

## **Financial Policies and Procedures**

Revised: March 5, 2025

## INTRODUCTION

- **A.** The A.B.A.T.E. of Oregon, Inc. Financial Policies and Procedures are written to provide information to State and Chapter Officers on the proper way to handle financial matter and transactions.
- **B.** This document contains both Policies and Procedures as defined below. All Policies are written to ensure that financial transactions are keeping with the ABATE of Oregon, Inc. ByLaws and Purpose.
- **C.** This document will first state a definition of a policy and immediately be followed by a definition of a procedure.

#### **POLICY**

**A.** A governing principle or course of action that must be followed in order to assure all financial transactions are handled in a business-like manner.

#### **PROCEDURE**

**A.** An established method or way of conducting business that will make the handling of financial transactions more efficient.

## I. POLICY #1 - CHAPTER FUNDS

#### A. CHAPTER FUNDS

 Chapter Treasurers are responsible for maintaining the integrity of all Chapter funds and following the Financial Policies and Procedures of ABATE of Oregon, Inc.

- 2. All Chapter funds will be maintained through bank accounts and under no circumstances will any chapter funds be withheld from deposit or held as cash by any Chapter member.
- 3. All Chapter bank accounts opened must be set up and maintained with the following:
  - a. Chapter name
  - b. Chapter mailing address
  - c. ABATE of Oregon, Inc. IRS identification number
- 4. Two (2) authorized signatures are required on all Chapter checks and/or withdrawals
- 5. Authorized signers will be determined by each Chapter but must not include persons related to each other or who reside in the same household.
- 6. The ABATE of Oregon, Inc. State Treasurer must be included as an authorized signer on all Chapter accounts.
- 7. All Chapter transactions are to be recorded in an electronic financial software program. The program to be used will be determined by the State Board of Directors.
- 8. All financial transactions must be recorded in the Chapter financial records by the transaction date.
- 9. Bank statements for all Chapter funds must be reconciled to the Chapters' records each month.
- 10. The Chapter Treasurer must submit a monthly financial report to the State Auditor and at Monthly Chapter Meetings.
- 11. Non-Compliance: Failure of the Chapter Treasurer to submit the required financial information to the State Auditor on time will result in the following consequences:
- 12. At the first monthly State Board Meeting following the Chapters' established reporting due date, any Chapter not in compliance will be put on probationary status by the State Board of Directors.
- 13. At the second monthly State Board Meeting following the Chapters' established reporting due date, any Chapter still not in compliance will not be allowed to vote at the State Board Meeting.
- 14. At the third monthly State Board Meeting following the Chapters' initial non-compliance, action could be taken to revoke the Chapters' Charter.

## II. POLICY #1 - PROCEDURES

A. Number of Check Signers: A minimum of three (3) authorized signers is recommended. This will enable the Chapter to continue to take care of financial matters even if an authorized signer is not available.

## **B. Computer Software:**

- 1. Use only the version of the financial software being required by the State Treasurer and State Auditor.
- <u>C. The State Treasurer</u> will instruct and train Chapter Treasurers annually at STEAM (Seminar To Educate and Motivate).

## D. State Report:

- 1. It is essential that the State Auditor be able to verify each check payee and amount for the month, for every Chapter.
- 2. Transactions need to be categorized using the list of accounts determined by the State Treasurer.
- 3. Report due date is to be established with the State Auditor by each Chapter Treasurer and should be within 10 days of the bank statement cut-off date.

## E. Monthly reports include the following:

- 1. An electronic backup from the current financial software program.
- 2. A copy of the computer Reconciliation Report from each bank account.
- 3. A copy of the Bank Statement from each bank account.

# **F. Submission of the Monthly Report** can be done in one of the following ways:

- 1. E-mail is the preferred method. Reconciliation Reports and Bank Statements can be scanned and e-mailed along with the electronic backup.
- 2. The electronic backup can be put on a disk and mailed with the Reconciliation Report and bank statement copies to the State Auditor.
- 3. The Reconciliation Report and bank statement copies can be faxed to the State Auditor.
- 4. Do not mail or deliver the monthly reports to the State Board meeting or the State mail address or to the State Treasurer. They need to come to to the State Auditor.

## G. Coordinator Report:

- 1. A copy of the State Report should be sent to the Chapter Coordinator at the same time it is submitted to the State Auditor. In lieu of an electronic backup, the report should include the following:
  - a. An Income and Expense statement, created from the electronic software.
  - b. A Balance Sheet, created from the electronic software.

## H. Chapter Report:

- 1. The Report to the Chapter is to be presented at the Monthly Chapter Meeting and includes the following documents:
  - a. An Income and Expense statement, created from the electronic software.
  - b. A Balance Sheet, created from the electronic software.
  - c. Event or fund raising reports.
  - d. Other requested reports; such as budgets, accounts payable, etc.

## III. POLICY #2 - INCOME DEPOSITING AND RECORDING

## A. Cash receipt items include:

1. All income (whether by cash or check) received by the Organization (State and Chapters).

## B. Examples of income include:

- 1. Membership dues
- 2. Contributions
- 3. Product sales
- 4. Fund raising events
- 5. Interest Earned

## C. All income received must be processed as follows:

- 1. The State/Chapter Treasurer prepares a deposit slip for all funds received and deposits the funds in the State/Chapter bank account.
- 2. The State/Chapter Treasurer records the deposit in the financial software program (as well as a checkbook register or ledger).

## D. The deposit entry must include:

- 1. Deposit date
- 2. Deposit amount
- 3. Source or type of income, by category
- 4. If more than one type, the amount of each type of income

## IV. POLICY #2 – PROCEDURES

- **A.** The following procedures can help protect income received as well as the accuracy of the financial records.
  - 1. Use a book of pre-numbered deposit slips to record income received. (These can be ordered from your bank)

- 2. Whenever cash is received, it should be counted immediately by the Treasurer and then recounted and verified by another officer.
- 3. The source of income and amount can be documented in writing and signed by both officers. (A standard receipt book can be used or the deposit slip can be signed by both officers.)
- 4. If received during a meeting, the source and amount should be included in the meeting minutes.
- 5. The Treasurer should provide a deposit receipt from the bank which can be compared to the amount documented in writing.

## V. POLICY #3 - CHECKS - WRITING AND RECORDING

## A. Check Control:

- 1. The State/Chapter Treasurer is responsible for all blank checks.
- 2. Checks must be used in proper numerical order. (Voided checks should be noted in the register)
- 3. Checks must never be signed if the amount or payee has been left blank.
- 4. Checks must never be made payable to "petty cash" or "cash".
- 5. It is the State/Chapter Treasurers' responsibility to make sure all checks issued have both of the required signatures before the check is mailed or distributed to the payee.
- 6. This is a requirement of ABATE of Oregon, Inc. even if the bank does not require or monitor the signatures.

## **B. Check Documentation:**

- 1. The State/Chapter Treasurer should not issue any checks unless they have an invoice, receipt, statement or written explanation which contains the following information:
- 2. Name of payee
- 3. Amount to be paid
- 4. Description of the type of expense (category) and, if applicable, name of specific event

# C. After a check has been issued the documentation is marked with the following:

- 1. Date paid
- 2. Check number
- 3. Amount paid, if different than the amount shown on the documentation

- **D.** It is the responsibility of the State/Chapter Treasurer to keep all documentation on file for at least five (5) years. A separate file should be used for each year. (This file should be passed on to the next Treasurer when you vacate the position)
- **E. Check Recording:** The State/Chapter Treasurer records the check in the financial software program (as well as a checkbook register or ledger).

## F. All check entries need to include:

- 1. Date check was written
- 2. Check number
- 3. Check payee
- 4. Check amount
- 5. Type of expense, by category

#### VI. POLICY #3 - PROCEDURES

- **A. Properly documenting** all checks written is essential to maintaining the integrity of any financial records. Checks not properly documented give the appearance of being an inappropriate or questionable expenditure.
- **B.** The check and the documentation should be together until both signatures have been obtained. Check signers should review the documentation before signing a check.
- <u>C. Whenever possible</u>, authorized signers should avoid signing checks made payable to themselves.

## VII. POLICY AND PROCEDURES #4 - TRAVEL EXPENSES

- **A. The State Board is** responsible for reimbursing the travel expenses incurred by:
  - 1. State Officers for ABATE related travel.
  - 2. Any other person(s) for ABATE related travel authorized by the State Board.
- **B.** The State Board is not responsible for reimbursing the travel expenses incurred by Chapter State Board Representative or Chapter members traveling on Chapter related ABATE business.

- C. At no time will a State Officer receive reimbursement from the Chapter for the same travel paid by the State (1 reimbursement per vehicle allowed.)
- **E. In-State Travel:** Generally, the only in-state travel expense eligible for reimbursement is for mileage driven in privately owned vehicles.
- <u>F. Mileage reimbursement</u> policies are as follows: Authorized persons using a personal automobile or motorcycle to travel on ABATE business may request a mileage reimbursement equal to \*35 cents per mile.
- **G. Mileage must be recorded** on a mileage log which shows the following:
  - 1. Date of travel
  - 2. Travel destination
  - 3. Reason for travel
  - 4. Beginning and ending odometer reading
  - 5. Total mileage traveled
- **H. The amount of mileage** reimbursement claimed may be reduced, if the requestor so chooses.
- **I. For documentation purposes,** the mileage log should show the actual mileage traveled, as well as the mileage reduction.
- **J.** If authorized in-state travel requires an overnight stay, the State Board may authorize payment of lodging and meal expenses prior to the trip.
- **K.** In the event that circumstances beyond the control of the authorized person(s) exist and they are unable to return home as planned, the State Board may reimburse lodging and meal costs.
- **L.** If possible, one of the State Executive Board members should be contacted for authorization of emergency travel expenses before expenses are incurred.
- **M.** All expenses must be documented with receipts.
- **N.** Out-of-State Travel: Expenses for out-of-state travel authorized by the State Board will, in most cases, be paid by the State Board. Other travel expenses must be pre-authorized by the State Board.

- **O.** Expenses include transportation, lodging and meals.
- **P.** Except for meal per diems, all travel expenses must be documented with recipts.

## Q. Transportation:

- 1. Use of personal vehicles will be reimbursed at the in-state rate, unless the State Board determines a different rate.
- 2. Other modes of transportation will be determined by the State Board depending on the distance to be traveled.
- 3. Ground transportation between airport and place of lodging will be reimbursed if required.

#### R. Lodging:

- 1. When possible, reservations should be made in advance and a separate ABATE of Oregon, Inc. check should be issued to the place of lodging, or Debit Card used by the Treasurer only.
- 2. When exact lodging costs are not known, a lodging advance may be issued based on a prudent estimate of costs.
- 3. The only lodging cost to be covered by the State Board is the charge for the room and related taxes. Charges such as room service, telephone calls or movie rentals will not be reimbursed by the State Board.
- <u>S. Meal Costs or per diem</u>: Authorized persons traveling on State business will receive an advance or be reimbursed for meals at the following rates:
  - 1. \$6.00 for breakfast
  - 2. \$7.00 for lunch
  - 3. \$13.00 for dinner
- **T.** The estimated time of departure and arrival back home will be used to determine the meals to be reimbursed. Meals included in conference fees or airline tickets are excluded.
- **U.** Meal per diems do not have to be documented with receipts.
- V. Chapter Members: Each Chapter is to develop a Travel Expense Policy and is encouraged to use the State Board of Directors Policy as a guideline.
- **W.** All Chapter Policies are to be written using the ABATE of Oregon, Inc. ByLaws and Operations Manual as guidelines for qualifying expenses.

#### **VIII. POLICY AND PROCEDURE #5 - EXPENSE REIMBURSEMENTS**

- A. State Board of Directors and Chapters Reimbursement for out-ofpocket expenses could be made for any of the following situations:
  - 1. The expenditure was previously approved.
  - 2. If a spending limit was set, any expense reimbursement over the set limit must be voted on and approved.
  - 3. The expenditure is a normal and necessary expense of carrying out the duties of an elected or appointed office or position.
  - 4. In general; normal and necessary expenses would include postage, copying, office mailing supplies, long distance telephone calls, etc.
  - 5. The expenditure must be documented with an invoice, sales receipt, telephone bill and/or a phone log or other documentation that substantiates the amount and purpose of the expenditure.
- **B. Reimbursement Requests** The following procedure must be followed when requesting reimbursement:
  - 1. Requests must be turned in within 60 days from the date the expense(s) were incurred.
  - 2. The request must be on an ABATE of Oregon, Inc. "Expense Report Form".
    - a. The Expense Report Form is available from the State/Chapter Treasurer or the State website.
  - 3. Receipts and other documentation must be attached to the Expense Report.
  - 4. Submit the Expense Report and documentation to the State/Chapter Treasurer.
  - 5. The Treasurer will review the Expense Report and issue a check in accordance with the (V. POLICY #3 CHECKS WRITING AND RECORDING) procedures.

## IX. POLICY AND PROCEDURES #6 - EXPENSE ADVANCES

- A. Expense advances may be issued for the following situations:
  - 1. The normal and necessary expense of carrying out the duties of an elected or appointed office or position consistently total more than \$50.00 per month.
  - 2. A person holding an office or position cannot afford to pay the normal and necessary expenses out of their own pocket.
  - 3. A person holding an office or position that has been authorized to expend an amount considered to be more than a normal and necessary expense.

- **B.** Requesting an Expense Advance The following procedure must be followed when requesting an Expense Advance:
  - 1. The request must be on an ABATE of Oregon, Inc. Expense Report form.
  - 2. The requestor must also include a brief description of why the advance is needed and how it will be used.
  - 3. The Expense Report should be turned in to the State/Chapter Treasurer.
  - 4. The Treasurer will review the Expense Report form and issue a check in accordance with the (V. POLICY #3 CHECKS WRITING AND RECORDING) procedures.
  - 5. The Treasurer will keep track of all expense advances until the proper documentation has been turned in and verified.

## C. Documenting Expense Advances:

- 1. At the next State/Chapter meeting, the person receiving the advance must present an accounting of the expenses incurred and paid for out of the advance received.
- 2. All expenses listed in the document must be accompanied with an invoice, sales receipt, telephone bill, phone log or other documentation that substantiates the amount and purpose of the expenditure.
- 3. Any unspent funds must be turned in along with the accounting and documentation.
- 4. If expenses exceeded the amount advanced, the procedures for an expense reimbursement should be followed. The amount of the advance should be indicated and deducted from the total expended.
- 5. If any person fails to properly document an expense advance at the next State/Chapter meeting, no further advance will be issued until documentation has been submitted.
- 6. If, after 30 days, documentation still has not been provided, the matter will be brought before the State Board of Directors/Chapter Members.