

# Dow High School Music Booster Club

## **FINANCIAL POLICIES AND PROCEDURES**

### **I. Finance Committee**

The Dow High Music Booster Club (Boosters) executive board (Board) shall establish a Finance Committee by August or September of each fiscal year. The committee shall consist of the following: the Treasurer, the President and/or one of the Vice Presidents, and up to two at large Booster members. Once formed, the committee will elect a chairperson and assign a financial reconciler. The financial reconciler cannot be a board member or have signatory authorization. The committee is responsible for financial matters including, but not limited to: preparing and reviewing budgets, financial recording keeping, conducting periodic reviews of expenditures, and conducting an annual audit.

### **II. Account Signatories**

The Treasurer and at least one other Booster officer, other than the President and 1<sup>st</sup> Vice President, must have signatory authorization on the Booster financial accounts.

### **III. Annual Budget**

The Finance Committee will draft an annual budget to be approved by the Booster Board by the end of October. The budget should be comprehensive in scope and be based on past expenditures, solicitation of the Dow High music directors' needs, and fund raising history. The budget will be composed of four categories, one for each of the three musical groups and one for the Booster organization. Each budget category shall contain expenditures, with specific line items, and anticipated fundraising proceeds. Although each category shall consist of specific line items, it is the overall budget for each category that will be managed (i.e. funds budgeted for a particular line item can be used elsewhere at the discretion of the directors or the Boosters).

The four budget categories will be funded using money contained in accounts assigned to the three music groups and the Booster organization. The music group accounts are funded with proceeds resulting from the fundraising efforts of the corresponding group. A fixed percentage of all fundraising proceeds will be used to fund the operating budget of the Booster organization. The fixed percentage will be adjusted annually to assure that the operating budget of the Booster organization is as commensurate as possible with expected expenditures.

### **IV. Financial Statements**

All bank statements will be received electronically by the Treasurer and all other financial statements will be mailed to the Booster's mailbox located in the Dow High School office. At least one Booster officer will be assigned to collect items from the Booster mail box at Dow High. Monthly bank statements, including the credit card statement, must be reconciled, signed and dated, by the

designated financial reconciler. Any unresolved discrepancies must be reported to the President and 1<sup>st</sup> Vice President as soon as possible.

## **V. Bank Deposits**

All funds received by the Boosters shall be deposited in a timely manner and posted in QuickBooks. It is recommended that separate records (e.g. a balance sheet) be generated for fundraisers, field trips, or other activities that involve the collection and disbursement of a substantial amount of money.

## **VI. Annual Financial Audit**

An annual audit will be conducted by the financial reconciler and at least one other Booster member that does not have signatory authorization. The financial audit must be conducted by the end of October. The fiscal year of the Music Boosters is September 1<sup>st</sup> through August 31<sup>st</sup>. The audit shall consist of examining the consistency of not less than 10 random samples of deposits, invoices, disbursements approvals and checks as compared to the corresponding entries. The results of the audit must be presented to the Board as a written report by the end of November.

## **VII. Expenditures**

1. All expenditures require prior approval of the Board with the following exceptions:
  - a) All budgeted items are considered to have prior approval.
  - b) If additional funds are needed for a budget category in between board meetings, approval can occur in the following ways:
    - 1) Expenditures of less than \$250, can be approved by the President or 1<sup>st</sup> Vice President. The approval must be documented in an email and sent to the Treasurer. Any such approvals must be reflected in the next Treasurer's report presented to the Board.
    - 2) For expenditures over \$250, a vote of the Board can be conducted via email. A simple majority of those that vote in a reasonable time frame shall be sufficient for approval.
2. All disbursements must be approved and communicated to the Treasurer via email. The directors have the authority to approve disbursements for their corresponding programs. The President or 1<sup>st</sup> Vice President, or persons designated by the President or 1<sup>st</sup> Vice President (e.g. fundraising committee chairperson), have the authority to approve disbursements for the Booster organization. It is permissible for multiple disbursement approvals to be included in a single email. The Treasurer is responsible for retaining the disbursement authorizations and other supporting documents for each check that is issued.
3. Credit Card Procedures.
  - a) The Treasurer will be the primary holder of the credit card and will keep record of who has been authorized to use the card.
  - b) As with all expenditures, all credit card transactions must be preapproved by the board.
  - c) The President and 1<sup>st</sup> Vice President are not permitted to use the credit card.
  - d) Receipts for purchases must be given to the Treasurer in a timely manner. The receipt must be accompanied by an explanation for the purchase and identification of the purchaser.

- e) Charges will be reviewed monthly by the financial reconciler.
- f) The Treasurer must pay the balance due in full each month.

### **VIII. Borrowing or Loaning of Funds**

The Boosters will not borrow or loan of funds.

### **IX. Acceptance of Gifts**

1. The Boosters may accept monetary donations of any amount that are given freely and without condition.
2. The Boosters may accept non-monetary gifts/items if the gifts will be of use or benefit the Dow High Music programs.
3. The Board has the authority to reject any donation when deemed appropriate.
4. Restricted monetary donations must be properly documented and managed according to the donors wishes.

### **X. Financial Reporting**

1. A treasurer's report will be prepared and presented at each board meeting. The report shall consist of a balance sheet, spending to date versus the budget for each of the four categories, and income and expense activity since the previous board meeting.
2. IRS Form 990 (or 990 EZ), Return of Organization Exempt From Income Tax, will be prepared each year by a Certified Public Accountant. The tax return will be signed by the President of the Boosters and submitted to the Internal Revenue Service by January 15<sup>th</sup>.
3. A receipt or a letter must be provided to donors for each direct cash donation, or fundraising profit, to the Boosters of \$250 or more. Letters will be created by the Treasurer, signed by the President or 1<sup>st</sup> Vice President, and mailed out by January 31<sup>st</sup>.
4. A letter must be sent to any donor that contributes \$5,000 or more in a calendar year. Letters will be created by the Treasurer, signed by the President or 1<sup>st</sup> Vice President, and mailed out by January 31<sup>st</sup>.
5. Forms 1099, Miscellaneous Income, will be issued to individuals, who were paid \$600 or more for their services in the previous calendar year, by January 31<sup>st</sup>. Whenever possible, such services should be paid through the music director's club accounts in order to avoid having to generate 1099s.

### **XI. Records Retention**

1. Deposit slips, disbursement approvals, credit card and bank statements, shall be kept for no more than two years.
2. Tax returns, annual budget plans, treasurer reports, and audit reports shall be kept for no longer than seven years.
3. Yearend balance sheets shall be kept for life of the organization