

## Statement of Operating Procedures:

### 2. Financial Operations

2.1 Accounts payable: The following practice shall be observed regarding processing invoices for payment through the organization:

1. Invoices received via mail, email, hand delivery, fax or otherwise shall be date marked by the Executive Director (or designated administrator).
2. They shall be coded as to what account to be billed against.
3. Once coded, the Executive Director shall approve the expenditure by initial or signature and forward the invoice to the Bookkeeper for check creation.
4. The Bookkeeper shall examine the invoice to make sure there are no abnormalities, errors and that the expenditure complies with the budget. If any changes are made as to where the invoice shall be applied in the budget the change will be noted and endorsed by the Bookkeeper on the invoice.
5. If approved, the Bookkeeper should initial the invoice as approved, enter the invoice into the bookkeeping system, and print a check.
6. If not approved, the Bookkeeper should return the check to the Executive Director for further documentation.
7. Ideally, the Bookkeeper will prepare checks for signing once every two weeks for presentation to the Treasurer.
8. The check must be signed by two signatories on the account.
9. The check and the invoice will then be copied for the financial file.
10. The check will then be mailed to the recipient.

2.2 Board financial reports: The following practice shall be observed regarding preparing Board reports for the monthly Board of Directors meeting:

1. The Finance Committee will meet before the Executive Committee meeting. The Executive Director, Treasurer and Bookkeeper shall discuss the financial report for the preceding month.
2. The Bookkeeper shall provide a Profit and Loss, Class Report with a budget comparison, Balance Sheet, General Ledger and Bank Statement Reconciliation Report for inspection.
3. The Bookkeeper and Executive Director shall answer any questions that the Treasurer has so that he/she will be ready to present to the Executive Committee and Board of Directors.
4. The Treasurer and Executive Director shall, at this time, view the bank statement, its reconciliation and related canceled checks. If satisfied, the Treasurer shall approve the reconciliation by signing it.
5. The Treasurer shall present the financials to the Executive Committee and answer any questions.
6. If satisfied, the Executive Committee shall place the Financial Report on the agenda for the Board of Directors.
7. The Treasurer shall present the financials to the Board of Directors and answer any questions.
8. If the financials are acceptable the Board of Directors shall approve them, thereby dispatching their fiduciary obligations.

## 2.3 Cash and checks in the office, reimbursements and company credit card:

### 2.3.1 Cash and checks:

Checks for deposit received via mail, email, hand delivery, fax or otherwise shall be handled in the following way:

1. A copy of the check shall be made by staff and attached to the relevant project file.
2. The Bookkeeper shall make a copy of the check for the financial files, and enter the deposit into the bookkeeping system.
3. The Executive Director, assigned staff or Bookkeeper shall make the deposit and obtain a receipt.
4. Cash received shall be logged with a triplicate receipt. A copy shall be given to the purchaser where possible, kept on file with the deposit slip, and given to the Bookkeeper.

### 2.3.2 Credit card:

- The credit card shall be used only for purchases as approved by the Executive Director or Treasurer where an invoice or check cannot be generated, such as an online purchase, Costco purchase, restaurant purchase or similar.
- All credit card receipts shall be placed in the Bookkeeper's in tray.
- Upon receipt of the monthly credit card bill the Bookkeeper shall collate the receipts and attach them as documentation to the bill.

### 2.3.3 Reimbursements for employee purchases:

- Personal reimbursements shall be discouraged. The credit card shall be the preferred method for purchases that cannot be handled via an invoice and check.
- Staff who has expended their own funds for organizational activities must complete the Hillcrest Business Association Reimbursement Form as established in the employee manual (SOP #3).
- In filling out the form the employee will explain why it was necessary to use personal funds as opposed to the credit card or requesting an invoice.

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