**Washington County Master Gardener Association Financial Policies/Guidelines and Procedures**

**September 17, 2018**

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

**WCMGA Accounts with Banking and Non-Banking Financial Institutions**

1. Appointment of Authorized Representatives

At its December meeting, the Executive Board, by majority vote, will appoint Authorized Representatives to establish and oversee the chapter’s accounts at banking and non-banking financial institutions, and grant them the authority to act on behalf of the chapter in financial matters for the coming fiscal year.

* The Authorized Representatives of WCMGA with respect to the chapter’s checking and savings accounts at its commercial bank will normally be the ***President*** and the ***Business Manager***.
* The Authorized Representatives of WCMGA with respect to the chapter’s account at Square, or other mobile payment processor, will normally be the ***Business*** ***Manager*** and the ***Fundraising Director***.
* The Authorized Representatives of WCMGA with respect to the chapter’s account at Paypal, or other online payments system, will normally be the ***Business*** ***Manager*** and the ***President***.

The Executive Board may name as Authorized Representative a board member, other than those named above, if circumstances, such as current workload, interests and relevant skills, warrant, so long as the board position of the appointee allows reasonable separation of duties within the financial and accounting functions.

1. Delegation of authority by the Authorized Representatives (ARs)
	* The ARs will delegate limited authority over the chapter’s accounts at financial institutions to the ***Treasurer***, including signature authority over the checking and savings account, authority to view and download account activity at non-banking financial institutions, and authority to direct funds to be deposited from non-banking financial institutions to the WCMGA bank checking account.
	* The Business Manager, as AR over the mobile payment processor account, will set up the WCMGA account to grant Authorized Representative status to the Fundraising Director.
	* The Business Manager, as AR over the on-line payment systems account, will modify the WCMGA account to grant full access (consistent with the terms and conditions of the provider agreement) to the President.
2. The role of Fundraising Director, in addition to serving as one of the Authorized Representatives on the WCMGA mobile payment processor account, will include management of Point-of-Sale operations for the chapter. As manager for Point-of-Sale operations, the Fundraising Director will have responsibility for:
	* Maintaining custody of the mobile card readers and developing procedures for tracking them when in use;
	* Establishing written procedures for the use of mobile card readers at point-of-sale;
	* Enlisting responsible members to serve as credit and debit card cashiers at the chapter’s sales events;
	* Setting up, training and supervising credit and debit card cashiers; and
	* Scheduling credit and debit card cashiers for the chapter’s sales events.
3. Appointment of backup to the Treasurer

At the December Executive Board meeting, the board will appoint one member to serve as Treasurer pro tem during absences of the Treasurer for vacations, illness, or otherwise, for purposes of writing checks, making deposits and recording transactions.

* With the exception of the Business Manager, Executive Board members with signing authority over the WCMGA checking account, either current or outgoing, are eligible to serve as Treasurer pro tem.
* The outgoing Treasurer is also eligible to serve as Treasurer pro tem.
* The appointee will retain signing authority over the WCMGA checking account while serving in the temporary position.

# Budgeting and Financial Reporting

1. 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 business days.
	+ The board is responsible for ensuring that restricted funds are spent according to guidelines.
1. 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 coming 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.

1. 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.
2. The approved annual budget will be posted to the WCMGA Members website. The President is responsible for facilitating this posting.
3. 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.
4. 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.
5. 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.
6. The Treasurer will reconcile the monthly Checking and Savings accounts within two weeks following the end of the previous month and send the reconciliations to the Business Manager for review. The Business Manager will review the reconciliations on a monthly basis.
7. 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. The audit and inventory will be filed at the Extension Service offices.
8. When the Chapter makes payments to individual service providers totaling $600 or more during a calendar year, the Chapter is required to file a Form1099-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.
9. Surplus items are to be reported to the Business Manager for consideration of use for other Chapter activities before being removed or sold.
10. The Fundraising Committee is charged with exploring ways to generate additional income for the Chapter.

# Cash Handling, Check Requests, Reimbursements and Cash Advances:

1. 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 business 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.

1. 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.

Committee Chairs may not approve a Check Requests for themselves and Board Members may not approve a non-committee Check Requests for themselves. In these cases another Board member shall review and approve these Requests.

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

1. Check Request Documentation:

It is the policy of the chapter to reimburse members for expenses they incur on behalf of WCMGA, provided the expenses are substantiated and the request for reimbursement is properly documented and approved. The expense is substantiated if the original receipts for the purchase are attached to the Check Request Form when submitted to the Treasurer, provided that:

* If the receipt contains personal items, as well as items for WCMGA, the WCMGA items are clearly marked; and
* If, for any other reason, the check request is in an amount less that the receipt (for example, a third party paid for part of the purchase), an explanation of the difference between the receipt amount and the request amount is given on the “Description of Purchase” lines of the Check Request Form; and
* If the receipt is for a cash purchase, it is a written receipt from the vendor who provided the item(s) or service(s).

If the member who is making the request for reimbursement, does not have the original receipts, he or she may substantiate the expense with credit card or bank statements, provided the statements have sufficient information as to the date of purchase and description of the items purchased.

All requests for disbursement must be properly approved for payment before the Treasurer issues a check. Check requests may be approved by the Committee Chair of the activity or project for which the expenditure was incurred, or a board member with oversight responsibility. No members may approve payments to themselves.

1. 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).

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

The Committee Chair may submit a Check Request for a Cash Advance with the responsible Board member’s approval, or with the approval of the Business Manager, if the Board member is making the Check Request.

For one-time sales, such as a single day plant sale, the Cash Advance is turned in with the proceeds. The Committee Chair must notify 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 merchandize 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.

It is the policy of WCMGA to have a zero Cash Advance balance on its books at year end.

# Donations

1. 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.

1. Financial Reporting IRS Requirements for 501 (c)(3) when revenues exceed $50,000 per year: We will continue our practices for acknowledging donations, but not attempting to assign a dollar value. Acknowledgements are to be copied to the Treasurer. Contact the OMGA Treasurer for guidance when/if we meet the $50,000 per year revenues threshold.

# Grants from and to WCMGA

1. Grants-Process for handling reimbursements for Chapter Community Grants: Requests for reimbursements under Chapter Community Grants are made to the Project Director, following grant-related purchases. The Chapter Member who is the Project Sponsor reviews Check Requests to ensure the following:
2. Receipt(s) are attached and grant-related items circled, if there are unrelated expenditures on the receipt, and
3. That the Check Request is fully completed, including a description of the purchase(s), and
4. That there are sufficient grant funds remaining to cover the expense, and
5. The use of the funds is for the approved purpose(s).

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.

1. 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:

1. 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)*.*
2. Director 4 will present the grant information to the Fundraising Committee or to the Board based on the above criteria.
3. 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.
4. The Chapter President signs Board approved grant applications on behalf of the Chapter.
5. For grants reviewed by the Fundraising Committee, Director 4 signs the *WCMGA External Grant Review Form* on behalf of the Chapter.
6. Director 4 will notify the Board of any awarded grants.
7. 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.
8. Accounting and Financial Reporting for Grant funds provided to the Chapter from other organizations.
9. Each grant submission must include a lead person who will be responsible for overseeing grant activity and reporting.
10. Each grant submission must identify the person(s) responsible for the accounting and financial reporting of grant activity.
11. 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.
12. Financial and narrative reports submitted to the funding agency/organization will be copied to Board members.
13. 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.
14. Corporate donations to WCMGA that are on-going and either customer-directed (e.g., Kroger-Fred Meyer) or employee-directed (e.g., Intel) will be managed by the Treasurer once the donor relationship has been established by the Fundraising Director or other WCMGA member. Responsibilities of the Treasurer will include the following:
	1. Maintaining the documentation required by the donor or donation administrator (e.g., Benevity),
	2. Maintaining current contact information for WCMGA and for the donor,
	3. Receiving and accounting for the periodic donations, and
	4. Reporting the donations to the Executive Board and the membership.

# Chapter Community Grants

1. 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**

1. 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.

**Appendix**