

Texas Honey Bee Education Association (THBEA)

FINANCIAL PROCEDURES

Approved by THBEA's Board of Directors on _____

Background information to understand THBEA's current organizational structure

- *The Board of Directors ("Board") consists of:*
 - *Texas Beekeepers Association (TBA) President*
 - *TBA Vice-President*
 - *Additional directors (minimum 1, maximum 5) appointed by the TBA Executive Committee*
- *The Officers of THBEA ("Officers") are:*
 - *Chairperson (elected from the Board)*
 - *Vice Chairperson (elected from the Board)*
 - *Secretary (appointed by the Chairperson and confirmed by the Board)*
 - *Treasurer (appointed by the Chairperson and confirmed by the Board)*
- *As used in this document, the term "Representative(s)" will mean:*
 - *The Board*
 - *The Officers*
 - *Authorized Volunteers - "Authorized volunteers" are usually those serving at the direction of the President in a longer-term, more project-oriented capacity as opposed to "temporary" volunteers, who serve for a specific time at a specific event*

I. GENERAL

1. The Board formulates financial policies, reviews operations and activities, and delegates administration of the financial policies to the Secretary.
2. The Secretary has management responsibility including financial procedures.
3. The Board will appoint a standing Finance Committee composed of the Vice Chairperson (Chair) and at least two other members of the Board. The Chairperson may not serve on the Finance Committee. The Finance Committee will have care and custody of this document, will receive the annual audit report, and will ensure the responsible parties carry out their financial duties in a timely manner.
4. All Representatives will have current job descriptions which will outline their financial duties and responsibilities within THBEA. These job descriptions will not be in conflict with the "duties" as outlined in the Bylaws of THBEA.
5. No one Representative may have sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or audit functions. THBEA will strive to have each of these areas under the jurisdiction of separate Officers or Board members

6. The THBEA Board will appoint professional financial services providers annually. For 2020 these include:
 - a. Quick Books - Online Edition (accounting software),
 - b. Quick Books - Payroll Service (payroll services),
 - c. Melody Ryan - (consultant accountant),
 - d. Doug Roberts - Texas Insurance and Financial Services, Inc. (insurance),
 - e. Wells Fargo Bank (banking),
 - f. _____ (investments and the receipt of marketable securities), and
 - g. _____ (bookkeeper)
7. The Treasurer will maintain a current and accurate log of the chart of accounts, budget area owners, and accounting classes.
8. The THBEA Financial Committee will review these policies and procedures in every odd-numbered year.
9. The Audit Committee of TBA will conduct a financial and operations/procedures audit of THBEA at the end of each fiscal year. The Board will review the findings and take corrective action as needed.

II. CASH RECEIPTS (includes checks and electronic payments)

1. Payment received by mail shall be handled in the following manner:
 - a. Cash
 - i. THBEA does not accept cash payments via mail.
 - b. Paper checks
 - i. checks will be rubber stamped containing the words, "FOR DEPOSIT ONLY, Texas Honey Bee Education Association";
 - ii. checks will be deposited receiver and authorized depositor; and
 - iii. a detailed report, as specified by the Treasurer, will be sent with the deposit receipt(s) to the Treasurer and Secretary.
2. Electronic payments (via website payment processor or via POS processor)
 - a. the payer will receive a receipt electronically, usually via e-mail from the website payment processor or the POS software;
 - b. the Treasurer and bookkeeper will have access to and ensure that payments received are properly deposited to the THBEA bank account;
 - c. the Treasurer will generate a receipt or report, at least monthly, and send it to the Secretary of all monies received in electronic form (e.g. PayPal, Square); and
 - d. funds in PayPal (or similar accounts) will be transferred into the THBEA bank account once weekly at a minimum; and
3. Representatives will not normally receive payments. In rare cases, they may receive paper checks which they will immediately forward to the Treasurer. In no case will a Representative, other than the Treasurer or Treasurer's specified designee, receive cash payments.

III. CASH RECEIPTS AT EVENTS (Includes checks & electronic payments)

1. An Administrator, designated by the Secretary or Treasurer in advance of an event, will be responsible to manage all finances at an event. The Administrator will:
 - a. provide cash boxes and sufficient petty cash for each area authorized to collect money;

- b. collect all money at the end of each day;
 - c. reconcile money at the end of the event;
 - d. prepare deposits;
 - e. turn deposits over to the authorized depositor to be deposited the next business day; and
 - f. notify the Treasurer of the deposit details needed for posting to the financial system.
2. The Administrator will ensure the authorized Point of Sale (POS) system is used for all financial-related transactions. The Treasurer will:
 - a. ensure that all financial transaction items (e.g. specific sales items or donation categories) are updated in the POS system prior to the event;
 - b. require that all cash, check, and credit card payments be recorded into the mobile POS system under the appropriate item and category immediately upon receipt; and
 - c. ensure customer receipts for all transactions are generated via the POS system.
3. Money for raffle and cash donations to the THBEA donation box "bee hive super" may be accumulated in appropriate money bags and entered into the POS system throughout the day and fully entered by the end of each day.
4. THBEA will accept personal checks as payment, but will not return cash back.
5. THBEA will accept credit cards as payment, but will not charge credit cards for cash back.

IV. INVOICING

1. Invoice requests are handled on an as needed basis.
2. The invoice requester will provide the Treasurer with the billing contact information and details required to generate the invoice.
3. The Treasurer or bookkeeper will process all invoices via the authorized financial or POS system.

V. CASH DISBURSEMENTS

A. CHECK AUTHORIZATION

1. The THBEA Representative responsible for initiating an expenditure must approve (by initials or e-mail) all invoices for payment. This individual will ensure the invoice is appropriately annotated, as specified by the Treasurer, such that the Treasurer may code the invoice in the accounting system.
 - a. By approving an invoice, the Representative indicates their review of the invoice and gives their authorization for payment.
 - b. The Representative will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts.
 - c. The Representative is responsible for timely follow-up on invoice discrepancies and payment.
2. The Treasurer will review all invoices for mathematical accuracy, validity, and conformity to the budget or other Board authorization before making disbursements.
3. The Treasurer will prepare payment checks, or electronic "bill-pay" transfers on a weekly basis.
4. Authorized signers on THBEA's financial accounts are limited to:
 - a. the Chairperson,

- b. the Secretary, and
- c. the Treasurer.

B. CHECKS and ELECTRONIC PAYMENTS

1. The Treasurer is responsible for care and custody of all blank checks.
2. All checks, including payroll checks (with the exception of direct deposit payroll items), will be signed by an authorized signer.
3. The Treasurer will generate checks for approved invoices only through the accounting system, the on-line payment system, or the handwriting of duplicate checks.
4. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
5. In no event will:
 - a. invoices be paid unless approved by an authorized signer,
 - b. blank checks (checks without a date or payee designated) be signed in advance,
 - c. checks be made out to "cash", "bearer", "petty cash", etc., or
 - d. checks be prepared on verbal authorization, unless approved by the Chairperson.
6. The Treasurer will only issue duplicate (replacement) checks for amounts over \$15; a stop payment will be ordered on the original check.

C. CREDIT CARDS

1. The THBEA Board may authorize the opening of credit card account in THBEA's name when the following conditions are met.
 - a. The card chosen is a "business account" card - where individual cards roll up to one bill and receipt paid by the Treasurer. The total credit limit for all cards will be no greater than \$5,000 and the individual card limits will be set according to the anticipated usage.
 - b. Individual cards, under this business account card, are issued to named, authorized individuals, for use solely in the conducting the duties of their office.
 - c. The individual card user must transfer all receipts for expenditures charged to their card to the Treasurer within 30 days indicating the budget account to book the charge.
 - d. Any intentional abuse or misuse of the issued card by an individual, as determined by the Finance Committee, will be cause for cancellation of the card.

D. STATEMENT RECONCILIATIONS

1. The Treasurer will directly receive or maintain bank and account statements for all THBEA registered accounts.
2. The Treasurer will reconcile all statements monthly.
3. The Secretary will receive monthly summary statements of all accounts.
4. The Secretary will verify the reconciliation of the bank accounts on at least a quarterly basis.
5. The Treasurer will take appropriate action to effect payment or stop payment on all checks more than 90 days outstanding.

VI. PURCHASING

1. THBEA Officers are authorized to make purchases up to \$1,000.00:
 - a. which are preapproved in the yearly budget, or which have been approved by a Board resolution, and
 - b. which are necessary to fulfill the duties of their position.
2. Purchases of \$1,000.00 or greater must be approved in advance by the Treasurer in order to manage cash flow.
3. All Representatives of THBEA, in the fulfillment of their assigned duties, and with a preapproved budget, may make purchases of \$150 or less without prior approval.
4. Commitments and contracts, over the life of the agreement, or in a single purchase, of \$10,000 or greater requires a review of three competitive options or bids by the Board.

VII. PAYROLL

A. TIME SHEETS

1. Each employee will be responsible for completing a time sheet, as designated by the Treasurer, on a monthly basis.
2. Completed time sheets will be dated and signed by the employee and submitted on the last working day of each pay period through electronic mail.
3. No payroll checks will be issued without a completed time sheet.
4. Incomplete time sheets will be returned to the employee for correction.
5. The employee's supervising manager will verify the accuracy of the time sheets and sign their approval on the time sheet.

B. PAYROLL

1. The Treasurer will use Quick Books Payroll System to enter payroll, disburse payroll checks, make direct deposit transfers, print payroll reports, and send reports to the supervising managers.
2. The Treasurer will distribute the payroll checks to the employees or authorize the direct deposit transfer. Checks and transfers will not be issued to anyone other than the employee without written authorization from the employee.
3. Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid on day of separation.

C. PAYROLL TAXES

1. The Treasurer will prepare and transmit the payroll tax reports, W-2 forms, and 1099 forms.
2. The Secretary will verify payroll tax preparation on a quarterly basis.

D. BENEFITS

1. Employees of THBEA receive no benefits in addition to their monthly wage.

VIII. TRAVEL & EXPENSES

1. Representatives of THBEA may receive reimbursement for budgeted or approved expenses associated with the discharge of their duties as specified in their respective job descriptions.
2. Employees, in the discharge of their duties, may receive reimbursement of approved expenses.
3. Independent Contractors will receive travel and expense reimbursement as detailed in their contract.
4. Approved travel expenses may include:
 - a. overnight lodging,
 - b. actual expenses for which there is a receipt, and
 - c. mileage expense to and from the event at a mileage rate set by the standard IRS mileage rate for business miles.
5. The Treasurer will create a form or other method which Representatives may use to submit their expenses and receive reimbursement. This request must be signed by the submitter and the person to whom they are accountable, or to whom they report.
6. The expense report form must be submitted within 30 days for payment. Incomplete expense documentation will be returned.
7. Representatives must return to THBEA any excess reimbursement or allowance within 30 days of notification by THBEA or personal recognition of the overpayment.

IX. CONSULTANTS and INDEPENDENT CONTRACTORS

1. Consultants and Independent Contractors will only be employed where the expertise does not currently reside within the membership or leadership of THBEA.
2. The Secretary will maintain written contracts, clearly defining work to be performed, terms, and conditions. Such contracts will be maintained for all consultant and contract services.
3. Consultant services and expenses will be paid as delineated in the contract.
4. The Treasurer will prepare 1099 forms for consultants at year end.

X. PROPERTY and CAPITAL EQUIPMENT

1. Property is defined as all items (purchased or donated) with a unit cost of \$1000 or more and a useful life of more than one year.
2. The Treasurer will maintain an inventory log; which lists a description of the item, date of purchase or acquisition, price or fair value of the item, and its normal location.
3. The Treasurer will prepare a depreciation schedule annually for the audited financial statements.
4. The Treasurer will record all property in the accounting system. An entry must be made whenever property is disposed of or acquired.
5. Property may only be acquired as a result of a budgeted line item, or by resolution of the Board.

XI. LEASES and CONTRACTS

1. All dealings with third-parties with a total expenditure of \$2500 or greater, must have a written contract which details the work to be performed, the pertinent dates or deadlines, and the monies to be paid for expenses, honorariums, or other fees.
2. The Secretary will review all leases and contracts during the negotiation process and prior to submission to the Board for approval, if required.
3. All leases must be approved by the Board and signed by two Officers.
4. The Secretary will keep a copy of each signed and executed lease or contract on file.

5. The Treasurer will be notified of each lease or contract, and will make proper general journal entries for same in the accounting system.
6. All contracts must be signed by two Officers.

XII. INSURANCE

1. The Secretary will maintain reasonable and adequate insurance coverage to safeguard the assets of the corporation. Such coverage may include:
 - a. property and liability,
 - b. worker's compensation,
 - c. directors and officers' liability, and
 - d. other insurance deemed necessary by resolution of the Board.
2. The Secretary will carefully review insurance policies before renewal.
3. The Secretary will maintain insurance policies in the company record files.
4. Insurance policies renewal dates will correspond to the calendar year whenever possible.
5. The Secretary will prepare and maintain an insurance register for review by the Board each calendar year.

XIII. BOOKS OF ORIGINAL ENTRY

1. THBEA will utilize a double entry system to account for all funds.
2. All general ledger entries will have appropriate documentation.
3. The Treasurer will prepare a Statement of Financial Position, Statement of Activities, and Statement of Cash Flows to be reviewed by the Secretary at the end of each month.
4. Where appropriate, reports will include a comparison to the budget.
5. THBEA will maintain its accounting records on an accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles (GAAP).
6. The Treasurer will present to the Board, on at least a quarterly basis, reports summarizing the financial condition of the corporation, the expenditures and income for the current year compared to budget, and a forecast of cash flows for the remainder of the current year.

XIV. GRANT SOLICATION FROM THIRD PARTIES

1. THBEA may solicit grants from third parties to promote the objectives of THBEA.
2. The Board, upon receipt of a grant, will put in place the necessary infrastructure in terms of people and systems, to meet the requirements of the grant.
3. The Board will receive updates on any grant received at each meeting of the Board but at least quarterly.

XV. BUDGETS

1. The Secretary and Treasurer, with input from the line item responsible Representatives, will prepare the financial budget. The budget for the coming year will be presented to the Board for approval by November of the current year.
2. The Treasurer will ensure that budgets for all expense line items are on file.

3. The Board must approve any expenditure which exceed the budgeted amount by \$1000 or 20% of the budget line item, whichever is smaller.

XVI. LOANS

1. THBEA, as a policy, will not borrow money to conduct its affairs.

XVII. OTHER

A. MINUTES OF MEETINGS

1. The Secretary will prepare accurate minutes of all meetings of the Board and Standing Committees. The only standing THBEA committee is the Finance Committee.
2. The Secretary will note all items in the minutes relating to finance and take appropriate action.

B. NON-PROGRAM INCOME

1. The sale of merchandise or tangible goods by THBEA will constitute an inconsequential (as defined by the IRS) percent of the total income of THBEA.

C. FINANCIAL PROCEDURES

1. Financial procedures will be reviewed every two years by the Finance Committee.
2. The Board must approve changes to the financial procedures prior to implementation.

D. FORM 990

1. The Board, in conjunction with either an internal or external annual audit, will authorize the issuance of IRS Form 990.
2. The Treasurer will prepare or authorize preparation of Form 990.
3. Form 990 will be signed by the Chairman or the Treasurer.
4. The Board will receive a copy of Form 990 as filed with the IRS.
5. Form 990 will be kept with THBEA's official records. Copies requested by any legitimate source will be speedily made available by the Secretary.

E. AUDITS

1. The Board shall arrange with TBA, to have the TBA Audit Committee conduct a full audit of the books of THBEA, to be completed prior to the following first of April. This requirement is waived until the gross receipts of the organization consistently exceed \$250,000.
2. The THBEA Finance Committee will review the audit findings and recommend to the Board for their approval any necessary adjustments to THBEA's systems and/or the financial procedures.

F. PERSONNEL FILES

1. The Secretary will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.
2. No personnel files will be kept for volunteers, Officers, or Board members.

G. RECEIPT of PERSONAL GIFTS

1. No Representative of THBEA, in their role as a Representative, may personally receive a gift with market value of \$50 or greater from a third-party.
2. Gifts of token or "nominal" value, less than \$50, may be received by Representatives where the intent is not to influence their decision in favor of the party giving the gift.
3. This does not preclude THBEA Representatives from receiving compensation for their beekeeping expertise as a speaker at an event where they are not acting in their role as a Representative of THBEA but as an independent contractor with the event holder.

H. SOLICITATION of CONTRIBUTIONS and GIFTS

1. All Representatives of THBEA will comply with the Gift Acceptance Policy of THBEA.

I. CONFLICT OF INTEREST POLICY

1. All Representatives of THBEA will comply with the Conflict of Interest Policy of THBEA.

J. ADHERANCE to LAW

1. THBEA, and its Representatives will, to the best of their abilities, be in compliance with all applicable laws.
 2. Should THBEA, or its Representatives, become aware of a potential violation of applicable law by THBEA, the Board will convene at its earliest convenience to consider the matter, conduct appropriate investigation, and take action to correct the violation should an actual violation be found to exist.
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