

TEXAS BUSINESS WOMEN, INC.

FINANCE MANUAL

October 19, 2012



I. PURPOSE

This Finance Manual is a summary of the organization's financial policies and procedures. It is intended for use by the Executive Committee (EC), the Finance Committee, and the leadership of each local organization. Additional sections have been provided for Conferences and other special events, interactions with the TBPW Foundation.

A master copy of this manual shall be maintained on the organization's website in the member-only section, and it shall be reviewed at least annually by the Treasurer and Finance Committee. Amendments shall be approved by the Executive Committee.

II. INFRASTRUCTURE

Texas Business Women, Inc. operates primarily as a virtual organization, without a physical presence. As such, it relies on an infrastructure of digital resources to execute transactions and archive data and information. Current resources include:

Wild Apricot – serves as the organization's membership database and website. All members have user-level access to general information and the member-only section of the website, where organization reports and information are posted for distribution. Administrative access is granted to the bookkeeper, Executive Committee, and any other appropriate designee (such as website designer) as approved by the EC.

QuickBooks Online – serves as the organization's accounting records and backup system. Access and passwords are granted to the organization's bookkeeper, Treasurer, and Finance Committee (view only).

PayPal – serves as the organization's merchant account and electronic payment processor. Administrative access is granted to the organization's bookkeeper and Treasurer.

Dropbox – serves as the organization's central file depository. Access and passwords to the core folders are granted to the Executive Committee. Where appropriate, this system can also be utilized to facilitate the sharing of information within committees or for special projects.

RingCentral – serves as the organization's phone system. Extensions and voicemail accounts are created at the direction of the Executive Committee.

GoToMeeting – serves as the organization's electronic meeting system. Administrative access is held by the President or other designee. Attendees are invited as appropriate.

III. ROLES AND RESPONSIBILITIES

In order for the organization to operate successfully, a significant amount of coordination is needed amongst those responsible for each aspect of the organization's financial transactions and reporting. These roles include:

- Local Organization Treasurers (or other designees)
- Statewide organization's designated bookkeeper (Bookkeeper)
- Statewide organization's elected Treasurer (TBW Treasurer)
- Statewide organization's elected President (TBW President)
- Statewide organization's elected Executive Committee (Executive Committee)
- Statewide organization's appointed Finance Committee (Finance Committee)

In the following sections, each of these roles will be explained in detail.

A. Local Organization Treasurers (or other designees)

Local Organization Treasurers begin the transaction process when they receive dues payments from members. Furnishing this information timely and accurately is critical to the organization's success.

Dues may be paid:

- Online via the organization's website
- Directly to the state organization by check
- To the local organization

When methods 1 or 2 are utilized, the Bookkeeper will allocate the local organization's portion of the dues and remit it monthly. If method 3 is used, the Bookkeeper will determine if the payment includes state dues only, or if local organization dues are included. This requires that the Membership Information Form is included with the payment.

The Local Organization Treasurer is also responsible for reviewing the membership roster and notifying the State Treasurer of any discrepancies in information.

B. TBW Bookkeeper

The TBW Bookkeeper is primarily responsible for recording the day-to-day transactions of the organization. This position shall work closely with the organization's President and Treasurer.

1. On a weekly basis, the Bookkeeper shall:
 - a. Retrieve mail from the organization's post office box, and monitor electronic payments received by the organization.
 - b. Deposit any funds received into the appropriate bank account.
 - c. Process dues payments and calculate the portion of local organization dues payable, if any.
 - d. Update the member's record in the organization's database to reflect the payment.
 - e. Record the appropriate transactions for dues payment in the organization's accounting software.
 - f. Enter invoices or reimbursement forms as expenses.
2. On a bi-weekly basis, the Bookkeeper shall:

- a. Prepare a list of proposed expenditures (with expense coding information) for the President's approval.
 - b. Upon approval, prepare checks for the President's signature.
3. On a monthly basis, the Bookkeeper shall:
- a. Transfer funds from the organization's PayPal account to the Operating account.
 - b. Remit the local organization portion of dues to those organizations.
 - c. Review the transaction register to ensure proper coding of receivables and notify the President and Treasurer of any discrepancies.

The Bookkeeper shall also maintain the organization's source documents (both contributions and expenditures) in an organized manner in accordance with the guidelines in Section XI.

C. TBW Treasurer

The organization's Treasurer holds primary responsibility for timely reporting of the organization's financial information. The Treasurer is also responsible for the integrity of the organization's accounting system and records.

1. At the beginning of each fiscal year, the Treasurer shall:
 - a. Confirm the closing of the previous year's accounting records in accordance with generally accepted accounting principles. This specifically includes the calculation of the beginning balances in each of the organization's equity Funds.
 - b. Review the bank reconciliations and any other workpapers for the last month of the previous fiscal year.
 - c. Input the current year's budget in the accounting system and monthly reporting templates.
2. Before the 15th day of each subsequent month, the Treasurer shall:
 - a. Reconcile the bank statement(s) and digitally archive them in the assigned folder.
 - b. Review all of the transactions to ensure that they were recorded in accordance with generally accepted accounting principles, the approved budget, and the guidelines in Section IX.
 - c. Prepare the monthly reporting packet for the previous month, including Balance Sheet, Profit & Loss vs. Budget, and Profit & Loss by Fund.
 - d. Provide monthly reporting packet to President, once approved, will post in the member-only section of the website after approval by the Executive Committee and Finance Committee.
 - e. Digitally archive all work papers, financial statement templates, and reports in the assigned folder.
3. The Treasurer shall also be responsible for:
 - a. Timely filing of the organization's federal income tax and/or state-required forms.
 - b. Reviewing the organization's investments (if any) and ensuring they are in accordance with the guidelines in Section V.
4. Prior to the close of each fiscal year, the Treasurer shall:
 - a. Allocate the current year's net revenues to their appropriate funds and record the needed journal entry in the organization's accounting records.

- b. Ensure that all monthly reports and work papers are digitally archived in the assigned folder.
- c. Visit with the Bookkeeper to ensure paper records are maintained in accordance with Section XI.

D. TBW President

As the primary signatory on banking accounts, the TBW President is responsible for the disbursement of funds in accordance with the approved budget as well as Executive Committee actions.

If geographic or other restrictions apply, the President may designate another signatory, but shall still approve each payment of funds and its allocation.

When appropriate, the President may also be granted access to a debit/credit card attached to the organization's banking account. Disbursements made via this method shall be subject to the same guidelines as check transactions. Receipts shall be provided to the organization's bookkeeper within 7 days of the transaction.

President is responsible for establishing the procedures with the Bookkeeper for receiving checks for signing on a regular and timely basis.

E. Executive Committee

The Executive Committee is responsible for the financial decisions impacting the organization. Where possible, motions requiring the expenditure of funds shall reference the appropriate line item for recording. Prior to its execution, any contract or expenditure with a potential value exceeding \$500 shall be reviewed and approved (via recorded vote) by the Executive Committee.

The Executive Committee shall also review the monthly reporting packet and supporting details before the Treasurer forwards that information to the Finance Committee.

F. Finance Committee

The Finance Committee shall serve as an oversight to the Executive Committee, reviewing the monthly transactions and reporting packet before it is distributed to the membership.

In coordination with the President-Elect, the Finance Committee shall also prepare the annual budget for each subsequent year prior to May 1. This budget shall be posted in the member-only section of the website at least 30 days prior to the annual conference and the membership shall be notified of such posting.

Finance Committee Does the Finance Committee have any formal relationship with Conference chairs and conference budgets? All should be submitted to Finance Committee through the EC.

IV. ACCOUNTING POLICIES

- A.** Generally Acceptable Accounting Principles shall be adhered to at all times. Transactions shall be recorded in accordance with the approved budget and guidelines in Section IX.
- B.** Monthly financial statements shall be submitted to members of Executive Committee no later than the 15th day of the following month; and to the Finance Committee no later than the 20th day of the following month.
- C.** Financial commitments exceeding \$500 shall be reviewed and approved (via recorded vote) by the Executive Committee.
- D.** Travel reimbursement allowances are restricted to those outlined in the organization's Policies and Procedures Manual.
- E.** Requests for reimbursement shall be substantiated with receipts and/or other documentation. All claims for reimbursement shall be sent to the state office within 60 days of occurrence. Any claims submitted after 60 days of occurrence are subject to review by the Finance Committee and may or may not be honored. The Treasurer shall approve reimbursements to the President.

V. INVESTMENT POLICIES

- A.** All monetary accounts shall be placed in a bank or a national brokerage firm within the United States. All accounts must be insured to the maximum amounts allowed by FDIC or the SPIC. At any time an account exceeds the FDIC or SPIC insurance limitations, such excess monies shall be transferred to another bank or national brokerage firm.
- B.** All monies should be invested in safe, income-producing securities. Costs related to investments shall be researched and minimized. Organization members may be consulted regarding investments.
- C.** Investments shall be allocated into short, medium and long-term according to the financial needs of the organization.
 - 1. Short-term investments shall be readily accessible income-producing accounts such as, money market accounts, now accounts, savings accounts, three month to one-year certificate of deposits. The amount of funds invested in short-term investments should be determined by taking an average of the last three year's expenses multiplied by 1.5.
 - 2. Medium-term investments shall be an investment longer than one year but less than five years. These investments may include certificate of deposits, treasury securities, bonds, etc.
 - 3. Long-term investments shall be an investment longer than five years. These investments may include mutual funds, treasury securities, bonds, etc.
- D.** Investments may include foreign securities as purchased through a national brokerage firm. Mutual funds may consist of some foreign securities.
- E.** Any stocks received from third-party donors shall be sold upon receipt. TBW shall not make investments in individual stocks, except in the case where a donor restricts the sale of donated stocks.
- F.** TBW executive committee members shall review investments every meeting. At the annual meeting, EC members shall decide whether earnings on investments should be allocated to specific funds or be used for general operating expenses. Allocation methods related to the earnings distributions shall be determined at the annual meeting.

- G.** The financial statements of the TBW shall accurately reflect each fund and its current account balance including the investment and related interest income related to that fund regardless of how the monetary accounts are invested.

VI. BANK ACCOUNTS

The organization's bank accounts include:

- General Checking Account
- Certificate(s) of Deposit

The authorized signatures for all accounts, as referenced above, shall be the following: President and Treasurer, and/or a person appointed by the President and approved by the Executive Committee (a maximum of four (4) signatories).

VII. DESIGNATED FUNDS

The following special Funds have been designated by the Board of Directors or membership.

A. Conference Fund

The organization shall maintain a Conference Fund Balance of \$3,500.00. When the fund balance exceeds \$3,500.00, the excess shall be transferred to the General Operating Fund of the organization.

B. Membership Fund

Designated by the Board of Directors, this fund shall be utilized to develop membership recruitment or retention programs.

C. Membership & Sponsorship Development Fund

Approved at the June 2011 annual conference, this fund was created to facilitate the contracting of a business development manager and related expenses.

VIII. RESTRICTED FUNDS

A. Ruth Fox Legislative Steering Fund

This donor designated Fund specifies the following allowable expenses:

1. Obtaining bill-tracking data when Texas Legislature is in regular or special session,
2. Contact with Legislators to obtain state and national legislation information,
3. Subscriptions to various publications,
4. Membership in the Texas Legislative Service,
5. Legislative seminars and promotional activities,
6. Legislation Representatives and President's expenses, if any, to attend State Legislative Days, and/or ERA Activities,
7. Fair share expense toward coalitions with commonality of purpose,
8. Non-personalized stationery (from State Office, on request), office supplies, postage, telephone and copies,
9. Legislative awards

10. Prior to commitment or disbursement, all expenses over \$50.00 shall require approval of the Executive Committee. A proposed budget shall be submitted by the Legislation Chair to the Executive Committee for approval prior to June 1.

Any and all interest earned shall accrue to this account.

B. Camp BPW

This fund was designated to support Camp BPW activities targeting school-age girls and may only be used as such.

IX. EXPENSE GUIDELINES

The following are line-item explanations for use in the organization's annual budget and monthly financial reporting.

A. Bank and Credit Card Charges

Expenses include transaction fees charged by financial institutions or merchant account processors

B. Board Expense (other than EC)

Expenses of Board members (excluding the EC) including:

1. Travel, whenever called by President.
2. Telephone, postage and copying or printing expense.

C. Contingencies

Unallocated miscellaneous expenses (i.e. flowers, memorials, etc.)

D. Executive Committee Expense

Expenses of the Executive Committee, including:

1. Travel, whenever called by President.
2. Telephone, postage and copying or printing expense.
3. Other expenses relative to acting as State Officers.

E. Insurance Expense

Expenses include the following:

1. General Liability
2. Bond coverage for Officers and Directors
3. President's diamond/gold pin
 - a. Premium for coverage on President's diamond/gold pin.
 - b. Cost of appraisal as required by Insurance Company.

F. Legal and Professional Fees

Expenses include:

1. Annual form 990, Return of Organization Exempt from Income Tax
2. Annual Texas Franchise/Margin Tax Report
3. Other required reports
4. Legal fees, as necessary

G. Membership Expense

Funds for this section shall come from the Equity Account “Designated-Membership” as long as funds are available.

Expenses include:

1. Development of materials and programs focused on membership recruitment and retention
2. Travel by designated representatives to assist in the development of new local organizations

H. Training Program Expense

Expenses include:

1. Development of materials and programs focused on training
2. Travel by designated representatives to assist in the development of training programs at local Organizations

I. Office Assistance

Expenses include contract services by the organization’s designated bookkeeper or other office personnel.

J. Office Expenses

Expenses related to the administrative requirements of the organization, including:

1. Office supplies
2. Accounting or office software
3. Other miscellaneous office expenses

K. Past President’s Pin

Expenses related to the purchase of a pin for the immediate Past President

L. Postage and Delivery

Expenses including mailing and delivery costs

M. President’s Pressbook

Expenses related to development of a memorial album for the immediate Past President

N. Program Development

Expenses related to the development of educational or motivational programs for members

O. Storage

Expenses related to the physical storage of organization assets or files

P. Technology Enhancement

Expenses related to improving the organization’s use of technology e.g. updates to software and certain enhancements to the website and/or membership database.

Q. Telephone

Expenses related to telephone service of the organization

R. Texas Woman

Expenses related to the production and distribution of the organization's magazine

S. Website and Maintenance

Expenses related to enhancements, maintenance, or hosting costs of the organization's website

X. CONFERENCES AND SPECIAL EVENTS

For each conference or special event, the President shall appoint a Chair and committee. The responsibilities of the committee shall include:

- a. Submission of a conference/event budget to the Executive Committee no later than 45 days prior to the event,
- b. Submission of all contracts exceeding \$500 for Executive Committee review and approval, prior to execution,
- c. Submission of all receipts to the organization's bookkeeper within 60 days of each transaction, and
- d. Reconciliation of conference/event actual expenses compared to budget within 30 days of the event.

XI. RECORDS RETENTION

XII. INTERACTIONS WITH TBPW FOUNDATION

XIII. METHOD TO AMEND

The Executive Committee may amend this Manual with ten (10) days' prior written notice and a majority vote.