

## NJCCA INTERNAL FINANCIAL CONTROLS POLICY

### 1. GENERAL POLICIES

- 1.1. NJCCA funds shall be maintained solely in such depository or investment accounts as shall be authorized by the Board of Directors. Funds not required for operations, in the reasonable determination of the Treasurer, shall be retained in an interest-bearing account or may be invested pursuant to NJCCA's duly-adopted Investment Policy.
- 1.2. Authorized signatories for NJCCA accounts shall include the President, the Treasurer, the Executive Director, and such other officer(s) as may be authorized by specific resolution of the Board from time to time. Financial institutions where NJCCA accounts are maintained shall be notified immediately of any changes in check signers, whether by reason of the transition of officers or a change in the Executive Director or any other consultant with check-signing authority.
- 1.3. The Executive Director may sign checks in any amount not to exceed \$30,000.00, for obligations authorized by the Board either in the Executive Director's contract or by a specific resolution of the Board. Dual signatures shall be required for all checks over \$30,000.00 (see additional details under "Cash Disbursements").
- 1.4. The fiscal year of NJCCA is October 1 to September 30.
- 1.5. The financial records of NJCCA shall be maintained on a cash basis.
- 1.6. An annual Operating Budget shall be developed and presented to the Board for approval prior to the inception of each fiscal year. The approved budget shall be timely submitted to ACC.
- 1.7. Financial reports, including a Profit & Loss Statement and a Balance Sheet, shall be presented to the Board at each regular monthly meeting. The financial reports shall include comparisons to the approved Operating Budget and the prior fiscal year.
- 1.8. At the end of each fiscal year, a summary financial report shall be timely submitted to ACC, in the form prescribed by ACC.
- 1.9. A financial review by a member of the ACC financial staff shall be conducted no less frequently than every three (3) years, or at any time upon the request of the Treasurer or the Board. The Treasurer shall present the results of the review to the Board.
- 1.10. QuickBooks records shall be backed up by the bookkeeper on the bookkeeper's computer and on the QuickBooks website no less frequently than monthly. Financial reports will be backed up on the ACC Intralinks site no less frequently than monthly.
- 1.11. Monthly and annual financial reports, financial statements for particular programs, credit card charges, and bank statements will be retained for seven (7) years from the date of the record or the event.

### 2. CASH RECEIPTS

- 2.1. Consultants and officers handling cash receipts must have the knowledge and skills necessary to perform the function satisfactorily, and shall be carefully supervised.
- 2.2. Incoming cash shall be counted and a bank deposit slip prepared and initialed by the Executive Director, the Treasurer or the President. Incoming checks shall be endorsed "For Deposit Only" when received.

- 2.3. Cash receipts, whether cash or checks, must be deposited as soon as possible. Adequate physical controls shall be maintained over cash receipts from the time of receipt to the time of deposit into the bank.
- 2.4. The individual responsible for opening incoming mail, including cash receipts, shall make copies of each cash receipt as the basis for recording revenue, completing bank deposit slips, and depositing cash receipts into the bank account.
- 2.5. All receipts shall be immediately recorded on the Cash Receipts Journal, which shall include the identity of the payor (name and address), the account to be credited, the payor's check number, the purpose of the payment (e.g., sponsorship fee, the event to which it relates, etc.), and the amount.
- 2.6. The Executive Director shall submit a copy of the Cash Receipts Journal to the Treasurer at least quarterly, or at any time at the request of the Treasurer.
- 2.7. The Executive Director's Cash Receipts Journal shall be entered into QuickBooks by the bookkeeper no less frequently than monthly.

### 3. CASH DISBURSEMENTS

- 3.1. All disbursements, including payroll and expenses, shall be made only by check or authorized direct deposit (ACH). ACH payments may be initiated only by the President or the Treasurer.
- 3.2. Supporting documentation must accompany checks when presented for signature. Disbursements that require special approval must be properly documented.
- 3.3. Only pre-numbered checks shall be used, and always in sequence. All check numbers shall be accounted for. Any breaks in sequence or voided checks must be documented and properly approved. Any voided or spoiled checks shall be marked "Void" and mutilated, with the signature portion removed.
- 3.4. Checks must be made payable to a specific payee (i.e., not to "Cash" or "Bearer"), based on appropriate supporting documentation.
- 3.5. Signature stamps shall not be used to sign checks.
- 3.6. Adequate physical controls shall be maintained over blank check stock. It shall be strictly prohibited to sign blank checks, or to postdate or backdate checks.
- 3.7. Prior to preparing checks, all invoices shall be reviewed for accuracy and receipt of the invoiced merchandise or services. Checks shall be prepared only from original vendor invoices or officer/member expense forms, and not from a vendor statement. Vendor invoices shall be paid consistent with their terms, and every attempt shall be made to avoid incurring late fees.
- 3.8. Consultants, officers and members requesting reimbursement for expenses shall submit a detailed expense report in the form prescribed by the Board; all expense reports shall be accompanied by appropriate supporting documentation. Expense reports of officers or members shall be submitted for review and approval by the Executive Director. Expense reports of the Executive Director shall be submitted to the Treasurer or the President for review and approval.
- 3.9. The Executive Director shall establish a petty cash fund in a locked bank box for small, non-recurring expenses under \$250.00. The Executive Director shall reconcile this amount monthly and replenish by a check which shall be reviewed in accordance with Cash Disbursements procedures.
- 3.10. All disbursements shall be immediately recorded on the Cash Disbursements Journal, which shall include the date, the check number, the identity of the payee (name and address), the

account to be charged, the purpose of the payment (e.g., the service that was provided, the event to which it relates, etc.), and the amount of the payment.

- 3.11. The Executive Director shall submit a copy of the Cash Disbursements Journal to the Treasurer at least quarterly, or at any time at the request of the Treasurer.
- 3.12. The Executive Director's Cash Disbursements Journal shall be entered into QuickBooks by the bookkeeper no less frequently than monthly.
- 3.13. Checks outstanding over ninety (90) days shall be periodically investigated, with payment stopped and an entry made restoring such items to cash if appropriate and permitted under applicable law.

#### 4. RECONCILIATION

- 4.1. The bookkeeper shall reconcile the Executive Director's journals against online bank statements no less frequently than monthly. The Treasurer shall review the Executive Director's journals, and reconcile the bookkeeper's Balance Sheet report of bank balances against online bank balances, no less frequently than quarterly.

#### 5. CREDIT CARDS

- 5.1. Such credit cards as the Board may approve may be accepted as payment. Preference shall be for payment through ACC's *thriva* process to the maximum extent possible.
- 5.2. Net proceeds from credit card sales shall be deposited directly into NJCCA's bank account.
- 5.3. Credit card information shall be stored in a secure location. If credit card information is stored electronically, it shall be secure from third party access.

#### 6. ACCOUNTS RECEIVABLE

- 6.1. To avoid bad debt to the extent possible, the Executive Director shall require all sponsorships to be fully paid prior to an event.
- 6.2. The Executive Director shall maintain an accurate and detailed list of all monies due to NJCCA, such list to include the amount payable, the due date, the identity of the payor (name and address), and contact name and information.
- 6.3. Reminder notices shall be issued or calls made for all accounts payable due beyond thirty (30) days.
- 6.4. The Treasurer or other designated officer shall contact accounts past due beyond ninety (90) days.
- 6.5. Accounts payable due beyond one hundred eighty (180) days shall be reported to ACC.

#### 7. 1099 FORMS

- 7.1. The bookkeeper shall timely issue a 1099-MISC to all independent contractors (including the Executive Director and the bookkeeper) who received payment from NJCCA during the prior calendar year in accordance with applicable IRS regulations.
- 7.2. The bookkeeper shall prepare a 1096 transmittal form for signature by the Treasurer and timely filing each year.