**New Hampshire Orchid Society**

**Financial Management Policy**

**Revised: 03/2021**

**Purpose**

This document is intended to set forth the guidelines for managing the financial assets of the New Hampshire Orchid Society (known as the Society). As described in the bylaws, the Society has a mission to provide education, support and awareness of orchids to the General Public. The Board of Directors of the Society are duty bound to responsibly manage all of the assets of the Society, including the financial assets, to support this mission. This policy provides a mechanism for financial accountability and control required for the Board to manage the financial assets of the Society.

**Requirements**

Following are key requirements of this policy:

1. Of paramount importance, a system of ‘checks and balances’ will be followed to prevent any single person from misusing any monies of the Society.
2. Income and Expense accounts shall be tracked separately. All financial transactions will be tracked against specific accounts and actual expenses and incomes for each account tracked against the budgeted amounts. Any special accounts, such as endowments, shall be maintained in separate accounts and included in all financial reports.
3. A financial strategy shall be implemented and reviewed as necessary to maintain sufficient funds for day-to-day operation while maintaining all funds possible in protected or reserve accounts. These protected/reserve accounts are:
   1. Snow/Show Fund
   2. Show Reserve Fund
   3. Capital Reserve Fund
   4. Conservation and Education Fund
   5. Chuck Wingate Fund
   6. Dan Morton Fund
   7. Grace Barwood Fund
4. Monthly reports will be submitted to the Board of directors detailing all account balances (year to date, total last year, and year to date change), current month and year to date expenses by accounts, current month and year to date expenses against budget, current month and year to date income by account and current month and year to date income against budget.
5. An annual summary report of expenses and projected budget for the following year will be submitted to the Board of Directors and the General Membership.
6. Conformance of the Society to this policy must be verified through an internal or external review.

**Personnel**

The following individuals and groups will implement the Financial Management Policy.

1. The main person responsible for the Financial Management of the Society is the Treasurer who is an elected member of the Board of Directors. The Treasurer is the principal financial manager, whose duties include maintaining the Society’s chart of accounts, preparing deposits, tracking income and expenses against the budget, signing checks, preparing reports, preparing financial statements for the State and Federal agencies, ensuring accuracy of the financial records and preparing subsequent budgets for approval by the Board of Directors and the General Membership. If required, for a limited time period, the President may appoint a Board member to serve in the capacity of the Treasurer. Additionally, when the Treasurer is un-available, the Secretary may sign checks.
2. A Bookkeeper, if available, is responsible for maintenance of the accounts. If there isn’t a Bookkeeper, then the Treasurer assumes all of the following responsibilities which include: preparing all checks, updating balances and reconciling bank statements, all on a monthly basis. The bookkeeper position is separate from the Treasurer and is filled by appointment by the President with the advice and consent of the Board of Directors. A person contracted from outside of the society may also fill this position.
3. The Board of Directors is responsible for approving all payments, scrutinizing financial reports and transactions for accuracy and ensuring a reasonable operating budget and cash flow.

**Operations**

The rules that govern the operations of the Financial Management of the Society are listed below:

1. The Treasurer shall meet all of the duties of their position contained in the Society’s By-Laws.
2. The Treasurer, or authorized representative, is required to pick up the Societies mail at the P. O. Box and retrieve the contents within. Ideally the mail should be picked up weekly; if it is only picked up once, it is to be retrieved 1 week prior to the Monthly Board of Directors Meeting and a listing of the contents retrieved forwarded, via email, to the Board of Directors.
3. The Treasurer will prepare the monthly manifest from all the invoices received. The manifest will be closed on a date set by the Treasurer, for example, the Wednesday before the monthly meeting. Any requests received after the manifest close date, will be deferred to the following month’s manifest, through exceptions are allowed (see item F. below).
4. Requests submitted for reimbursement must conform to the Expense Reimbursement Policy which defines what expenses are eligible and requirements for reimbursement.
5. The Board of Directors must approve all payments and is done by approving the manifest.
6. All checks may be made payable to either a specific individual or company for an approved or invoiced amount with an explanation and the invoice number in the memo field. The Board of Directors must approve any exceptions to this rule (for example, if the exact amount is not known before hand) before the check is prepared with a specific maximum dollar amount, unless an exception is made by a majority of the General Membership for a well-known activity (For example, if a representative of NHOS is going to a plant auction on behalf of the society, a maximum dollar amount, or budget, is to be set).
7. When a situation arises that requires immediate reimbursement, the Board of Directors may approve the documented request and the Treasurer may manually prepare a check. This should only be on rare and exceptional cases. Requests being made should be done so in a timely manner to allow for inclusion into the monthly manifest. Late requests would get pushed off until the next month especially if the person making the request had time to prepare the proper paperwork for inclusion into the manifest.
8. All deposits must be made no later than 48 hours following receipt. The Treasurer may designate another person to deliver the money to the bank which may require access to the bank’s night depository.
9. A record of all complex deposits prepared must list the different sources or accounts for the income and be permanently retained for comparison against the deposit receipt and the monthly bank statement. This deposit record will be used for verification and tracking to ensure accurate posting of income to accounts for review. Those members who prepare the deposit must sign the deposit record; at least two members are required to prepare complex deposits for the NHOS Auction and NHOS Annual Show. While it is understood that under normal circumstances the Treasurer would be depositing complex deposits, where the Treasurer has the source information from where the cash/checks originated, there is a real concern that monies received at the show or auction will be from many sources and that the accuracy of accounting is paramount. Lessons learned have taught us that the Treasurer having help in counting, recording and depositing the money reduces errors and risks (risks = bodily harm) when making a large deposit. Any sign of impropriety must be avoided and having more than one person involved eliminates this risk. The definition of a complex deposit is left intentionally vague and assumes the Treasurer can use their discretion, unless the Bord chooses to define the term more constrictively.
10. A manifest shall be submitted to the Board of Directors itemizing all proposed payments. This list will include the payee, amount, account invoice (or expense reimbursement request) and an explanation of the transaction. The Board may then approve payment of the manifest, possibly as amended. The manifest will be kept as part of the financial record and a copy of the summary will be added to the official minutes, allowing traceability of when each payment was authorized. A copy of the approved manifest summary will be forwarded to the bookkeeper, if the position is filled, otherwise it reverts back to the Treasurer to trigger payment of the invoices.
11. Monthly financial statements must be submitted to the Board of Directors and available to the General Membership upon request. These statements will list all account balances (year to date, total last year and year to date change), current expenses against budget, current month and year to date income by account and current month and year to date income against budget.
12. All bank statements must be made available to the Board of Directors and the General Membership upon request in the first meeting after the statement is received and then within 10 working days of a request.
13. All special income, such as endowments, shall be maintained in special discrete accounts and not mingled with any other accounts. Financial statements must include all of these accounts with a separate listing of the income and expenses for each.
14. The Treasurer is responsible for filing all financial documentation for Federal and State agencies.
15. The Treasurer shall maintain a record and provide receipts of all donations made to the Society.
16. The Treasurer may appoint a comptroller for special events. A comptroller is responsible for the accounting and financial reporting and oversees the preparation of financial reports for special events.
17. Annually, following the close of the fiscal year (August 31st.), the President can appoint a group of at least 3 members of the Society to internally review the financial transactions of the Society. This review is intended to verify the financial transactions of the Society and to verify compliance with the approved Financial Management Policy. This review shall include random or chosen monthly bank and reconciliation statements with copies of checks written and other testing as determined by the Board of Directors. It is the intention of this review to reveal problems within the Financial Management Policy and has been deliberately left open-ended to address all aspects of the financial accounting of the society. This group will submit a written report of their findings, including any suggestions for improvements to the policy, to the Board of Directors.
18. In addition to, or in place of, the committee (appointed by the President) to internally review the financial transactions, a review of the books for the fiscal year will be completed by an independent bookkeeper, under contract with the Society, separate and apart from the President’s appointed committee. This independent bookkeeper cannot be a part of the Board of Directors or a member of the New Hampshire Orchid Society.