

Austin Al-Anon/Alateen Information Center

Financial Policies, Procedures,
and Responsibilities Guide

AAIC Financial Policies, Procedures, and Responsibilities Guide

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Checks and Balances

A separation of duties must be maintained to prevent any one person from having control of the AAIC's (Austin Al-Anon/Alateen Information Center) funds. Checks and balances include:

- **Separation of Duties.** The responsibility for paying bills, making deposits, and creating accounting reports rests with contract and AAIC professional staff (Bookkeeper and Officer Manager). The responsibility for overseeing staff work rests with the AAIC Board Officers. This arrangement builds member confidence, creates continuity as AAIC Board Officers change, and ensures a higher degree of professionalism for accounting duties.
- **Email Alerts.** The bank account is set up to send email notifications to the Treasurer and Board Chair to alert them of certain banking activity, such as large withdrawals and electronic bill pay, and weekly balance.
- **Safeguards.** The Bookkeeper may NOT write checks or make electronic payments to him/herself, except for approved reimbursements.
- **Prior Approval.** All invoices are approved by the Treasurer and Board Chair for payment. The Officer Manager emails or mails the paper invoices to the Treasurer for review and approval. The Treasurer then emails the payment information to the Board Chair and Bookkeeper. Upon approval by the Board Chair, the Bookkeeper enters the information for electronic bill payment of the invoice. The Treasurer maintains a file of all paper back-up receipts for payment.
- **Deposits.** The Officer Manager makes routine deposits and send receipts to the Bookkeeper. The Bookkeeper can also make deposits as a backup.
- **Signature Authority.** The AAIC Board Officers have check signature authority; the Bookkeeper does not.
- **Account Review.** The Treasurer reviews bank statements to ensure that expenditures made are the same as those authorized. The Board Chair serves as the backup reviewer. The Finance Committee Chair reviews bank statements and financial reports.
- **Open Records.** Members of the AAIC Board of Directors may review bank statements at any time. The Treasurer will bring bank statements and bank reconciliation reports to the AAIC Board meetings. All reports are kept in a binder at the Information Center for any member to view.
- **Technology/Transparency.** Upon request, the Bookkeeper will make the QuickBooks files available.
- **Electronic Transfers.** Electronic transfers from savings to checking or vice versa will only be done by Treasurer or Board Chair. The Bookkeeper will NOT have the ability to transfer funds from one account to another.

Prudent Reserve

The Prudent Reserve is defined as one year's operating expenses, not including literature purchases. Prudent Reserve funds are maintained in a saving account. The Prudent Reserve amount is calculated at the beginning of each fiscal year and is based upon the prior year's final operating expenses. Both the Calculated Prudent Reserve amount for the year and the Actual Prudent Reserve amount saved are shown on all financial reports.

Excess Funds

Excess Funds is defined in the AAIC By-Laws. The calculated Excess Funds amount for the year is shown on the annual budget report.

Petty Cash

The Officer Manager maintains a Petty Cash fund up to \$200 (including cash and receipts due for reimbursement). When the cash balance in the fund drops below \$60 the Officer Manager notifies the Treasurer and provides them with the expense receipts for reimbursement to Petty Cash. The Treasurer authorizes, with approval from the Board Chair, the reimbursement for these expenses.

Banking Information

Current Bank

AAIC funds are held in a Bank of America Business Advantage Checking Account. This account type includes:

- Checking account (allows for two checking accounts; we utilize one)
- Savings account
- Online banking
- Overdraft protection

Additionally, Bank of America prepares payroll services for a fee.

Checking Account Minimum

All income is deposited into the checking account. The checking account minimum balance is \$10,000. If the checking account balance falls below this amount, the Treasurer will transfer funds from the savings account into the checking account.

Checking Account Maximum

The checking account maximum is approximately \$20,000. If the checking account balance rises significantly above \$20,000, the Treasurer will transfer funds from the checking account into the savings account as appropriate.

Financial Roles and Responsibilities

Treasurer

In addition to those duties listed in the AAIC By-Laws, the Treasurer will:

- Have full access to the banking account;
- Review the Bookkeeper's work and provide a check-and-balance to ensure transactions and reports are created as planned;
- Approve invoices to be paid by the Bookkeeper, prior to payment (note: routine payments such as rent and utilities may be approved on an annual basis);
- Email/mail a list of approved invoices to the Board Chair (or other AAIC Board Officer) for secondary approval, and to the Bookkeeper for payment once the secondary officer approval is given;
- Review bank statements and the general ledger, and compare them to the Bookkeeper's report;
- Review expenditures and receipts and ensure they match;
- Review deposits and AAIC deposit detail to ensure they match;
- Write physical checks when needed acting as primary signature on them;
- Obtain email approval from the Board Chair (or other AAIC Board Officer) as a secondary signature;
- Notify Bookkeeper of transactions to be recorded in Quick Books;
- Receive online banking alerts via email;
- Report to the AAIC Board of Directors during every meeting, including the Quick Books income/expense reports and current bank statements;
- Prepare an annual budget for the Information Center;
- Pass their duties temporarily to Board Chair and Secretary in their absence. This will include a list of regularly approved expenses that might occur during their absence;
- Ensure that the proper tax reporting forms are filed with the US Treasury Dept., Internal Revenue Service in a timely manner.

Bookkeeper

In addition to the duties listed in the AAIC By-Laws, the Bookkeeper will:

- Prepare accounts payable transactions and reports using Quick Books;
- Pay Information Center bills and record transactions in Quick Books after receiving approval from the Treasurer;
- Make deposits if necessary;
- Review all deposits and AAIC deposit detail reports to ensure they match;
- Work with Office Manager and Treasurer if there are corrections to be made;
- Record all deposits in Quick Books;
- Prepare monthly income/expense reports and other reports for Treasurer to provide to Finance Committee;
- Prepare quarterly income/expense reports and other reports for Treasurer to provide to the AAIC Board of Directors;
- Prepare documentation and payment of payroll taxes;
- Enter the Treasurer's budget into Quick Books.

Officer Manager

Please see the AAIC Officer Manager Guide for this role's financial procedures and responsibilities.

Board Chair

In addition to those duties listed in the AAIC By-Laws, the Board Chair will:

- Have administrator access on the banking account.
 - Set-up and maintain user access levels
 - Maintain bank alert notifications;
- Have signatory authority on checking and saving accounts to back up Treasurer;
- Review all bank statements and banking alert notifications;
- Provide approval via email for all online bill payment and physical checks written. In the absence of the Board Chair, the Secretary will provide approval.
- Act as a backup to the Treasurer in their absence.

Secretary

In addition to those duties listed in the AAIC By-Laws, in the absence of the Board Chair or if the Chair is acting as backup to the Treasurer, the Secretary will provide email approval.

Finance Committee

In addition to those duties listed in the AAIC By-Laws, the Finance Committee will:

- Review reports provided by the Treasurer prior to each AAIC meeting;
- Review actual bank statements on a regular basis (the Finance Chair will have "view only" access to the bank account statements);
- Report financial review findings at all AAIC board meetings;
- Review and update this guide as needed or on an annual basis.