

Noddin Home and School Club Financial Policy

Purpose and Objective

The Noddin Home and School Club (herein referred to as, "NHSC") commits to maintaining accurate and complete financial data as well as providing timely updates to the membership.

Fiscal Year

- NHSC's fiscal year begins on August 1st and ends on July 30th of the following year.

Authority

- The Executive Board authorizes the Treasurer to:
 - receive funds
 - pay expenses
 - maintain bank accounts
 - maintain accurate accounting records
- The general membership is authorized to approve the annual budget.
- The Executive Board is authorized to manage expenses within the parameters of the overall approved budget, reporting to the membership on variances, and the reason for these variances.

Budget

- An annual budget shall be prepared by the Officers, with input from the Principal and committee chairs. It is to be presented at the general membership for approval at a meeting preceding the beginning of the fiscal year. The approved budget shall be presented at a meeting at the beginning of the fiscal year.
- A reserve 'rainy day fund' equal to 20% average of the operating costs of the prior 2 years should be maintained, in a separate account, to pay for commitments if budgeted fund balances are not met.

Bank Accounts & Cash Management

- All bank accounts to be transferred over to the new NHSC Officers: President, Vice President, Treasurer, and Assistant Treasurer at the beginning of the new fiscal year.
- All check/payment requests and expenditures must be authorized by two of the following Officers: President, Vice President, or Treasurer.
- One cannot sign a check or approve payment for their own expenses.
- The signing of blank checks is prohibited.
- The Treasurer has the authority to distribute funds more than the approved budget to a maximum of 10% of the budgeted line item or \$100, whichever is less. Expenditures more than this amount must be presented to the Board and/or membership for approval.
- The Officers have the authority to approve with the majority vote any expenditure up to \$500 more than the approved budget. The Officers have the authority to approve with the majority vote any unbudgeted expenditures up to \$500 from surplus.

- The Executive Board must approve by two-thirds (2/3) majority vote any unbudgeted expenditure greater than \$500.
- Budget transfer between line-items must be proposed and voted on by the Executive Board and affected committee chairs. Two-thirds (2/3) majority of Executive Board and the affected committee chairs will constitute approval.
- All monies collected by any committee, school event, or fundraiser in the name of the NHSC shall be counted and deposited in the NHSC safe upon collection by the event chairperson. If monies cannot be counted on the day of the event, it should be counted and deposited into the NHSC safe within 3 business days of the event.
- All monies must be deposited within a timely manner. Monies shall be held in an NHSC safe until monies can be deposited.

Financial Statements & Record Keeping

- An accounting system with an accurate record of expense and receipt transactions must be maintained.
- Transactions must be entered into the system at least weekly to provide timely and accurate reporting.
- Supporting documentation must be maintained for all transactions.
- Electronic and paper records should be maintained for at least 7 years.
- A monthly report of revenue and expenditures, budget comparisons and funds balances must be prepared and presented to the membership at the monthly board meeting.
- A review of the financial records by a CPA certified accountant should be performed every two years by an individual nominated and approved by the Board. The qualified accountant must review the financial records including the:
 - general ledger
 - check register
 - cash receipts journal
 - bank statements
 - budget vs. actual report
 - summarize any findings in a signed report presented to the membership at the subsequent Board meeting

Tax Reporting

- The Treasurer is authorized to retain the paid services of a qualified outside tax preparer.
- NHSC meets the requirements of Internal Revenue and therefore is exempt from federal and state income taxation. NHSC is still required to file exempt organization information returns with the IRS and the State of California Franchise Tax Board annually.
- NHSC's tax filing deadline is December 15th.

Insurance

- NHSC will add Union School District as an additional insured to its insurance policy and provide Union School District with a copy of the Certificate of Member Insurance and Additional Insured Endorsement annually.

- Copies of all current insurance policies must be maintained with the permanent NHSC records.