

WFDF Financial Policies - Version 1.0

April 27, 2019

1. Introduction

The purpose of this policy document is to describe all accounting policies and procedures currently in use at the World Flying Disc Federation (aka WFDF) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All of WFDF's staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the President and the Board of Directors.

2. Division of Responsibilities

2.1. Board of Directors

- Reviews and approves the annual budget
- Reviews annual and periodic financial statements and information
- Reviews Executive Director's performance annually and establishes the salary
- Two members of the board will be appointed by the board to be authorized signers on the bank accounts (currently the President and the Treasurer)
- Reviews and approves all contracts over \$5,000
- Reviews and approves all non-budgeted expenditures over \$5,000
- Reviews and advises staff on internal controls and accounting policies and procedures
- Reviews drafts and final versions of the annual audit

2.2. Treasurer

- Reviews and approves all financial reports including cash flow projections
- Sees that an appropriate budget is developed annually
- Monitors budget during the year and reports on the budget at regular board meetings
- Reviews and signs all issued checks and/or approves check signing procedures
- Reviews and approves all grant disbursements
- Approves inter-account bank transfers
- Is on-site signatory for all bank accounts
- Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations, or delegates these actions to the bookkeeper
- Oversees the adherence to all internal controls
- Approves all vendor invoices, staff stipends, expense reports and posts signed payables to Dropbox for bookkeeper to pay
- Works with the bookkeeper on payables and other financial obligations

2.3. Bookkeeper

- Overall responsibility for data entry into accounting system and integrity of accounting system data

- Enters all vendor invoices, staff stipends, expense reports, development grants into QuickBooks and processes payment by check and/or bank wire reimbursement
- Updates expense spreadsheet in Dropbox with payment information
- Issues invoices for event sanctioning fees, team fees, event expenses, event sales commissions and other event related items
- Maintains spreadsheet for annual member dues and records deposits from member countries
- Works with Direct of Events to finalize event finances and create invoices and/or payments to the event Tournament Organizing Committee (TOC)
- Makes bank deposits
- Processes payroll and independent contractor payments
- Maintains general ledger
- Maintains backup document files for payables, receivables, event contracts, insurance policies, member dues invoices issued by Executive Director and development grants
- Provides monthly bank statements and bank reconciliations to Treasurer for checking, savings and PayPal accounts
- Prepares monthly and year-end financial reports
- Reconciles all bank accounts and PayPal account
- Signs and mails vendor checks
- Manages Accounts Receivable, Accounts Payable and Prepaid Expenses
- Enters annual budget into Quickbooks
- Provides backup documentation, general ledger, financial statements and other requested information to Auditor in conjunction with annual audit
- Uploads quarterly backup of QuickBooks into Dropbox

3. Chart of Accounts and General Ledger

WFDF has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Treasurer is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using our accounting software, QuickBooks. All input and balancing is the responsibility of the bookkeeper with final approval by the Treasurer.

The Treasurer should review the general ledger on a periodic basis for any unusual transactions.

4. Internal Financial Control

Blank checks will be held by the bookkeeper and/or the treasurer. The checking account has the President, the Treasurer and the bookkeeper as authorized signatories on the account.

Cash disbursements and bank reconciliations shall be reviewed by both the Treasurer and the bookkeeper. The treasurer shall sign off on all invoices and expense reports. In the event that the Treasurer is not available, the President shall serve as the back up signatory.

5. Cash Management and Disbursement

Checks shall be deposited on a regular basis and within thirty days of receipt of the payment. Bank statements shall be received and reconciled by the bookkeeper or treasurer each month. WFDF does not maintain a petty cash reserve.

Cash advances may be made on a limited basis and only with the oversight of the Treasurer. A written request should be made to the Treasurer with thirty days' advance notice and the specific needs for the cash disbursement.

6. Distribution of Financial Information

An audit of the organization's finances shall be conducted annually and published to the membership. The organization shall file a 990 form with the IRS each year. These reports shall be provided to the members at Congress and published on the WFDF website: www.wfdf.org

Financial reports shall be presented to the Board of Directors at each meeting. The financial statements shall include a profit and loss statement, balance sheet, and income and expenses vs. budgeted totals.

7. Expense Advances

Unless expressly approved in advance, WFDF does not provide cash advances to contractors or members of the Board of Directors.

8. Employee/Board/Volunteer Reimbursements

All contractors, board members, and other volunteers are asked to submit expense reports electronically using the WFDF expense report format. Expenses will be reimbursed per the WFDF Expense Policy. Each expense shall be listed individually on the report. A receipt is required for each individual expense over \$25.00. Mileage will be reimbursed per the United States IRS applicable standards for mileage.

Expense reports shall be submitted within sixty (60) days of the termination of the event or record of the expense.

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

9. Payroll and Independent Contractor Procedures

Contractors shall be paid at the end of each month or within forty-five (45) days of submission of their invoice for services. Contractors without a regular payment schedule shall submit an invoice to the president and treasurer for their reimbursement.

Contractors shall submit an accounting of their hours to the treasurer and president on a quarterly basis.

10. Budget Process

A budget of the organization shall be prepared annually. It shall be presented to the membership at least seventy-five (75) days before the Annual Congress. The budget shall contain detailed income and expenditures for the upcoming year, as well as a five year projection for the organization. Included in the budget shall be a summary of the dues income for the organization, revenue from sponsorships and contracts, as well as events that will be held by the federation. The budget shall follow the categorization listed in the WFDF Chart of Accounts.

11. Allocation of Costs to Various Programs

Costs shall be allocated to programs and categories as listed in the WFDF chart of accounts. The Executive Director and other contractors of the organization shall record their hourly allocation so that it can be submitted with the financial statements for the annual audit.

12. Accounts Payable Procedures

When an invoice is received by a member of staff or the Board of Directors, it shall be forwarded to the Treasurer for approval and to the bookkeeper for payment. The invoice shall be sent within two weeks of receipt and the invoice shall be paid within another two weeks.

Each receipt shall be signed and dated by the Treasurer, stored in a shared electronic folder online site, and recorded in the yearly invoice record. The Treasurer shall post the initial item with the invoice marked as "ok to pay". Once the bookkeeper writes a check to the vendor or individual, s/he shall mark the record as "paid" in the online invoice record.

13. Contracts

All contracts shall be put out to bid on behalf of the organization. They shall be reviewed by the event director and presented to the Board of Directors (or the Executive Committee) for final recommendation and signed by the President on behalf of the organization.

14. Reserves and Investment

WFDF shall maintain no less than a six month cash reserve. In the event that the cash on hand falls below the six month buffer, the Treasurer and the bookkeeper shall inform the President within forty-eight hours.

WFDF shall invest or place its funds in banks rated at no less than AA/AA2 by Standard & Poor's or Moody's, or in securities (or funds investing in such securities) that may provide returns in excess of interest from checking or savings accounts of permitted banks. Before investing in anything besides FDIC-backed banked accounts, the Treasurer and President shall put forth a proposal to the full Board for such approval.

Should WFDF invest in any securities or funds that are not highly liquid, the Treasurer shall provide an investment update to the full Board on a regular basis.

15. Updates to Policy Document

Any updates to this document shall be submitted to the Board of Directors for a vote of its members. Until such a time as this document is updated, it is assumed that all directors and contractors of the organization will comply with the details of this policy document.