Reports**

**Policy:** Prepare financial reports monthly. All reports are finalized no later than 12 **business days** after the close of the prior month.

**Procedures:**

1. The Financial Secretary, Treasurer, and Business Manager are responsible for producing the following year-to-date reports (as obtained front the Bookkeeper or accountant) within **12 business days** after the close of each month: Statement of Financial Position, Statement of Activities, Budget v. Actual and updated Cash Flow Projection — when applicable.
  - a. Monthly: Statement of Activities, Statement of Financial Position, Budget vs. Actual, Cash Flow Projection, and/or program-specific reports
  - b. Monthly or Quarterly: Actual to Budget variances for each line item greater than +/- \$100 or +/- 5% requires an explanation.
  - c. Year to Date: Actual vs. Previous Year's Actual to track the trending of financial events and explain any unusual items or amounts varying at significant levels.
  - d. The Board and Finance Committee review financial reports each month.
  - e. The Finance Committee presents reports to the full Board of Directors monthly.

### **3. Audit (and Tax Compliance)**

**Policy:**

Annual audits are to be completed by an independent, active certified public accountant (CPA), licensed or authorized by the state of Louisiana **by June 30** following the previous year end (Dec 31).

**Procedures:**

- There should be a review of the CPA at a minimum of every six (6) years and the Procurement Policy and Procedures is to be used in obtaining a new one, if necessary. The CPA will also prepare all federal, state, and local tax reporting, payroll, sales tax, etc. forms on the behalf of GUNAA.
- The independent auditor provides the completed report to the Finance Committee and Board for review and responses prior to membership and public distribution.
- It is recommended to practice semi-annual or quarterly internal control self-assessments to evaluate the effective and compliance of noted internal controls, policies and procedures.

### **4. Quarterly/Annual Payroll Reporting**

**Policy:**

- The payroll tax reporting is processed and prepared internally.

**Procedures:**

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- The Office Manager is responsible for preparing employee W2s by January 31 each year.
- The Business Manager is responsible to ensure accuracy and timeliness.

**I. Bank Accounts & Financial Instruments**

**1. Institutions**

- a. Only Board approved individuals should be an eligible signer for all bank accounts.
- b. All GUNAA funds are to be held in bank accounts located in **Lincoln Parish**.

**2. Bank Account Types**

- a. The following bank accounts are to be maintained by GUNAA: General Fund, Life Membership, Scholarship and Gaming.
  - « **General Fund:** Dues, Program Receipts, unrestricted donations and transfers in of interest earned from the Life Membership Accounts, annually in January.
  - **Life Membership Account:** Life Membership fees minus program expenses (certificates, cards, pins, etc.) are to be invested.
  - **Scholarship Account:** A holding account for funds that will be used for educational purposes for students attending Grambling State University (GSU). This restricted account is administered by the Chair of the Scholarship Committee with the approval of the Board and the Finance Committee Chair.
  - **Gaming Account:** Maintain all transactions associated with GUNAA Gaming (bingo, raffle, etc.) activities. This account will be administered by the Gaming Coordinator and the Finance Committee Chair.
- b. All investments, financial instruments and establishment of bank accounts must be approved by the Board.
- c. All contracts over \$1,000 obligating GUNAA must be approved by the GUNAA Board or the Body.

**3. Credit Card, Debit Card and Purchase Cards (P-Card)**

To limit the financial exposure in the event of unauthorized use, loss of theft, the credit debit or purchase card should be linked to an account that has an availability of funds limit to:

- A maximum of \$500  
OR
- \$500 maximum plus an additional amount equaling the purchase amount of an authorized purchase by the GUNAA Board.



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- o In the event, the purchase is cancelled or delayed; the additional amount should be transferred back to the originating account to reduce the Debit or P-Card availability funds at \$500 until further notice.
- Upon obtaining approval based upon the standard purchasing procedures noted in Section K, the card should have funds replenished up to the maximum level of \$500 based upon the approved purchases made.

**4. Transfers To/From Bank Accounts**

All proposed transfers between bank accounts, regardless of account type or restriction status require documentation by the Treasurer to note purpose and amount with approval of the Board.

**J. Cash Receipts/Deposits/Revenue/Accounts Receivable**

**1. Cash Receipts — Dues and Other (not related to fundraisers or events)**

The process of receiving cash and checks is highly regimented. This is because the task of processing checks is loaded with controls. They are needed to ensure that cash and checks are recorded correctly, deposited promptly, and not stolen or altered anywhere in the process.

Procedures:

**A. Record Checks and Cash — Mail or In-Person Delivery**

1. The Office Manager is responsible to record all received checks and cash on the Daily Mail & In-Person Receipts Form when the daily mail delivery arrives, or funds are delivered in person.
2. For each check or cash received, state on the form the name of the paying party, the check number, amount paid, fund type (General, Scholarship, Life or Building). If the receipt was in cash, then state the name of the paying party, check the “cash” box, and the amount paid.
3. Once all line items have been completed for the day, enter the grand total in the “total receipts” field at the bottom of the form.
4. Sign the Daily Mail & In-Person Receipts Form. Make two copies and/or send an electronic copy to the Financial Secretary, Treasurer and Business Manager.
5. All checks received should be endorsed as soon as possible with proper endorsement stamps which must indicate “**For Deposit Only**”, the bank name, account name, and account number. This makes it more difficult for someone to extract a check and deposit it into some other bank account.
6. All funds are to be deposited by the Office Manager daily.

**B. Safeguarding Funds**

1. The Office Manager is to deposit all funds received on the date of receipt or locked in a safe until the next business day when time does the permit depositing on the same day.

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**2. Cash Receipts — Events and Fundraisers**

Fundraisers can be a large source of income. Events, such as parties, galas, conventions, bingo, raffles, golf outings, etc. often involve large amounts of cash. The following procedures should be followed by entities involved in fundraising activities.

**Procedures:**

**A. Involvement**

1. During the fundraising or program events, the Finance Committee should appoint at least four individuals to assist with executing the cash receipt process during the event. Duties to include collecting cash/checks, safeguarding and initial cash counts. The persons appointed do not have any access or daily responsibility to enter receipts, disbursements or revenue in Quick Books or make bank deposits.
  - a. One person designated to collect cash,
  - b. one person designated to distribute tickets,
  - c. one person designated as a runner or backup relief to collect cash
  - d. one person in a rotation role, verify prepay — if applicable, check re-enter guests, if permitted and distribute tickets
2. The Financial Secretary, Treasurer and Business Manager will continue to operate in duties and activities related to cash receipts, revenue and monitoring of the business operations.

**B. Collection Processes**

1. Consider selling all of the tickets from one central location. This will provide for better security and control.
2. Whenever practical, credit card readers or event management program linked to existing GUNAA bank operating account (not a GUNNA Officer, committee person or volunteers account) should be used to limit the amount of cash collection during event.
3. Whenever practical, cash registers or cash lock box should be used.
4. Ensure that ample dominations of cash are on hand to make change for payers.
5. Prior to the event start time, each designated station to collect receipts should be staffed with the designated person as noted from Section J.2.A.1. with a cash box, credit card reader or laptop to collect payments. The cash for change should be noted on the cash control form as the beginning balance.

**C. Safeguarding Receipts & Unsold Tickets**

1. For any event that projects to collect more than \$1,000 in cash should have a security guard or law enforcement officer assigned solely to the collect site location always, for each location site.
2. All cash should be taken to a secure location for counting.
3. Large amounts of cash should not be allowed to accumulate on the premises.

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4. The counters should endorse any checks as soon as possible **“For Deposit Only”** with proper endorsement stamps which must indicate the bank name, account name, and account number.
5. A night depository should be used or another secure place if counting is not performed right away.
6. Any **unsold** tickets need to be accounted for and safeguarded.
7. Individuals selling tickets need to account for all sold tickets. Cash Receipts then need to be reconciled to tickets sold.

**D. Event Day Vendor Disbursements from Cash Receipts — Prohibited**

1. All disbursements for the event should be paid through normal check writing routines.
2. In the event the vendor will only accept cash on event day, arrangements should be made prior to start time. No funds should be taken from the event day receipts directly to pay any vendors.

**E. Final Count**

1. Secure a cash counter in the secured area to make the final cash count.
2. The security guard or law enforcement officer assigned to the cash receipts area should continue their role until all cash/check receipts are counted.
3. The Treasurer and Business Manager should be onsite to manage the cash counting process.
4. All cash control forms and daily receipt forms must be completed and attached with the cash.
5. The total cash should be locked in a bank bag and secured until deposited at the bank. Amounts should be deposited as soon as possible after the event as noted in Section J3.
6. A copy of the logs and deposit tickets should be given to the bookkeeper to record in the QuickBooks under the Revenue Recording Receipts in Section J6.
7. The event chairperson shall prepare a detailed summary of receipts and disbursements that should be thoroughly reviewed by the finance committee.

**3. Deposits — Cash and Checks**

- a. The Treasurer will complete the deposit slip and deposit the funds into the account(s) as designated by the fund type (General, Scholarship, Life or Building).
- b. Deposits are to be made on a daily basis to ensure cash safe keeping. After banking business hours, weekend or banking holiday, deposits can be made using the bank lock drop box or ATM.
- c. Cash and checks in a locked safe in a restricted area of the GUNAA office should not be kept onsite for no more than 48 hours.
- d. All receipts in the form of cash should be deposited intact. None of the cash should be kept for convenience or petty cash.
- e. Deposit all checks received. Do not cash any of them.
- f. Bank should be instructed to never cash a check presented to them.

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### **4. Deposits — Credit Card Processing Systems**

- a. The Treasurer will complete the deposit slip and deposit the funds into the account(s) as designated by the fund type (General, Scholarship, Life or Building).
- b. On a weekly basis, the Treasurer should transfer fund collected from the third-party system to the designated bank account. Subsequently, reports of the payee should be used to record the receipts in QuickBooks.

### **5. Receipt Book or Report**

- a. All funds received by GUNAA must be receipted, regardless of purpose (except Gaming/Bingo).
- b. The Office Manager, Financial staff or Financial Secretary can document and distribute a receipt for a contributor or payor.
- c. The Financial Secretary is responsible to ensure that all receipts to the contributor or payor are distributed and include at a minimum include name, date, purpose, person or system used to collect the funds (cash, check, credit/debit card).
- d. The receipt book or report for General, Life Membership, Scholarship, and Building Fund should include the name, address, email address, phone number, most recent GSU graduation semester/year, if applicable, event or campaign, person or system used to collect the funds (cash, check, credit/debit card).
  - A copy of any supplemental letter, email or information provided should be maintained with
- e. The receipt books or reports are maintained in the National Office.
- f. The Financial Secretary is responsible for the completeness and accuracy of the receipts or report kept on file.

### **6. Recording Receipts - Revenue**

- a. Once funds have been receipted, they are to be deposited by GUNAA Treasurer into the appropriate bank account associated with that receipt book or contributor type.
  - This should not be the same person that records or distributes the receipt.
- b. Using the receipt books or reports, the Financial Staff can record the revenue into QuickBooks.
- c. Apply cash to invoices, when applicable.
  1. Access QuickBooks to generate the listing of unpaid invoices for the relevant customer and apply the cash receipt to the invoices indicated on the remittance advice that accompanies each payment from the customer.
  2. If there is no indication of which invoice is to be credited, record the payment either in a separate suspense account, or as unapplied but within the account of the customer from whom it came.
  3. In the latter situation, make a photocopy of the check and retain it for application purposes at a later date, so that the check can still be deposited on the current date.

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- d. Each Monday by the end of the business day, the financial staff will submit the QuickBooks revenue reports to the Financial Secretary, Treasurer and Business Manager
  1. The Financial Secretary will reconcile the Daily Mail & In-Person Receipts Form and QuickBooks Revenue Report to the receipts and receipt book to ensure proper recording of the revenue received.
  2. The Treasurer will reconcile the QuickBooks Revenue Report to the bank deposits/bank receipt and credit card processing report to ensure proper recording of the revenue received.
  3. The Business Manager will reconcile the Daily Mail & In-Person Receipts Forms and QuickBooks Revenue Report to the receipts and receipt book and deposits slips/bank receipt/bank statement and credit card processing report to ensure proper recording of the revenue received.
  4. Any discrepancies should be investigated and reported immediately to the Finance Committee.
- e. The Financial Secretary will prepare and submit a monthly report to the GUNAA Board of Directors (Board).

**K. Purchases/Cash Disbursements/Expenses/Accounts Payable**

**1. Purchases & Procurement**

Procurement is the process of finding, agreeing terms and acquiring goods, services or works from an external source, often via a tendering or competitive bidding process.

- a. Any expenditure over \$2,500 must have the approval of the Board of Directors before finalizing any contractual agreements, work is performed, or goods are purchased.
- b. Any expenditure more than \$1,000 for the purchase of a single item should have bids from three (3) suppliers if possible using the Vendor Bid Award Assessment.
  - o These bids will be reviewed by the Finance Committee and the bid award must be specifically approved in advance by the Board
- c. All purchases require a Purchase Requisition/Voucher Form be completed indicating the payment method of cash, check, debit card or purchase card.
- d. Additionally, a budget line item review must be completed to ensure no budget overruns occur or obtain Board approval for an overrun or no budget currently exists.
- e. The President/Vice-President shall approve all Purchase Requisition Form on the physical copy or by email.

**2. Vendor Invoice Approvals**

Policy: All invoices must be follow the Purchase and Procurement Procedure. Approved invoices will be paid within 30 days of receipt.

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#### **Procedures:**

1. Invoices and bills will be opened and reviewed by the Office Manager.
2. The Finance Committee will be notified immediately of any unexpected or unauthorized expenses.
3. Invoices are routed to person requesting to verify all product received or services performed.
4. Subsequently, the invoice with the approved Purchase Requisition Form and Vendor Bid Award Assessment, if applicable, are routed to the President/Vice-President for authorization prior to payment being issued.
5. If the expense is greater than \$2,500, the Board must also approve the expenditure as evidenced on the Purchase Requisition Form.
6. Copies of all invoices paid will be filed After two years these documents will be archived and they follow the destruction policy.

### **3. Cash Disbursements**

Controls over disbursements ensure the legitimacy of expenditures incurred. The following procedures are an important part of this control environment.

- a. All invoices need to be approved verifying that the goods and services were received, and the charges are accurate before submitting for payment. The person who ordered the goods or services should approve the invoice with his/her signature.
- b. If possible, ordering of goods and supplies should be done by someone other than the person responsible writing the checks.
- c. Payments must be made by sequentially numbered checks.
- d. Invoices, once paid, should be visibly “cancelled” in some manner to avoid duplicate payment.
- e. The invoice should be marked with the expense account number, date paid, and check number, or if a duplicate check stub is used, attach that to the invoice.
- f. The Treasurer, or someone designated by the board — based upon the bank signature requirements, should inspect all supporting documents before signing the checks. Hand stamps should not be used, all checks should be hand signed.
- g. Blank checks should never be pre-signed.
- h. Blank checks must be safeguarded always.
- i. No check should ever be made payable to “Cash”. All checks should be made payable to the payee or person responsible for cashing the check.
- j. Void checks are to be clearly marked “void” and kept on file with the rest of the cancelled checks, If you don’t receive the cancelled checks back, place them with your checkbook or in a separate folder In your accounts payable files.
- k. All disbursements should be summarized and reported to the finance committee on a regular basis.

### **4. Credit, Debit or Purchase Cards (Organization)**

- a. All expenditures must be accompanied by a Purchase Requisition Form.
- b. The same approval limits are required as noted in Section K1 for card purchases.

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- c. The issuance of cards should be limited to key officers and specific purposes, and each determined by Board approval.

**5. Expenses**

- a. All expenditures must be accompanied by a Purchase Requisition Form. The form contains all the vendor information, purchase or service, event or program related and expense classification.
- b. As noted in Section K2, an approved invoice is required prior to check prepared for signature.
- c. After checks have been prepared, the check along Purchase Requisition Form and Invoice and other supporting documentation are sent to the Treasurer and/or President for signature — dependent upon the dollar signature requirements.
- d. The Treasurer will sign checks based upon the budget or Board approval, a secondary check to ensure no budget overruns.
- e. After the Treasurer and/or President signed the checks, they along with the documentation are returned to the National Office.
- f. Once checks have received the appropriate signatures, GUNAA Staff will disseminate them.

**6. Expense Reimbursements (Travel, Event and General)**

- a. Similar to Purchase Requisition Form that contains all the vendor information, purchase or service, event or program related and expense classification, the reimbursement form is to reimburse an officer or committee member for a pre-authorized purchase that they paid directly on behalf of GUNAA
- b. As noted in Section K2, the same purchasing requirements are in place prior to check prepared for signature and reimbursement.

**7. Petty Cash**

The petty cash fund is for making immediate small expenditures, which if paid by check could cause delay or inconvenience. The following procedures should be used for maintaining petty cash fund to purchase office supplies, snacks, delivery tips etc. Petty cash will be kept in a lockbox that is locked in a cabinet.

- The fund should be placed in the custody of one person, other than the bookkeeper, who has total responsibility for its integrity and access.
- Any petty cash fund should be established with a definite cash limit of \$150.
- Disbursement from the fund should be governed by the same reporting and documentation requirements for an expenditure that would normally be paid by check.
- The fund should be reimbursed periodically for the exact amount of properly documented expenditures. The check should be made payable to the person responsible

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for the petty cash. During this procedure, the bookkeeper should post the expenditures to the proper accounts.

- Another person (the Treasurer or finance committee member) should count the petty cash fund on an irregular and unannounced basis. At any given time, the sum of the documented receipts plus cash on hand must equal the set limit established.

**8. Recording Purchases - Expenses and Disbursements**

- a. Once invoice have been paid or purchase completed, record the purchase in QuickBooks, or at a minimum of a weekly basis.
  - This should not be the same person that disburses or write the checks.
- b. Using the Purchase Requisition Forms and Bank Statements, the Financial Staff can record the expenses and disbursements into QuickBooks.
- c. The Business Manager and Treasurer can compare the QuickBooks reports to the bank statements, Purchase Forms, etc. to ensure accuracy and completeness.

***Credits:***

CompassPoint Nonprofit Services — Nonprofit Fiscal Policies & Procedures: A Template and Guide (Jun 2012)