

**FLORIDA KIWANIS FOUNDATION**  
**POLICY and PROCEDURE MANUAL**

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CASH RECEIPTS

1.0 SCOPE:

This procedure describes the process for cash deposits, reconciliation, and audit trail. Cash deposits are defined to include checks, wire transfers, credit card payments, and other sources of income acceptable to the Florida Kiwanis Foundation.

2.0 RESPONSIBILITY:

It is the responsibility of the Administrative Staff to receive, document, and deposit all checks and cash received in their office, and to reconcile the monthly bank statements, forwarding a copy of the reconciliation to the Treasurer for review. All other receipts will be received by the Treasurer.

All income sources (including cash, checks, credit card payments, wire transfers and other sources) acceptable to the Florida Kiwanis Foundation shall be accounted for, identified as to purpose and intent, and deposited to into one of the following Funds that match the purpose and intent.

- Operating Funds: Funds received and identified as 1) Kiwanis Club Annual Support Contributions; 2) donations with a written directive that they are to be used for “Operating Expenses”; shall be deposited into an account specifically for operating expenses. These funds that are used to pay the operating costs delineated in the Foundation budget as “Operating Expenses” of printing, telephone, support staff wages, Board of Trustees meetings, and other necessary expenses.
- Restricted and Unrestricted Grant Funds: Funds received and NOT identified as either Operating Funds or Endowment Funds are to be designated Grants Funds. Grants Funds may be restricted or unrestricted and additional identification is required in order to properly designate the income line item so that it matches the purpose and intent of the donor. Funds received and identified as 1) specifically for Sustaining Membership in the Foundation; 2) specifically for the designation of a Robert W Thal Life membership, in which case fifty percent (50%) shall be designated for the Grants Fund and fifty percent (50%) shall be designated to the Endowment Fund; 3) specifically for the purchase of a recognition plaque; 4) specifically given “in memory” or “in honor” of an individual where there is no formal agreement and accompanying income line item; 5) unspent portions of previous grant allocations returned to the Foundation by the receiving club or division; 6) any donation where the purpose and intent cannot be understood, after due diligence; shall be deposited into an account designated for unrestricted grants. Funds received and identified as 1) project specific contributions; 2) matching formal agreements of future grant

allocations; 3) designated for Service Leadership Programs or scholarships; 4) pass-through funds designated for use by a specific Kiwanis Club at a date and time to be determined by that club; shall be deposited into an account designated for grants with an appropriate accompanying entry that identifies the sub-account that matches the written restriction of funds.

- Endowment Funds: Funds received and identified as 1) specifically for the designation of a Ralph Davis Fellow honoree; 2) specifically for entry into the Legacy Society; 3) funding or disbursement as a result of financial planning, planned giving or estate settlement; 4) specifically for the designation of a Robert W Thal Life membership, in which case fifty percent (50%) shall be designated for the Endowment Fund and fifty percent (50%) shall be designated to the Grants Fund; 5) any contribution that accompanies a written instruction so designating the funds to the Endowment Fund; shall be deposited into an account which is specifically designated as Endowment funds. Funds are currently held in safekeeping and invested with a broker/dealer and overseen by the Investment Committee.

### 3.0 PROCEDURE

#### 3.1 RECEIPT OF CHECKS.

- 3.1.1 Briefly review check for accuracy (i.e. proper payee, date, signature of payer, etc.) and determine the appropriate fund in which to deposit the check before restrictive endorsement is made. In the event of a check inaccuracy or missing information, the Administrative Staff or Treasurer shall contact the payer to remedy any inaccuracies, and issue a new check.
- 3.1.2 Before a check may be deposited, the Administrative Staff must be clear on the intent of the contribution, in order to determine into which of the Funds outlined in section 2.0 the deposit shall be made.
- 3.1.3 Each check shall be endorsed with a "For Deposit Only" stamp in accordance with the Fund for which it is intended.
- 3.1.4 All checks and deposit slips shall be both manually and electronically backed up and filed. For cross-reference purposes, corresponding file names shall be used for each backup method for each deposit.
- 3.1.5 A photocopy of each check making up a particular deposit, stapled to a corresponding deposit slip, placed in a file folder will serve as normal backup.
  - 3.1.5.1 All deposits for a particular month may be held in a single folder clearly marked with the month in which the deposit was made, behind a tab corresponding to a fund listed in 2.0 above.
- 3.1.6 Electronic backup requires that each check corresponding to a particular deposit and the corresponding deposit slip be scanned via computer and saved as a universal .PDF file on a computer system containing removable backup equipment.
  - 3.1.6.1 Each electronic deposit file shall be given a unique file name and saved to a monthly sub-directory of the appropriate fund, as listed in 3.1.5 above. (For example: a deposit to the Grants Fund on January 2 would be saved as: FKF\Deposits\Grants\JAN\_02\_2008)

3.1.6.2 A copy of the manual backup shall be transmitted to the Treasurer in a suitable manner to be entered into the accounting books.

3.1.6.3 For purposes of the Endowment Fund, which is held in a money market by a broker/dealer, the month-end account statement will be an additional required document to the file.

3.1.6.4 Bank and brokerage firm monthly statements shall be added to the monthly file upon receipt, with an electronic copy maintained in the monthly subdirectory of the computer system.

3.1.6.5 All checks and any cash on hand for deposit, shall be properly secured, and protected until the time of deposit by securing in a sealed plastic bag/s inside a fireproof safe or vault.

3.1.6.6 All income must be recorded in the year in which it was received, regardless of date of deposit.

3.1.7 The Administrative Staff shall promptly acknowledge each contribution received.

### 3.2 DEPOSITS.

3.2.1 No check/cash shall remain undeposited for longer than 5 business days.

3.2.2 In the event cash is received in an amount exceeding \$250, every attempt shall be made to deposit said funds by the following day.

3.2.3 If the Administrative Staff is unable to deposit for longer than 5 business days, notification shall be given to the Treasurer.

3.2.4 Before deposit, all checks/cash shall be transferred to a bank bag for transport.

### 3.3 RECONCILIATION

3.3.1 At the beginning of each month, the Treasurer shall review and compare the manual backups to the electronic files for all deposits for the previous month, and correct any inconsistencies.

3.3.2 Upon receipt, the Treasurer shall reconcile the monthly bank statement in accordance with the procedures set forth in Financial Procedures – Bank Account Reconciliations, Section 1.2.

### 3.4 RECEIPT OF CASH VIA CREDIT CARD SYSTEM (MERCHANT ACCOUNT)

3.4.1 Where practicable, the procedure for backup and reconciliation of funds received by credit card shall be essentially the same as in 3.1. and 3.3 above, and shall include a record of the actual donation made vs. the net amount deposited after any credit card fees.

3.4.2 With the exception of items donated to and purchases made in the Caring Corner, a letter from the Administrative Staff indicating the full amount contributed regardless of the amount received from the credit card company will acknowledge all contributions.

### 3.5 RECEIPT OF DONATIONS IN OTHER FORMS

3.5.1 This Florida Kiwanis Policy and Procedure Manual makes no provision for donations made in forms other than by check, cash or credit card

and may be expanded, from time to time, to include such additional procedures as outlined in Section 2 “Outright Gifts” and after review by the Audit Committee.

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**BANK ACCOUNT RECONCILIATIONS**

**1.0 SCOPE:**

This procedure describes how the monthly bank account reconciliations are conducted.

**2.0 RESPONSIBILITY**

It is the responsibility of the Treasurer and the Board to insure all bank accounts are reconciled properly and reviewed periodically.

**3.0 PROCEDURE**

**3.1 Monthly Bank Account Reconciliation**

3.1.1 The Treasurer reconciles the monthly bank statement and sends a copy of the reconciliation to the President or other designated Officer/Trustee for review.

3.1.2 The designated Officer/Trustee reviews the statement and should be alert for deposits in transit that have not cleared in the subsequent month or any deposit that is older than just a few days, for outstanding disbursements older than 60 days, and for any unusual adjustments on the bank reconciliation. The bank reconciliation balances must agree to the checking balance reported on the monthly trial balance and financial statement.

3.1.3 The Reviewer will review check sequencing to ensure checks are not missing and have been used in a sequential manner and are properly voided.

3.1.4 After completing the review, the Reviewer reports the results of the monthly reviews to the Board, and the report should be documented in the Board minutes.

3.1.5 If an irregularity is found, the Reviewer immediately investigates and discusses the issue with the Treasurer, and reports unresolved issues to the President and the Chairman of the Audit Committee for correction and resolution.

**3.2 Disbursements**

3.2.1 The President or designated Officer/Trustee may request copies of all monthly disbursements (checks, invoices and any supporting documentation) to be sent for their review. The Reviewer will review for proper authorization, expense coding, and will compare to the original vendor invoice.

**3.3 Random Review**

- 3.3.1 Twice a year, the Treasurer will direct the bank to send the bank statement directly to the President or other designated Officer/Trustee for review.
- 3.3.2 The Treasurer will send a report detailing check disbursements, which will allow the reviewer to spot check cancelled checks against data recorded in the accounting system. The checks should be reviewed for proper approval, vendor, authorization and that is free from alterations.
- 3.3.4 Any irregularities should be investigated immediately with the Treasurer and reported to the President and the Chairman of the Audit Committee for resolution.

#### 3.4 Monthly General Ledger Transactions

- 3.4.1 The Treasurer will send the monthly general ledger detail to the President or other designated Officer/Trustee for review.
- 3.4.2 The President or other designated Officer/Trustee will review the general ledger detail for any unusual transactions. If none are found the President or other designated Officer/Trustee will approve and maintain a copy.

#### 3.5 Year End

- 3.5.1 A Trustee who is a member of the Audit Committee will ensure that all audit journal entries are properly recorded, net assets reported in the general ledger agree to the audited financial statements, and the accounting period has been closed.
- 3.5.2 When the review has been completed a report will be forwarded to the Chairman of the Audit Committee and the President.

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**METHOD OF ACCOUNTING**

**1.0 SCOPE:**

This procedure describes the method of accounting that the Foundation will use to insure accuracy and solid financial records.

**2.0 RESPONSIBILITY**

It is the responsibility of the Treasurer to use the accrual basis method of accounting to keep the books for the Foundation.

**3.0 PROCEDURE**

**3.1 THE ACCRUAL BASIS METHOD OF ACCOUNTING**

3.1.1 The Treasurer will keep the financial books according to the accrual basis method of accounting (where revenues are recognized when earned and expenses are recognized when incurred).

3.1.2 It is recognized the Foundation should have some discretion in recording transactions since most transactions (income and expense) are relatively small in value and reported and realized within the current accounting period. Grants awards sometimes fall outside the accounting period and fall within the guidelines of the accrual basis. Final end-of-year adjustments will meet the accrual basis of accounting.

3.1.3 The Treasurer will insure that the accrual basis method is being used during the reviews conducted.

3.1.4 The accrual basis method of accounting provides a more accurate financial data upon which critical financial decisions will be made.

3.1.5 The Treasurer will report any deviation to the President and the Chairman of the Audit Committee, and the situation will be corrected.

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GENERAL LEDGER

1.0 SCOPE

The Organization will maintain a General Ledger system that includes subsidiary ledgers for the Operating, Grants and Endowment Accounts.

2.0 RESPONSIBILITY

It is the ultimate responsibility of the Treasurer to assure that all entries to the General Ledger are posted accurately to the correct subsidiary ledger and sub-accounts.

3.0 PROCEDURE

3.1 Deposits

3.1.1 The Administrative Staff will deposit all funds to the appropriate bank account in accordance with the requirements of CASH RECEIPTS, SOP 1.1 section 3.2.1 and send the information to Treasurer for entry in the books to post them to the General Ledger account affected.

3.1.2 The Treasurer will post entries to the General Ledger at least weekly and balance.

3.1.3 The Treasurer will prepare statements at least monthly for review by the President or other designated Officer/Trustee.

3.2 Monthly General Ledger Transactions

3.2.1 The Treasurer will prepare electronically or paper copy of the general ledger detail and send to the Reviewer for his review.

3.2.2 The Reviewer will review the general ledger detail for any unusual transactions. If none are found the Reviewer will approve and maintain a copy.

3.3 Year End

3.3.1 The General Ledger will be reviewed or audited by an independent accountant on an annual basis and fiscal year end statements prepared and sent to the Foundation Treasurer.

3.3.2 A Trustee who is a member of the Audit Committee will ensure that all audit journal entries are properly recorded, net assets reported in the general ledger agree to the audited financial statements, and the accounting period has been closed.



3.3.3 When the review has been completed, a report will be forwarded to the Chairman of the Audit Committee and to the President.

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**FOUNDATION CHECK WRITING PROCEDURE**

**1.0 SCOPE:**

This procedure describes how checks are to be approved and written.

**2.0 RESPONSIBILITY**

The responsibility for authorizing and writing checks shall be a multi-party responsibility as described in the procedure that follows: The Foundation President, Immediate Past President, and Treasurer are the only authorized signatories on the checking account.

**3.0 PROCEDURE**

**3.1 CHECK WRITING PROCEDURE UNDER \$1,000**

- 3.1.1 The Treasurer opens and date stamps all bills and requests for reimbursements.
- 3.1.2 The Treasurer reviews bills, attaches receiving reports/packing slips and assigns line account numbers with all support materials attached. The Treasurer collects receipts and charge slips during the month and attaches them to the billing statements when received.
- 3.1.3 The Treasurer enters all transactions into the accounting program and files the voucher and a check stub in a disbursement file.
- 3.1.4 Upon request the Treasurer sends copies of above to the designated Reviewer quarterly for review. After reviewing the material, the Reviewer keeps the items on file.
- 3.1.5 The Treasurer has authority to write all checks under the amount of \$1,000 adhering to above procedures for budgeted items.

**3.2 CHECK WRITING PROCEDURE OVER \$1,000**

- 3.2.1 The Treasurer follows the procedure in 3.1.1-3.1.4 and sends check to the President or Immediate Past President for second signature. After review and approval, the President or Immediate Past President signs the check and returns it to the Treasurer for signature and mailing.

**3.3 CHECKS PREPARED AWAY FROM THE OFFICE**

- 3.3.1 When it becomes necessary to prepare checks away from the office; the above check writing procedure is adhered to, to the extent possible.

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**OFFICER’S EXPENSES**

**1.0 SCOPE:**

This procedure describes how the Officer’s expenses are authorized and paid.

**2.0 RESPONSIBILITY**

It is the responsibility of the Officers to keep their expenses within the budgetary line items.

**3.0 PROCEDURE**

**3.1 Expense Reimbursement**

3.1.1 At the end of the month the Officer tallies expenses incurred during the month, and lists all expenses on “Expense Reimbursement Form” (“ERF”). The Officer reviews the expenses per the budget developed by the Finance Committee and approved by the Board of Trustees. If it appears there is a significant overrun, the Officer brings this to the attention of the President, Treasurer and the Chair of the Finance Committee for review and potential action.

3.1.2 The Officer then signs the “ERF”, and mails to the Treasurer for approval.

3.1.3 After reviewing the expenses and accompanying documentation, and if deemed acceptable, the Treasurer signs the check and sends it to the Officer. If the Treasurer has any questions regarding an expense he/she can request additional information or documentation. If the Officer is the Treasurer, the President will perform the duties of the Treasurer.

3.1.4 The Treasurer keeps the “Expense Reimbursement Form” and attachments in a file for future reference.

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ENDOWMENT  
ACCOUNT

- 1.0 SCOPE:  
This procedure describes how the Funds from the Endowment Account are transferred to the Florida Kiwanis Foundation Grants account.
  
- 2.0 RESPONSIBILITY  
It is the responsibility of the Treasurer to adhere to this policy when transfers are made.
  
- 3.0 PROCEDURE
  - 3.1 Transfer Process
    - 3.1.1 The Treasurer shall assure an electronic transfer can only be made between the Endowment Account and the Florida Kiwanis Foundation, Grants Account.
    - 3.1.2 The Treasurer notifies the Fund Manager that there will be two signatures required to initiate a funds transfer. The Foundation Treasurer and the Foundation President will be authorized to sign the transfer request. Regular mail or email may be utilized for approval signatures.
    - 3.1.3 The Treasurer notifies the Florida Kiwanis Foundation Finance Committee that a transfer needs to be made including the amount, the purpose, and timing of the transfer.
    - 3.1.4 On approval of the Finance Committee, the transfer is executed, the detailed report of the transfer are received from Fund Manager and kept in electronic and hard-copy files at the Florida Kiwanis Foundation office.
    - 3.1.5 The Treasurer keeps a copy of the transfer information and attachments in a file for future reference.
    - 3.1.6 All transfers will be reported at the next Board of Trustees meeting in the Treasurers Report to the Trustees.