



**FISCAL PROCEDURES MANUAL
FOR
CENTRAL NEW YORK FIREMEN's
ASSOCIATION, Inc.**

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INTRODUCTION

The following manual has been established to ensure a uniform fiscal management of The Central New York Firemen's Association, Inc.

This system covers all aspects of fiscal control, from budgeting to the final program audit, and reporting.

The procedures outlined in this manual have been documented and must be in effect at all times in order to provide an adequate internal control system which is necessary for the safeguarding of the assets of The Central New York Firemen's Association, Inc.

I. RESPONSIBILITY AND AUTHORITY

The Board of Directors is ultimately responsible for all fiscal matters of the Agency.

The Treasurer is responsible to the Board for implementation of all policies and the Treasurers work

II. BUDGETING AND COST ALLOCATIONS

The organizational budget is a plan for and the main purpose of coordination and control. Budgeting requires a careful analysis of the previous year's expenditures and an in-depth review of the organizations plans for the future.

The Treasurer along with the Audit & Finance Committee should review and comment on budget projections of the officers and committees. These committees should normally begin work 2 to 3 months prior to the submission of a final budget.

The Budget Draft is presented for approval at a regular meeting of the Board of Directors. Final approval of the Fiscal Budget shall be voted upon by the members of the organization at the Quarterly Meeting prior to the beginning of the fiscal year. Upon approval, the budget shall be deemed in effect.

III. ACCOUNTING SYSTEM

The corporation utilizes a double entry bookkeeping system called QuickBooks for all programs. The books are maintained through the use of three journals: Cash Receipts Journal, Cash Disbursements Journal, and General Journal. All programs are maintained on a cash basis throughout the program year.

Periodically, the officers and committee chairs should receive a copy of their budget comparison report.

IV. FISCAL CONTROL

A. PURCHASING

1a. Petty Cash

A Petty cash fund is maintained by the Treasurer, and, accessible only to designated Fiscal Personnel.

The fund is maintained to pay for small cash purchases made by officers or committee chairmen. The limit on the petty cash fund is \$200. Tax exempt certificates are available and can be obtained from the Treasurer.

A \$50.00 maximum per purchase is allowed on petty cash to restrict large purchases to prior approval through the voucher system. No purchase will be reimbursed unless accompanied by a receipt. A voucher with an authorized signature and account distribution must be completed for all petty cash expenses.

Purchases in excess of \$50.00 may not be divided so as to circumvent this procedure.

1b. Furniture and Fixed Assets Inventory

Other Fixed Assets and Furniture – An inventory listing of all non-disposable items purchased or donated with an individual cost or value of \$300.00 or more will be maintained by the Treasurer. As the items are received and the ID or (serial) number is written on a voucher which is then logged into the inventory listing. The item, inventory number, cost, program and location are entered onto the list. As items are disposed of, they are shown as “negative” purchases: in the year of disposal. If items are sold, the amount must be noted on the inventory listing in the description column. At the end of each fiscal year a new total to date is calculated.

2. Voucher Purchase Order Policy

All purchases, other than petty cash, must be accompanied by an authorized Voucher. This includes the purchase of food, supplies, furniture and any services purchased other than contracts or by cost allocation procedures (rent, utilities, etc.). Catalog orders and "over the phone" purchases should be assigned a Voucher at the time of order.

All programs shall use a standard Voucher.

Officers and Committee Chairs are directed to use the following procedure in completing a Voucher:

1. Be certain cost is allowable as outlined in program budget.
2. Be certain you are authorized to approve the purchase.
3. Be certain the vendor you are planning to use has the correct billing information.
4. Fill in vendor name and address.
5. Fill in date.
6. Fill in quantity of item(s) to be purchased and a short description of the Item(s) to be purchased.
7. If amount is unknown, estimate cost.
8. Tax exempt number is _____
9. Obtain authorized signatures (see below)
10. Allocate cost(s) to appropriate committee.

The original copy (white) is to be sent to the Assistant Treasurer for approval and is then forwarded to the Treasurer for payment.

3. Authorization of Vouchers

All vouchers are reviewed prior to signing by the Committee Chair for allowability, allocatability, and reasonableness of costs. The Treasurer or Assistant Treasurer must sign all vouchers.

V. PROCUREMENT

Procurement is the acquisition of materials necessary for functioning of the program. Officers and Committee Chairs authorizing purchases must follow a code of conduct in accordance with the purchase of supplies and equipment.

Written procedures must be retained for the following purchases in order to have evidence of the conditions as outlined below:

Purchases not exceeding \$ 500.00

For purchases not exceeding \$500.00 competitive bidding is not required. The individual making the purchase should ensure that prices are reasonable in light of terms and prices offered by competitors.

Purchases in excess of \$ 500.00

Should be approved by the Board of Directors and a minimum of three bids shall be obtained. Bidding requirements shall enable all bidders to engage in bidding on a competitive basis. Request for bids should contain clear specifications and should not contain features, which unduly restrict competition.

- a. The purchasing process must be documented in the selection of the most responsible lowest bidder. Whereas the lowest bid should be taken in all possible cases, the lowest bid may be rejected.
- b. The purchasing agent shall make every reasonable effort to obtain competitive bids prior to the purchase of commodities or services, and must document and return for audit any situation where reasonable competition is not available.
- c. The purchasing agent in exploring program needs and available funding should consider all options such as lease vs. purchase, or purchase of good condition, used items.

Procurement procedures are designed to enhance free competition. Goods or services will not be procured from any Vendor or Contractor that practices non-competitive procedures or otherwise tries to restrain trade. No person is to authorize purchase of goods and/or services from a vendor to whom he/she has any family or household relationship with.

Prior Board of Directors approval is required and prior grantor approval is suggested in all aggregate purchases in excess of \$1,000.00 Each Committee Chair is responsible for the satisfactory and complete procurement process for purchases in his/her program.

VI. DISBURSEMENT PROCEDURE

A bill or invoice has been received by Officer or Committee Chair. The Treasurer/ Assistant Treasurer then review the package and approve it for check preparation.

Back-up documentation must always be attached to an invoice/billing. This documentation may consist of but is not limited to the following: vendor statements, consultant contracts, leases.

Based upon the cash status of the association, bills are imputed into the computer with checks being printed and distributed by the Treasurer.

The signatures of the Treasurer, President, or Vice President are required.

VII. STORING OF CHECKS

All checks are stored and maintained by the Treasurer.

VIII. OUT OF TOWN TRAVEL

Out of town travel for committee members must be approved prior to a committee member's attendance to conferences, meetings, etc. The Committee Chair or an officer must sign the request. This request may serve as a disbursement voucher when an advance is requested. Advances will be allowed within one week prior to the date of travel only and presented in a timely manner. The requests are filed with the Treasurer.

Within five working days of the travelers return, a voucher must be completed outlining daily expenses. Receipts must back all expenses with the exception of mileage.

Vouchers not received on a timely basis required reimbursement of the advancements received. Reimbursement will follow the Treasurers receipt, review and approval of the expense voucher. Prior approval from a President for out-of-state travel is required.

IX. ACCOUNTING TRANSACTIONS

1. Cash Receipts

All funds received are delivered to the Treasurer. The checks are stamped "for deposit only" and recorded in the cash receipt log. The monies are then deposited. The Treasurer records the deposit in the program's cash receipts journal. They are then filed in proper cash receipts folder. A detailed outline for the handling of receipts, are outlined in the Treasurer's Guide.

2. Transaction and Documentation

The Treasurer acts as the controller for the agency funds. The Treasurer must monitor all transactions involving agency funds to ensure that procedures are being followed and that officers and committee chairs making transactions are authorized to do so

Proper documentation must be maintained for all fiscal transactions.

This documentation can consist of, but is not limited to the following: voucher with vendor invoices, cancelled checks, bank statements, vendor receipts, consultant contracts, in-kind vouchers, etc. All documentation and fiscal records are stored for seven years before destruction. All records and documentation are shredded at the time of disposal to ensure confidentiality.

3. Allocation of Costs

In the case of allocated cost where no voucher is required, the Treasurer will allocate the costs to the proper accounts and account numbers.

X. FINANCIAL STATEMENTS

Financial Statements are prepared quarterly by the Treasurer. Input to the general ledger consists of check copies as the source for the cash disbursements journal, cash receipts journal as the source of cash receipts and general journal entries.

Inter-fund reconciliations are prepared, and the Treasurer verifies all balance sheet accounts each month.

A General Journal is maintained for each program. The General Journal is used to make correcting and/or adjusting entries to the General Ledger as necessary. Each General Journal entry will have a brief but descriptive analysis of the entry being made and must be initialed by the person responsible for the entry.

XI. BANK STATEMENT

All bank statements are reviewed and reconciled by the Treasurer, which includes comparison to the General Ledger cash balance.

Bank statements with supporting documentation are stored for seven years unless otherwise required.

XII. CONSULTANTS AND CONTRACTORS

Contracts for professional services are required. A consultant is a person who by professional training is qualified to supply services beyond our capabilities. Each consultant will have a contract signed by both parties and containing at least the following information:

1. A detailed description of the services to be provided.
2. A statement that the provider is qualified to furnish those services.
3. What services are to be provided?
4. Where and when will those services be provided?
5. Under what circumstances those services are to be provided?
6. A fee shall be designated. This fee for unit of service shall be total payment, the provider shall not receive mileage, fringe benefits of any sort, nor reimbursement of other expenses incurred.
7. Provider promises professional confidentiality regarding services performed.
8. Provider hereby accepts legal liability for performance of any subcontractor under this contract.
9. There shall be a specified effective date and termination date.
10. Contract will specify methods used to monitor agreed upon activity to ensure that terms and conditions of contract were met.
11. Termination of contract by _____ shall be allowed for:
 - Non-performance according to terms of contact
 - Default due to circumstances beyond contractor's control
12. Such contracts shall be signed and dated by authorized representatives of all parties to the contract prior to the effective date.

XIV. FINANCIAL REPORTING

A. Internal Reporting

The Treasurer will prepare a financial statement quarterly. This report is distributed to Officer, Director, and Committee Chairmen of the Association and includes figures comparing budget to expenses. This analysis allows for the realistic planning for future expenditures.

B. Audit

The completed draft audit will be reviewed with the Treasurer to make any final corrections that might be needed.

The audit will be completed and forwarded within the time required.

C. External Reporting

The Treasurer will complete or have completed at the association's expense the following reports prior to their respective due dates:

New York State Charities Bureau Report

Federal 990 Tax Return

XV. Financial Responsibilities

A. Secretary

Prepare invoices and collect any funds due CNYFA such as but not limited to Dues, prepare deposit slips to deposit the funds into the proper bank accounts and remit the receipts and related data to the Treasurer. Details will be found in the Secretaries Guidelines.

B. Asst. Secretary

Assist the Secretary in carrying out his/her duties as outlined by the Secretary.

B. Assistant Secretary –

Assist the Secretary in carrying out his/her duties as outlined by the Secretary.

C. Treasurer –

The Treasurer is responsible to receive all funds for CNYFA, maintain the financial records of the corporation, and maintain the budget reflecting to date expenditures and remaining budget amounts. The Treasurer shall prepare the Quarterly Financial Statements to be presented to the body of the organization at the Quarterly Meetings.

D. Directors –

The Board of Directors shall control and have the direct responsibility for all financial aspects of CNYFA. The directors may give direct control over some aspects of the financial management to the Secretary and the Treasurer however, the ultimate responsibility remains with the directors. _ _