

OKLAHOMA SOCCER ASSOCIATION

**FINANCIAL MANAGEMENT POLICIES
AND
PROCEDURES MANUAL**

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OKLAHOMA SOCCER ASSOCIATION, INC.

FINANCIAL MANAGEMENT POLICIES AND PROCEDURES

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OKLAHOMA SOCCER ASSOCIATION, INC.

FINANCIAL MANAGEMENT POLICIES AND PROCEDURES

1. GENERAL PURPOSE:

The purpose of the Financial Management policies is to establish a framework for the Board of Directors and the Association's Administrators. This framework is to be utilized and the procedures applied when developing financial goals and objectives, making financial decisions and reporting the financial status of the association. In addition, these policies should provide guidelines to allow for the effective management of the corporation's funds. The requirements established in the By-laws of the Oklahoma Soccer Association, Inc. will be met in addition to this policy and procedure.

All officers of the Oklahoma Soccer Association, Inc., the Coaching program, and the Referee program, new and incumbent, will be given a copy of this policy and procedure at the first board meeting of each fiscal year.

OKLAHOMA SOCCER ASSOCIATION, INC., hereinafter referred to as the "Association" is a Oklahoma corporation exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended.

The Association provides affiliated member soccer leagues with program and administrative support. Some primary services the Association offers include: computerized registration, accident insurance coverage for players, coach and referee development programs and help with centralized information on and coordination of inter-league activities within the state and with other state and national programs.

2. DEFINITIONS

For the purpose of this policy and procedure statement, "Treasurer" shall mean the person elected and currently holding the office of Treasurer of the Oklahoma Soccer Association, Inc.

For the purpose of this policy and procedure statement, the State Referee Committee Administrator will have the responsibilities of the Referee Program; the Director of Coaching will have the responsibilities of the Coaching & Player Development Programs; the Adult President will have responsibilities of the Adult Program.

3. THE GOVERNING BODIES:

A. The Board of Directors

It is the responsibility of the Board of Directors to formulate financial policies, delegate administration of such policies to the staff, and review the operations and activities on a periodic basis.

The Board of Directors establishes the general financial direction of the Association and relies on the Executive Director for the day to day operations in administering the financial policy. The *OSA By-laws* assign the responsibility of the financial affairs to the *Treasurer*.

The *Treasurer with the support of the Finance Committee and appropriate staff* is responsible for the financial integrity of the Association. In order to accomplish this mission, it must perform the following functions:

- review and report regularly to the board on the financial condition of the Association
- observe, monitor and critique the fiscal management of the Executive Director and staff
- prepare the annual budget and recommend it to the board
- provide advice and counsel as requested by the Executive Director regarding fiscal matters
- receive and review the annual 990 report produced by certified public accountants for the Association, and make a recommendation to the Board
- present to the Board of Directors any suggested changes to the financial policy

The general and daily financial management and reporting of the Association are implemented by the Executive Director. The Association's *Board of Directors shall* act as the primary fiscal agent with final responsibility for all fiscal decisions. *The Executive Director under the supervision of the Treasurer* is responsible for overseeing the design and implementation of proper accounting systems, procedures and budgetary processes including but not limited to accounts receivable, accounts payable, proper maintenance of any Association checking accounts, credit card accounts or funds, production of bi-weekly employee payroll, production of monthly, quarterly, and annual fiscal reports and other fiscal policies or procedures necessary for the operation of the Association. Such responsibilities will include but will not be limited to fulfilling the requirements of all funding sources and all legal fiscal requirements throughout the Association and assuring that all Association contracts and disbursements of monies for services performed by contractors are properly implemented. The Executive Director is responsible for implementing all financial policies and procedures, recommending expenditures and revenue objectives for the Association in accordance with the Board approved long-term plans, and designing the annual budget in cooperation with the appropriate staff and Committees.

4. ACCOUNTING AND RECORD KEEPING:

The Treasurer or his designee is responsible for managing OSA staff in the preparation of all accounting entries of transactions that have been previously authorized by the Association's authorized financial agents.

The *Treasurer*, and the Accounting Department, shall have the responsibility for insuring the accuracy of the accounting records.

The Accounting Department, directly supervised by the Treasurer, is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input, Cash Receipts input, Journal Entries for General Ledger and Bank Reconciliations.

5. BUDGETING PROCESS:

A. The Treasurer shall be responsible for providing an annual operating budget draft to the OSA Executive Director *seventy-five (75)* days prior to the end of the fiscal year. The Executive Director will prepare the OSA (office) budget.

B. The Executive Director will consolidate the individual budgets and provide copies to the Finance Committee at least *forty-five (45)* days prior to the end of the fiscal year.

C. The Finance Committee shall review and approve the recommended budget revenues and expenditures for the fiscal year budget, and submit the final budget for approval to the Board of Directors at their May meeting, but not later than the June meeting.

The Finance Committee will meet at the request of the Treasurer, or annually as specified by the By-laws, to review the proposed budget. The Treasurer will chair the meeting. A report will be given at the next OSA Board of Directors meeting, regular or special, at which time any adjustments *or amendments* to the approved budgets will be placed on the agenda for approval by the Board of Directors.

6. FINANCIAL STATEMENTS:

The Association's financial statements shall be prepared on a cash basis of accounting in accordance with generally accepted accounting principles, and more specifically in accordance with standards of accounting and reporting established for non-profit organizations. The significant accounting policies and procedures followed by the Association are described herein. The financial statements will be provided for review on a monthly basis.

7. INCOME TAXES:

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as amended. Accordingly, no provision for income taxes shall be reflected in the financial statements.

8. TRAVEL RELATED:

A. All travel expenses must be accounted for in the budget or approved by the Treasurer, who must confirm with the Executive Director that funds are available for travel.

B. The State Referee Program will have final authority and approval on all travel expenses incurred for the Referee Program in compliance with USSF Policy 531-2.

C. Travel Expenses

OSA will reimburse volunteers and employees for reasonable and proper expenses incurred in connection with traveling and living away from home in the conduct of approved OSA business. Each business trip must be properly authorized in advance. The purpose of the trip and expenses incurred **MUST BE DOCUMENTED AND PROPERLY REPORTED** on the OSA expense report.

D. Travel Authorization Request

For travel other than by OSA Board of Directors, authorization by the appropriate committee chairman or board of director must be submitted to the OSA office prior to undertaking travel whether by auto or air. The purpose of this authorization is to:

Obtain management approval for trips;

Provide approval record to the Financial Officer to reimburse proper expenses;

Authorize travel arrangements and other reservations on behalf of OSA.

Travel authorization requests require office approval. If a committee member or other traveler encounters complications that require an exception to these procedures, please contact Executive Director at OSA office.

E. Travel Arrangements

The OSA office or official Travel agency will make all travel arrangements unless otherwise directed by the Treasurer or Executive Director.

F. Transportation

The OSA office will authorize prior approved required transportation through the travel service or reimburse the member for transportation not directly paid by OSA if approved.

G. Air Travel

Travel distances greater than 200 miles one way will generally be accomplished by air. OSA standard air travel will be coach class.

H. Rental Cars

Prior to rental of a car/van, consideration should be given to its required use. Members should request economy or compact size cars, except when three or more members are traveling together. Rental agreements provide several options to the renter. Please check with the OSA office for waivers that should or should not be taken when renting a car. In the event of an accident, local rental authorities must be promptly notified. Payment for rental cars is the responsibility of the individual unless approved and requested through the OSA office. No attempt will be made to bill OSA directly unless the OSA office makes arrangement for a rental car and/or van for Association business.

I. Lodging

OSA volunteers and employees will be reimbursed for the actual cost of reasonable hotel accommodations for approved travel. Most economical room rates should be requested when reservations are placed, with lodging expenses to be itemized by the day on the expense report. The itemized hotel receipt along with the actual payment receipt is required.

Rooms will be shared with other members whenever possible. Any other accommodations requested by the volunteer instead of those provided by OSA, will be at the volunteer's own expense.

Members are expected to seek lodging in the proximity of the visiting location to minimize the cost of local transportation. Members will stay at pre-arranged lodging reservations by the OSA office or be reimbursed at a comparable rate. Any upgrade charges or extended stays will be at the member's own expense.

J. Non-Reimbursable Travel Expense

OSA will not reimburse volunteers and employees for personal expenses such as: traffic citations, cost of clothing, personal medical expenses, member entertainment, losses of personal property, personal grooming expenses, etc.

Additional costs incurred when a spouse accompanies an OSA member on an OSA business trip are not reimbursable.

9. PURCHASING:

A. Capital Purchases

- *Requisitions* - All requests for capital expenditures shall be made by Requisition. The Requisition will be signed by the Treasurer a minimum of 30 days prior to the request being fulfilled. A Requisition for capital expenditures will have attached the name, address, telephone number, contact person, and amount from a minimum of three competitive bidders.
- *Purchase Orders and Disbursement Requests* - are to be completed and submitted to the Treasurer for purchases related solely to their respective division's programs or the Executive Director for purchases related to OSA office operations for approval prior to an order being placed. Purchase Orders are required to be completed on all capital purchases over \$500.00 except where specific contracts have been previously negotiated. Purchase Orders will be approved based on the following:
 - a. the item(s) for which the disbursement is requested is within the approved budget of the Division for said item, and
 - b. the amount of the disbursement does not exceed the amount within the approved budget for the item, and
 - c. the amount, when added to previous disbursements for the same budgeted item, does not exceed the approved budget for the item, and
 - d. the Disbursement Request is signed by the Treasurer authorizing the disbursement and attesting to the budgetary confines in items a, b, and c above.

• **Purchase Orders for items not included in the approved budget must:**

- a. Bear the date for which the expenditure was approved by the Board of Directors, and
- b. Be signed by the Treasurer authorizing the expenditure.

All Purchase Orders in an amount exceeding \$1,000.00 which were not previously budgeted will be signed by the Executive Director and the Treasurer authorizing the purchase/disbursement. All Purchase Orders which were not previously budgeted in excess of \$2,000.00 will bear the date for which the expenditure was approved by the OSA Board of Directors. Purchase Orders or Personal Expense Reports for which the Treasurer has pecuniary interests will be signed by the President to meet the criteria established herein.

10. FUNDS AND BANKING:

Funds of the Association shall be deposited in the Association's bank accounts as may be designated by the Board of Directors. The Accounting Department shall closely monitor the balances of the accounts.

11. REVENUE, ACCOUNTS RECEIVABLE AND CASH RECEIPTS:

A. Processing Receipts

- Opening the Mail: The following steps will be performed when opening the mail:
 - a. The mail will be opened and distributed by a designated staff person that does not complete the cash receipt list. A notification of receipt will be completed and distributed to the appropriate division personnel for all checks received.
 - b. Checks are separated and immediately restrictedly endorsed.

B. Deposits:

- Deposits should be made daily, but no less frequently than weekly.
- A deposit should be completed on the last business day of the month.
- Checks and cash received not deposited that day will be secured in the accounting office.
- The cash receipts list and the validated deposit slip should be forwarded to accounting for recording and verification.
- All credit card income is directly deposited into designated operating accounts.

Process for Deposits:

- a. Prepare a cash receipts list in QuickBooks Pro for the Treasurer's review.
- b. The Business Administrator will verify the program totals and deposit total on the cash receipts list to the checks and prepares the deposit slip.
- c. Reconcile and resolve any differences and correct the cash receipts list and deposit slip if necessary.

C. Processing and recording:

- Accounting verifies the cash receipts list to the deposited amount and determines the appropriate program and appropriate account to post the amounts.
- Receipts of registration fees are recorded to the accounts receivable subsidiary ledger updating each customer account.
- Other revenues are generally recorded to the appropriate program and account.
- Cash receipts should be recorded weekly.
- Receipts are recorded to the general ledger and customer accounts using the cash receipt list prepared for the deposit.
- Receipts of registration income for both the youth and adult programs are recorded individually to the customer's account. The form of payment either cash, check or credit

card is indicated on the account and the customer's check number is included in the reference field of the system.

- Fees received for services (other than registrations) are recorded to revenue accounts in batch totals for each day.
- Accounting verifies recorded amounts to the cash receipts list in total as well as for each registration customer account.

D. Registration Income youth and adult:

The Board of Directors approves a fee schedule annually. Leagues are charged registration fees based upon the players they report to OSA using the fee schedule.

E. Accounts Receivable Procedures (including billing, payment receipt and reconciliation)

- Reconciliation:

- a. Accounts receivable reports will be reconciled to the general ledger on a monthly basis and more frequently as determined necessary.
- b. Operating bank accounts will be reconciled at least monthly. Account receivable aging reports and the customer ledger will be reviewed at least monthly for unusual items and delinquency problems.
- c. Delinquent accounts will be reported to the Board of Directors through financial reporting.
- d. Member payments or payments returned for insufficient funds will be properly identified and recorded to individual accounts the day they are received *and associated charges will be assessed.*

- Billing

Members will be invoiced on a monthly basis or as needed to maintain accounts in good order and properly reflect generally accepted accounting procedures.

- Customer payments

Any payments that are received prior to billing will be reflected as a cash receipt in the proper member account. The Director of Programs will provide registration numbers to the accounting department for billing to be completed. If numbers not provided, customer account to reflect the cash receipt and (if applicable) a credit balance.

- Month end activities:

The following procedures will be performed on a monthly basis.

- a. All deposits (cash, checks and credit cards) will be reconciled and recorded.
- b. Reconciliation of bank accounts *and petty cash.*
- c. Reconciliation of the accounts receivable *and related allowance accounts* to the general ledger
- d. Review of the accounts receivable aged trial balance
- e. Prepare Compliance report for youth and adult receivable accounts
- f. Review of balance sheet accounts for any discrepancies.
- g. Reconciliation and preparation of financial statements provided to appropriate personnel.
- h. An outside independent professional accounting firm will reconcile and review monthly banking activity and general ledger entries.

12. CASH DISBURSEMENTS AND PAYMENTS:

Invoices shall be received by the Association staff administration where they are stamped with the incoming date and forwarded to the appropriate department. All invoices must be approved by the department director or division president/chairman. The accounting department prepares all cash disbursements and payments based on approved purchase orders and invoices. Upon

payment of a bill, a copy of the check or duplicate or stub shall be stapled onto the bill with payment date and check number. The paid invoices shall be filed alphabetically according to company/individual name and are kept on a fiscal year basis on file.

The check along with the invoice copy and corresponding purchase order, where applicable, shall then be forwarded to the Treasurer for signature. Any unbudgeted payable over **\$1000.00** will require the review and approval of the Treasurer as well as the program person responsible or the Executive Director before the check is signed for distribution. The checks and necessary accompanying materials are then mailed.

An attempt will be made to take advantage of all discount periods. In any case, all invoices should be paid within 30 days from the receipt of the invoice. Voided checks shall have "VOID" boldly written in ink across the face of the check. The voided check shall be filed with other canceled checks upon review of documentation by the accounting department.

13. COMPENSATION AND PAYROLL:

Payroll is executed bi-weekly basis by a payroll service. Paychecks will be distributed to each employee by the accounting department, or payroll amount will be directly deposited into the employees' accounts when appropriate.

Monthly payroll expenses shall be verified by the accounting department against payroll reports and direct deposit reports and reconciled with checking account reports.

The compensation of the Executive Director shall be determined by the Board of Directors.

Compensation ranges for all staff positions shall be developed by the Executive Director subject to approval of the Board of Directors.

14. REIMBURSEMENT REQUESTS:

Employees, Board members or Association representatives will complete personal Expense Reports. Receipts must be attached to all requests for reimbursement. The receipts must indicate the amount spent, the item purchased, the date purchased, and the seller's name. All requests for reimbursement must meet the same requirements as Purchase Orders (as described in 8 of this document). Requests for reimbursement must be dated and received by the OSA Office no more than 45 days following the date on the receipt. All personal expense reports shall be approved by the Department Director, Treasurer or President; Executive Director (in the case of OSA staff); prior to being submitted to the accounting department for payment. Under no circumstances should personal expense reports be approved by the person who incurred the expenses.

Employees may request reimbursement for actual mileage incurred from the Association office to a business-related destination and back. Reimbursement for mileage originating or ending at an employee's home will be approved only if this represents a savings over using the office as a starting or ending point. The Association will not reimburse travel for an employee's commute between the employee's residence and the Association office. Reimbursement for mileage may be submitted for trips exceeding 25 miles one way, trips shorter than 25 miles will not be reimbursed. Travel reimbursements will follow current IRS Guidelines for personal vehicle use and at \$.18 per mile for company own vehicles. The State Referee Program will have final authority and approval on all reimbursements incurred for the Referee Program in compliance with USSF Policy 531-2.

Mileage reimbursement rates for the Referee Program will be solely determined by the State Referee Committee in keeping with USSF Policy 531-2 and this allowance amount will be annually provided to the accounting dept. prior to the new fiscal year in order to process mileage reimbursements in accordance with the SRC determinations.

15. PER DIEM EXPENSE ALLOWANCES:

The Association in recognition of hardship presented to some members traveling on OSA business allows the use of Per Diem payments in advance of actual expenses incurred. This Per Diem allowance may not exceed \$44 per day. An individual receiving the Per Diem who accrues legitimate expenses above the \$44 may receive reimbursement for the amount of the difference according to the normal rules of reimbursement as noted in Section 15 of this document. Per Diem requests must be approved by department director and submitted two weeks prior to travel for processing. Per Diem allowances for the Referee Program will be solely determined by the State Referee Committee in keeping with USSF Policy 531-2 and this allowance amount will be annually provided to the accounting dept. prior to the new fiscal year in order to process Per Diems in accordance with the SRC determinations.

16. AUDIT:

At the direction and recommendation of the Treasurer to the Board of Directors, the Association may audit its financial statements. The audit shall be made by a firm of Independent Certified Public Accountants. On completion of an Audit, the Treasurer shall report the final results to the Board of Directors.

17. INSURANCE:

Reasonable and adequate coverage will be maintained to protect the Association's interests, as well as the Board of Directors and the Association's employees. At a minimum, Commercial Property Contents, Directors and Officers Liability Insurance, Employee's Dishonesty Bond Insurance, Workers Compensation Insurance and Employees Health Insurance will be maintained on a yearly basis.

18. PROPERTY AND EQUIPMENT:

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Property and equipment purchases with a cost of less than \$500 shall be expensed in the year of purchase. A detailed listing of all property and equipment shall be maintained. The Executive Director must approve any removals of property from the Association's premises.

The exception to the above shall exist for all equipment procured by the State Referee Committee for the Referee Program in accordance with USSF Policy 531-2 and in accordance with policies adopted by the State Referee Committee. Property and equipment purchased by the Referee Program for specific use within the Referee Program shall remain the legal property of OSA.

19. CONFIDENTIALITY AND RECORDS SECURITY:

Financial records are restricted materials with limited access. The President, Treasurer, and the Executive Director or others so authorized shall have access to financial records.

20. CREDIT CARD USAGE:

Oklahoma Soccer Association (OSA) Board of Directors will annually review the use of credit cards for payment of expenses. Upon approval by the Board of Directors from a list of proposed users prepared by the Executive Director, the Executive Director shall authorize the issuance of credit cards for use for the business of OSA.

Any person who is issued an Oklahoma Soccer credit card will submit a monthly expense report identifying each charge with appropriate receipts attached. Each department director, president or chairman will review and approve the charges. The monthly credit card bill will be provided to the Treasurer for review. Issued credit cards are strictly for use of employ/board member who's name appears on credit card and shall remain in the possession of said person at all times.

All credit card purchases for appropriate business meetings, events, activities and travel expenses may be made in direct Association business only. Travel purchases cannot be made under a 50 mile limitation from office location, all business/travel meetings under 50 miles must include a description of the meeting, business conducted and who attended the meeting. All purchases and use of the credit card will conform to all other policies of this manual.

21. MAILING LIST POLICY:

See OSA Policy 27.00 "Marketing Communications"

22. REFEREE PAY POLICY FOR STATE EVENTS

Prior to the start of each fiscal year, the youth and adult boards will set and approve the referee fees for OSA league and tournament competitions. If no changes are approved prior to the fiscal year, the fees will remain at the previous year amounts.

B. Assignor Fees for state league events:

Assignors that are sub-contractors may be used for state league events and are paid upon completion of the event per contract agreement, and the satisfactory completion of the Assignors Task List.

In the event games are postponed or rescheduled, the assignor will be paid for work done prior to the postponement. The assignor will be expected to reassign the games for no additional compensation.

In the event games are cancelled, the assignor will be paid for work done prior to the cancellation.

Tasks

Assignor Task List/Checklist for State events:

Attend event meetings, as required, for planning purposes

Make contact with/recruit appropriate potential referees

Verify credentials and certification of referees

Obtain and enter game schedules

Assign referees to games

Confirm referee assignments

Resolve conflicts etc. and reconfirm

Publish assignments (as required/agreed)

Provide referees with necessary materials - meetings, rules etc.

Be available game day(s) to resolve no-shows, conflicts, injury etc.

Verify Referee assignments and notify OSA Office that games are approved for payment through Refpay.

**Provide administrative help to them as required and resolve any assignment/pay issues.
Process game incidents and scores in prescribed format**

23. INVESTMENT POLICY:

Oklahoma Investment Mission: Through a diversified approach, ensure that our Scholarship and Grand funds are invested in a manner that prudently ensures a return consistent with the organization's goals while keeping security, initial investment and return on investment in mind. Furthermore, a portion of the earnings will be earmarked for scholarships and grants as to be determined by the board.

Oklahoma Soccer's Treasurer will have the authority to conduct transactions with the caveat that any investment other than a CD or money market will require approval of the Board of Directors.