



International WAGR Syndrome Association Fiscal Policies and Procedures

Adopted April, 2018

Purpose. The IWSA is a nonprofit organization committed to protecting and using our assets for our mission. Proper financial practices are very important, since proper practices help to prevent and detect errors and fraud. Good financial practices also assure our donors that we use their gifts for the purposes for which they were intended.

The purpose of the following policies and procedures are to:

- Protect the assets of the organization
- Ensure the maintenance of accurate records of the organization's financial activities
- Provide a framework for the IWSA's financial decision making
- Establish operating standards and behavioral expectations
- Serve as a training resource for IWSA Leaders
- Ensure compliance with federal, state, and local legal and reporting requirements

I. GENERAL PRACTICES

REVIEW OF RISK

These policies were drafted after consideration of the risks associated with the various aspects of our financial operations to enact policies and procedures designed to minimize those risks.

**The Board will review these policies each year
to consider whether the risks have changed.**

Such changes may include:

- receipt of grant monies for the first time or receipt of grants with restrictions
- a change in the laws regulating our nonprofit

- hiring of employees or contractors
- a major change in our programs

If so, the Board needs to identify any new risks and adopt appropriate procedures to minimize those risks. The Board shall consult with a professional if necessary to ensure that it is properly addressing the risks.

Segregation of Roles. There are several fiscal “roles” in our organization—custody, authorization, execution, and monitoring. For example, the person who has authority to sign checks is acting in the custodial role. The person who approves payment of a bill is authorizing. The Board as a whole acts in an authorizing role when it approves the annual budget or makes a decision to purchase a major item like a copier. The person who prepares the checks for signature by an authorized check signer is acting in the execution role, executing an action that has been authorized by the Board through the annual budget or by the individual responsible for approving payment of the bill. The person who reconciles the bank statement acts in the monitoring role. The Board also acts in a monitoring role when it reviews the monthly financial reports to be sure that its plan—the budget—is being executed properly. As much as possible, the Board seeks to separate the responsibilities for fiscal roles so that at least two and preferably more individuals fulfill these roles. It is particularly important that the same person does not authorize, execute and monitor any transaction. At each step of handling funds, the organization shall ensure that more than one person verifies that the step is done correctly.

II. RECEIPT OF FUNDS

REVIEW OF RISK

Our organization faces the risk that funds that we receive may be stolen or lost or that someone may be falsely accused of stealing funds. We also face the risk that we may fail to record a restriction that a donor has placed on our use of funds.

POLICY

All funds, whether cash or check, which the organization receives will be deposited intact into the bank account, with no monies removed to make payments or for other purposes.

All cash receipts should be deposited into the bank as soon as possible. This allows for a complete accounting and independent verification of what happens to our funds.

Communications from donors that establish restrictions on the use of their contributions will be saved. If we believe that a donor has restricted the use of funds in a conversation, we will follow up and get written confirmation of the donor's intent.

PROCEDURES

1. **Receipt of Checks by the Treasurer.** The Treasurer maintains a list of all checks received, and notifies the Leaders of the date, amount, and source.
2. The Treasurer maintains a copy of all bank statements.
3. **Acknowledging Donations.** While IRS rules require that we acknowledge all donations that are more than \$75, our policy is to provide written acknowledgement for every gift we receive. The **Executive Director or other designated Leader** shall respond to each donation with a letter thanking the donor for their generosity:
 - If the gift was cash (which includes a check), the letter should include the amount of the gift and state that the gift was cash.
 - The letter or email should include the statement: "Thank you for your contribution of \$_____, received on _____, 20___. [PICK ONE: "No goods or services were provided in exchange for your contribution" or "In exchange for your contribution, we gave you _____ whose fair market value was \$__."] In addition to thanking our donors and providing documentation the donor needs to deduct the contribution, the acknowledgment letter may alert donors whose amount is misstated to contact us to correct the error.

III. DISBURSEMENT OF FUNDS/USE OF CORPORATE PROPERTY

REVIEW OF RISK

We face the risks that our funds will be spent on unauthorized items, that someone will steal our funds by taking blank checks or by writing checks to payees who are not our vendors, that someone will use corporate property for personal purposes or that payments we make will be improperly recorded.

POLICY

Make all disbursements from the organization's funds by check or with corporate credit card. This allows us to track how our funds are spent, who is spending them and who is authorizing expenditures.

PROCEDURES

1. **Opening Bank Accounts.** Bank accounts may be opened only upon authorization by the Board of Directors.
 - All bank accounts must be opened with the organization's employer identification number (EIN).
 - The Board shall approve the authorized signers on the organization's bank accounts.
2. **Check Authorization.** All invoices will be forwarded immediately to the Treasurer for review and authorization to pay.
 - The Treasurer will review all invoices for mathematical accuracy, agreement with a written invoice, conformity to budget or Board authorization and compliance with grant fund requirements.
 - The Treasurer will code the invoice with the appropriate expense or chart of accounts line time number and other information as needed for accounting purposes.
 - • By approving an invoice, the Treasurer indicates that he/she has reviewed the invoice and authorizes a check.
 - The Treasurer is responsible for timely follow-up on discrepancies and payment.
3. **Duties of Check Signers.** All checks will be signed by the signers designated by the Board of Directors. Prior to signing a check, a check signer will do the following:
 - Compare the check to the original invoice or the Treasurer's note to pay the expense. Compare the amount on the check to the amount on the invoice or note.
 - Be sure that the Treasurer has initialed the invoice. This is to protect against the risk that you are paying based on a copy of the bill that has already been paid.
 - Check the date on the invoice or the Treasurer's note against the date of signing the check. If the difference is more than 60 days, get written approval from the Treasurer before signing the check. This is to mitigate the risk that the organization is paying the same expense twice.
4. **Prohibited Practices.**
In no event will:
 - invoices be paid unless approved by the Treasurer
 - blank checks be signed in advance
 - checks be made out to "cash," "bearer," etc.

Each check signer will be made aware that signing blank checks exposes our organization to theft since the bank is entitled to charge our account for any check that has a valid signature. A signed blank check is an invitation to theft.

5. **Online Payments.** If we make online payments, we will make arrangements with the bank that allow the Treasurer to have online access to the account. We will also arrange with the bank to be sure that only the individuals the board has authorized as check signers will be permitted to authorize the payment of bills electronically. In addition to the monthly reconciliation, the Treasurer will periodically spot-check the account to compare the bank automatic payments with the vendor statements.

IV. EXPENSE REIMBURSEMENT

REVIEW OF RISK

The organization does not have the same level of control over expenses incurred on behalf of the organization by those who pay with personal funds and seek reimbursement as it does for expenses paid directly by the organization. The organization is not in as good a position to determine whether the goods or services purchased might have been obtained at a lower price elsewhere, whether there is a personal benefit to the person seeking reimbursement and how the expenditure fits in with the rest of the organization's budget.

POLICY

In proper circumstances, Board members, employees and volunteers are entitled to be reimbursed for expenses that they incurred on behalf of the organization.

To receive reimbursement, you must meet the following requirements:

- Your expense must have been authorized in advance by the Board.
- Your expense must have been incurred for goods or services purchased for the organization.
- If your expense is for travel, the travel must be for work related to the organization and be pre-approved by the Board.

We will reimburse no more than the standard mileage rate for business use of a car as established by the IRS. The organization will reimburse (actual) meal expenses incurred in direct connection with the organization's business, not to exceed the per diem rate established by the IRS.

PROCEDURES

To be reimbursed for expenses:

1. Documentation. You must provide reasonable documentation showing the date, amount and what the expense was for. Credit card receipts and

store receipts that do not describe the purchase are not reasonable documentation. Your receipt must describe the purchase.

2. Other Reimbursement. Your voucher must reflect reimbursement from sources other than ours.

3. Timely Submission. You must submit your documentation with a request for payment within 30 days from the date the expense was incurred.

4. Overpayment. If we overpay you, you must return any excess reimbursement to the Treasurer immediately.

V. PURCHASING

REVIEW OF RISK

The IWSA wants to ensure that all purchases on behalf of the organization are authorized by the Board or by Board policies. Unauthorized purchases deplete the organization's resources and interfere with the Board's ability to govern properly.

POLICY

All purchases made on behalf of the organization must be made pursuant to the Board-approved budget or Board rules.

PROCEDURES

The Treasurer may authorize purchases of \$500 or less which conform to the Board's budget. The Board must approve purchases above this amount. The Board must authorize any purchase which does not conform to the Board's budget.

VI. USE OF IWSA PROPERTY

REVIEW OF RISK

The organization faces a risk that individuals will use corporate property without authorization for personal purposes. Usage reduces the life of property and eventually is an expense that the organization assumes. It also betrays the trust of our donors who expect that the organization will use its resources only for purposes that help us achieve our mission.

POLICY

See IWSA Equipment and Software Policy, attached

PROCEDURES

If a Board member, officer, employee or volunteer wants to use corporate property or equipment for any purpose other than a corporate purpose, that individual must obtain permission from the Board of Directors.

VII. CREATION OF CORPORATE OBLIGATIONS

REVIEW OF RISK

The organization needs to ensure that any obligation undertaken in the corporate name is authorized by the organization and is for a corporate and not a personal purpose. Corporate credit or debit cards can be misused when people charge personal expenses on them, fail to obtain documentation showing that a purchase was for the organization or put expenses on the corporate card for purchases that are embarrassing to the organization.

POLICY

The organization will not authorize the use of debit cards for any purposes. The Board will determine whether there is a compelling need for the organization to obtain one or more credit cards. If the Board determines that credit cards are needed, the Board will authorize specific individuals to utilize a corporate credit card. A corporate cardholder may use the credit card only for official purposes directly related to the needs of the organization. *The cardholder may not use a corporate credit card for personal purposes, even if he or she plans to reimburse the organization.* IWSA credit cards may be issued to:

- Treasurer
- Executive Director
- Chair, Board of Directors
- WW US host
- Fundraising Team Leader
- Communications & Marketing Director
- Others as deemed necessary and appropriate by the Board of Directors

Credit cards issued to IWSA personnel and volunteers will be cancelled immediately when the cardholder resigns his/her position or has demonstrated irresponsibility in the use of an organization-issued card. Credit cards issued to WAGR Weekend or other event hosts will be closed at the conclusion of the event and/or full payment of charges made for that event.

The following purchases are **not allowed** on the corporate credit card:

- Personal purchases
- Cash advances or loans
- Payroll advances
- Purchases for other organizations
- Alcohol
- Personal entertainment
- Fuel for personal vehicles

- Purchases from a business you own or operate unless pre-approved by the Board
- Any item inconsistent with the mission and values of the organization

Individual purchases shall not exceed \$300, and aggregate monthly purchases shall not exceed \$500 without prior approval from the Treasurer.

PROCEDURES

In order to use the card, the cardholder must follow these procedures:

1. Cardholder Agreement. Upon issuing a corporate card to a cardholder, the cardholder must sign a statement that the cardholder has read and understands this Credit Card policy. (see below)
2. Advance Approval. The Treasurer and/or the Board must give advance written approval (including email notification) to make a purchase (**see Purchasing and Creation of Corporate Obligation, above**). The cardholder's purchase request should describe the purchase and cost.
3. Original Receipts. The cardholder must keep the original receipt that describes each purchase made on the card. The credit card receipt is not sufficient.
4. Notification. The cardholder will email the Treasurer within 7 days of use of the corporate credit card, submitting receipts and the Expense Detail Form. This will allow the Treasurer to be aware of the cash that will be required to pay the credit card bill and alert the Treasurer to potential unnecessary use of the credit card.
5. Expense Form. Within 5 days after the end of the billing cycle, the cardholder must prepare and sign an expense detail form and attach original receipts and a copy of the purchase request. In the case of meals, the statement must include the names of all persons at the meal and a brief description of the business purpose, in accordance with IRS regulations.
6. Approval by Treasurer. The cardholder must send the expense detail form to the Treasurer for approval. The Treasurer shall review each purchase to ensure that it was reasonable, necessary and the best value for the organization. The Treasurer will reconcile the expense detail form to the credit card billing statement, authorize payment and follow up on any inconsistencies.
7. Notification of Loss/Theft. The cardholder must notify the bank and the Treasurer immediately in the event that the card is lost or stolen.

Cardholder Agreement

I _____ have read the IWSA Credit Card policies above and agree to abide by these requirements. I understand that failure to comply with these policies will result in immediate

cancellation of the card, and that I may be required to reimburse the IWSA for any charges not authorized by these policies.

Signed _____

Date _____

(A copy of this page/signature to be kept on file by the Treasurer)

VIII. BANK RECONCILIATION AND ON-LINE MONITORING

REVIEW OF RISK

Even the most honest and attentive individual makes mistakes. Monitoring allows us to uncover errors. If our records and the bank records do not agree, it is likely that our records are wrong. Monitoring also assists us in identifying discrepancies between our accounting records and our banking records that suggest theft or fraud, checks signed by unauthorized signers, and identity theft.

POLICY

The Treasurer will monitor the organization's accounts regularly and will prepare a written reconciliation of all bank or investment accounts which proves that the balances presented on our financial reports agree with the records of the financial institution.

PROCEDURES

1. Records to Treasurer. The Leaders shall provide the Treasurer with a copy of all records of deposits, disbursements (checks written), and other bank or credit card transactions for review.
2. Bank Statement. The organization will direct the bank to send the bank statements to the Treasurer.
3. Reconciliation. The Treasurer will reconcile the bank statement monthly. The reconciliation should be done within 21 days of receiving the statement, as follows:
 - (a) Check all checks for correct signatures and number of signatures and protest to the bank any incorrect signatures.
 - (b) Review the checks in the bank records to ensure that:
 - the name of the payee, the amount of the check and the date of the check agree with the organization's accounting records;
 - whoever the check was made out to was the depositor of the check; and
 - each check has a valid signature.
 - Compare the bank deposit records with our accounting records to determine whether each deposit recorded in the accounting records agrees with the bank record.
 - List all outstanding checks. On all checks outstanding over 90 days, take appropriate action.

- List all deposits in accounting records not yet recorded by the bank.
4. Online Banking. Both the Treasurer and Executive Director shall have online access to the bank account. Both the Treasurer and the Board-designated Leader should review the account online on a weekly basis to check for identity theft that is diverting corporate funds.
 5. Return of Cancelled Checks by the Bank. The Board will determine whether it is necessary to direct the bank to return the cancelled checks with the bank statement. If the Board determines that it will not require return of the cancelled checks, it will establish procedures to ensure retention of the electronic images of the checks for at least 3 years.

IX. Annual Budget

REVIEW OF RISK

Adherence to the IWSA's mission is demonstrated through its allocation of funds. Transparency in the organization's financial statements, including the Annual Budget, will allow for external review by IWSA members, donors, the IRS, and the general public.

Policy

The Treasurer will prepare a budget annually. The budget is to be approved by the Board of Directors prior to the start of each fiscal year if possible. The budget is revised during the year only if approved by the Board of Directors.

Procedures

1. The Board will work to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
2. The budget shall contain revenue and expense forecasts.
3. The Board of Directors will review and approve the budget at its last meeting prior to the start of the fiscal year if possible.

X. Tax Compliance

REVIEW OF RISK

The IWSA is a 501(c)3 organization, granted tax exempt status for its charitable purpose by the federal income tax code. The organization must comply with federal regulations or risk losing this status.

POLICY

The IWSA will comply with all IRS regulations regarding 501(c)3 organizations.

PROCEDURES

1. The Treasurer will complete the annual Federal Form 990 by the date due each year.
2. A copy of this form will be made available to the public on the wagr.org website.

XI. Revenue & Accounts Receivable

Policy

All grants and projects are invoiced each month to capture all expenses for the organization, or in accordance with the terms of the particular grant/contract.

Procedures

The Treasurer gathers relevant expense documentation, prepares all invoices, and submits to the Board for approval quarterly or more often as necessary.

XII. Recognition

Policy

All contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

Procedures

1. The Treasurer reviews all revenue, and indicates on the letter or copy of the check how the revenue shall be recognized (as earned/contributed, conditional/unconditional and restricted/unrestricted). If there is a question or uncertainty about how to recognize a particular contribution, the Treasurer will ensure that the donor is contacted to clarify the intent of the contribution.
2. The Treasurer is responsible for posting revenue to the Board.

XIII. Purchases & Procurement

Policy

Any expenditure in excess of \$2000 for the purchase of a single item should have bids from three (3) suppliers if possible. These bids will be

reviewed by the Board and the bid award must be specifically approved in advance by the Board and Executive Director.

XIV. Expense Reimbursements

Policy

Reimbursable expenses incurred by IWSA Leaders may include travel, equipment, supplies, expenses related to WAGR Weekend or other organization-sponsored events, or other expenses as deemed necessary by the Board.

Procedures

1. The Board must specifically authorize any reimbursable expenses before they are incurred.
2. The IWSA Expense Report must be used to request reimbursement.
3. This form must be submitted to the Treasurer within 30 days from the date of the expense, or within 30 days of the date indicated by the Board in advance of the expense.

Travel Expenses

Reimbursable travel expenses may include flights or car for the purpose of attending a pre-authorized conference. Additional travel costs such as parking, shuttles/taxis, lodging, and meals may also be reimbursable. ALL travel expenses must be pre-authorized by the Board.

XV. Credit Cards

Policy

For additional information, also see VII Creation of Corporate Obligations

IWSA credit cards will be issued to Leaders as specifically directed and approved by the Board. IWSA credit cards are to be used for IWSA business only.

Procedures

1. Receipts for reimbursable expenses will be submitted to the Treasurer via email, along with an Expense Report Form. The Treasurer will maintain an electronic folder with these documents.
2. Credit card statements are reconciled by the Treasurer, not the cardholder.
3. If an unrecognized charge appears, the Treasurer will contact the card holder. If the charge appears to be fraudulent, the Treasurer will contact the credit card company. If a charge is made and is determined to not be related to organizational business, the cardholder will be held responsible for the charge and will be required to immediately reimburse the IWSA.

XVI. Asset Management

Policy

- The Treasurer, with support from the Board of Directors is responsible for administering all financial accounts.
- No assets of the IWSA are to be invested without specific approval of the Board of Directors.

Procedures

- The Treasurer holds/maintains IWSA bank accounts
- The Treasurer and the Executive Director have access to the IWSA bank accounts

Capital Equipment

See IWSA Equipment and Software Policy

Operating Reserve

Policy

The target minimum operating reserve fund for the organization is six (6)

months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as travel, program, and ongoing professional services.

Procedures

1. The amount of the operating reserve will be calculated each year after approval of the annual budget, reported to the Board and included in regular financial reports.
2. The operating reserve will be funded with surplus unrestricted operating funds.
The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.
3. To use the operating reserves, the Executive Director will submit a request to the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve (12) months to restore the operating reserve fund to

the target minimum amount.

Addendum:

Expense Reimbursement Policy

See Also: Expense Reimbursement (Excel spreadsheet in IWSA Google Drive)



**International WAGR Syndrome Association
Expense Reimbursement Policy**

Adopted October, 2017

This policy is designed to assist **International WAGR Syndrome Association** Leaders in reporting expenses incurred while conducting International WAGR Syndrome Association activities.

International WAGR Syndrome Association expects Leaders to act responsibly and professionally when incurring and submitting costs. The organization will reimburse Leaders for reasonable expenses on **pre-approved business**. This may include travel fares, accommodations, meals, tips, and purchases made on behalf of the organization.

General guidelines

- Leaders with an **International WAGR Syndrome Association** business credit card are encouraged to use that card for pre-approved purchases.
- **International WAGR Syndrome Association** understands that individual purchase of expenses such as airfare require a significant credit outlay. If a Leader is unable to use their own credit card and then apply for reimbursement, the Leader may work with/through the Treasurer to use the **International WAGR Syndrome Association** card for these purchases.
- ***Original receipts are required for reimbursement of all expenses.*** These expenses include:
 - Original receipts for airplane/train travel
 - Credit card receipts
 - Detailed merchant receipts

- **Receipts must be accompanied by an Expense Report form** which outlines:
 - The nature of the expense
 - The name and titles of the individuals involved
 - The purpose for the expense
- Expense Reports must be submitted with receipts to the Treasurer.
- If a receipt is lost or cannot be obtained, a brief note as to the nature of the expense, the amount and the reason that there is not a receipt should be attached to the expense report.
- All expenses and Expense Reports must be submitted within 30 days to the Treasurer for payment. Electronic (scanned) copies of receipts are acceptable, and may be emailed along with the Expense Report to the Treasurer.
- The Treasurer will reimburse expenses within 30 days of receipt of an Expense Report/accompanying receipts.
- Any excess reimbursement (above actual expenses) must be returned to the Treasurer within 30 days.
- Expenses outside the norm must include a detailed explanation in the Expense Report, including reason and cost comparison. For example: Leader attends a pre-approved conference, but chooses to stay in town for a few days after. While post-conference expenses aren't covered, the return flight is – but may be more expensive on a different day. Leader must provide a description of the difference in cost for return flight. Leader is responsible for the difference in cost, and must reimburse IWSA within 30 days.

If expenses outside the norm are anticipated, contact the Treasurer to discuss before finalizing plans.

Travel guidelines

- If Leaders use their personal vehicle for business travel, International WAGR Syndrome Association will reimburse at current IRS mileage rate/mile as well as appropriate parking fees. *International WAGR Syndrome Association will not be responsible for traffic/parking violations.*
- Leaders must fly economy/coach class with the lowest available airfare for travel.

- If a car rental is required, Leaders are requested to rent economy/compact vehicles. Leaders will be reimbursed for the fuel costs associated with renting a vehicle.
- Leaders will be reimbursed for reasonable hotel accommodations. Discounted room rates should be requested at the time of room booking.

Meals and Incidentals guidelines

- Cost of Meals and incidentals will be reimbursed when traveling on IWSA-approved business.
- Meals will be reimbursed at **actual cost based on receipts** submitted to Treasurer, not to exceed the IRS-allowable guidelines.
- Examples of reimbursable “incidentals” include: gratuities, parking, Internet service, beverages, light snacks, bus or metro tickets.

Non-reimbursable expenses:

The following are examples of expenses that will not be reimbursed:

- Expenses not pre-approved
- Alcoholic beverages
- Tobacco or cigarettes
- Personal travel insurance
- Personal reading materials
- Childcare
- Toiletries, cosmetics, or grooming products
- Expenses incurred by spouses, children, friends or relatives
- In-room movies or video games
- Tickets for sporting activities/events, movies, theater or other shows

Any questions related to the content of this policy or its interpretation should be directed to the **International WAGR Syndrome** Association Treasurer and/or to the Board.