



FINANCIAL POLICY

Purpose

The purpose of this Financial Policy is to outline the day-to-day financial operations, procedures and recordkeeping practices of the Ivy and Pearls Foundation.

Authority

The Board of Directors may approve amendments to this policy at any regularly scheduled Board meeting. As a philanthropic arm of Rho Delta Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated, the Financial Policy of the Ivy and Pearls Foundation shall include any compliance guidelines prescribed by Alpha Kappa Alpha Sorority, Incorporated.

The Board of Directors shall conduct all business affairs on behalf of the Foundation and shall be granted the authority to make monetary decisions, that do not exceed \$1000, and monetary decisions that need immediate attention that occur between meetings.

Policy Effective Date

This policy shall take effect immediately upon adoption by the Board of Directors at a regularly scheduled Board meeting.

ACCOUNTING PROCEDURES

Operating Budget

An itemized budget shall be prepared annually and voted upon by the Board of Directors. The budget will serve as a guide for all financial transactions of the Foundation. When the projected revenue is less than the projected expenses, the Treasurer shall notify the Board so that adjustments can be made to the budget.

Allocating funds to the budget

All income shall be designated according to donor intent. The Treasurer will allocate funds to the appropriate line item as the donor intended. If there is no such designation made by the donor, the funds will go into a general account of money available. The Board may decide where the funds shall be most appropriately allocated.

Requests for Revisions to the Operating Budget

Revisions to the budget may be made by a written proposal request submitted for approval to the Board of Directors. Proposals shall be made in writing and submitted to the President and

Treasurer at least one week prior to a scheduled board meeting. The written request shall outline the amount of the request, reasons for the proposed expenditures and shall include an explanation of how this amount is not already accounted for in the current operating budget. The Board shall periodically review the budget and decide on any additional changes needed.

INTERNAL CONTROLS

No single member of the Foundation shall manage any financial transaction from start to finish. All revenue shall be recorded by date, amount and purpose and a receipt given. All funds received shall be transmitted in the manner given (cash as cash), to the Treasurer within 7-10 business days of receipt.

The Treasurer shall make deposits to the bank within 7-10 business days of receipt.

All reimbursements are handled by check or petty cash (per the petty cash policy).

The bank statements shall be reconciled monthly with the checkbook balances. Any discrepancies shall be reported to the Bank within 30 days of the statement date.

Audits

An annual internal audit of financial records of the Financial Secretary and the Treasurer shall be conducted. The purpose of the audit is to ensure that proper procedures are in place and that the financial practices of the Foundation are sound. This audit includes but is not limited to review of Board meeting minutes, annual financial statements, receipts, cash deposit slips, checkbook stubs and copies of checks, cash receipt logs and journals, cash disbursement logs and journals, monthly bank statements and other supporting documentation.

An external review of all financial records shall be conducted by a non-member of the Ivy and Pearls Foundation. This external review shall occur at least once every 4 years, or on a different schedule as requested by the Board of Directors. The goal of the external review is to ensure that generally accepted accounting principles are being followed and to identify any areas of opportunity within the Foundation's recordkeeping.

Bonding

The Foundation shall obtain a bond securing the financial officers and President and any members who handle financial transactions. The bond shall be reviewed annually to ensure that the coverage is sufficient for the Foundation's current needs.

Insurance Policies

Insurance policies shall be maintained that protect the assets of the Foundation. These coverages shall be reviewed annually and adjusted as necessary to meet the Foundation's current needs.

A copy of the insurance policies shall be on file with the President, Recording Secretary and Treasurer. A copy shall also be provided to Rho Delta Omega chapter.

Authorized Signatures

The President, the Treasurer and at least one additional designated officer shall be the 3 authorized

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signatures on record at the banking institution. The Board may designate additional signers as deemed necessary.

REVENUE - ACCOUNTS RECEIVABLES

Receiving Funds (Income)

1. All monies shall be made payable to the **Ivy and Pearls Foundation**, in the form of cash, personal check, money order, certified cashier's check, or credit cards.
2. All funds received shall be submitted to the Financial Secretary of the Foundation.
3. For a special event, a designee who is collecting funds on behalf of the Foundation, must transfer all monies to the Financial Secretary for proper recording within 5 days of receipt.
4. The Financial Secretary shall maintain a record of all funds received.
5. The Financial Secretary shall issue a written receipt when cash is received from the sale of event tickets or auction items.
6. If the Financial Secretary will be absent from a scheduled Board meeting, she shall make arrangements to hand off the receipt book to the Recording Secretary in her absence.
7. The President shall also have a receipt book available at each Board meeting. This receipt book shall only be used for emergency purposes and when the main receipt book is not present. The President must submit copies of any receipts written to the Financial Secretary within 7 days, so that the monthly records can be appropriately updated.
8. The Financial Secretary must give all funds received (in the forms and denomination that they were submitted) to the Treasurer for deposit within 7-10 business days of receipt of funds.

PayPal Transactions

1. This section will cover PayPal transactions.
2. The primary purpose for the use of PayPal by the Foundation is to establish an electronic means to accept credit card, debit card and other forms of electronic payments.
3. A donation button shall be available on the Foundation's website for people to make general donations via electronic payment.
4. PayPal fees, sometimes referred to as processing fees, shall be added to all transactions, with the exception of silent auction items or as designated by the Board.
5. Raffles may not be conducted via PayPal payment.
6. The Financial Secretary shall make a monthly report of PayPal funds received.
7. The Treasurer shall make a monthly transfer of funds from the PayPal account to our main checking account, or other account as designated by the Board.

Returned Check Policy

1. This section covers deposits returned by the bank, also known as "bounced checks."
2. In the event that a payment is returned by the bank, the Treasurer will notify the donor of any checks submitted for deposit that have been returned by the bank.
3. The member will have 30 days to reconcile the returned check, by resubmitting payment to the Financial Secretary, including the costs of any bank surcharges that have been assessed to the bank account.

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4. A Foundation member who has multiple returned checks, may be asked to submit certified funds only (e.g. cash, cashier's check or money orders) as future payments to the Foundation.
5. Returned checks from guests of our events will be notified by U.S. Postal mail through the Foundation's Recording Secretary. The guest will also be requested to submit their new payment along with any bank surcharges that the Foundation incurred.
6. If the money is unable to be recovered, the Treasurer shall notify the Board of Directors, who will decide how to handle the returned check issue on a case by case basis.

EXPENSES - ACCOUNTS PAYABLE

Expenses and Reimbursements

1. This section will cover expenses of the Foundation and reimbursements made to members.
2. All purchases and reimbursements are to be approved by the Foundation Board of Directors as outlined in the budget or favorably voted upon in a regularly scheduled Board meeting.
3. Invoices, original and itemized receipts and/or other supporting documentation is required as proof of purchase. Electronic receipts must show proof of payment. For example, a "shopping cart" is not acceptable without credit card statement, etc. showing the expense paid.
4. Complete a voucher form and attach receipts/documentation to the voucher. Vouchers must be signed by the Officer or committee chairman in charge of the budgeted item. The voucher must also be signed by the Treasurer and President.
5. Voucher must be submitted to Treasurer within 30 days of purchase. If unable to submit to Treasurer within specified time period, the Treasurer will report the delay to the Board of Directors.
6. The Treasurer shall disburse all reimbursements by check, to the requested payee as outlined on the voucher, following approval by the President of the Foundation. As a general practice, checks will be disbursed at least once per month, within 30 days of voucher approval.
7. Authorized Signatures: Each check written must have two signatures: the Treasurer and the President. In the event one is unable to sign, the third person on the bank account signature cards can be the second signer.

Credit Card policy

The Foundation shall have a business credit card account. The current signatories (President, Treasurer and officer designee) on the checking account shall be the designated credit card holders, unless other procedures are identified by the Board of Directors.

The Credit card billing statement shall be reviewed and reconciled monthly.

1. The member submits a Request for Payment voucher along with documentation of proposed expenditure, requesting that this is a request for payment by Foundation Credit Card.
2. Committee chair or officer verifies there are funds in the account line for this request.
3. The President authorizes the use of the credit card.
4. The Treasurer verifies that funds are available on the credit card, and allocates the charge to the account line as listed on the voucher.
5. The Treasurer processes the payment using the Foundation credit card. In the rare occurrence that the Treasurer's card is not available (i.e. has reached it's maximum credit balance for that

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billing cycle), then President's card would be used, followed by the 3rd cardholder's card. In order to ensure security, no other members would have access to the credit card numbers directly to prevent misuse. Only authorized members can use the cards for the specific purposes approved on the Voucher Request.

6. Credit card statement would be reconciled monthly against Treasurer's vouchers specifically approved for credit card payment, and against the monthly statement provided by the banking institution.
7. At the end of the month, the Treasurer will receive authorization from the President to pay the credit card balance or partial balance. Automatic payment (via electronic funds transfer) of the credit card bill is allowable, so long as the Treasurer has legitimized all credit card purchases on the statement.
8. The Treasurer shall immediately notify the Bank and the President of any credit card statement discrepancies.
9. The credit card cannot be used as an ATM or for cash back during Point-of-sale transactions.

Advances

1. This section will cover the issue of advancing funds.
2. On occasion, it may be necessary to provide advance of funds related to conducting the business matters of the Foundation.
3. The Board of Directors (by signature of the President and Treasurer) may advance a maximum of \$500 to an officer or designee for the specific purpose of conducting the business matters on behalf of the Foundation.
4. The officer or designee must submit a **Request for Payment Advance form**, and obtain approval signatures of the President and Treasurer.
5. The officer or designee must retain all receipts related to the approved reasons for the advance and will have 30 days from date that the advance check was issued to reconcile receipts for business items purchased on behalf of the Foundation.
6. The officer or designee will be responsible to return any balance owed from the advanced amount back to the Foundation within the 30 day timeframe.

Petty Cash

**A Petty cash policy may be developed at a later time.

Board Members Compensation

All Board members serve in a volunteer capacity. No compensation or payment for services related to being an officer or member of the Board of Directors shall be authorized by the Foundation.

Reimbursement for expenses related to carrying out the business matters of the Foundation (e.g. office supplies) shall not be considered personal income.

FINANCIAL PLANNING AND REPORTING

Monthly Reconciliation

The Treasurer and Financial Secretary shall create written monthly reports and reconcile them on a

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monthly basis.

The Financial Secretary shall maintain a Cash Receipts Journal and Funds Transmittal Forms. The Treasurer shall maintain a Cash Disbursements Journal, monthly bank statements and reconciliation reports, and the checkbooks of the Foundation.

Quarterly Reporting

Financial reports shall be distributed to the Board of Directors on a quarterly basis, coinciding with the scheduled meetings of the Board. The financial records of the Foundation are subject to inspection by any Board member upon request. The financial officers are responsible for ensuring the records are up to date, even when the Board has not met.

Financial Sustainability Planning

A financial sustainability plan shall be created and reviewed by the Board for updates at least every 2 years.

Year-end internal accounting

At the end of each fiscal year, the Treasurer and Financial Secretary shall present an annual report of the Foundation's finances to the Board of Directors.

This report shall include:

- Total FY income received
- Total FY income returned, not recovered
- Total FY expenses
- Total FY expenses, uncleared and outstanding
- Total number of donors (if available)
- Debts to be paid by the Foundation, or other outstanding liabilities (accounts payable)
- Debts owed to the Foundation, or other outstanding assets (accounts receivable)
- and any other financial figures requested by the Board.

IRS tax filing

1. The Foundation will follow all IRS requirements to preserve our 501(c) (3) status.
2. As a manner of general practice, a IRS-990 form or IRS-990EZ form shall be filed for each year that the Foundation exceeds \$50,000 in revenue (income received).
3. The 990N (e-postcard) is acceptable for fiscal year's where we do not receive \$50,000 in revenue.

California tax exempt filing requirements

1. The Foundation will follow all state laws to preserve our public charity status.
2. The annual requirement of registration as a charity (Form RRF-1) with the California Attorney General's office shall be the responsibility of the President.

ASSET MANAGEMENT

Property

Any hardware, software, machinery, keys, documents and other property purchased by or donated to

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the Foundation remains the sole property of the Foundation and shall be returned to the Foundation upon the termination of an officer, removal of an officer, or any Board members regular term of office.

Investments

An investments committee shall be appointed by the Board to explore and identify potential investment opportunities. Decisions about investments are vested with the Board of Directors.

SPECIAL EVENTS AND PROGRAMS

The Board shall authorize creation of new account numbers as deemed necessary for accounting purposes.

Fundraisers, Special Events and Large Programs

1. This section outlines the financial procedures for fundraisers, special events and large scale programs funded by the Foundation.
2. An itemized event budget shall be created for each special event, fundraiser or large programs (“event”) with planned expenditures in excess of \$2000.
3. The event budget shall include estimated revenue and estimated expenses with as much detail as possible.
 - a. Revenue categories include: donations, revenue from ticket sales, registration fees, vendor fees, sponsorship dollars, corporate donors, product and merchandise sales, etc.
 - b. Expense categories include: speaker/presenter honorariums, equipment rentals, venue/space rental fees, permits, insurance, software, hardware, food and beverage, entertainment, decorations, supplies, photocopies, etc.
4. The Chairman of the event is responsible for submitting a draft budget to the Treasurer for review and consultation.
5. The Treasurer will notify the Board of any financial risks associated with the event, and assess potential profits and shortfalls.
6. Events are eligible for petty cash up to \$500 to use as change drawer for the event. The amount shall be properly returned to the bank immediately following the event. The Foundation Voucher is the proper mechanism for requesting this change drawer for the event.

Scholarships

1. This section covers scholarships awarded by the Foundation.
2. The Scholarship committee will submit a written report to the President and Treasurer to notify of the current year’s awardees.
3. Scholarships will be disbursed to the awardee upon receipt of the following:
 - 1) Recommendation of the Scholarship Selection Committee
 - 2) Request for Payment Voucher form from the Scholarship Committee Chairman
 - 3) Student’s required documentation as requested by the Scholarship Selection Committee

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