

# **Fiscal Stewardship Policies and Procedures**



**My Local Council  
Boy Scouts of America**

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## Fiscal Stewardship Policies and Procedures

In fulfilling their role to provide character and leadership development programs to youth, councils must be good stewards of the resources to support these programs. As such, the \_\_\_\_\_ Council has approved these policies and procedures to protect its financial and physical assets.



**Policies** are adopted by the council executive board and may be updated from time to time in order to comply with current conditions. In all cases they are to be in compliance with the policies of the Boy Scouts of America, as well as law and government regulations.

*The fiscal stewardship policies contained herein were updated and approved by action of the council executive board on \_\_\_\_\_.*



**Procedures** are implemented by the authority of the Scout executive in accordance with the council and BSA policies. They are intended to provide direction for the council staff and volunteers who may be engaged in council business. They may be updated by council management and do not require approval of the executive board.

*The fiscal stewardship procedures contained herein are in accordance with approved policies and were updated on \_\_\_\_\_.*



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## Funds and Assets Received

### Cash Receipting

#### Policy:

1. *All funds received, including cash, checks, and credit card payments, shall be receipted immediately upon receipt through the point-of-sale software at the council office(s), through the receipting system at the camp(s), or through approved online systems accessible through a website or portable credit card receipting software.*
2. *No checks shall be cashed nor funds disbursed from the cash received regardless of location or purpose.*
3. *All systems allowing credit card transactions shall be compliant with Payment Card Industry standards.*

#### Procedures:

##### Council service center

- Point-of-sale and fundraising software will be used to record all funds received at the council service center. The following employees will have management level access to the system to control permissions of employees authorized to transact business or make inquiries: *[List positions.]*
- Each employee with permission to use the point-of-sale and fundraising software will use a unique log-on ID and password to access the system. The following employees will be able to use the system to transact business: *[List positions.]* Since the *[list title or position]* will be responsible for entering/posting cash receipts into the general ledger software, he or she should not be receipting funds.
- A locking cash drawer will be used and receipting will occur in the following locations: *[List locations, cash drawer descriptions, etc.]*
- Checks, bank drafts, and money orders will be stamped "For Deposit Only" upon receipt.
- Credit card and debit card transactions will be processed directly through the point-of-sale and/or fundraising software using integrated hardware capable of EMV (Europay, MasterCard, and Visa) technology for reading embedded chips. *[If using another system, describe process.]*
- Each person assigned a cash drawer will be responsible to balance his or her drawer at the end of their workday. Upon balancing the drawer, all cash (including the change fund), checks, signed account charges, and credit card slips will be *[List method for securing funds, such as placing in locked safe.]*
- The *[list title or position]* or designated backup person will be responsible for producing the following daily reports: *[List reports.]* The reports will be submitted to *[List position and method—printed, email, server location, etc.]*

##### Camps

- *[The same general procedures followed at the service center may be used for each camp or satellite office. Of course, a camp may have a different operation in the summer and require different procedures from its year-round operation.]*

## **Fundraising Pledges**

Fundraising records are a very important part of the council's history. Contribution records must be saved for seven years in order to verify a taxpayer's claim of a contribution. In addition, the council is responsible for issuing annual contribution statements and billing statements to contributors.

### **Procedures:**

- Fundraising records must be maintained. When a commitment has been received, it shall be recorded with the correct name, address, phone number, campaign, district, division, community, and worker at the time it was received.
- The name shall reflect the contributor, no matter how or with whom the solicitation was initiated. Business contributions shall be recorded in the name of the business; the contact for that business must also be recorded.
- To the greatest extent possible, the names of parents shall be recorded for the family Friends of Scouting effort.
- All billings for less than *[insert dollar amount]* shall be billed using June as a last billing date. Operating contributions of *[insert dollar amount]* or more can be billed through the end of the year. Billings for capital or endowment campaigns can be extended for three to five years.
- Thank-you forms will be sent to all contributors of less than *[insert dollar amount]*. A letter of thanks will be sent to all contributors of *[insert dollar amount]* or more. Thank-you forms and letters will be created monthly. The fundraising software will be updated to indicate who has been thanked.
- Pledges will be credited to only one division of a campaign. The division assigned to the prospect will receive credit for the contribution, regardless of who made the solicitation, unless the prospect was specifically released by the district that had the original prospect listing. All disputes will be settled by the Scout executive.
- Incomplete records will be given to *[insert title or position]* for resolution prior to recording in the fundraising software.
- To indicate that a contributor cannot fulfill a commitment, the contributor will be removed from future billings and a note will be entered in their record indicating their inability to fulfill their commitment.

## **Fundraising Payments**

### **Policy:**

<i>All forms of fundraising payments will be processed for deposit immediately upon receipt.</i>
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### **Procedures:**

- All checks and cash received for fundraising payments will be separated into two batches. One batch will be reconciled to the mail log, and the second batch will be reconciled to payments being presented from an employee with a fundraising audit sheet accompanied by the appropriate field receipts.
- A deposit slip is completed for each batch. The deposit is taken to the bank daily.
- Each batch is entered into the fundraising software, matching the accounting and transaction dates to the date of the deposit. After the batch is entered, a GL distribution report is generated in the fundraising software and reconciled to the deposit slip. A copy of the report is then forwarded to the accounting specialist *[insert or title or position]*.
- The batches are automatically posted to the general ledger in an overnight process.
- The following business day, the *[accounting specialist or other title or position]* reconciles the GL distribution report with the general ledger software.



**Contributions of Stock**

It is the council's policy not to hold stock but to convert it as soon as is practicable into cash. The following is the process of valuing and handling stock.

**Procedures:**

- All notifications regarding contributed stock must be given to the Scout executive.
- The Scout executive or *[list position, if appropriate]* determines when the donor gave (transferred) the stock to the council.
- The Scout executive or *[list position, if appropriate]* shall notify the broker about the stock to be sold and provide the necessary paperwork to effect the sale. The sale amount will be the amount of the pledge and payment.

## **Online Payments**

### **Procedures:**

- The council utilizes a web-based system allowing individuals and units to make reservations and payments online through the council's website. An outside vendor, *[insert vendor such as Doubleknot]* administers this system—they adhere to the council's privacy policy and satisfy information security concerns.
- On a daily basis, the *[list title or position]* pulls transaction details from the *[insert vendor]* system and submits them to the *[list title or position]* to be processed through the point-of-sale software. A separate bank account may be used to process electronic checks since clearing times vary by bank. *[Please insert specific account, if applicable.]*

**Noncash Gifts — Gifts in Kind****Policy:**

<i>[Insert council's gift acceptance policy summary.]</i>
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**Procedure:**

- Contributions to this council are encouraged to be in cash. Any contribution may be paid by a gift of services or materials instead of cash as a “gift in kind.” These are in lieu of cash, a check, or credit card. Under these circumstances, it is important that all employees understand the applicable rules.
- Before a gift in kind can be accepted, it must be cleared by the Scout executive or [list position, if appropriate]. Contributions must be usable in the operating fund, and they must be budgeted in the current year. Any contributions to the capital fund must be cleared ahead of time.
- Contributions will be credited at fair market value at the time they are received.
- When payment is received, it will be charged to the relevant expense account as well as credited to the appropriate pledge receivable account within the same fund.
- Thank-you letters are to be written to the person or persons who have furnished this type of contribution and should describe the gift and the council’s appreciation for it. Unless there is a determined value and the council is specifically instructed to do so, the valuation will not be stated in the letter.

## **Mail Log**

### **Procedures:**

- Two employees open the mail together each day and record the receipt of any money in a mail log. The log includes fields showing the date, amount, and purpose(s) for each item. After the daily mail log is completed, a copy is printed and signed by the two employees who opened the mail.
- All monies are recorded electronically or manually on two mail logs. One mail log is for fundraising payments; the other is for all other payments. After the mail logs are completed, a copy of each log is printed and signed by the two employees who opened the mail. The copies are then placed in the council's mail logbook.
- The mail log is distributed electronically to all office employees daily to ensure all support staff are aware of what money came in and to make sure it is posted to the correct general ledger account.
- All of the mail, except fundraising-related payments, is then receipted in the point-of-sale software by someone who did not open the mail.
- The software generates a receipt which is attached to any supporting documentation.
- The fundraising payments are attached to a copy of the fundraising mail log and forwarded to the *[insert title or position]*. A deposit is prepared for the bank, reconciling to the mail log.
- The *[insert position or title]* records the fundraising payments in the fundraising software, and a GL account distribution report is generated and reconciled to the deposit. Once reconciled with the fundraising software, the report is distributed to the *[list position or title]* to be reconciled with the general ledger the next business day.
- After a batch is committed in the fundraising software, a journal entry is automatically posted to the general ledger overnight.

## **Field Receipts**

### **Procedures:**

- An official BSA or LFL field receipt will be issued for all monies received outside of the council service center or camps for donations made in person at the council service center. No other manufacture or purchase of receipt books is permitted or recognized.
- BSA or LFL field receipt books are issued to all council personnel and replaced as they are used. On occasion, it may be necessary to issue field receipt books to volunteers. Receipt books are issued by the *[insert title or position]* and will utilize the existing “internal control and audit data” contained on the first page of the field receipt book.
- All field receipts are prenumbered, consist of three copies, and are to be issued to a specific person. The *[insert title or position]* shall periodically check to identify and verify proper usage of field receipts.
- Field receipts should be completed in ink with sufficient pressure to make all three copies legible. The council will issue a new field receipt book when the current one is used. Extra books are available for large events.
- Each of the three parts of a field receipt has a specific purpose. The white (top) copy shall go to the original payer. The yellow copy shall accompany cash receipts turned in to the council service center. The pink copy shall be kept with the field receipt book, which will be turned in when a new book is issued.
- All copies of the field receipts must be accounted for. Voided receipts should be clipped to the pink copy of the cash receipt when the field receipt book is turned in.
- Completed field receipt books are to be kept for two years.

### **Collections — Accounts Receivable**

From time to time, the council will extend credit to outside groups for the purchase of Scouting materials. These groups might include churches and chartered organizations. The transactions become store sales where sales have occurred, but the council has not received payment.

During the council's product sales, the units receive goods to sell. The council then incurs a receivable from the units. If a unit fails to pay in full its obligation to the council, after attempts to collect the funds fail, the amount should be written off prior to year-end.

Other uncollectible accounts receivables include returned checks. If efforts to collect on these checks fail, the check amount should be written off.

#### **Procedures:**

- The *[insert position or title]* is responsible for making collection attempts by phone, written letter, or email. If a receivable is not collected within *[insert number of days or months]*, notification of bad debt will be sent to *[insert accounting specialist, or other position or title]* to be written off.
- The three accounts used for accounts receivables are Units (1241), Other (1242), and Returned Checks (1243).
- If units fail to fulfill their obligations, the uncollectible amount will be written off to Uncollectible Debts (9417), with a credit to account 1241.
- If other creditors fail to fulfill their obligations, the uncollectible amount will be written off to Uncollectible Debts (9417), with a credit to account 1242.
- The amount of returned checks that is uncollectible will be debited to the original income source, with a credit to account 1243.

**Custodial Accounts****Policy:**

*No monies for an activity, camp, special event, or product sale should ever be recorded in custodial accounts. No monies shall be disbursed or deposited to a custodial account without authorization from the organization that owns the account.*

**Procedures:****COUNCIL-HELD UNIT ACCOUNTS**

- The council will keep accurate records of all money received in the unit account, from whom the money was received, and to whom dollars are dispensed from the unit account.
- The council will communicate unit account balances to the unit committee chairman at least annually.
- If a unit becomes inactive for a period of 12 months, account balances are to be moved to Funds of Inactive Units, account 2782. The Funds of Inactive Units balances are allocated to council operations after *[insert number of months according to council policy]* months of inactivity.

## **Change Funds**

### **Procedures:**

- The council will create and maintain a change fund of no more than *[insert dollar amount]* for each cash drawer. It will consist of *[insert cash breakdown, number of rolls of dimes, number of \$5.00 bills, etc.]*
- Each cash drawer shall start out with this exact amount of money each day.
- Each person working in the point-of-sale software will have his or her own cash drawer and will be personally responsible for the money in it even if lunchtime and breaks are taken.
- No one other than the owner of the cash drawer may handle the cash in that drawer until it is turned over to the *[insert title or position]* for verification.
- The *[insert title of position]* will receive the drawer each evening and will promptly count out the change fund in the denominations listed above and put the drawer in the safe. The balance of the drawer will be put into a money bag and labeled "balance of *[drawer number]* for *[date]*."
- Each morning, the cashier shall count and verify the contents of the drawer prior to using it in the day's business.
- Each morning, the *[insert title or position]* will count and verify the balance in the money bag and deposit it with that day's receipts.



**Bank Deposits****Policy:**

<i>All deposits are to be taken to the bank each business day.</i>
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**Procedures:**

- During business days when any money is received, deposits will be made into the council's primary bank account. Deposits can be made in several batches for the same day or one deposit for the entire day's receipts.
- At least one deposit ticket will be used for each day's business regardless of the size of the deposit.
- The council will not hold money exceeding *[dollar amount]* overnight on the council premises, except the next day's change drawer(s), petty cash, and money received after the daily deposits have been made.
- The Scout executive must give express permission to open deposit accounts. Only the persons authorized on the banking resolution will be authorized to sign for all deposit accounts.
- The council may open deposit accounts in cities other than the city in which the council office is located in order to serve district needs and other council needs. The Scout executive must give permission for every account.

### **Recording Bank Deposits in Accounting Software**

#### **Procedures:**

- Transactions from the point-of-sale software should be uploaded into the general ledger software daily.
- Transactions are to be labeled with a source code of TP in the general ledger software.
- Transactions shall be reconciled to the bank deposit for each day.
- Transactions shall be posted in the general ledger software daily.

## Funds Disbursed

### Budget

#### Policy:

***Budget and Expenditure of Funds***—The council executive board shall, preceding the commencement of each fiscal year, consider and adopt a budget of estimated expenditures for such fiscal year. No funds shall be expended during a fiscal year without the authorization of the executive board or the executive committee for any item not covered by, or in excess of, the amount authorized by the budget for such year.

#### Procedure:

- Budgets will be created for all regular council expenditures, all self-sustaining events, and all Operating Fund donor-restricted contributions. An operating budget is always necessary, but expenses (other than depreciation) in the capital or endowment funds must be part of an approved budget. Expenditures for items to be capitalized will require specific approvals.
- If applicable, the financial numbers from the long-range plan will be entered into the general ledger software and updated each year.
- Budgets submitted by staff members and operating committees will be entered into the general ledger software upon being approved.
- Each staff member will be responsible for assigned project codes and or functional grouping of project codes. Budgets will be reviewed and revised as needed.
- Each event shall be charged *[insert number]* percent for indirect expense (council support) and the appropriate share of direct expenses. (See the cost-sharing procedure.) A *[insert number]* percent difference will be considered between total revenues and total expenses for contingencies. At the conclusion of the current year's activity, it shall be the responsibility of each event committee to review and revise the current year's budget and submit a draft budget for next year. All camp and activity budgets will be reviewed and revised as needed.
- All budgets shall be expressed as income accounts that show all different types of income and all different classes of expenses by account number for the event. No expenses will be netted to income.
- Each staff member responsible for activity, training, camping, and special event budgets will ensure these budgets are closed out within *[insert number]* days following the event.
- Donor-restricted contributions in the operating budget should be budgeted as closely as possible based on the information management has about them.
- Employee PDS goals should include the staff member's stewardship of budgeted events.

- Contributions of services and materials instead of cash will result in a charge to the budget item affected by the type of service or material. The contribution will be recorded using the appropriate project code for the camp, activity, or special event.
- Reports showing account details can be printed using the general ledger software. Management staff can take advantage of several different reports to assist in the budgeting process.
- The budget for the coming year shall be presented to the executive board in *[insert month]* for approval each year.

## **Purchase Orders**

Sound business management of a council requires that a purchase order system be in place to control expense obligations that the council accrues. Placing an order for services or materials requires a purchase order.

### **Procedures:**

- A Request for a Purchase Order must be completed in order to obtain a purchase order.
- The Request for a Purchase Order form is to be completed including the vendor, address, and telephone number from whom you intend to make the purchase as well as quantity, description, and cost of items, and the account number to which this should be expensed. The request must be signed by the employee requesting the purchase order and submitted to *[insert title or position]* for approval and processing.
- Purchase orders shall be prenumbered and consist of three copies. A completed purchase order should specify the vendor, purpose of the purchase, account to be charged for the purchase, and signatures of the authorizing member of management.
- The original copy of the purchase order shall go to the vendor. The second copy goes to the person requesting the purchase, and the third copy is kept as a control copy in the accounting office.
- If a remote site needs a purchase order, the requestor at the remote site should call or email the main office, provide the necessary information, and request a copy of the original purchase order from the main office.
- When the vendor invoice has been received (at any site), the second copy of the purchase order should be sent to accounting where the volume and dollar amounts on the invoice are checked and approved. The copy should then be attached to the invoice for payment.
- Voided copies of the purchase order should be stapled to the control copy.
- *If the council elects to use an electronic purchase order system, the approval process and document retention shall be the same as outlined above.*

**Invoice Approvals****Procedures:**

- It is the procedure of this council to pay its obligations on time and to be a responsible steward of its resources.
- Federal, state, and local payroll income and FICA taxes will be paid by the third working day after the payroll has been issued through IOIPay.
- Unemployment taxes will be paid by the *[insert number]* day of the month following the month in which the liability occurred (or according to state law requirements), if applicable.
- Benefits deductions withheld from a month's payroll will be paid no later than the 15th day of the following month.
- Payroll deductions withheld for employee 403(b) or thrift plans will be forwarded to the appropriate vendor immediately following each payroll.
- To ensure timely payment, vendor invoices must arrive at least *[insert number]* business days prior to the due date expressed on the invoice or 30 days from the invoice date in the absence of any other information.

## **Check Requisitions**

Check requests are used to reimburse an individual or vendor for an expense that has already occurred and for cash advances.

### **Procedures:**

- Check requests can be generated by any staff member but must be approved by a person with budget approval authority. *[List titles or positions.]*
- Supporting documentation (original receipts, invoices, etc.) is required before payment is processed.
- Checks made payable to staff members shall be approved by the staff member's supervisor.
- Check requests shall be recorded like any other invoice with the date of the check request, the payee, and the date the payment is due.
- Checks are produced *[insert weekly, bimonthly, etc., as appropriate]*. Approved check requests received by the third working day of the week should be ready for disbursement on Friday of the following week. *[Customize this to your process.]*

## **Issuing Checks**

### **Policy:**

*All checks issued by the council require signatures from two individuals specified by annual resolution. At no time will blank checks be signed.*

There are three ways that cash can be disbursed in the council. One is through the petty cash fund, the second is by cash disbursement check, and the third is by electronic funds transfer (bank wire). The Scout executive shall be responsible for all cash disbursements as delegated to *[insert title or position(s)]*.

### **Procedures:**

- All approved invoices are entered daily into the Accounts Payable software, paying careful attention to the accounting date for the invoice, the payment due date, and the invoice date. No backdating of invoices is permitted, to maintain the integrity of the prior, closed monthly statements.
- After entering all approved invoices, an edit list is printed to verify the vendor, dates, and amounts. When the information has been verified, a transaction register is created and the information is distributed to the general ledger using today's (the current) date.
- Vendor invoices and attached purchase orders are filed alphabetically in the accounts payable file for future payment.
- After approved invoices have been entered and distributed to the general ledger, they will be verified with the aging report.
- Invoices will be paid with checks issued *[indicate frequency]*. The *[insert title or position]* will indicate which invoices are to be paid by marking them on the aging report. The list of invoices to be paid may be modified according to the instructions on the aging report.
- When the set of invoices is acceptable, the *[insert title or position]* will sign the report, indicating approval of the invoices to be paid.
- Checks are printed, attached with related invoices and purchase orders, and presented to the *[insert title or position]* for signing. Checks and documentation are kept together until signatures have been affixed.
- The *[insert title or position]* is to take the approved checks with related documentation to the authorized signers. (Two signatures are required on all checks.)
- After all checks have been signed, an audit copy of the check is attached to the invoice and purchase order documentation. It is filed alphabetically in vendor files. Specific files may be created for regular vendors, but



- Miscellaneous files in alphabetical order can be used for all vendors who do not have repeat transactions.
- The *[insert title or position]* is responsible for the safeguarding of unused checks. All voided checks will be put in a separate folder with all copies attached (if they are two- or three-part checks).
- The *[insert title or position]* will reconcile all bank accounts monthly, using the general ledger software.
- No manual checks will be written unless authorized by the *[insert title or position]* because of a system failure.
- When invoices or statements are not available as documentation, the *[insert title or position]* may approve a check request, which will serve as the authorization to expend funds.
- An authorized signer should not sign a check made payable to themselves or a closely related party. Another signer should be sought for this check authorization.

## **Electronic Funds Transfers**

### **Procedures:**

- A check request shall be completed for any invoice intended to be paid electronically with the appropriate supporting documentation or invoice.
- The invoice/check request is entered into the Accounts Payable software after approval.
- The invoice/check request is paid electronically by *[insert title or position]*.
- A copy of the electronic payment confirmation is attached to the invoice/check request.
- The payment confirmation and supporting documentation will be submitted to the board-approved check signers, who will sign and date the payment confirmation.

## **Payroll**

Council payrolls shall be produced on time with the correct information for each employee for the time worked. Payrolls shall be created for work completed for all non-salaried employees and by agreement for all salaried employees.

### **Procedures:**

- Salaried employees shall be paid on the 15th and the last day of the month. If either of these dates falls on a weekend, then payment shall occur on the nearest business day prior to the payday.
- Camp payrolls shall occur on a regular basis for work completed. The camp director shall discuss the proper frequency and requirements with the *[insert title or position]* to ensure prompt compensation.
- No payroll checks shall be issued until the employee returns the proper W4, state forms, and I-9 forms.
- The employee will authorize all voluntary deductions from paychecks before deductions are made.
- All appropriate taxes will be withheld from all paychecks issued.
- Deductions for garnishments, alimony, and child support shall be made in accordance with properly received court orders and judgments regardless of employee permission.
- All deductions for garnishments, alimony, and child support shall be forwarded to the appropriate authority within *[insert number]* days of issuing the payroll.
- Camp payroll checks that are mailed shall be accompanied by the authorization list, which is signed by the employee when the check is received. Checks that are subsequently mailed by the camp director shall be so noted on the authorization list, which is then returned to the council for filing. Employees with direct deposit are exempt from signing for payroll received.
- Hourly employees shall have their time validated by their supervisor and turned in to the *[insert title or position]* by the Monday preceding the issuance of payroll.
- Employees shall receive an annual W2 form that includes all wages and other required information including imputed life insurance and excess expense reimbursement, if applicable, by the IRS-determined deadline or before.
- Employees shall have the right to view their payroll file at any time, subject to a mutual agreement with the *[insert title or position]*, during a regular business day.
- All employees are provided the opportunity to log in to the IOIPay system with their personal password to view pay stubs and W2 documents.

**Salary Advances**

Salary advances may be available to employees and are subject to certain restrictions. The salary advance exists to help an employee meet an immediate and unforeseen need for cash for a short period of time.

**Procedures:**

- The Scout executive must approve all salary advances for any employee.
- Salary advances shall not exceed an employee's total monthly salary, less deductions.
- Repayment shall be required within 30 days of the salary advance—two payroll periods.
- No interest will be charged for the salary advance.
- At the time of the salary advance, the employee will sign the necessary authorization for the council to recover the salary advance.
- Salary advances may not be given to an employee during the employee's period of probation or under a performance improvement plan.
- The council may recommend for the employee to find qualified credit counseling in cases where this would be helpful to the employee.
- Only one salary advance can be taken within a rolling 12-month period.
- Should the employee leave employment with the council, any outstanding advance moneys will be deducted from the employee's final paycheck.

## **Petty Cash**

### **Procedures:**

- The council has a petty cash fund at the office and one at each camp to pay for minor cash purchases. The office account shall be in the custody of the *[insert title or position]*, who is personally responsible for all moneys in the petty cash fund until such time as the fund is surrendered.
- The petty cash fund operates as an “imprest” fund. Once established, the amount in the fund should remain constant. As funds are expended, a check should be drawn to replace the money spent and charges should be recorded to the appropriate expense account.
- Prepare petty cash vouchers in ink, and show the date, item purchased, the amount in words and numbers, the account to be charged, and the signatures of the person receiving the money and the person approving the payment. The voucher shall be supported by an invoice or expense ticket.
- To establish or replenish petty cash funds, checks shall be drawn payable to *[person’s name]* and noted as a petty cash fund.
- The petty cash box will be audited at least quarterly by the *[insert title or position, not to be the holder of the funds]*.
- Cash needed for events shall come from cash advances and may not be taken from the petty cash fund.

### **Cash Advances**

Cash advances are moneys advanced to individuals for event expenses that cannot be completed using the normal vendor and invoice routine. Advances can only be written to an employee, who will be personally responsible for returning either cash and/or receipts that total the amount of the cash advance.

#### **Procedures:**

- Cash advance requests are submitted in time for the regular cash disbursement check run. Requests must be approved by the Scout executive or the *[insert title or position]*.
- The cash advance must be settled within **seven (7) days** of the completion of the event. Cash is deposited and credited to the 1254 account, and the balance is expended to the appropriate expense account.
- Persons reimbursing a cash advance must return unused cash and receipts for all expenditures labeled with the item purchased. A separate attached list should summarize the purchases by category with accounting code (such as program supplies-8103, food-8104, office supplies-8106).
- Cash advances are not petty cash fund transactions, although they can be used as a substitute for a petty cash fund.
- The above process shall remain the same as above if a refillable debit/credit is utilized in lieu of a check.

### **Employee Loans**

It is the procedure of this council to make no employee loans. The council will not endorse or guarantee any loans on an employee's behalf.

The council will refer the employee to seek a local reputable institution that can make the type of loans the employee needs.

## **Employee Expenses**

The Boy Scouts of America has chosen to utilize the accountable plan, as described by the IRS. Each employee eligible for expense reimbursement needs to provide the council a monthly report containing any business expenses that are eligible for reimbursement, business miles driven, and the monthly auto allowance flat rate. These rules apply regardless of whether the employee was driving a council-provided vehicle or a personally owned vehicle.

### **Procedures:**

- Each employee having reimbursable business expenses, including monthly allowances for auto, cell phones, etc., and/or business mileage shall submit a completed and signed expense report to their supervisor on or before the *[insert number]* of the month following that in which the business expenses were incurred.
- The employee's supervisor shall review and approve all submitted expense reports within *[insert number]* days of receipt. The supervisor reserves the right to question or reject any expenses not in compliance with the council's reimbursable business expenses.
- At the end of the year, a calculation will be performed to determine the amount of excess reimbursement, if any. Any excess reimbursement is to be forwarded to IOI to be included on the employee's W-2 form as taxable income.
- Once the expense report has been approved, the employee's supervisor will submit the report to the *[insert title or position]* for processing. The council president is to approve the Scout executive's expense report.
- Approved expense reports that are submitted on time will be paid on or before the *[insert number]* day of the month by *[insert "check" or "direct deposit"]*.



## **Council Credit Cards**

The BSA strongly discourages use of council-owned credit cards.

### **Policy:**

*General purpose credit cards (Mastercard, Visa, American Express, Discover, etc.) that incur obligations in the name of the council will not be in the possession of employees or volunteers.*

### **Procedures:**

- The council shall not have standard credit cards in the possession of employees and shall use the existing process of reimbursement through expense reports for approved business expenses and automobile usage.
- If a credit card is needed for booking airline tickets and other large expenses that cannot be completed through a standard invoicing process, the council might keep such card under safe storage at the office for such limited use.

### **Procedures (if policy allows council-owned credit cards):**

- The executive board has approved the use of a council-owned credit card, established the guidelines listed below, and authorized the following users: *[insert titles or positions]*.

The user of the card must sign and date the Credit Card Use form upon receiving the card for use.

- The user of a council-owned credit card must follow all council policies and procedures related to purchase orders and legitimate expenses. Following the guidelines of a standard expense report, a log of expenditures—along with receipts and other documentation—must be submitted monthly.
- The employee's supervisor or the council president (in the case of the Scout executive having a credit card) must approve the report.
- Upon receipt of the credit card statement, the *[insert title or position]* will reconcile all receipts to the statement. If any receipts are missing, the statement will be submitted to the Scout executive for follow-up.

## Physical Assets

### Inventory for Resale

#### Policy:

*The council will track the value of its inventory available for resale using averaged cost method.*

#### Procedures:

Inventory value is stated at cost rather than retail.

- At the conclusion of all summer camping programs, the *[insert title or position]* shall ensure the return of the inventory from the summer camp trading post to the National Supply Group, transfer some of the inventory to year-round camp operations, or transfer the inventory to the council service center trading post on or before *[insert date]*.
- At the end of the year, an inventory shall be conducted for all inventory for resale remaining at each camp location.
- A physical inventory will be conducted at the council's *[insert "Scout shop" or "trading post"]* at the end of the fiscal year on the day set aside.
- Physical inventories will be prepared and scheduled by the *[insert title or position]*.
- If using a point-of-sale software, at the conclusion of the physical inventories, the software is updated by the *[insert title or position]* with the figures from the physical inventory worksheets and a new inventory report given to the *[insert title or position]*.
- The inventory report will be compared with the ending balance in the general ledger. The general ledger will be adjusted, if applicable, to match the physical inventory values.
- All worksheets will be filed for the audit fieldwork by the *[insert title or position]*.

## **Inventory Transfers**

### **Procedures:**

To transfer inventory from one resale location to another using a point-of-sale software, the following procedures will be utilized:

- The approved purchase order request process must be completed and submitted to the location from which the inventory will be taken.
- All items included in the purchase order taken from a location will be recorded at cost in the point-of-sale software using the Internal Use function. If the inventory is moved for resale to another location that is using point-of-sale software, it will be received into that system using the Purchase Order function.
- Upon completion of the transaction, receipt shall be given to the employee requesting the transfer.
- A copy of the receipt will be attached to the appropriate copy of the approved purchase order and submitted to the *[insert title or position]*.
- The *[insert title or position]* will record and post the transaction in the general ledger software, moving the inventory from one location to another or charging it to an expense account.

### **Consignment of Equipment and Supplies**

Supplies for events, council audiovisuals, and materials and supplies for resale are all subject to consignment to individual persons. Each person receiving council property is personally responsible for items that are checked out.

#### **Procedures:**

- Items will be charged to the appropriate event at the time they are checked out.
- Upon return of any items, they will be credited back to the event.
- Office and program supplies must be requested at least a week before on-hand items run out. Items requested will be charged to the event or council program that has budgeted for these supplies. No supplies may be taken before a request is completed and approved by an immediate supervisor.
- Audiovisual supplies make valuable tools in the training of volunteers and can be expensive to purchase and maintain. The council will keep records of audiovisual inventory and when items have been checked out. The person borrowing an item is responsible for returning the item on or before the day specified. The individual borrowing the audiovisual equipment must pay for any loss or damage.
- Supplies for resale may be borrowed for roundtables or other events as needed. A list of items needed must be submitted at least two weeks in advance to ensure that the necessary materials will be available. A list of the items on consignment and retail prices may be printed from the SellWise system. When the event or meeting is over, all supplies must be returned. Only items in saleable condition will be accepted. What is not returned will be charged to the borrower at retail price, and cash will be expected at that time. National procedures prevail for any goods checked out through Scout shops.
- Items from the council's inventory may be sold to employees at wholesale cost.
- All items checked out should be resolved or paid for within three working days of the end of the event.

**Fixed Assets****Policy:**

*Insert capitalization policy*

**Procedures:**

Once a qualified fixed asset is placed into service, whether purchased or donated, the employee accepting the donation, conducting the purchase, or declaring in service will immediately provide the following information to the *[insert title or position]* in order to be recorded in the Asset Management software:

- Identify the fixed asset as one of the following: land, land improvement, leasehold improvement, building, furniture, fixtures, equipment, automobile, or aquatic equipment.
- Describe the fixed asset.
- Provide the location of the fixed asset.
- If the fixed asset has a serial number, record its serial number.
- Enter the salvage value if one exists.
- Provide the date acquired.
- List the vendor the asset was purchased from or the donor.
- List the builder, if applicable.
- When a new fixed asset has been donated, debit the appropriate fixed assets account, Credit Contributions–Donated Fixed Assets (4501).
- After entering the new fixed asset in the Asset Management software, save the records regarding this new fixed asset in a folder for the auditor to examine when the next audit is conducted.
- Forward the information to the council’s insurance carrier. Check to see that the proper coverage is in place—that is, the asset is either covered under the blanket policy provisions of the policy or additional coverage is obtained to protect the investment.

**Fixed Asset Retirement (Disposal)**

The council will conduct a physical assets inventory every *[insert number]* year(s) to determine if any items are missing or should be thrown away or sold. The *[insert title or position]* will be responsible for preparing and conducting a physical assets inventory. This inventory will include fixed assets as well as other assets which the council owns.

**Procedures:**

- For any item(s) listed on the fixed asset listing, the *[insert title or position]* will use the process for retiring a fixed asset. This process must be completed, even if the fixed asset is fully depreciated.
- If a physical asset has been sold, the employee conducting the sale will notify the *[insert title or position]* in writing with the date, description, and the amount for which the asset was sold.

**Insurance Coverage**

It is the position of this council that, in order to fulfill its stewardship responsibilities, it is necessary for insurance coverage to be maintained on property and equipment. Also, appropriate amounts of liability insurance should be maintained to protect the assets of the council and its many volunteers.

**Procedures:**

- The council will participate in the National Council liability program, which will give the council primary and excess liability coverage for all council employees, chartered organizations, and registered members of the Boy Scouts of America.
- The council will purchase an automobile liability policy for leased automobiles that will cover executive staff members with a limit of \$1,000,000.
- The council will purchase director's and officer's liability insurance with a \$1,000,000 minimum coverage.
- Based on the fixed assets listing and inventories of office and camp materials and supplies, the council will carry coverage to replace all buildings and the contents of all buildings. Only those structures specifically exempted by the council insurance committee will be omitted from coverage.
- The council will purchase coverage for council unit activities that will cover all units, all participating members, and leaders for accident- and health-related issues. Each event that the council holds will carry its fair share of the expense of this council policy.
- The council will purchase crime coverage for the handling of council cash by employees and key volunteers.
- Units from other councils participating in council events will provide evidence of unit accident coverage prior to being accepted to participate. Council units will be provided proof of accident insurance for presentation to other councils.
- Outside groups must furnish a certificate of liability and have it on file with the council prior to using council facilities. Current minimum level is \$2,000,000.

## General Transactions

### Time Study

#### Policy:

*A time analysis of the executives of the council shall be conducted every three years or when there is a significant turnover of executive staff.*

#### Procedures:

- Because it is assumed that staff time will be in support of what the executives are doing, there is no need to study the service center staff as well.
- The study should look at two weeks during three periods of the year (winter/early spring, summer, and fall) to show a representative sample of how the executive staff spends their time.
- When the analysis is completed it is added together and the total Program, Management, and Fundraising time is determined. A percentage is calculated for each of the three areas and a copy is kept for the auditor.
- The total of the analysis is applied to the Statement of Functional Expense and to all of the multi-appropriated time to get a percentage. The total percentage as found in the Statement of Functional Expense is used to split the Statement of Change in Net Assets.



**Cost Sharing****Procedures:**

All self-sustaining events planned and conducted by the council shall carry their fair share of the cost of running the council. Items may be charged as noted below to share the costs.

- Each event will generate purchase orders that clearly identify all items purchased for the event, using the appropriate project code.
- Each event will be charged for all copies made on the copy machine at an annual determined rate based on the current equipment contract.
- Each event will be charged for all printing costs.
- Each event will not be charged for accident insurance. A recovery charge is already paid at the time of membership renewal.
- Each event will be charged liability insurance at an annual determined rate for recovery of costs.
- Each event will be charged for all postage and shipping costs for the event.
- Each event will be charged for website and merchant service fees for the event.
- Each event may be charged for telephone and utilities costs incurred on council property for events lasting five days or longer.
- All equipment purchased for an event becomes the property of the council.
- Any surplus funds (or deficits) of district or council events become part of the council operating budget. Event surpluses are not to be used to pay for expenses unrelated to the event.

## **Audit**

Local councils have a fiduciary responsibility to contributors. This responsibility mandates a “full disclosure” finance policy to the public. The policy of the Boy Scouts of America is for local council management to annually prepare a set of financial statements for a full audit conducted by an independent public accountant.

Audits must meet current requirements set by the accounting industry, the Boy Scouts of America, and individual state and federal regulatory commissions.

### **Policy:**

1. *The council will have an audit certified annually in accordance with generally accepted auditing standards, by certified public accountants. The audit will contain required financial statements and notes.*
2. *An audit committee that does not include officers of the council will engage the auditor and review the audit.*
3. *The council will respond to the auditor’s management letter and take actions appropriately.*

### **Procedures:**

- The *[insert title or position]* is responsible to work with the board-approved audit committee to engage the auditor, review a draft copy of the audit, and recommend the audit be submitted to the executive board for approval.
- The council will submit the annual audit and other required documents to the national office by July 31.

**Write-offs**

When planning fundraising events, it is important to consider that not all pledges will be collectible. The council must estimate pledge loss in some fundraising campaigns when determining council budgeting.

**Procedures:**

- Uncollectible pledges are to be recorded in the general ledger software monthly, based on the percentage of uncollectible determined by council management. This process prevents the council from overstating or understating the council's income from January to November.
- In December, it is the Scout executive's responsibility to review all unpaid pledges in the various campaigns and to determine which are collectible and which are uncollectible.
- The value of uncollectible pledges (the amount of unpaid pledges) can be used to set up the amount allowed in the Allowance for Uncollectible Pledges account for next year's campaign; an offset entry of that amount is made to the Provision for Uncollectible Pledges account.
- At no time will pledges be removed from the fundraising or general ledger software unless it can be determined that the pledges were not legitimately made through written documentation.
- At year-end, the *[insert title or position]* reviews the amount of uncollectible pledges identified by the Scout executive and increases or decreases the net amount of pledges deemed to be collectible using the allowance and provision for uncollectible accounts.

## **Government Reporting**

It is the responsibility of this council to file timely reports with all government agencies that interface with the council.

### **Procedures:**

- The *[insert title or position]* is responsible to ensure IOIPay is filing quarterly 941 forms by the 15th day of the month following the end of the quarter.
- The *[insert title or position]* will ensure W-2 forms are issued to all employees by January 31 for the previous year.
- The council's independent auditor will ensure the federal IRS 990 report is sent by May 15 or, if necessary, file for an extension prior to the due date.
- The *[insert title or position]* will ensure a certificate for tax exemption and charitable solicitation is filed with each state, district, or territory by the determined deadlines.
- The registered agent or council legal authority (usually the Scout executive) will be verified or changed each time a new Scout executive is hired in each required jurisdiction.
- The *[insert title or position]* will file all workers' compensation reports each time an injury to an employee occurs, including at all camps and offices.
- The *[insert title or position]* will file all unemployment reports by the end of the month following the end of the quarter or as per state law.
- The *[insert title or position]* will file all OSHA reports on injuries, if applicable, in accordance with OSHA deadlines.
- If applicable, all forms related to the 403(b) Thrift plan will be filed on time, including the Department of Labor Form 5500, by the *[insert title or position]*.

## **Sales Tax**

*If the council operates in one or more states that do not require sales tax, the following applies:*

The council is not required to collect sales tax in *[list states or territories]*.

### **Procedures:**

- Sales tax reports and payments will be submitted by the following due dates: *[List states and due dates.]*
- *The [insert title or position]* will be responsible for ensuring the appropriate sales tax calculations are made, payments are submitted, and reports are completed by the due dates.

## **Month close**

### **Procedures:**

- All subsidiary ledgers will have the final transactions for the current month posted on or before the first business day of the following month.
- *The [insert title or position]* is responsible for ensuring all reconciliations of all asset and liability accounts, except for bank and investment accounts, are completed prior to preparing draft copies of the financial statements on or before the *[insert number]* business day of the following month.
- The *[insert title or position]* will review the Temporarily Restricted Funds report to ensure that all donor-restricted contributions meeting the time or purpose restrictions have been released from restriction.
- Asset Management software will be closed and transactions posted.
- Accounts Payable software will be closed.
- Bank and investment accounts are to be reconciled no later than the 10th business day of the following month by *[insert title or position]*.
- *The [insert title or position]* will submit a draft copy of the current month's financial statements to the Scout executive no later than the *[insert number]* business day of the following month.
- *The [insert title or position]* will ensure the general ledger is closed for the current month on or before the *[insert number]* day of the following month.
- After the month has been closed in the general ledger software, *[insert title or position]* will submit JTE data to the National Service Center.

## **Year-end Close**

*It is recommended that a council close its fiscal year on or before the 10th business day of the new year.*

### **Procedures:**

- The *[insert title or position]* will follow up with all parties responsible for closing the year in all subsidiary ledgers (i.e., membership, fundraising, trading post, accounts payable, etc.)
- Once all subsidiary ledgers have been closed for the year in accordance with the guidelines established by the National Service Center, the *[insert title or position]* will prepare to close the general ledger.
- Following the guidelines established by the National Service Center, the *[insert title or position]* will conduct reconciliations of all asset and liability accounts and prepare any adjustments for approval.
- Any adjustments to the general ledger account must have the approval of the Scout executive prior to posting.
- All documentation of reconciliations and adjustments must be maintained in a file for the audit.
- After the year is closed, JTE is to be submitted electronically to the National Service Center.
- Any adjustments made after closing the year should have a source code of CA in the general ledger.

## Reconciliations

### **Bank Account Reconciliations**

The monthly reconciliation should be conducted by someone who did not produce the checks or make bank deposits.

#### **Procedures:**

- Each bank account shall be reconciled monthly by the *[insert title or position]*.
- The monthly bank statement(s) will be delivered unopened (or available online for printing) to the Scout executive, who shall sign and date the statement(s) after review.
- The Scout executive will personally deliver the statement(s) to the *[insert title or position]*.
- *The [insert title or position]* will perform the bank reconciliation in the general ledger software.
- Upon completion of the bank reconciliation, the *[insert title or position]* will deliver the reconciliation attached to the bank statement(s) to the Scout executive for approval.
- The bank reconciliation process will be completed no later than the *[insert number]* business day of the month following the statement date.



## **Investment Account Reconciliations**

### **Procedures:**

- Each investment account is to be reconciled by the *[insert title or position]* no later than the *[insert number]* business day of the month following the receipt of the investment statement(s).
- Earnings, gains, and losses—realized and unrealized—shall be posted immediately in the general ledger after the account(s) are reconciled.

**Other Monthly Reconciliations**

Asset and liability accounts need to be reconciled to the subsidiary ledgers, if applicable, at the end of each month in order to ensure accurate financial statements.

**Procedures:**

The following are accounts with significant activity that will be reconciled monthly:

- Bank accounts
- Investment accounts
- Accounts receivable
- Contributions receivable
- Deferrals
- Accounts payable
- Payroll taxes
- Custodial accounts
- Notes and long-term indebtedness
- Temporarily restricted net assets to meet donor restrictions

## **Fiscal Records Security**

### **Office safe**

#### **Policy:**

*The council shall maintain an office safe for the safeguarding of various assets.*

#### **Procedures:**

The following is a list of the items that will be held in the safe:

- Cash receipts not processed
- Corporate seal
- Locked petty cash drawer for custodian of petty cash
- Titles and deeds
- Change fund

### **Storage of Credit Card Information**

#### **Policy:**

*The council adheres to the Payment Card Industry (PCI) Data Security Standard.*

#### **Procedures:**

- Once a credit card payment is processed, any written information (credit card number, expiration date, and CVV numbers) is to be destroyed immediately.
- The destruction of all the credit card information shall be conducted by use of a single hole punch.

**Telephone, Fax, Internet**

The telecommunications equipment owned or paid for by the council is not for personal use. To the greatest extent possible, no personal charges should be incurred while using council equipment.

**Procedures:**

- Personal telephone calls for which there are toll charges must be made using a personal phone (home or cellular) only. No personal calls should show up on the council's phone bill. If such calls are accidentally charged to the council, reimbursement is expected within 30 days.
- Personal faxes are permitted and should be paid for after the council receives its bill for faxing services; the cost for the call will be listed. Reimbursement is expected within 30 days.
- The council expects that no time will be spent on the internet unless it is in support of a current staff assignment.

### **Use of Postage Meter**

#### **Procedures:**

The council shall use a postage meter to affix postage to all of its outgoing mail. Under no circumstances will personal mail be run through the postage meter. If stamps are needed, they may be purchased from the [*List title or position*], who maintains a stamp fund for that purpose.

## **Cash and Records Security**

### **Procedures:**

- All funds are to be kept in a locked and secure location at all times.
- All voided checks must be kept in a separate file. “Void” must be clearly marked on the check. The signature line(s) must be cut out and shredded whether there are signatures or not.
- All pledge cards, payment receipts, special event forms, etc., with any type of donor information must be kept in a locked and secure location at all times.

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