Financial Controls for Troop 3054

Budget. An annual budget that shows expected sources of income and expected expenses shall be developed by the Executive Committee.

Bank Account(s)

1. **Bank Accounts.** All bank accounts of the organization shall be opened in an FDIC insured institution, approved by the Board of Directors, in the legal name of the organization using the organization's own EIN (employer identification number). Bank accounts shall not use the school's EIN.
2. **Bill Payment.** All bills of the organization shall be paid by check from the organization's bank account. Online or e-checks are permissible, however all procedures for paper checks be followed, regardless of the banks procedures (i.e., prior approval of processing the online payment should be obtained by way, for example, of email approval by the required number of signatories before processing the payment).
   a. All checks shall be numbered and shall be held in the custody of an officer authorized by the Board, such as the Treasurer.
   b. All payments by check shall correlate to an invoice or receipt, on which the check number and date paid shall be written. If a receipt or invoice is not available, an officer shall write and sign a description of what was purchased.
   c. Pre-signing blank checks is prohibited.
   d. All expenses must be pre-authorized by (i) approval in the annual budget, or (ii) subsequent amendment to the budget, or (iii) vote of the Executive Board if authorized by the bylaws.
   e. Bank statements shall be reviewed by treasurer and one or more other officers without signature authority to ensure separation of financial controls.
   f. Reimbursement of Personal Expenses - Members who incur personal expenses on behalf of the organization may request reimbursement. The member must notify at least one officer that a personal expense is expected to be made in advance, when possible, or within 5 days after the expense. Documentation must be submitted in writing within 30 days with original receipts and a description of the expense. Requests must be approved by the Treasurer and one other officer before payment is issued. Reimbursements will only be made for expenses that align with the organization's budget and financial policies. Reimbursement payments shall be made by check or electronic transfer from the organization's bank account, and no cash reimbursements shall be allowed.
3. **Bank cards.** If debit/credit cards are established in the name of the organization, a policy approved by the Executive Board shall be established that includes a list of the authorized users, daily/monthly/annual spending limits, and limits use to charges for the organization. No personal charging on the card by the authorized users shall be allowed.

Cash

1. All cash must be kept in a secure location, such as in a lock box. A cash box ledger shall be kept and monthly cash box reports, including starting balance, expenditures, additions and ending balance shall be provided to the Board.
2. The Executive Board shall establish a maximum amount of cash kept on hand.
3. A receipt shall be provided whenever cash is turned over or collected.
    a. One copy of the receipt should be provided to the person turning in the cash, and one copy kept by the treasurer.
    b. Cash should always be counted by two (2) individuals, on the day the funds are collected, and at the site where the funds are collected. A cash tally sheet showing the date and amount collected, and signed by the counters should be maintained. If the Treasurer is not one of the counters, the Treasurer should recount the funds, and counter-sign the tally sheet,
    c. Cash should be deposited immediately into the organization's bank account. A copy of the deposit slip shall be kept by the Treasurer. The deposit slip should be cross-referenced against the cash tally sheet, and saved for the bank reconciliation.

Financial Reports

The Treasurer should provide a financial report to the officers, and members as appropriate, usually monthly that includes:

1. Statement of receipts and disbursements (also known as a Statement of Activities);
2. Balance sheet (includes cash on hand, other assets, liabilities and equities);
3. A copy of the bank statement, bank reconciliation, monthly cash reports and imaged checks {when requested};
4. A copy of the cash tally sheets; and,
5. Any outstanding receipts/expenses/purchase orders/contractual obligations

The monthly treasurer's reports shall be compiled and kept in the organization's records for three (3) years. Bank statements, canceled checks, check registers, invoices, receipts, cash tally sheets, investment statements, and related documents should be kept for seven (5) years.

Financial Review/Audit. An annual audit or financial review of the organization's records should be completed at the end of the year, and prior to turning records over to new officers. The financial review is intended to ensure that all financial procedures are being followed, and that no financial irregularities exist. The financial review may be completed by an internal audit committee.

Financial Review

Audit Committee. An Audit Committee should be established that is made up of at least two officers, board or general members, at least one of whom has enough financial background or experience to understand the organization's financial statements and records. The audit committee members should not include anyone with bank signature authority or who has been routinely involved in handling the organization's finances, or any immediate relative of the signers. The purpose of the audit committee is to provide a fresh set of eyes to ensure that the organization is following all appropriate financial policies and practices and reduce the risk of financial irregularities

Last Updated: March 31, 2025

Approved On: