

POLICY 2023-01

Financial Controls for Gulf Winds Track Club

October 2023

The Treasurer is responsible for the oversight of a significant amount of funds. Effective controls are beneficial for both the organization and the Treasurer. They provide oversight, guide the proper handling of resources, and protect those having that responsibility. The key controls for GWTC rely on division of responsibilities and transparency.

Although the Treasurer is ultimately accountable, duties and responsibilities for cash collection and disbursement are divided so that no one person is responsible for authorization of a transaction, custody of cash relating to the transaction, and recording of the transaction.

Secondly, the transaction process is transparent in that several members of the Board have direct access to bank statements and can request access to the records from QuickBooks. Budgets and financial statements are available in aggregate for GWTC and separately for every GWTC event.

Identified below is a synopsis the specific controls in place for our Club.

Revenues

GWTC races use RunSignUp for registration (as well as collection of annual membership dues). RunSignUp transfers the funds collected monthly from each race (or membership collections) directly into the Club's bank account. Information concerning the deposits are received by the Treasurer for recording in QuickBooks, who notifies race directors (RD) of the deposits for their races. Registrations collected on race day are deposited by the Treasurer or a designee and a copy of the deposit slip is provided to the Treasurer for recording into QuickBooks. When the Treasurer handles cash collections, they should be counted in the presence of the RD. The revenues from the race can be substantially reconciled with the number of runner registrations. Most races have fewer than 10% race-day registrations.

When GWTC equipment and timing team is used for non-GWTC races, GWTC should not collect cash on race day for registrations of non-GWTC races. Race day registrations should be processed by the RD of the non-GWTC race.

Other collections, for example, The Fleet Foot advertising, equipment rental, and cash sales of GWTC-related merchandise is handled similarly. A deposit is made, and the deposit ticket is sent to the treasurer. For merchandise procured and sold, periodic reports are presented to the Board. Some merchandise sales are processed via credit card and payments from the Square are made by direct deposit into the GWTC bank account.

Checks may be mailed to GWTC for equipment rentals, membership, or other reasons. These checks are collected from mailbox, endorsed "For Deposit Only" into the GWTC bank account, and deposited. The Treasurer should not handle this mail. The deposit ticket is sent to the Treasurer for recording into QuickBooks.

Expenses

Expenses incurred by RDs are documented by either invoices or written requests. The Treasurer examines the documentation and enters the required payment into QuickBooks. When the request is due, a check is entered into QuickBooks for printing. However, the Treasurer does not (by Club procedures) sign the check. Another Club member approved by the Board prints, inspects, signs the check and either mails or delivers it to the appropriate party. Other required disbursements follow the same process.

The Club also uses a debit card for small purchases by a limited number of Club members. The debit card has a limit of \$5,000 which can be changed by a vote of the board. For convenience and practicality, the Treasurer may use this debit card for recurring monthly transactions or for transactions made on behalf of RDs with approved race budgets. Purchases exceeding \$100 that are not included in an approved race budget and are not a recurring expense should be approved by either the President or the Vice President. The individual using the card cannot approve the purchase.

Any exceptional disbursement, e.g., from the Chenoweth Fund or the purchase of equipment greater than \$500, must be approved by the Board.

Budget Process

A club budget of projected revenues and expenses will be prepared annually by the Treasurer, in consultation with the Board, and will be approved by the Board prior to the beginning of the fiscal year.

RD's prepare a budget before each GWTC race which is presented and approved by the Board. After the race has concluded, a final accounting is presented to and approved by the Board.

A current comparative Balance Sheet and Income Statement, as well as a detailed list of expenditures for the prior month, will be presented to the Board monthly at the Board meeting. The Income Statement should show a comparison with Prior Year, as well as a comparison to the approved projected Budget.

Financial Review

The bank statement is reconciled monthly by the Treasurer. The bank statement directly from the bank is provided online to the President, Vice President and any other requesting GWTC Board members. This allows for an independent review of deposits and disbursements (including debit card entries) made during the month.

The Board should review the final annual financial statement report and compare with the budget to identify variances and discuss future cash needs.

No formal financial statement audit is required. However, annually the Board will approve one Board member or other qualified individual to conduct informal procedures to provide assurance on the appropriate accounting for and usage of GWTC funds. The approved individual should select a small sample of recorded revenues and expenses and compare the amounts to supporting documentations and bank records. For example, for a sample of recorded expenses, the individual should obtain the associated invoice and compare the recorded amount to the invoice, the check, and the outflow on a bank statement. For a sample of recorded revenues, the individual should compare to supporting documentation such as RunSignUp statements and verify the deposit in the bank statement. The individual should also consider whether all known events appear to be recorded.