

The Arts and Recreation Foundation of Overland Park

FINANCIAL ACCOUNTABILITY POLICY**(Deposits, Expenditures, Contracts, and Event Cash Control Procedures)**

The following procedures clarify and expand upon Article Seven "Contracts, Checks, Deposits and Gifts," Sections 1 and 2, of the Bylaws of the Arts and Recreation Foundation of Overland Park as authorized by Article Seven.

DEPOSITS

1. The Board of Directors shall designate the financial institution(s) at which all ARFOP funds are deposited. There shall be a minimum of 8 separate accounts. These are Foundation Checking, a checking account for each of the Friends groups, Foundation Money Market (or other name of an interest-bearing account), and a money market account for each of the Friends groups. Funds may be deposited in different banks.
2. As much as possible, all payments to the Foundation and the Friends groups shall be directed to a lock box currently maintained by the Bank of Blue Valley: **ARFOP**

P.O. Box 26147

Overland Park, KS 66225.

To ensure the timely fulfillment of admissions, registrations and other time-sensitive requests, payments may be directed to **ARFOP**

P.O. Box 26392

Overland Park, KS 66225

3. Donor-designated funds for a specific Friends group and funds received as a result of membership payments, special event revenue (sponsorships, admissions, related income, etc.), special project solicitations undertaken by the Friends group, commemorative gifts and merchandise sales shall be deposited in the appropriate Friends group accounts.
4. Lock-box deposits are best made by mail. In the event that deposits are hand-delivered to the bank, the following procedure is to be followed:
 - Upon receipt of check(s) – **DO NOT USE THIS PROCEDURE FOR DEPOSITING CASH** (See #4). Make copies of all check(s) and accompanying paperwork as a safeguard until the bookkeeper verifies that the deposit has been made.
 - Put check(s) and original paperwork in an envelope addressed to
Lock Box Deposit
 Arts and Recreation Foundation of Overland Park
 P. O. Box 26147
 Shawnee Mission, KS 66225
 - Take to Bank of Blue Valley Mortgage Center
 7900 College Blvd.
 (College Blvd. and Lowell)
 Overland Park, KS 66210
DO NOT TAKE TO MAIN BANK AT 119th & METCALF NOR TO ANY OTHER BRANCH.
 - Enter on the north side of the building and take to a teller at the counter. Explain that you are leaving a lock-box deposit.
 - In the event that these arrangements change, this policy will be automatically updated and all groups will be notified.
5. Cash deposits – deposits of currency and coins may be made at any Bank of Blue Valley branch.
 - Two persons shall verify the amount of all cash deposits.
 - The account number of the account to receive the funds is available from the bookkeeper.
 - Obtain a receipt from the teller.
 - Immediately mail receipt and an explanation of the source of the funds (donation box, event cash, etc.) and any restrictions concerning its purpose to the bookkeeper. The person making the deposit should sign this explanation.

EXPENDITURES

6. The Board of Directors shall delegate the day-to-day payment of expenditures to the ARFOP-employed bookkeeper, who shall be authorized to sign checks and make payments by other approved means on behalf of ARFOP.

7. The following officers and agents of the foundation shall also have the authority to sign checks or make payments by other approved means on behalf of ARFOP:
 - Executive Director
 - President of the Board
 - Treasurer of the Board
 - Assistant Treasurer of the Board
 - Secretary of the Board
8. The Treasurer of the Board shall supervise the bookkeeper and regularly monitor the bookkeeper's adherence to the procedures outlined in this policy.
9. A person independent of the checking process; i.e. not a check signor, shall be assigned or hired to review and reconcile the ARFOP checking accounts monthly. This person should receive the bank statements directly from the bank unopened.
10. The bookkeeper shall make no payments without prior authorization as outlined in this policy.
11. Requirements for authorization to pay:
 - The bookkeeper shall have received a written request, which includes an authorizing signature along with supporting receipts or other documentation, or an invoice with authorization to pay.
 - Written requests and authorizations shall be from the following:
 - For Foundation expenses – the President of the Board, the Executive Director or the appropriate chairman of the event or project with the written approval of the Executive Director or a member of the ARFOP Executive Board
 - For Friends expenses – the appropriate event/project chairman with the written approval of the Friends Chairman or Treasurer.
 - Reimbursement requests and authorizations to pay shall be on a "Request for Reimbursement/Payment" form (sample attached).
 - Recurring payments (phone bill, wages, employment taxes, etc.) may be paid with a blanket authorization that would remain in effect until a material change in the payment occurs such as change of vendor, substantial cost adjustment or change in service or product. Minor expenses for postage and supplies (less than \$100) may be paid by the bookkeeper without approval, but an accounting via email or hard copy of such expense shall be made monthly to the Treasurer and a copy of that accounting retained in the bookkeeper's expense file.
 - The person approving an expense must be independent of the person requesting the payment or reimbursement.
 - Requests and approvals/authorizations may be made via email. The bookkeeper shall retain a copy or original authorization for payment and attach to other documentation supporting the payment such as an invoice or check copy.

CONTRACTS

12. The following members of the Board of Directors and agents of the foundation shall have the authority to enter into and sign contracts on behalf of ARFOP with the restrictions cited:
 - President of the Board
 - All contracts encumbering the Foundation to payment of \$5000.00 or more shall require the signature of the President of the Board.
 - Any contract signed by the President of the Board encumbering the Foundation for \$5000.00 or more shall require the prior approval of the Board of Directors.
 - Executive Director
 - The Executive Director shall have the authority to sign contracts that encumber the Foundation for payments of less than \$5,000.00.
 - Any contract signed by the Executive Director encumbering the Foundation for less than \$5000.00 shall require the approval of the President of the Board.
 - Chairs of the Friends groups
 - The Chairs of the Friends Executive Committees shall have the authority to sign contracts that encumber their respective Friends group for less than \$5000.00 with the

prior written approval of their Executive Committees – as evidenced by a motion duly made and approved at a meeting of the Executive Committee.

- Any contract that encumbers a Friends group for \$5000.00 or more requires the signature of the President of the Board and the approval of the Board of Directors.

CREDIT CARDS

13. The Board of Directors shall authorize one credit card for use by the Executive Director and one credit card each for the Friends groups. The credit limit on each card shall be \$5000.00. The Board of Directors shall have the authority to rescind the privilege of using these credit cards at any time for cause.

ANNUAL AUDIT

14. The Board of Directors shall annually engage an independent Certified Public Accountant to audit the financial statements and accounts of the Foundation for the purpose of securing an opinion as to the accuracy of such statements and accounts.

EVENT CASH CONTROL

15. ARFOP is committed to utilizing best-business practices for cash (term refers to coinage, currency, checks, money orders and credit card transactions) control at special events. At a minimum, the following procedures shall be followed at all special events conducted by the Board and/or each of the Friends groups.
 - The event chair or treasurer shall develop an event-specific cash control plan which covers and/or includes
 - How volunteers will be trained in cash control procedures
 - Written collection procedures for all volunteers handling cash
 - Procedures for receipting and record keeping
 - Equipment needed (cash registers, cash boxes, credit card equipment, phone lines, etc.)
 - Security procedures for storing, counting and depositing funds and delegating responsibilities among different people so that no one is handling any one task alone
 - The event cash control plan is due at least one week prior to the event and sent to the ARFOP Treasurer, bookkeeper and Executive Director.
 - The event chair or treasurer shall make prior arrangements with the ARFOP bookkeeper for equipment and seed cash needed to handle cash at the event.
 - The event chair or treasurer shall consult with the ARFOP Executive Director about the applicability of collecting sales tax on sales at special events. Sales tax shall be collected and paid on all merchandise sales.
 - The event budget shall include a line item for the expense of this equipment, credit card transaction fees and applicable sales tax.

PETTY CASH

15. Each Friends group may maintain a pre-approved (by the ARFOP Treasurer) petty cash fund for miscellaneous cash expenditures.
16. When cash is expended, cash receipts are to be obtained with a clear explanation of expenditures.
17. Petty Cash expenditures are to be made from the petty cash fund only.
18. The Friends' Treasurers shall obtain cash receipts, at a minimum of monthly. To receive reimbursement, each Treasurer shall
 - Submit a request for reimbursement with the proper documentation (receipts) and approvals
 - Reconcile the petty cash fund to the pre-approved Petty Cash amount.
19. The petty cash funds are not to be commingled with any other cash funds (such as special event cash).

Approved by the Arts and Recreation Foundation Board of Directors
March 17, 2009

**FRIENDS GROUP
EXPENSE AUTHORIZATION - REIMBURSEMENT FORM - CHECK REQUEST**

Check One

Reimbursement by Check

Charge Account

Check Request

Pay to the Order of

Mailing Address

City, ST zip

[illegible]

TOTAL AMOUNT

RECEIPTS OR INVOICE MUST BE ATTACHED.

REQUESTED BY

APPROVED BY

DATE:

DATE: