

Milltown United Soccer Club  
Financial Policy

**Article I. Purpose**

The purpose of this policy is to outline the club's financial management policies.

**Article II. Background**

- A. Milltown United Soccer Club (MUSC) requires a financial management policy designed to reduce the risk of financial loss to the club.
- B. MUSC is a non-profit Oregon corporation. The Club must comply with Internal Revenue Service (IRS) regulations for non-profit organizations in order to maintain its non-profit status. Those regulations impose limits on how organizational funds can be used and require tax reporting under specific circumstances.
- C. MUSC is also affiliated with the Oregon Youth Soccer Association (OYSA). The OYSA has developed some risk management guidelines for its affiliated clubs, but they are limited in their focus on financial risks and are not binding on the clubs.
- D. Effective management of financial risk is a critical issue for the club since it is a non-profit organization that handles significant funds, maintains a large inventory of soccer uniforms and equipment, and relies on a volunteer staff to coordinate and deliver its programs.
- E. Financial risk can be minimized by establishing appropriate organizational internal accounting controls. Internal accounting controls are procedures designed to ensure the safeguarding of assets and to ensure transactions are properly executed as authorized and properly recorded in the accounting records of the organization. The use of effective internal accounting control procedures will significantly increase the likelihood that:
  - Financial information is reliable, so that Board members can depend on accurate information to make programmatic and other decisions
  - Assets and records of the organization are not stolen, misused, or accidentally destroyed
  - The organization's policies are followed
  - Government regulations are met
- F. This policy establishes the club's financial risk management program and outlines its internal accounting control procedures.

**Article III. Policy**

**A. General**

1. The MUSC Board of Directors (Board) formulates financial policies and reviews operations and activities.
2. Financial duties and responsibilities must be separated so that no one person has

sole control over cash receipts, disbursements, reconciliation of bank accounts, etc.

3. Professional financial service providers will be retained for accounting and tax services, banking, insurance, and other services as determined by the Board or as necessary or required by state and federal requirements.
4. This policy will be reviewed annually by the MUSC Board.

#### **B. Budget**

1. The President and the Treasurer will prepare a calendar year financial budget.
2. The Board of Directors must approve the calendar year budget and any proposed changes in the budget, should they exceed \$250 or 20% of the line item, whichever is greater.

#### **C. Bank Accounts**

1. MUSC will maintain a minimum of two bank accounts – an operating account and an investment account.
2. All bank accounts will be in the name of Milltown United Soccer Club.
3. All MUSC accounts will be located in institutions insured by the Federal Deposit Insurance Corporation (FDIC) or another federally insured institution. No account shall exceed the maximum amount for which it is insured.
4. Only authorized signers shall have access to MUSC accounts.
5. Authorized signers shall include the President, Vice President, Treasurer, and Secretary.
6. With the approval of the Board, a professional bookkeeper may be added as an authorized signer; however, no party shall be added as an authorized signer unless covered by a fidelity bond protecting the club's assets against risk of loss due to dishonesty.

#### **D. Cash Receipts (includes checks)**

1. The President, Vice President, Treasurer, and Secretary may have access to the MUSC mailbox and may open all mail not addressed to a specific member of the Board. All cash and checks will be immediately forwarded to the MUSC Treasurer, or deposited directly in the MUSC bank account.
2. All checks and cash collected for equipment, apparel or other sales will be tallied and reconciled against items sold.
3. All receipts will be deposited or delivered to the Treasurer in a timely manner, typically within seven (7) business days.
4. The Treasurer will deposit all receipts in a timely manner, typically within seven (7) business days.

5. Documentation for all receipts (a copy of check, letter, etc.) will be maintained and filed chronologically.
6. All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.
7. The MUSC Board will review deposit details quarterly, or more frequently if requested by any Board member.

#### **E. Cash Disbursements**

##### 1. Payment Authorization

- a) All invoices will be immediately forwarded to the Treasurer who will review them for mathematical accuracy, validity, conformity to the budget, and compliance with agreements.
- b) Prior to payment, all invoices will be approved by at least two authorized signers.
- c) Approved invoices will be entered into the accounting system.
- d) The Treasurer will ensure that checks are prepared in a timely manner.

##### 2. Checks

- a) The Treasurer will be responsible for all blank checks. If the club retains a professional bookkeeper, the Treasurer may provide the bookkeeper with blank checks.
- b) All checks will be signed by an authorized signer.
- c) The Treasurer will ensure that checks are generated for approved invoices and recorded in the accounting records.
- d) Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
- e) Online bill payment may be used as a substitute for written checks. However, only authorized signers will be given online access to MUSC bank accounts.
- f) In no event will:
  - i) invoices be paid unless approved by two authorized signers
  - ii) blank checks (checks without a date or payee designated) be signed in advance
  - iii) checks be made out to "cash," "bearer," "petty cash," etc.
  - iv) checks be prepared on verbal authorization, unless approved by the President
- g) If it is necessary to issue a duplicate check for any check in an amount over \$35, a stop payment will be ordered at the bank on the original check.

##### 3. Bank Reconciliations

- a) Bank statements will be sent to the MUSC mailbox or by email to the club treasurer.
- b) The Treasurer will ensure that the bank statement is reconciled monthly.

- c) The MUSC Board will review bank account reconciliations quarterly.
- d) The Treasurer will take appropriate action on all checks outstanding over 120 days.

#### **F. Investments**

- 1. Any funds held by MUSC that are not scheduled for immediate operational use will be invested to generate additional resources for future club needs.
- 2. Investments will be made using bank insured instruments that minimize risk of loss of investment principal.
- 3. Each investment decision will be approved by the Board prior to implementing an investment transaction.

#### **G. Property**

- 1. An inventory and valuation of all equipment, uniforms, and apparel will be conducted annually by the responsible property managers. At least one other member of the Board will participate in the inventory process every other year.
- 2. A copy of each inventory report will be retained by the club President and the responsible property manager.

#### **H. Insurance**

- 1. In addition to the medical and liability insurance provided by the Oregon Youth Soccer Association, reasonable and adequate coverage will be maintained to safeguard the assets of the Club. Such coverage will include property insurance for the Club's equipment and fidelity insurance covering Board member dishonesty.
- 2. The President and Treasurer will review insurance policies before renewal.
- 3. The President and Secretary will maintain insurance policies in insurance files.

#### **I. Taxes**

- 1. The Club will maintain a Tax Identification Number (TIN) issued by the Internal Revenue Service.
- 2. The Treasurer will prepare an IRS Form 1099 for any member of the Board or outside contractor that is paid by or receives a stipend from the Club of more than \$600 in a calendar year.
- 3. The Treasurer will arrange with an independent accountant for the preparation and submission of the Club's annual federal and state income tax reports.

#### **J. Non-Profit and Corporation Status**

- 1. The Club has established itself as a non-profit organization (i.e., 501C (3)) with the Internal Revenue Service and will maintain that status through annual filing with the

IRS.

2. The Club has established itself as a non-profit corporation in the state of Oregon and will maintain that status through annual filing with the Oregon Secretary of State, Corporation Division.

**K. Consultants**

1. Consideration will be made of internal capabilities to accomplish services before contracting for them.
2. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
3. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. Board approval is required for any contract over \$500.
6. The Treasurer will ensure preparation of IRS Form 1099 for consultants at year end.

**L. Other**

1. Minutes of Meetings
  - a) The Secretary of the Board will prepare accurate minutes of all meetings of the Board.
  - b) The Treasurer will note all items in the minutes relating to finance and take appropriate action.
2. Donations
  - a) Donations of cash and non-cash items will be properly accounted for.
3. Accounts Receivable
  - a) The Club will avoid entering into transactions that create accounts receivable whenever possible.
  - b) When a need for an accounts receivable transaction occurs, complete documentation will be maintained.
  - c) Accounts receivable will be recorded in the books and collected on a timely basis.