

Utah Scottish Association - Financial Policies & Procedures Manual

1. Purpose and Scope

These Financial Policies & Procedures establish the standards, responsibilities, and internal controls governing the financial activities of the Utah Scottish Association. The purpose of these policies is to ensure:

- Protection of the Association's assets
- Compliance with nonprofit laws, regulations, accounting standards, and best practices
- Transparency and accountability to the Board and general membership
- Clear guidance for officers and board members involved in financial activities

These policies apply to all officers, board members, and committee members engaged in financial transactions on behalf of the Association.

2. Authorized Financial Roles

2.1 Authorized Bank Account Access

Only the following officers are authorized to access the Association's bank account:

- Treasurer
- President
- Vice-President
- Festival Director

Authorized access includes viewing balances, initiating transactions, managing debit card usage, and communicating with financial institutions.

2.2 Restrictions

No other board members, volunteers, or committee members may access the bank account or primary debit card under any circumstances.

2.3 Subaccounts

Subaccounts with limited funds can be created according to the approved budget for use by the different area heads during the festival or other special events, if preapproved by the board. All expenses should still follow the receipt and spending policy enumerated hereafter.

3. Check Signing Requirements

3.1 Dual Signature Requirement

All checks issued by the Association must contain two signatures from the authorized officers listed above.

4. Spending Authorization

4.1 Standard Spending Authority

- Expenses under \$1,000 may be approved by any one of the authorized officers (Treasurer, President, Vice-President, or Festival Director).
- Any single expense over \$1,000 requires prior approval from the Board. Approval may be granted:
 - During a board meeting
 - Through documented electronic vote
 - Via written approval from a majority of board members

4.3 Recurring Expenses

Recurring operational expenses (e.g., insurance, website hosting) may be pre-approved annually by the Board.

5. Documentation Requirements

5.1 Required Receipt Information

All expenditures must be supported by a detailed receipt submitted to the Treasurer. Receipts must include:

- Total amount paid
- Payee/vendor name
- Date of purchase
- Itemized list of goods or services purchased
- Description of the purpose of the purchase (i.e. budget category)

5.2 Submission Deadlines

- Purchases made with the Association's bank card: receipts must be submitted to the Treasurer or Assistant Treasurer within 2 weeks.

- Reimbursements for personal funds: receipts must be submitted within 2 weeks of the expenditure.

5.3 Missing Documentation

If a receipt is lost, the purchaser must submit a written explanation and attempt to obtain a duplicate receipt. Reimbursement may be denied if adequate documentation cannot be provided. The written explanation should include:

- Total amount paid
- Payee/vendor name
- Date of purchase
- Itemized list of goods or services purchased
- Description of the purpose of the purchase

6. Preferred Payment Method

6.1 Use of Association Bank Card

Purchases should be made using the Association's bank card whenever possible. This ensures:

- Real-time visibility of expenses
- Reduced reimbursement volume
- Improved auditability

6.2 Reimbursement Exceptions

Reimbursements may be used only when:

- The vendor does not accept card payments
- The purchase must be made urgently and the card is not available

7. Festival Budgeting Requirements

7.1 Annual Festival Budget

Because the majority of Association spending occurs for the annual festival, a formal festival budget must be prepared each year.

7.2 Budget Development

The Treasurer, Board, and Festival Committee shall prepare a draft budget.

7.3 Board Approval

The Board must review and approve the festival budget before any festival-related spending occurs.

8. Bank Reconciliation Requirements

8.1 Standard Reconciliation

The Treasurer must reconcile the Association's bank account at least quarterly during non-festival months.

8.2 Festival-Related Reconciliation

During festival-related months (typically May, June, and July) when most spending occurs, the Treasurer must perform monthly reconciliations.

8.3 Review

All reconciliations must be reviewed by the Board of Directors.

9. Segregation of Duties

To ensure proper internal controls:

- Assistant Treasurer manages general bookkeeping, with Treasurer as backup
- Treasurer manages all bank reconciliations, and bookkeeping in the event the Assistant Treasurer is unavailable or the position is vacant
- President or Vice-President reviews bank statements and reconciliations monthly
- Board receives, reviews, and approves all financial reports

No single individual may control all aspects of a financial transaction.

10. Conflict of Interest Policy

Board members must avoid any financial conflict of interest. No board member may:

- Approve payments to themselves or immediate family
- Participate in decisions that financially benefit them
- Use Association funds for personal purposes

Annual conflict-of-interest disclosures are required for all board members.

11. Cash Handling Policy

When the Association handles cash:

- Two individuals must count cash together
- A cash-count form must be completed and signed
- Cash must be deposited within 48 hours
- Cash should not be taken home by a single individual if possible
- ATM withdrawals should be on an emergency basis only with preapproved and a full accounting of funds withdrawn and spent with receipts reported to the Board

12. Financial Reporting Requirements

12.1 The Treasurer must provide:

- Quarterly financial statements (Monthly during Festival season)
- Annual financial summary
- Festival budget prior to the Festival
- Festival budget vs. actual spending report after the Festival

12.2 Reports must be distributed to all Board members and stored in the Association's formal records.

12.3 All financial reports must be created and distributed within 3 weeks of the event or time period in question (i.e. 3 weeks after quarter end, or 3 weeks after final festival closes and final spending completed).

12.4 Financial records, reconciliations, reports, receipt scans, and accompanying working papers will be available to members of the board for review.

12.5 Financial statements will be made available for any member of the association to review upon written request, per Utah Code §16-6a-1602.

13. Document Retention Policy

Financial documents must be retained as follows:

- Receipts: 7 years
- Bank statements: 7 years
- Budgets: permanently

- Board minutes: permanently
- Contracts: 7 years after expiration

Electronic copies are acceptable if securely stored.

14. Debit Card Security

- Only authorized officers may use the debit card
- Board members and committee area heads may use limited debit cards
- Card information must not be shared with others
- Lost or compromised cards must be reported immediately
- Online purchases must be made through secure vendors

15. Prohibited Financial Practices

The following practices are strictly prohibited:

- Cash withdrawals except for approved festival needs
- Personal use of Association funds
- Loans to board members, members, or others
- Signing blank checks
- Destroying or altering financial records

16. Policy Review and Amendments

These policies should be reviewed annually by the Board. Amendments require approval by a majority vote of the Board.