

### **Policy Statement**

This policy is intended to provide guidance regarding appropriate transactions, internal controls and procedures to guard against financial loss and to provide wise stewardship of the Legislative District's funds.

### **Roles and Responsibilities**

**Chairman:** oversees the Treasurer's monthly reporting and is designated as a signatory on the checking account and other payment sources. The Chairman, together with the Treasurer, have the authority to sign checks valuing up to \$500.

**Treasurer:** provides wise stewardship over the finances, tracks income and expenses in accordance with general accounting rules and the procedures found in this policy and is the second signatory on the checking account and other payment sources. Provides verbal and written reports to the membership.

**LD 18 Executive Committee:** decides if a third signer is necessary and approves the individual, provides copies of relevant minutes of meetings and other documents to the Treasurer for his or her files and approves expenditures in excess of \$500 and up to \$1,000.

Amounts greater than \$1,000 are submitted to the membership for approval.

### **Procedures**

Cash Basis Accounting is used to recognize revenues and expenses at the time cash is received or paid out.

Income in the form of individual donations of more than \$50 a month require a numerical receipt with amount donated, date, amount, and by whom to actually complete the Arizona Secretary of State Campaign Finance reporting. The Treasurer reports this for the Secretary to provide a thank you note to the donor.

All accounting of funds shall be maintained in a one calendar-year formal ledger by date order, to provide details of income and expenditures as well as a running total of funds on hand.

Expenditures and reimbursements require an original or authenticated invoice, and will be accounted for by sequential check number, date, amount, payee and a brief description.

Any verbal or written reporting to the membership shall follow a strict month-end cutoff, with the starting balance at the first of the month, any income and expense totals occurred during the month and an ending balance.

Bank reconciliation shall be completed and reported by the second Saturday of the following month, use standard formatting and be made available during Regular meetings and/or be made available to members upon request, following a reasonable period of time to prepare, copy, email, etc.

The annual financial report shall be completed by January 25 of each year.

## **Accounting for Funds Raised**

Fundraising during meetings and events include a variety of strategies. Rules of fundraising shall be clearly stated. Funds raised shall be carefully accounted for and require double counting, witnesses and receipts.

Example of a 50/50 raffle: Tickets sales are accomplished by at least two individuals, one accepting payment and issuing tickets and the other witnessing. These two individuals shall not be related or have other interests in individuals in any transaction. Tickets are accumulated in a vessel and overseen by two individuals. Ticket(s) are drawn from the vessel, verified by two individuals and the winner given a choice (if applicable) of a prize. The minutes shall reflect the winner, the prize and the disposition.

Example of coffee sales: At least two individuals staff the coffee station and secure payments. Total income is counted by each individual and witnessed by another. The seed money is separated from the total and reserved for the next event. Once the counters agree on the net amount, both give the cash to the Treasurer, who verifies the amount and issues a receipt. The receipt is signed by all parties who counted the funds, including the Treasurer.

The intent of these procedures is to provide accurate accounting of funds and a paper trail. It is also to ensure involvement of membership and security of funds.