

Washington Youth Soccer

Guidelines for Financial Management

August 5, 2008

I. **Purpose and Objective of Guideline**

- a. To provide operational guidelines for insuring proper controls, reporting and visibility is available to all individuals charged with the management of team, club, and committee or association financial affairs.
- b. The Treasurer is charged with the responsibility of implementing the guidelines

II. **Bank Accounts**

- a. A checking account in the name of the organization should be established and maintained with all withdrawals requiring two signatures of the club, team or association officers.
- b. Additional accounts may be maintained as investment accounts again requiring two signatures for withdrawals.
- c. While this may appear cumbersome to some the recommendation is designed to limit misappropriation of funds. In the past year over \$250,000 has been misappropriated at club or association levels state wide.
- d. Balances in each account should be maintained with financial institutions insured by FDIC. Account balances should not exceed FDIC insurance limits. (Currently \$100,000).
- e. Monthly bank statements from the financial institution should be should be sent to the person responsible for the bank reconciliation.
- f. Monthly bank account reconciliations should be prepared by a board member or paid staff who has NO checking signing authority.
- g. Cash receipts:
 - ii. Associations and clubs should encourage members to pay dues, uniforms or any bid with a check made out to the organization.
 - iii. Cash receipts should be deposited daily and deposit itself should be made by someone other than the person preparing the deposit.

III. Expenses:

Expenses incurred on behalf of the organization will be reimbursed provided proper documentation is provided (receipt or invoice) attached to an approved association reimbursement form. The expense must be approved by an officer other than those signing the check.

IV. Internal Revenue Obligations:

- a. Obtain a Taxpayer Identification Number (TIN also known as EIN Employer Identification number). You can apply for a TIN online by accessing the IRS website at www.irs.gov/businesses.
- b. Individuals performing compensated functions for Clubs, Associations or Teams are classified as either employees or independent contractors depending on an IRS prescribed guidelines. The IRS views all compensated people as employees unless proper documentation is in place. Employees must complete a W4 and are subject to payroll taxes and reporting. Independent contractors must complete a W9 and are not subject to payroll taxes, but you may be obligated to file a 1099 misc report at year end if compensation meets IRS threshold.
- c. Form 990 is now required to be filed with the IRS for all non profits
- d. Records should be retained as required by current IRS code. (Guideline is 5 years)

V Credit Card use

The use of organization credit cards should be limited. Preference would be to Use personal credit cards with quick reimbursements by the organization for authorized expenses. Organizational credit cards should be issued only upon written authorization of the Board of Directors...

Card statements should be mailed directly to the association, not to the individual cardholder...

- a. Policy agreement should be on file for each member issued a bankcard (sample provided). Washington Youth Soccer Credit card policy is attached.
- b. Policy sets ground rules for use of card and provides a record of the number in case the card is lost or the limit needs to be revoked or changed.

VI Management reports

- a. Treasurer will issue as authorized by Board of Directors periodic reports to Include as a minimum a balance sheet, income statement and a comparison of actual income expense to budgeted income and expense.
- b. The Treasurer together with other officers will prepare a annual budget
- c. Upon request of a member of the club, team or association the normally prepared financial reports will be made available. .
- d. Financial records should be properly maintained in an organized system. These records: all files related to invoices paid, deposits, etc that substantiate the financial reports should be available for review if requested by members.

VII QuickBooks ONLINE is recommended

- a. QuickBooks now has an online version of its software that will be very useful and is recommended for use in implementing this guideline.
- b. Washington Youth Soccer has negotiated a 40% discount when contracting for this service thru Scott Gallaher of Intuit @ 800-498-7401, extension 87336. Please reference George Maitland, Pro Advisor when ordering.
- c. QuickBooks on line provides real time access to ALL authorized club officers and thus provides transparency and oversight
- d. Training on both installation and operations is available as part of the Pro Advisor relationship.
- f. All recommended management reports are available as part of the software

VIII Treasurer Training

- a. Under discussion is Soccer Fair Seminar session
- b. Also under discussion District level training (i.e. similar to Kathy Chromy's recent session for District III).

IX Standard Chart of Accounts:

To follow for Association, Club, Team.

X. Financial Audits:

Audits by an independent accounting firm should be performed periodically as warranted by the complexity of the situation. Guideline is every two years.