



PO BOX 68, ALTAVISTA VA, 24517

FINANCIAL SYSTEMS & CONTROLS (LLA Policy 001 – Financial Systems & Controls)

The Board of Directors is responsible for the overall operation of the Association. Directors are fiduciaries of the Association and as fiduciaries are responsible for the Associations finances; must act with care in fulfilling their responsibilities, and remain loyal to the Association and its members.

To help ensure that the above occurs, the Board of Directors hereby adopts the following Financial Systems and Controls:

I. Budget

The Treasurer shall prepare an annual operating budget with input from the Board and Committee Chairs to be presented for discussion at the June board meeting. The Board shall then present to the membership and approve the annual operating budget for the following fiscal year at the annual meeting in July.

II. Cash Disbursements/Check Writing Policies

- a. Checks shall not be made payable to cash.
- b. As long as the payee is written on the check, pre-signed checks are authorized.
- c. The two authorized check book holders (President and Treasurer) shall not write checks made payable to them self and sign the same check. Should the Treasurer require reimbursement, the President will sign all checks made payable to the Treasure and the Treasurer will do the same for the President if required.

III. Contracts

Each Committee has responsibility for obtaining bids for services and equipment for which it is responsible. After reviewing bids, Committee chairs shall make a recommendation to the Board of Directors for contracts for services and equipment. The Board has responsibility for approving all contracts for services and equipment and for documenting any decision for accepting other than the lowest bid.

IV. Expenses/Invoices

- a. Treasurer may pay routine invoices in accordance with the annual budget and according to Board direction.

- b. All Committee Chairs shall approve all invoices that come under the purview of their respective committees.
- c. Committee Chairs, and Board members have the authority to approve or incur LLA associated expenses per the annual budget and up to \$100 non budgeted expense without Board approval. Receipts are required for reimbursements and requests for reimbursements must be made in the same fiscal year as the expenditure.
- d. The Board shall approve all LLA associated invoices or expenses that do not come under the purview of the annual budget and paragraph IV. c.
- e. Documentation pertaining to all payments shall be retained in the Treasurer's files. Such documentation will include the approved receipt, approved invoice, date invoice paid, completed and approved request for reimbursement and check number/stub.

V. Financial Institution Accounts

- a. No Association funds shall be deposited or invested except in authorized investments. Authorized investments are those that are obligations of, or fully guaranteed by, the U.S. Government.
- b. The Treasurer shall make recommendations to the Board of Directors on investments for excess operating funds.
- c. Treasurer shall update bank signature cards immediately after Board member check signatories are replaced.
- d. Treasurer shall maintain a check control log that identifies who is holding unused checks, if any.

VI. Financial Records

- a. All financial books and records shall be kept in accordance with generally accepted accounting principles (GAAP). The accrual method of accounting shall be used.
- b. The Treasurer shall keep both a hard copy and an electronic copy of all monthly financial records and reports.
- c. To ensure that copies of all financial records are maintained offsite, the Treasurer shall provide the President with an electronic copy of the updated financial records on a monthly basis.

VII. Financial Statements

- a. The Treasurer shall provide the following reports for the Board of Directors meetings:

1. Balance Sheet
 2. Profit & Loss Monthly and YTD Comparison
 3. Fund Balance Statement showing the breakdown of revenue and expenses per program and including budget information
- b. As directed by the President.

VIII. Income and Sales Taxes

- a. Income taxes are to be filed annually. They are due by the 15th day of the 5th month (January 15th) after our year-end. The Treasurer should prepare the Form 990 or provide all financial information as requested to a contractor selected to prepare the return.
- b. When LLA has merchandise available for sale on a continuous basis, we are required to file and pay sales taxes. The Treasurer will work with the state Sales Tax division to get LLA registered. After registration the state will determine (usually based on dollar volume) whether the report should be filed monthly or quarterly. (This requirement in no way affects our exemption from paying sales tax.) The Treasurer will establish and maintain accounting methods that clearly define which accounts require the collection of sales taxes.

IX. Year-End Financial Review

- a. Each year, at year end and after reconciling all accounts, the Treasurer will be responsible for organizing an in-house, financial review usually performed by the Finance Committee.
- b. On occasion the Board, a relevant county, or donor may require an outside audit or financial review performed by an independent CPA firm. The Treasurer would serve as the liaison providing any documentation needed by the CPA firm.

Upon appropriate motion, second and vote as specified below, the Board of Directors of the Leesville Lake Association adopted this Financial Systems and Control Policy on October 11, 2014 and amended via email on October 16, 2014.

Motion by Chip Zimmerman

Seconded by Tracy Pauley

Number of Votes for 11

Number of Votes against 0

LLA President  J. David Rives

LLA Secretary Phy Phyllis Garlick