

Washington County Master Gardener Association
Financial Policies/Guidelines and Procedures
9/02/14

1. The WCMGA fiscal year is from January 1 through December 31.

Budgeting and Financial Reporting

2. Treatment of Revenues Generated by Chapter sponsored activities:

All sources of revenues (dues, donations, sales, grants etc...) generated by WCMGA Chapter activities belong to the Chapter and are sent to the Chapter Treasurer for deposit and used for budgeted activities.

- Revenues that are generated are not treated as additions to funds already budgeted for a given activity. If there is a need to adjust the approved budget, the Chapter Bylaws and Standing Orders provide processes for this to occur.
- If an item is returned, the revenue should return to the Treasurer. This is not revenue but would be treated as a credit against the expense that had already been recorded.
- Revenues are to be forwarded to the Chapter Treasurer. When the funds include cash, members will use Chapter Cash Handling described below.
- The Treasurer, or a Treasurer appointed representative, will deposit funds within three calendar days.
- The board is responsible for ensuring that restricted funds are spent according to guidelines.

3. Target for Chapter Reserve Fund:

The WCMGA cash reserve is computed by averaging the prior three year end-of-year actual expenses, dividing that result by 12 for a one-month average, and multiplying that result by 6 for the amount of the “six-month” cash reserve.

The amount of the reserve is calculated in two stages, the first for purposes of setting the budget for the upcoming year, the second for adjusting the *budgeted* reserve after the end of the year based on actual expenses through the end of the year. For the annual Chapter budgeting process, the amount of the reserve will be based on the current year and the two immediately preceding years, using actual expenses up to the time of budget preparation (about August of the current year) and projected expenses through the end of the current year. The Treasurer will adjust the *budgeted* reserve during the first week of

January using actual expenses for the three-year base period. The Treasurer will report the adjusted reserve amount to the Board in time for the Business Manager to adjust the balance of the cash reserve held in a certificate of deposit (CD) before the annual renewal date for the CD. This method is similar to that used by the OMGA to establish a reserve fund.

4. The WCMGA Budget Committee is comprised of the Treasurer, Business Manager, Fundraising Director, Vice-President and a Member at Large, according to WCMGA Standing Rule #6 revised 9/2/14.
5. The approved annual budget will be posted to the WCMGA Members website. The President is responsible for facilitating this posting.
6. The outgoing Chapter Treasurer will be the lead person working with and orienting the incoming Chapter Treasurer for preparation of the financial report to OMGA for the year just ended. This aids in continuity for this important activity.
7. The outgoing Chapter Business Manager will be the lead person working with and orienting the incoming Chapter Business Manager for preparation of the Annual Audit Report for the year just ended. This aids in continuity for this important activity.
8. Monthly Budget Variance Reports will be distributed by the Treasurer at the monthly Board meeting and posted to the WCMGA Members website. The Treasurer is responsible for facilitating this posting.
9. The Treasurer will reconcile the monthly Checking and Savings accounts within two weeks following the end of the previous month. The Business Manager then reviews these reconciliations on a monthly basis.
10. The annual inventory will be done for items estimated to cost \$75 or more. A listing of equipment, supplies, items for sale, Clinic Resource books will be requested by the Business Manager annually. .
11. When the Chapter makes payments to individual service providers totaling \$600 or more during a calendar year, the Chapter is required to file a Form 1099-MISC with the IRS and provide a copy of the form to the individual. Such payments are “nonemployee compensation” and include fees, awards, honoraria or other payments made for services to the Chapter. The lead for an activity employing the services of individuals is responsible for notifying the Treasurer when the payments are expected to be \$600 or more during the year, so the information necessary to complete Form 1099-MISC can be collected.
12. Surplus items are to be reported to the Business Manager for consideration of use for other Chapter activities before being removed or sold.
13. In recent years a \$5,000 CD was set aside for costs in the event the Fair-Plex Garden needed to move. Since the Fair-Plex Garden site appears to be secured for the

foreseeable future, it is proposed that the CD be moved to regular savings during the next budget process when it matures in November 2014.

14. The Fundraising Committee is charged with exploring ways to generate additional income for the Chapter.

Cash Handling, Check Requests, Reimbursements and Cash Advances:

15. Cash Handling procedure includes any funds for Chapter activities, included among them, sale of goods and services, dues payments and donations.

The member who receives cash and the lead for the activity generating the cash are responsible for ensuring Cash Handling procedures are followed by the volunteer group supporting the activity. For Deposits, Cash is hand delivered to the Treasurer and together the responsible Member and the Treasurer will count out the cash to verify the amount of money.

The Treasurer, or a Treasurer-appointed member, makes the deposit within three calendar days and sends a joint email to the person who delivered the cash and the Business Manager stating the amount of cash that was deposited. The Business Manager watches for this deposit when verifying the reconciliation and the persons handing over the cash know that the Business Manager has been notified of the correct cash deposit amount.

When taking cash payments (like dues or donations) the payee/donor is given a receipt. Then the procedure is followed for making a cash deposit. On occasion, donations are made anonymously e.g. donation to the coffee supply and no receipt can be given.

16. Check Requests Signature Authority including committee and non-committee purchases:

The Committee Chair is responsible for reviewing and approving Reimbursement Requests for their committee's activities. When purchases are made that do not fall under the activities of a committee, a Board Member must be asked to review and approve the Check Request.

A Committee Chair may not approve a Check Request for themselves and a Board Member may not approve a non-committee Request for themselves. In these cases another Board member shall review and approve these Requests.

The review for a Check Request ensures that

- (a) The receipt(s) are attached and, if there are unrelated expenditures on the receipt, that the related items are circled.
- (b) The Check Request is fully completed, including a description of the purchase
- (c) That there are sufficient funds in the line-item to cover the requested amount.

Upon approval the Requestor sends the Check Request and receipt(s) to the Treasurer for processing.

17. Check Request Documentation:

A Check Request form must have original receipts attached for every expense to be reimbursed. It is best if the receipt does not contain personal items. If it does, the WCMGA expense items must be clearly marked. As an exception to this preferred policy and if the receipt is lost, the requestors may use copies of their credit card bills or bank checking statements with unrelated information lined-out.

Cash purchases must have a written receipt from the vendor who provided the material or service. The "Description of Purchase" line must contain the items purchased, the authorization if it is a special board approved item; and an explanation of any discrepancies between the receipts and the Check Request amount. For example, if you request \$100 for \$200 in receipts, because someone else paid half the bill, you need to explain that.

18. Check Request Submission Deadline:

To be reimbursed for expenses incurred on behalf of WCMGA, a Check Request and receipts, with appropriate review and approval, must be submitted to the Treasurer within 30 days of the occurrence of the expense and/or event, and no later than December 15th of the fiscal year in which it was incurred. (This is from section 4.16 of OMGA Policies).

19. Check Request for Cash Advances for Chapter Activities (Plant Sale, Book Sale etc...):

The Committee Chair submits a Check Request for a Cash Advance with the responsible Board member's approval. Or, if the Requestor is also the responsible Board Member, then the Business Manager's approval.

For one-time sales, such as a single day plant sale, the Cash Advance is turned in with the proceeds. The Committee Chair notifies the Treasurer that the Cash Advance is included with the deposit.

For sales that have multiple sale dates throughout the year, such as the book or merchandise sales, the Cash Advance is turned in with the last deposit of the year. The Committee Chair notifies the Treasurer that the Cash Advance is included with the deposit.

To account for Cash Advances, the Treasurer sets up separate budget line items in Quicken labeled Cash Advance and Cash Advance Returned. The separate accounts allow the Treasurer to track advances and account for each before year end. When advances are returned before year end, the line items net to zero. This practice allows the Chapter to file our annual report with OMGA with no outstanding cash.

Donations

20. All donations, including hospitality donations, are deposited and are not used to offset expenses. For expenses incurred on behalf of the Chapter, the Check Request procedure is used for payment.

In-kind donations are listed, but no dollar value is attached to them. This list is provided to OMGA as part of the Chapter's Annual Financial Report to OMGA.

Individual Chapter members who donate plants to the Annual Plant Sale are not given In-Kind donation acknowledgements from the Chapter, unless specifically requested. Businesses and other organizations making donations will receive an In-Kind donation form from the Chapter.

21. Financial Reporting IRS Requirements for 501 (c)(3) when revenues exceed \$50K/yr.: We will continue our practices for acknowledging donations, but not attempting to assign a dollar value. Acknowledgements are to be copied to the Treasurer. To contact the OMGA Treasurer for guidance when/if we meet the \$50K per year revenues threshold.

Grants- External Grants

22. Grants-Process for handling reimbursements for Chapter Community Grants: Reimbursements for Chapter Community Grants are made to the Project Director, following purchases. The Chapter Member who is the Project Sponsor reviews Check Requests and ensures that
 - (a) Receipt(s) are attached and items circled, if there are unrelated expenditures on the receipt,
 - (b) That the Check Request is fully completed, including a description of the purchase. And
 - (c) That there is sufficient grant funds remaining to cover the expense.
 - (d) The use of the funds is for the approved purpose(s)
 - (e) Check Request and receipts, with appropriate review and approval, must be submitted to the Treasurer within 30 days of the occurrence of the expense and/or event, and no later than December 15th of the fiscal year in which it was incurred.

Upon approval the Requestor sends the Check Request and receipt(s) to the Treasurer for processing.

23. Applying for external Grants for Chapter Activities—Chapter Review and Approval process

We would like to expand grant submissions as a potential source to support Chapter activities. To ensure that the proposed scope of work/services and any cost sharing can be met by the Chapter, grant proposals need to be reviewed. The Fundraising Committee

reviews proposed grants if the grant budget is \$2000 or less and no matching funds are required.

Or,

If the grant budget exceeds \$2000, or if there are any matching funds, the Board must review the grant proposal prior to submitting.

Review Process:

- a) Chapter members who wish to apply for a grant are to contact Director 4- Fundraising and complete the *WCMGA External Grant Review Form* (see attached).
 - b) Director 4 will present the grant information to the Fundraising Committee or to the Board based on the above criteria.
 - c) For grants requiring Board approval, as needed, the President, or any other Board member will call a meeting requiring a quorum to vote on a grant submission.
 - d) The Chapter President signs Board approved grant applications on behalf of the Chapter.
 - e) For grants reviewed by the Fundraising Committee, Director 4 signs the *WCMGA External Grant Review Form* on behalf of the Chapter.
 - f) Director 4 will notify the Board of any awarded grants.
24. If grant funding is awarded from external sources for activities that have already been funded from the Chapter's budget, this may help to free up funds for other Chapter activities. The lead(s) for the area benefiting from the external grant funding would be asked to present a plan to the Board for potential revisions to the approved budget. This would be presented within a month of notice the grant has been awarded.
25. Accounting and Financial Reporting for Grant funds provided to the Chapter from other organizations.
- a) Each grant submission must include a lead person who will be responsible for overseeing grant activity and reporting.
 - b) Each grant submission must identify the person(s) responsible for the accounting and financial reporting of grant activity.
 - c) Separate accounting for grant awards will not involve separate bank accounts, unless the terms of the grant require it, or the WCMGA Board considers it advisable.
 - d) Financial and narrative reports submitted to the funding agency/organization will be copied to Board members.
 - e) A final accounting of grant income and expenses is due to the Treasurer within five weeks of the end of the grant period with copies sent to the Board members.

Chapter Community Grants

26. Community Grant Funds that are unspent at the end of the grant period are no longer available and revert to the Chapter's general funds for other uses.

Memorial Acknowledgements

27. WCMGA will acknowledge the death of active (within one year) Master Gardeners with flowers or another appropriate item and a card (\$50 limit) to the family. These expenses will be paid from the contingency fund within the Chapter's budget.

WCMGA is a 501(c) (3) charitable tax-exempt organization and can be considered as a beneficiary of remembrances in lieu of flowers as some families request. Upon approval by the board, any property or funds received will be gratefully accepted and acknowledged by WCMGA and used to advance the chapter's educational outreach mission.

Such bequests, however, cannot be used to create permanent memorials in the Washington County Master Gardener Association demonstration or learning gardens, whether plants, hardscapes or other garden features. By their nature, demonstration and learning gardens are dynamic, changing spaces that must be adapted to meet changing educational needs and environmental conditions. In addition, the gardens are not located on land owned by WCMGA and, from time to time, may be moved to new locations. Thus, the chapter cannot commit to maintaining permanent plants, structures or dedicated signs or plaques.