



SQA Chapter Financial Policy Form (2008)

As a part of the transition of some administrative services from SQA Chapter volunteers to SQA Headquarters (HQ), several questions have been posed regarding the transition of financial services. Because of the varying needs and existing procedures among the Chapters, SQA HQ requested that each Chapter develop a standard Financial Policy to direct HQ's actions in the Chapter's financial affairs. Below is a Financial Policy form for each Chapter to complete, which will enable SQA HQ to properly administer each Chapter's finances according to its direction.

Date: 18 January 2008

Version Number: 2

Name/Position of Chapter officer/director with authority over this version of the form:

Barbara Stephenson - Chapter President 2008

Chapter Acronym: MWSQA

Control of Checking Account(s)

1. The signatories on the Chapter's SunTrust shall be:

- Name: Barbara Stephenson Position: MWSQA President
Name: Wendi Godwin Position: MWSQA Treasurer
Name: Position:
Name: Position:
Name: Elliott Graham RQAP-GLP Position: SQA Executive Director
Name: Allison Travis Position: SQA Deputy Executive Director

2. Checks shall require authorization from two signatories:

- [X] if they are more than \$2000.00.
[] at all times.
[] never.

Note: SQA HQ does not encourage Chapters to ever require two signatures on any check due to the delay of payment of the Chapter's expenses that may occur in such instances.

3. The SunTrust Chapter checking account shall maintain a minimum balance of \$2000.00. The balance of the Chapter funds shall be invested in an interest bearing account until such time as the funds are needed to pay a Chapter expense above the minimum balance in the checking account. The SQA Accountant shall move funds between the Chapter checking account and interest bearing account as needed to meet A/P requirements.

4. Does the Chapter want to have checks held by a Chapter officer at its disposal? [X] Yes [] No

If yes:

- Approximate number of checks to be kept by Chapter officer: 25
Chapter officer shall request replacement checks as necessary in increments of 25.

- Checks with carbon copies:  Yes  No
- Name and/or position of the Chapter officer responsible for holding checks:  
MWSQA Treasurer
- Describe the procedures that shall be maintained to protect the checks from loss/theft:

The checks are maintained in a locked area/cabinet when not in use. Only the treasurer has the key to this area/cabinet.

*For example, SQA HQ keeps all checks under lock and key when no one is in the HQ office.*

- If there is a dollar limit on the amount for which a single check can be written, enter it here: \$N/A  
*If there is no dollar limit, type in "N/A".*
- Name and/or position of the Chapter officer responsible for verifying with SQA HQ that adequate funds are in the account before the check is written and for providing documentation (ie, a copy of the check) with proper account coding to SQA HQ after the check has been written for the bank records:  
MWSQA Treasurer

**Chapter officers/directors with spending authority shall be responsible to notify SQA HQ one week in advance of any time period in which the Chapter will be writing any check or checks that will total more than half of the minimum balance specified in Item #3 so that the SQA Accountant may move adequate funds into the Chapter checking account.**

*Note: The Chapter representative should please contact SQA HQ with the check number, vendor name, amount of the check, accounting code for the expense, a copy of the invoice and a copy of the completed check when possible within one (1) day after the check has been written. Facsimile copies, followed by original documentation, are acceptable.*

5. Is the Chapter retaining a checking account other than the SunTrust account maintained by SQA HQ?  Yes  No

**If yes:**

- Approximate balance being maintained in this account: \$
- Name and/or position of the Chapter officer responsible for maintaining this account:
- Financial institution name, address and account number(s):
- Names of the current signatories on this account:

- Name and/or position of the Chapter officer responsible for reporting income and expenditures on this account to SQA HQ (this is required at least annually for tax and audit purposes, but it is recommended that it be done quarterly):

*Note: It is recommended that the Chapter provide copies of any bank statements from such an account to SQA HQ to be kept with the rest of the Chapter's financial records.*

### Control of Investments

1. Outside of the minimum balance set forth above to be maintained in the Chapter checking account, shall all other Chapter funds submitted to SQA HQ be invested with SQA's investments?  Yes  No

*See SQA SOP FI-01-02.xx for SQA's investment policy. Please note that if this answer is YES, interest shall be credited to the Chapter on a quarterly basis.*

2. Is the Chapter retaining any investments other than those managed by SQA HQ?  Yes  No

**If yes:**

- Describe the type of investment(s) being maintained:
- Financial institution name, address and account number(s):

- Name and/or position of the Chapter officer responsible for maintaining the investment(s):

*Note: It is recommended that the Chapter provide copies of any investment statements from such an account to SQA HQ to be kept with the rest of the Chapter's financial records.*

### Control of Credit Cards

*On behalf of each Chapter, SQA can provide Chapter credit cards with an aggregate limit not to exceed \$5,000.*

1. Does the Chapter want credit cards available to any individuals for the payment of Chapter expenses?  Yes  No

**If yes:**

- Please list the names of the individuals who should hold Chapter credit cards and their respective credit limits. (*Note: Total Chapter credit limit is \$5,000. This means that the total of all current transactions on all of the cards together should not exceed \$5,000. The total credit limits on all of the cards combined may be higher than \$5,000, but no more than \$5,000 can be charged on all of the cards combined at any one time.*)

Name: Credit Limit: \$

Name: Credit Limit: \$

Name: Credit Limit: \$

Name: Credit Limit: \$

- Describe the procedures that shall be maintained to protect the cards from loss/theft:
- Name and/or position of the Chapter officer/director responsible for providing documentation (ie, a receipt) with proper account coding to SQA HQ after a charge is made for the bank records:
- If there is a dollar limit on the amount for which a single transaction can be charged, enter it here: \$  
*If there is no dollar limit, type in "N/A".*

### Provisions for Theft or Loss

1. Describe the procedures to follow in the case that a credit card or check held by the Chapter is lost or stolen in order to limit potential damage to the Chapter's finances:

*Note: A top priority in such an instance should be to notify SQA HQ immediately.*

### Accounts Payable Approval

1. Name and/or position of the Chapter officer/director(s) who may approve invoices to be paid by SQA HQ on behalf of the Chapter:  
MWSQA Treasurer  
MWSQA President
2. Approval of payments must come from  **either** **OR**  **both** individuals identified above.
3. If there is a dollar limit over which a payment shall be approved by a different method, enter it here: \$2000.00 (requires approval from both individuals identified above). Amounts less than or equal to \$2000.00 requires approval from either one of the individuals identified above. *If there is no such provision, type in "N/A".*  
*For example, SQA payments over \$5,000 must be approved by the Executive Director and either the Treasurer or President; see SQA SOP HQ-03-07.xx.*
4. If there is a different procedure for approving payment of invoices payable to the association management company (CMG) or to SQA, please describe it below. CMG prefers that any checks payable to CMG or a CMG employee be approved by both the Chapter President and Treasurer.

Not applicable - follow procedure as stated in #3.

*For example, SQA payments to CMG or a CMG employee must be approved by **both** the Treasurer and the President.*

5. Name and/or position of the Chapter officer who has special payment approval privileges in the absence of the above-specified Chapter officer(s). SQA HQ (either the Executive Director or Deputy Executive Director) may be identified for the purpose of urgent payment situations.

For urgent payments only:

A) In the event both individuals identified above are unavailable to approve urgent payments, the payment may be approved by SQA HQ (i.e. either the Executive Director or Deputy Executive Director) after notification is provided to the MWSQA BoD.

B) In the event one of the individuals identified above are not available to approve urgent payments over \$2000.00, the expense may be approved by the other individual identified above after notification is provided to the MWSQA BoD.

*For example, if the SQA Treasurer is unavailable to approve a payment, it may be approved by the President alone with all documentation provided to the Treasurer for his/her reference.*

6. If there is a different procedure for approving reimbursements to Chapter members and/or Board members, particularly if the Treasurer or President is requesting a reimbursement for him/herself, please describe it below:

A) Payments to either of the individuals identified above may be approved by the other individual identified above.

B) Payments greater than \$2000.00 to either of the individuals identified above may be approved by the other individual identified above after notification is provided to the MWSQA BoD.

*Note: SQA HQ recommends that in the case a Chapter Board member requires reimbursement from the Chapter, authorization be required from at least one Board member other than the one receiving reimbursement.*

7. If there is a different procedure for approving payment/reimbursement for any special awards given by the Chapter to its members (i.e., travel awards or scholarships to the SQA Annual Meeting, etc.), please describe it below:

Not Applicable - Follow same procedures as described above in #3-#6.

### Accounts Receivable

1. Will the Chapter ever receive payments made directly to a Chapter officer or other representative rather than payments made to SQA HQ?  Yes  No

**If yes:**

- Will these funds be sent to SQA HQ for deposit in the Chapter's SunTrust account?  
 Yes  No
- If yes, name and/or position of Chapter representative(s) who may be responsible for sending the funds to SQA HQ for deposit:

MWSQA Treasurer

*Note: In such cases, the Chapter representative sending the funds to SQA HQ should make a copy of the check(s) and/or payment form(s) before sending the package and should also notify SQA HQ of the package tracking number in the case that the package*

*is lost or stolen in transit to SQA HQ. The Chapter may discard the copies upon confirmation of receipt of the package by SQA HQ.*

- Describe how the Chapter will send any funds collected in cash to SQA HQ. SQA HQ strongly recommends that the Chapter send cash funds by money order or an equivalent method to prevent theft of the cash in transit to SQA HQ.

Not applicable - The MWSQA Chapter shall not accept cash payments.

## Financial Record-Keeping

### 1. BUDGET

- Does the Chapter create an annual budget?  Yes  No
- **If yes**, Name and/or position of the Chapter officer(s) responsible for creating the Chapter's annual budget:

- Describe the process by which the Chapter's annual budget is created:

*Note: SQA's procedure for creating its annual budget can be found in SQA SOP FI-01-03.xx.*

- Date by which the final budget must be approved:
- **Please provide a copy of the budget to SQA HQ after it is finalized to be kept with the rest of the Chapter's financial records.**
- Does the Chapter want SQA HQ to have any part in the creation or maintenance of the budget?  Yes  No
- **If yes**, describe how SQA HQ should be involved:

### 2. ACCOUNT CODES

- SQA HQ shall provide to the Chapter a list of Account Codes used in standard accounting practice to track the Chapter's income and expenses by categories. Please describe any specific financial categories for which the Chapter would like to track income and expenses:

3. FINANCIAL RECORD RETENTION

- In maintaining the Chapter's financial records, SQA HQ shall follow the record retention policy specified for SQA in SQA SOP GA-03-06.xx unless otherwise specified. If the Chapter would like for SQA HQ to follow a different policy for financial record retention, please describe the policy below:

4. FINANCE REPORTS

- The Chapter wishes to receive regular finance reports from SQA HQ.  
 Yes  No
- **If yes**, how often and when should these reports be provided?

The Monday prior to each monthly MWSQA BoD meeting (11 FEB, 17 MAR, 14APR, 12 MAY, 16 JUN, 14 JUL, 11AUG, 15 SEP, 13 OCT, 17 NOV and 15 DEC 2008.

- Name and/or position of the Chapter officer to whom the financial reports be provided:

MWSQA Treasurer

- SQA HQ generally provides a Profit & Loss statement and a Balance Sheet as the standard financial report. If the Chapter requires any additional specific information in its financial report, please describe it below:

SQA HQ should also include descriptions of each expense or income in the standard financial reports.

5. IRS FILING/AUDIT

- Name and/or position of the Chapter officer who shall be responsible for assisting SQA HQ in preparing for IRS tax filings and the annual audit of financial records:

MWSQA President

- The Chapter shall do the following regarding its annual financial audit:
  - The Chapter shall have its Treasurer and/or Members perform an annual audit of financial records as maintained by SQA HQ.
  - The Chapter shall rely on SQA HQ to hire someone to conduct an independent audit of its financial records at the expense of SQA.
- **For reference**, the list of documents needed for the IRS filing/audit follows:
  - Current Bylaws
  - Current Mission Statement
  - Copies of any contracts between the Chapter and any other party executed during the previous year
  - Year Ending Annual Report (*including a summary of meetings and activities, and member benefits from the previous year*)

- Year Ending Membership List (*paid members only – can be provided by SQA HQ for year 2007 and beyond if Chapter membership dues are being collected by SQA HQ*)
- Year Ending Copies of monthly bank statements for any account not maintained by SQA HQ
- Year Ending Balance Sheet and Income Statements for any account not maintained by SQA HQ
- Year Ending Receipts and Disbursements Journals (check registers) for any account not maintained by SQA HQ
- Year Ending Invoices for any major expenses paid from any account not maintained by SQA HQ
- Year Ending General Ledger for any account not maintained by SQA HQ
- Year Ending General Journal Entries for any account not maintained by SQA HQ
- Year Ending Letter documenting that the Chapter elects to be included as a Chapter in SQA tax exemption
- Year Ending Letter to authorize SQA to file a 990 for the previous year on behalf of the Chapter
- Year Upcoming Annual Plan (*including any planned meetings and activities, and a proposed budget*)
- Year Upcoming Officers and Directors List
- Year Upcoming Membership List (*paid members only – can be provided by SQA HQ for year 2007 and beyond if Chapter membership dues are being collected by SQA HQ*)

As specified above, some of these documents may be maintained on the Chapter's behalf depending on the details of the financial policy above and the signed Chapter agreement with SQA HQ. All documents not maintained by SQA HQ shall be provided to SQA HQ by **28 February** of each year.