

THSIMB Financial Policy

Purpose

The purpose of the THSIMB Financial Policy is to provide a structure for THSIMB Board members and general membership to follow to achieve the greatest possible accuracy, timeliness and transparency over the documenting, authorizing and recording of financial transactions.

Consequences

Failure to follow the Financial Policy could result in various repercussions as determined by the THSIMB Board or the general membership, or result in a violation of the law and be punishable by the appropriate legal authority.

Section 1 Fiscal Management of the Organization

- a. The fiscal year begins June 1 and ends on May 31 of the following year.
- b. A budget for operating expenses for the next fiscal year will be developed by the Band Director by May 1 and will be presented to the Budget Committee for review, discussion, adjustment, and acceptance by the budget committee and the Board of Directors. Then the budget will be presented to the general membership at a meeting to be held no later than May 31, where the budget and THSIMB fees will be presented for acceptance by a majority vote with a quorum as defined in Article IX, Section 9.4 of the THSIMB Bylaws.
- c. The approved budget will serve as authorization for the Band Director to incur expenses to run the program activity within the limits as defined by the budget.

Section 2 Contracts

The President, or his/her authorized agent/representative with prior approval may enter into a contract, lease, or purchase agreement on behalf of the organization. The general membership must approve in advance any contract, lease, or purchase with a total value in excess of \$200 (which is not a line item in the approved budget), except in the case that meets specifications in Article X, Section 10.3. Any contract, lease, or purchase, with a total value of \$200 or less (which is not a line item in the approved budget) must be authorized by the Board of Directors. Unless authorized to do so by the Board of Directors, no officer or agent shall have any power or authority to bind the organization by any contract or engagement or to render it liable monetarily for any purpose or for any amount.

Section 3 Disbursements

- a. In an emergency, the President, by virtue of his/her office, is the only Board member that may authorize disbursement of funds up to \$500 per expenditure with a limit of \$2,000 per fiscal year at the President's discretion and additional funds with the consent of the majority of the Executive Board. For amounts exceeding \$500, consent is needed from the general membership. In the absence of the President, emergency disbursements must be authorized by a majority of the remaining elected Board members.
- b. The Fundraising Chair person with the approval of the President, may request start up funds for income generating fundraisers. However, most funds should be authorized at the Board meetings.

Section 4 Checks, Drafts, Debit Cards, Withdrawals, or Other Orders to Pay

- a. The Treasurer is authorized to make payments for THSIMB operating expenses within the budgeted amounts with the appropriate authorization. Payments should normally be made by writing checks, but other payment methods (e.g., direct debit, debit card (as per Section 4b.), automated clearinghouse (ACH)) can be used if approved by the Board President and one other Board Member through the use of a payment request form.
- b. Debit cards may be issued to the Treasurer, President or one other Board Member or Committee Chair, as needed, and may only be used for THSIMB operating expenses. Debit card use should be restricted to time sensitive payments, expensive items that would be unreasonable for anyone in the general membership to cover while waiting for reimbursement or cases where other forms of payment are not accepted. A payment request form should be filled out and any electronic receipts should be printed to provide a hard copy. All documentation should be retained as outlined in the THSIMB Bylaws Article X, Section 10.1c. When a cardholder ceases being a Board Member or Committee Chair, the debit card will be surrendered to the Executive Board.
- c. Requests for payment or reimbursement for budgeted and approved items should be submitted to the Treasurer within 30 days of receipt.
- d. All orders for the payment of expenses not included in the budget, or in excess of budgeted amounts, shall be authorized by the President and signed by the duly authorized officers of the Boosters or as shall from time to time be determined by resolution of the Board unless excluded in section 3.
- e. The outgoing Treasurer must provide new signature cards by May 31st for banking purposes.
- f. All account activity during each monthly period shall be reported to the Board. Accounting reports should be shared regularly with the general membership.

Section 5 Deposits

- a. Unless otherwise restricted by the Board, any deposits made on behalf of the organization may be made by the Treasurer or anyone designated by the President or Treasurer.
- b. Deposit amounts should be confirmed and tally sheets should be signed by two Board Members or Committee Chairs who have counted all the checks and currency related to said deposit. Band fees may be counted, confirmed and recorded by the Director and the Treasurer prior to a deposit.
- c. Deposits may only be made to specified accounts for the sole benefit of the operation, and in the name of THSIMB, in a designated and authorized financial institution.
- d. In order to alleviate personal liability of Treasurer, band director or other THSIMB Executive Board or general members handling cash or check proceeds, deposits should be made in a timely manner and only after the proper tracking forms have been completed.
- e. For prolonged fundraising and sales where proceeds are to be held, every effort should be made to place said proceeds in the THSIMB safe until such time as a bank deposit can be made. The Treasurer should have the key while the President retains the combination. At no time should any Board Member have both, thus preserving dual control.
- f. All activity during each monthly period shall be reported to the Board and made available to the board when requested. Accounting reports should be shared regularly with the general membership.

Section 6 Returned Checks/Insufficient Funds

THSIMB collects money from the general membership and/or the public as fees or as part of fundraising activities. If a check is returned or a payment account is found to have insufficient funds, the Treasurer will solicit full payment and any related fees that THSIMB incurs from the offending party. Returned checks are subject to a \$25.00 fee. After three returned checks or other case where insufficient funds are encountered, THSIMB reserves the right to require that all future payments be made either in cash or by cashier's check.

Section 7 Scrip Program Overview

Scrip allows families to order gift cards for any use and a percentage of each gift card purchased (rebate) will go directly to THSIMB. Rebates to THSIMB will be considered fundraising proceeds and used to directly support the instrumental music program.

Scrip orders will be placed on-line by accounts created by individual families. The THSIMB Scrip coordinator reviews family orders then releases them to be processed by Great Lakes Scrip Center.

Orders will be paid using PrestoPay or by a credit card added to an account. PrestoPay is a convenient payment system available on ShopWithScrip.com. When you use PrestoPay your order payment is transferred securely is electronic debit, using the same electronic payment transfer used by direct deposit systems. Scrip also allows users to add a credit card to their account; however, credit card use adds a 2.6% fee to the purchaser, which does not affect the rebate.

If an account has insufficient funds to pay for an order and the order has not been approved and released by the Scrip coordinator, the order can be cancelled and THSIMB will be required to pay the fee designated by the Great Lakes Scrip Center (\$30 as of 2019). If the order has been approved and released by the Scrip coordinator, THSIMB will be charged the face value of the order and will be required to pay the fee designated by the Great Lakes Scrip Center. In either scenario, THSIMB will then seek reimbursement from the family to cover any fees as described in Section 6 of this document.

Orders of electronic gift cards will be stored in the MyScripWallet mobile website and an email will be sent to the family when those cards are available. Orders of physical gift cards are placed on a designated day, they are shipped via UPS and the coordinator picks them up, signs for them with ID. The sealed package is opened by the coordinator in the presence of a second party and the cards are verified by both parties as they are opened. Both the coordinator and the 2nd party verifier signs off that the contents of the package matches the order sheet. The cards are sorted by family and stored at the coordinator's house until arrangements are made for pick up.

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