



FINANCIAL MANAGEMENT POLICY

ROWLETT CITIZEN CORPS COUNCIL, INC.

APPROVED BY THE BOARD OF DIRECTORS ON January 13, 2023

Table of Contents

Chapter 1 INTENT AND PREFACE	3
Chapter 2 INTERNAL CONTROLS & POLICY	3
Lines of Authority	3
Conflict of Interest	3
Segregation of Duties	4
Physical Security	4
External Contributions or Sponsorships.....	4
Fundraising Campaigns	4
Chapter 3 FINANCIAL PLANNING & REPORTING	5
Reporting Year.....	5
Funding Allocation Process.....	5
Internal Financial Reports	5
Audit	5
Annual Report.....	5
Chapter 4 GENERAL ACCOUNTING	5
Cash Receipts.....	5
Deposits	5
Credit Card Merchant Accounts and Digital Payment Processing Networks	5
Receipts Policy	6
Financial System of Record.....	6
Expense Reimbursements.....	6
Chapter 5 PURCHASING	6
Bids	6
Sales Tax	6
Corporate Credit or Debit Cards, and Billing Accounts.....	6
Chapter 6 Travel	7
General Travel	7
Out of State Travel.....	7
Chapter 7 ASSET MANAGEMENT	7
Capital Equipment	7
Asset Database	7

Chapter 1 INTENT AND PREFACE

The intent of this manual is to provide guidance and policy for the fiscal operations of the Rowlett Citizen Corps Council, Inc. Maintaining meaningful and well-considered policies is a critical component of a strong financial management system. This manual is designed to:

- Protect the assets of the RCCC;
- Ensure the maintenance of accurate records of the RCCC's financial activities;
- Provide a framework for the RCCC's financial decision making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for volunteers; and
- Ensure compliance with reporting requirements and Board directives.

This manual may not include every conceivable policy or guide relating to smart financial operations. Where there may be a conflict, Board direction or guidance shall override this manual. Where an issue is not addressed by this manual, the matter should be brought to the RCCC President and if necessary, to the Board for clarification and approval.

Chapter 2 INTERNAL CONTROLS & POLICY

Lines of Authority

Position	Expenditures	Contract Approval
Affiliated Program Director	Has authority to spend up to \$750 on a single item.	None
President	Has authority to spend or approve budget or non-budgeted expenditures up to \$2,000.	Up to \$5,000
Board of Directors	All non-budgeted expenditures over \$2,000	Over \$5,000

- The Board of Directors may approve all fiscal policies and budgets at their January meeting annually.
- The Treasurer may conduct a review of fiscal policies in December, and relay any modifications or suggestions for change to the Board of Directors for consideration at the January meeting.
- The following positions shall have standing signatory authority for RCCC checks: President, Vice President, Secretary and Treasurer.
- The following positions shall have standing signatory authority for Affiliated Program checks: Affiliated Program Director, RCCC President and Treasurer.
- Checks shall require one approved signer to be valid.

Conflict of Interest

All RCCC 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 or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest shall be avoided.

- Upon election or appointment, each 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. The RCCC will keep the written disclosure on file and it may be updated annually as needed.
- Board members must disclose any interests in a proposed transaction or decision that may create a conflict of interest. After disclosure, the Board member will not participate in the transaction or decision.

Segregation of Duties

The RCCC's financial duties shall be distributed among multiple people where feasible 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.

Physical Security

The RCCC maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate, keys, combination codes and other valuable property. As a best practice, combination codes should be changed at least every two (2) years or more often if circumstances warrant.

External Contributions or Sponsorships

The RCCC will not contribute to charitable, social, patriotic, civic or other organizations unless authorized by the RCCC President or Board of Directors. Likewise, the RCCC will not purchase tickets, chances or advertising offered by any group or organization unless similarly approved. The RCCC will financially assist a group or organization, or financially co-sponsor a project with another group or organization only when specifically authorized by the Board of Directors.

Fundraising Campaigns

The RCCC will not participate in or officially endorse any non-RCCC fundraising campaigns unless specifically authorized by the Board.

All one-time or unfamiliar fundraising initiatives, whether RCCC or Affiliated Programs, with an expected gross receipt of over \$500 shall be preapproved by the RCCC President, and over \$2,500 shall be approved by the Board of Directors.

Fundraising or sponsorship agreements that involve posting, affixing, displaying any logo of an external party in association with the RCCC must be approved by the Board of Directors regardless of the transactional dollar amount.

Chapter 3 FINANCIAL PLANNING & REPORTING

The organization's financial statements are prepared in accordance with applicable laws and standards.

Reporting Year

The RCCC's fiscal reporting year shall be on a calendar year basis.

Funding Allocation Process

The RCCC's budget may be prepared and approved annually. The President, in conjunction with the Treasurer and the Affiliated Program Directors may prepare the budget and allocation requests. Allocation requests should be presented to the Board of Directors in September for consideration, and in October for approval and funding. Allocations may be revised during the year as amended and approved by the Board of Directors.

Internal Financial Reports

The RCCC prepares regular financial reports on a quarterly basis. All reports are finalized no later than 30 days after the close of the prior quarter.

Audit

The Board of Directors may order an audit, internal or external, for any reason at any time.

Annual Report

The President shall cause an Annual Report to be created that includes applicable financial statements, reports and other information.

Chapter 4 GENERAL ACCOUNTING

Cash Receipts

Cash and checks received by the RCCC or an Affiliated Program in payment for donations, fees, dues or goods shall be properly recorded on a weekly basis in the approved financial system.

Deposits

Deposits of cash and checks shall be made at least weekly, or as often as practical to ensure a cash on hand balance of not more than \$500 at any one time.

Credit Card Merchant Accounts and Digital Payment Processing Networks

If required, care should be taken to retain only the last 4 digits of a credit card number in any source.

Credit Card merchant accounts and digital payment networks shall be reviewed every 2 years, or as often as necessary to ensure the best rate and services that meet the needs of the RCCC and affiliated programs. Care should be taken to minimize associated transactional fees.

Receipts Policy

All expenditures greater than \$100 require a detailed receipt or invoice that includes the vendor name, date of transaction, invoice or transaction number and total paid. Receipts are due within 30 days of the transaction for recording purposes.

Financial System of Record

QuickBooks Online shall be the financial system of record for the RCCC. All cash, bank, credit card, or other monetary accounts shall be tracked using this system. Electronic copies of receipts shall be attached to all transactions in accordance with this policy.

Expense Reimbursements

The RCCC President or Program Director may approve reasonable expenses related to a member's volunteer role responsibilities as budget allows. All such expenses must be approved in advance.

Restricted Funds Restricted funds are any donations made and earmarked for a specific purpose by the donor. Donor restricted funds should be recorded in the financial system of record and reported as such. Because of the unique nature of restricted funds, donations of any amount in this form must be approved by the Board of Directors, unless the restriction applies just to an Affiliated Program.

Chapter 5 PURCHASING

Bids

- Purchases under \$3,000 require no quotes.
- Purchases over \$3,000 and less than \$10,000 require three bids.
- Purchases over \$10,000 require a full bid process, unless otherwise approve by the Board of Directors.
- All bid and quote selections should take into consideration cost, quality and availability of product or service.

Sales Tax

The RCCC is exempt from Texas sales taxes. It shall be the policy of the RCCC to generally not reimburse for sales tax paid for any item. Reimbursement for unavoidable sales tax expenditures is at the discretion of the RCCC President and reportable to the Board of Directors. Texas sales tax exemption forms are readily available and should be provided to all vendors when making a purchase. In some instances, an account is required to make a tax-exempt purchase. These purchases should be referred to the Treasurer or President for fulfillment. The President shall maintain a list of vendors who have an exemption form on file.

Corporate Credit or Debit Cards, and Billing Accounts

The RCCC Board of Directors may from time to time issue authority for a credit or debit card, or billing account for ease of purchasing. Cards and accounts are meant to supplement purchasing mechanisms already in place, and are not intended as an overall replacement or as a means to circumvent purchasing guidelines, requirements,

and policies and procedures. All accounts will be reconciled on a monthly basis or as often as necessary for efficient operations.

Chapter 6 Travel

General Travel

The RCCC President must approve all travel outside of normal program activities in advance. The RCCC will reimburse in full for all reasonable direct expenses relating to approved travel. Members must complete an expense report, with accompanying receipts and proof of payment, within 30 days of travel.

The RCCC President may approve requests for advanced funds for extenuating circumstances. Members must account for expense advances within five (5) business day after returning from traveling.

Out of State Travel

All out of state travel outside of normal program activities must be preapproved by the RCCC President.

Chapter 7 ASSET MANAGEMENT

Capital Equipment

Capital Equipment purchases are those that meet the following conditions:

- Acquisition cost equal to or greater than \$5,000 for a single unit
- Life span in excess of five years
- All Vehicles and trailers, both motorized and non-motorized, regardless of cost

All Capital purchases must receive Board approval and, when possible, be included in a budget request or amendment.

All Capital Equipment shall be tagged and logged in a spreadsheet for Asset Management and audited once every two years at a minimum.

Asset Database

The RCCC shall maintain an Asset Management Database for all RCCC owned or Federal Grant provided equipment, motorized vehicles, trailers, or other items that are required to be tracked, tagged and managed. This includes the following:

- Items of more than \$250 each single unit shall be tracked.
- All electronic items, such as computers, radios, televisions, monitors, GPS devices, etc.
- All required equipment purchased with Federal grant funds.

The Asset Management Database shall be physically audited at least once every two (2) years.