

# FINANCIAL MANAGEMENT POLICIES AND PROCEDURES POLICY



## Of The *United Bassa (Liberian) Organization In The Americas* **( UNIBOA )**

# **FINANCIAL MANAGEMENT POLICIES AND PROCEDURES SAMPLE**

Developing and adopting a written financial policy is a valuable practice for any nonprofit organization, no matter how small or large is the organization. Financial policies clarify the roles, Authority, and Responsibilities for Essential Financial Management Activities and Decisions. In the absence of an adopted policy, Executive and board members are likely to operate under a set of assumptions that may or may not be accurate or productive. If the idea of creating a financial policy seems daunting, these guidelines for policy development and this basic example may be helpful. Even though there may be occasional deficits, or periods of tight cash flow, the following characteristics are good signs that your organization will be financially healthy over the long-term.

The purpose of the financial policy is to describe and document how the board wants financial management activities to be carried out. In order to accomplish this, this financial policy address five Essentials areas for Policies

- Assignment of authority for necessary and regular financial actions and decisions, which may include delegation of some authority to other leaders
- Policy statement on conflicts of interest or insider transactions
- Clear authority to spend funds, including approval, check signing, and petty cash
- Clear assignment of authority to enter into contracts
- Clear responsibility for maintaining accurate financial records

## **1. GENERAL PURPOSE**

- A. The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Organization, and managing the Organization funds and assets.
- B. The purpose of financial management in the operation of all UNIBOA activities is to fulfill the organization's Mission in the most effective and efficient manner and to remain accountable to all members (stakeholders), including member chapters, partners, funders, volunteers, and the community at large. In order to accomplish this, the Executive committee commits to providing accurate and complete financial data for internal and external use by the Board of Directors.

## **2. AUTHORITY AND RESPONSIBILITIES**

**A) The Board of Directors**

**B) The Board Chair**

**C) The Executive Committee**

**D) The President**

**E) Executive Audit Committee (EAC) (Internal Audit)**

**F) The Treasure**

**G) The Financial Secretary**

**H) The Board Finance Budget and Audit Committee**

- A) **The Board of Directors** is ultimately responsible to formulate financial policies and review operations and activities on a periodic basis.
1. **The Board of Directors** has financial oversight responsibility over the Executive.
  2. **The Board of Directors** shall review and approved the annual budget of UNIBOA prior to next fiscal year (January 1).
  3. **The Board of Directors** shall authorize Internal audit every two years of all financial statements and policies of UNIBOA in a timely manner at the first quarter of the new fiscal year to facilitate the external audit by the beginning of the second quarter (April) and submit its findings within 30 days upon receipt of such audit report.
  4. **The Board of Directors** shall: Review all financial and Audit reports of **Program/Project**.
  5. **The Board** Shall Provide adequate training to members to enable each member to fulfill his or her financial oversight role by organizing workshop.
- B) **The Board Chair** Shall appoint (3) other Independence members of the organization to the Executive Financial committee who are not member of the Board or Executive Committee but are member of UNIBOA.
- C) **The Executive Committee** Headed by the President is responsible for the day-today financial management of the organization and approving revenue and expenditure objectives in accordance with the Board approved budget.
- D) **The President**, with oversight of the Executive Finance Committee is responsible for the coordination of the following: Annual Budget Presentation, Management of the Endowment and other fund investments if any.
- 1) **The President** Shall appoint (3) Members Executive Audit Committee.as **Internal Auditors**,
  - 2) **The President** Shall appoint (3) Members to the Executive Financial Committee:
    - Treasure the Head of the (EFC)
    - Financial Secretary
    - Way and means Chair
  - 3) **The President** is a signature to all bank account and shall authorized all expenditure and sign all checks and vouchers also acts as the primary fiscal agent, implementing all financial policies and procedures.
- E) **Executive Audit Committee (EAC)** responsibilities include, but not limited to Conduct independent internal audits of UNIBOA financial records and policies at the end of every **Program/Project**
- 1) Report findings to the Executive Council and the Board of Directors within 30 days after **Program/Project**
  - 2) Ensure the Executive Council implement financial controls, corrective actions and/or any other changes recommended through the audit process in 30 days.
  - 3) **The Executive Financial Committee (EFC) President / Treasure** are authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$10,000
- F) **The Treasure** is the head of the Executive Financial Committee (EFC) and is responsible to implementing all financial policies and procedures.
- 1) **The Treasure** is a signature to all bank account and must sign all expenditure and sign all checks and deposit all funds within seventy-two (72) hours upon receipt from the finance Secretary and also shall make all financial reports.
  - 2) **The Treasure** with oversight by the Board Finance Budget and Audit Committee has the day-to-day operations responsibility for managing Organization funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.

- 3) **The Treasure** is responsible for the preparation of the **Chart of Accounts**, Reporting Formats, Accounts Payable Processing, Payroll or Payment input processing, Cash Receipts input, Journal Entries for General Ledger, Form 1099 reporting, Form 5500 reporting, and Form 990 reporting.
- G) The Financial Secretary** Shall handle all financial records, collect dues, give a receipt for all monies received for UNIBOA and remit all finances and reports to the Treasurer at once for deposit.
- **The Financial Secretary** Works closely with the treasurer and other financial officers and serve on the Executive Financial Committee (EFC)
- H) The Board Finance Budget and Audit Committee-**
- The Board Finance Budget and Audit Committee as a whole has the ultimate fiduciary responsibility for the accuracy of the organization’s financial reporting but also has a Distinct and Dual role in both Finance Budget and Audit.
- **The following demonstrates the distinct roles of the Audit Committee Member Roles and Responsibilities.**
    - 1) Reviews the organization’s financial statements and other official financial information provided to the public;
    - 2) Ensures that reports are received, analyzed, and distributed correctly.
    - 3) Oversees the organization’s internal controls, including management’s compliance with applicable policies and procedures and risk management (for example, for organizations that are part of a national network, annually reviewing whether the organization meets the re-chartering requirements of its national organization);
    - 4) oversees the annual independent audit process, including engaging the independent auditor and receiving all reports and management letters from the auditor.
    - 5) Reviews the annual information returns (IRS Form 990, related schedules, and forms) and recommends it for approval, signature, and submission by the appropriate officer. The audit committee also transmits the returns to the board for its review before signing and submitting it. The audit committee engages (on the board’s behalf) and interacts with the independent auditor or auditing firm. Many audit firms also prepare the federal and state tax returns for their nonprofit audit clients; and
    - 6) Reviews the organization’s procedures for reporting problems. The audit committee may exercise primary responsibility to review anti-fraud policies, and policy and procedures related to the discovery of errors or illegal acts, whistle-blower hotline, and other communication methods and determine the process for “special investigations” (whistle-blower allegations, anti-fraud compliance, discovery of errors or illegal acts).
    - 7) The Board may delegate other authority and/or duties to the audit committee.
  - **The Finance Budget Member Roles and Responsibilities**
    - 1) Review the annual budget and make recommendation to the Board.
    - 2) Advises the board with respect to making significant financial decisions, such as correcting or restructuring the organization's books and accounting procedures when fiscal problems arise.
    - 3) Should ensure the members between the audit committee and the finance committee meets local laws and regulations.
    - 4) The board may delegate other authority and/or duties to the audit committee.

### 3. BUDGETING PROCESS

- A) The Treasurer and Executive Finance Committee (EFC) shall be responsible for presenting to the President and the entire Executive Leadership a draft of the annual operating budget for review and approval three (3) weeks prior to its submission to the Board of Directors.
- B) The President and his/her Treasurer and Executive Finance Committee (EFC) must submit an annual operating budget sixty (60) days prior to the end of the fiscal year to the Chairman of Board of Directors and he must then submit the draft budget five (5) days of receiving the draft budget to the Board Finance Budget and Audit Committee
- C) **The Board Finance Budget and Audit Committee** have thirty (30) days prior to its submission to the entire Board of Directors to review and recommended a budgetary reconciliation meeting with the Executive Finance Committee (If Necessary) before any full and final recommendation to the full Board.
- D) The Board of Directors shall review and approve or denied the annual operating budget three (3) weeks prior to the end of the fiscal year.
- E) The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included and the annual operating budget fiscal year prior start and end January to December of each year.
- F) The entire Board must approve the budget and All decision must be majority voted base of the Board of Directors rules

### 4. CONFLICT OF INTEREST

- A) Members of the Board of Directors and Executive Leadership are prohibited from activities that might present conflicts of interest. The powers of directorship and Executive Leadership may not be used to personally benefit any officers of the Organization at the Organization expense. If a director or an Executive Leadership has a financial interest in an organization transaction, the officer must fully disclose the interest and abstain from voting, and all Loans to Directors or Executive Leadership are **PROHIBITED**.
- B) National leadership and the national board of directors shall receive travel allowance as approved in the annual budget by the board.
- C) In no case shall UNIBOA borrow funds from any member, officer, or director of the organization without specific authorization from the Board of Directors and a **MOU**.

### 5. FINANCIAL STATEMENTS

- A) The Organization financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (“GAAP”). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards No. 117, “Financial Statements of Not-For-Profit Organizations” (SFAS No. 117). Under GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes shall be classified as unrestricted, temporarily restricted and permanently restricted. Separate from Unrestricted Funds, resources for various purposes are classified for accounting and maintained for each fund. Several funds are in place for this purpose including but not limited to: Endowment Fund, Restricted Funds, Cash Management Fund, Property and Equipment Fund, etc.
- B) The Treasury shall prepare and present quantity Financial Statements in accordance with Generally Accepted Accounting Principles (“GAAP”). The statements shall be presented to the Organization President, the Executive Leadership and the Finance Committee for review before presented to the Board of Directors and it must be basis in accordance with Generally Accepted Accounting Principles (“GAAP”).

### 6. CASH FUND

- A) A cash fund of one-quarter to one-third of the Organization annual operating expenses shall be maintained. When the fund balance falls below this minimum, the Executive Finance Committee (**EFC**) and the Board shall develop a plan and budget for rebuilding it.

## 7. UNITED BASSA (LIBERIA) ORGANIZATIONS IN THE AMERICAS (UNIBOA), INC.

### External Audit Policy

#### Title: External Audit Policy (EAP)

##### Applicability

This policy applies to all officers of UNIBOA including members of the Executive Council and Board of Directors, and any external third parties engaged to audit and/or perform other accounting services for the association (UNIBOA).

##### Purpose

The purpose of this policy is to provide a set of guidelines and procedures through which UNIBOA and its auxiliaries can successfully implement annual and periodic audits in compliance with of the constitution of UNIBOA, and to satisfy state and federal laws by conducting audit of financial reports in accordance with generally accepted auditing standards (GAAS) in the United States of America.

Audits ensure compliance with federal and state regulations, confirm appropriate application of accounting rules and principles, verify existence of adequate internal controls and attest to the fair representation of financial statements to UNIBOA's members and all interested parties.

This policy establishes the Audit committee's (AC) role in appointing the external auditor and provides the requirements and guidelines to be used in screening, engaging and monitoring of the external auditor.

##### Scope of Policy

1. The Board of UNIBOA shall ensure that the financial records of the year ended or period under review are available within the first quarter of the new fiscal year to facilitate external audit by the beginning of the second quarter (April).
2. A comprehensive itemization of the audit work and other accounting services required by UNIBOA shall be provided or spelled out by the Audit committee's (AC) during audit engagement.
3. Additional services available by the proposal are to be listed and candidate firms are to furnish timetables for completing work. Services shall include, but not limited to:
  - a. Schedules for conducting interim and final field work.
  - b. Required financial statements and reports.
  - c. Federal, State and other regulatory body tax and information returns.
  - d. Subject matter expertise on nonprofits and charitable contributions.

##### Definitions

1. Audit – independent and objective appraisal to examine or review the fair presentation of financial statements, efficiency of operations, effectiveness of achieving program results, compliance with laws and regulations and/or the detection of fraudulent activities. Audit includes reviews, site visits, desk audits, and fraud investigations.
2. External Audit – independent and objective appraisal performed by a non-association member or entity, who is independent and qualified. Its objective is to determine among other things whether 1) the accounting records are accurate and complete; 2) prepared in accordance with the provisions of generally accepted accounting
3. Principles (**GAAP**); and (3) the statements prepared from the accounts represent fairly the association's financial position and the results of its financial operations.
4. **Request for Proposal** – is an invitation for service providers to submit a proposal to perform audit activities for a specific fiscal period or an entity. The request for proposal (RFP) process brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly upfront.



## **Policy**

### **A) Audit Engagement Process:**

- **Request-for-Proposal (RFP)** – A formal RFP process shall be used to seek qualified accounting firms for independent audit services. Content of the RFP shall include, but not limited to the following:
  - 1) **Preface and Invitation.** A description of the association (UNIBOA) and its operations and the range of audit service sought, together with a request to submit engagement proposal.
  - 2) **Qualifications.** The RFP is to contain a statement identifying the minimum qualifications required from proposing firms and shall require the accounting firms to list by name and experience the audit team members to be assigned to the engagement.
  - 3) **References.** Prospective accounting firms or proposers are to provide a list of contacts with any current and/or former nonprofits and other organizations (clients) they have performed financial audits.
  - 4) **Compensation.** The RFP is to request information on the method and basis of compensation for the services. Basic audit and accounting services are to be quoted as a not-to-exceed fixed fee. the Audit committee's (AC) shall engage all prospective accounting firms or external auditors to set compensation on behalf of the Board and UNIBOA. Submitted proposals must contain an estimated number of hours to complete the audit and any other accounting services.

### **B) Responsibilities**

- **The Audit committee's responsibilities include, but not limited to:**
  - 1) In conjunction with management and the Executive Council, develop an audit services RFP when required.
  - 2) Screen and recommend for appointment by the Board of Directors a qualified accounting firm to conduct independent external audits of UNIBOA financial records and policies
  - 3) Oversee, monitor and evaluate audit firm performance and report findings to the Board.
  - 4) Ensure management and the Executive Council implement financial controls, corrective actions and/or any other changes recommended through the audit process.
  - 5) Develop and recommend audit related policies to the Board.
  - 6) Other related duties as requested by the Board.

### **C) Procedure**

- **Selection Criteria**
  - 1) The fundamental criteria for selecting the external audit firm should be based on qualification, reputation, capability, and cost of services.
  - 2) The external audit firm selected shall demonstrate through the RFP evaluation process that the engagement proposal is complete, responsible, and responsive to the audit specifications and request proposals.
  - 3) Where possible, the Audit committee's (AC) shall work with management or the Executive Council to evaluate and consider an auditor who could perform the work, thereby providing economies of scale pricing and improve the utilization of UNIBOA accounting and auditing staff.

### **D) Engagement**

- The acceptance of an independent audit services proposal shall be by formal action of the Board of Directors (Audit Committee) and confirmed in writing to the accounting firm or auditor selected. The engagement relationship shall be such that the audit firm is hired by and reports results to the Audit committees, (AC) which then reports to the Board, while working closely with management or the Executive Council to achieve desired improvements in financial record keeping, operations and internal controls.

#### **E) Post Audit Performance Review**

- Following the report of external audit results for each fiscal year, the Audit committee (AC) shall evaluate the performance of the external auditor or audit firm. The performance evaluation should consider the following factors:
  - 1) Did the auditor meet all the requirements, including the instructions, procedures and format called for by the Audit committee's and UNIBOA? Yes /No
  - 2) Did the auditor maintain an audit schedule, which met specification requirements? Yes /No
  - 3) Were reports and recommendations from the auditor timely, clear, complete and fair? Yes /No
  - 4) Were audit personnel assigned to the audit those identified in the proposal (RFP) or engagement letter? Did they perform their duties in a professional manner? Yes /No
  - 5) Has the audit firm assigned different, but yet fully qualified personnel to perform the audit on a cyclical basis in order to ensure new audit perspectives are continually brought forward? Yes /No
  - 6) Was the firm responsive to special audit service needs during the year? Yes /No

#### **F) Continued Engagement**

- 1) Based upon a favorable post audit performance review by the Audit Committee (AC) of the audit services rendered for each year, the Board may consider continued engagement of the accounting or audit firm. The requirements of the RFP may be modified by the Audit Committee (AC) and observed for such continued engagements.
- 2) It shall be the general policy of the Board that an engagement term be limited to a total of Three (3) years. A fourth year extension may be considered by the Audit Committee (AC) for subsequent recommendation to the Board based upon exemplary performance by the engaged audit firm. An audit firm engaged in a prior term is eligible to respond to an RFP for subsequent term.

### **8. AUDIT**

- The Organization will have an audit of its financial statements every 2 years, within 2 months of the end of each fiscal year. The audit shall be completed by a firm of Independent Certified Public Accountants. The Chairman of Board of Directors and Board Finance Budget and Audit Committee Chairman shall have direct responsibility in overseeing the implementation of the External Financial Audit. (AEFA)
  - A) The Executive Audit Committee shall be responsible for all internal audit and the Board Finance Budget and Audit Committee shall have direct oversight of External Audit and internal if necessary.
  - B) No Board Members shall hold seats on the Audit Committee and the Executive Finance Committee (EFC)
  - C) All Internal and External Audit reports shall be given to the President and Chairman of Board of Directors
  - D) The Chairman of Board of Directors and Board Finance Budget and Audit Committee Chairman shall recommend to the full Board for approval, the selection of a firm to perform the annual External Audit. In addition, the Board Finance Budget and Audit Committee shall assist if there are program when necessary and reporting the final results to the Board of Directors.
  - E) The President /Treasure and Executive Finance Committee (EFC) must submit all financial statements annually and any other documents requested by the auditor in a timely manner not more than two (2) week.
  - F) The independent audit firm shall be given not more than sixty (60) days to submit a final report this include management respond except more time are requested for.



- G) A representative of the auditing firm shall be invited to attend the annual presentation to the Board Finance Budget and Audit Committee and shall be required to make a presentation to the full Board if the audit report is other than unqualified, or if the auditor's report material weaknesses in internal controls or reportable conditions.
- H) The Treasure or the Auditor shall prepare the Form 990 and it shall be reviewed by the President and approve by The Chairman of Board of Directors before submission to the IRS.

## **9. REVENUE AND INCOME PROCEDURES**

- A) The President in conjunction with the Chairman of Board of Directors, shall establish a joint Fund Development Committee to develops and proposes revenue goals and objectives for the full Board discussion and approval.
- B) All contributions shall be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded with the appropriate account number as designated in the Organization Chart of Accounts.

- ❖ **(FASB) Financial Accounting Standards Board**
- ❖ **(GAAP) Generally Accepted Accounting Principles**

## **10. RECORDING RECEIPTS**

- A) The following procedures for cash received through the mail or given to a staff person shall be in place: Mail should be opened by a staff person that is not involved in the accounting function. All checks shall be endorsed with the Organization official stamp. All cash and checks received through the mail shall be forwarded to the designated member in Executive Finance Committee (EFC), or other members not involved in the accounting function.
- B) **The Financial Secretary** recorded all Checks and Cash by Date, Name of Company or Individual, Designation, and Amount. After recording checks, or cash, they are forwarded to the accountant who records it for accounting purposes. An individual deposit ticket shall be prepared with triplicate copies, bearing a different designation of each account. That record shall include date of deposit, name of sender, amount, and designation.
- C) A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All cash and checks shall be deposited with in two business days if possible, and no later than the next five business days into the Organization Bank Account. The same procedures followed for cash receipts shall be followed when monies are received by Members as contributions for special events. Gifts received electronically, such as cash transfers or on-line contributions should be properly recorded by a staff Member in the Executive Finance Committee (EFC), and by the Accountant. Transactions should be periodically rechecked by the Treasure. The Accountant shall make the appropriate entries in the General Ledger books. The Accountant shall reconcile all logs of incoming cash/checks with the deposit slips, and with the record of receipts maintained by the Executive Finance Committee (EFC)

## **11. RECEIPTS TO DONORS**

- A) The Fund Development Committee/ Executive Finance Committee (EFC) shall ensure that all donors and contributors shall receive proper acknowledgement of their contributions in accordance with IRS Guidelines.

## **12. EXPENDITURES PROCEDURES**

- A) All expenditures shall be approved by the President. All expenditures shall be coded by account number using the Organization Chart of Accounts. The Accountant Maintains Standard Accounting Records containing all aspects of the Organization financial operations. They include but are not limited to: A general ledger, a CHECK register, and a CASH register. Invoices shall be approved by either the President or the Vice President. Following the review and approval, check payment vouchers shall be prepared and the invoices shall be distributed to the Organization Accountant for check payment preparation. Upon payment of a bill, a

copy of the check or duplicate of stub shall be stapled onto the bill and payment date and check number shall be printed on the invoice. The paid invoices shall be filed alphabetically according to company/individual name and shall be kept on a fiscal year basis on file.

### **13. SIGNATURE POLICY**

- A) The President and Treasure (two signatures) shall unless otherwise decided by the Board, sign all checks, drafts voucher or orders for payment of money, contracts, and commitments for services issued in the name of UNIBOA. In the absence of the President of Treasure, the signature of the Chair of the Board must be obtained. Whereas the Chair of the Board of Directors must sign all vouchers payment.

### **14. LOCAL TRAVEL AND EXPENSE REIMBURSEMENTS**

- A) Member must abide by the Organization Travel and Expense policy. Travel reimbursement shall not be above IRS Guidelines. Whereas all travel and expense must be a budget-approved process

### **15. DEBIT CARD EXPENDITURES**

- A) The purpose of the debit card is to enhance financial transaction that require debit card payments options only, and to provide flexibility to the Leadership when undertaking financial transaction on behalf of organization. The debit card dose not replace UNIBOA’S method of payments but rather supplement the current method of payments
- B) The National treasurer being the chief financial officer of the organization will be the custodian of the debit card at all times.
- C) All debit card payments will follow a **PRE-APPROVED VOUCHER** in the event of an incidental expenditure payment, a voucher will be raised immediately to detail such transaction. Prior to the payment of any incidental expenditure, the of the Board will be notified for approval, either by phone or email.
- D) UNIBOA will continue to utilize the direct and reimbursement payment systems.
- E) All reimbursement payment must be **PRE-APPROVED** and must have supporting documents before payment
- F) Any debit card payment that does not meet any of the about criteria will be immediately investigated by the Finance Budget and Audit committee of the board and findings of said investigation will be reported to the board of directors for acting.

### **16. PURCHASING**

- A) Any expenditure in excess of an amount determined by the Board of Directors for the purchase of a single item should have bids from three (3) suppliers if possible. These bids are reviewed by the Treasure and the bid award must be specifically approved in advance by the President. Purchase of less than the approved amount may be made at the discretion of the President or Treasure without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources. Any purchase made by a Board member on behalf of the Organization will require prior approval by the President or the Chair of the Board.

### **17. LEASES AND OTHER CONTRACTUAL AGREEMENTS**

- A) (Important point: these Procedures do not include procedures for building ownership. If the Organization owns a building, then a separate section should be written.)  
The Organization conducts a major part of its operations from leased facilities. Leases and other contractual agreements are negotiated by Treasure and executed with the approval of the President. New leases in excess of an amount determined by the Board of Directors require the approval of the Executive Leadership. The President and Executive Committee with advice of the Treasure are authorized to develop and enter into contractual agreements under \$10,000 with vendors, bankers, and third parties for the purpose of ensuring the Organization general operations. The Finance Committee shall review such agreements and make recommendations when necessary.

## **18. NOTES, LOANS, ETC.**

- A) All notes, loans and other indebtedness to be contracted in the name of the Organization (except open accounts and all other routine banking transactions), shall require the signature of the President, unless otherwise specified by the Board or established in the present management policies and procedures. All indebtedness must be approved by the Organization President.

## **19. DEEDS, CONVEYANCES, ETC.**

- A) The President and Treasure shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the Organization with consultation with the chair of the Board of Directors.

## **20. BANK ACCOUNTS AND INVESTMENT ACCOUNTS**

- A) Treasure shall maintain and oversee Bank and Investment accounts and ensure the Organization day-to-day financial operations. Several accounts may be maintained by the Agency as follows: 1. Checking Account 2. Money Market Account 3. Certificates of Deposit 4. Brokerage Account These accounts may be changed as the Organization financial conditions and requirements change. The treasure shall make quarterly report to the Executive Committee on the financial conditions of the organization.

## **21. CHECKING ACCOUNT**

- A) All checks, cash, money orders, and electronic deposits, are reviewed by the financial secretary and deposited in the appropriate Accounts. Fund raising events, foundations and corporate donations and miscellaneous contributions, shall be deposited into the accounts. Monies shall be transferred from the Checking account into the Money Market Account or the investment account, when necessary, by the Treasure in consultation with the President. Checks are written as needed to meet obligations, or ongoing operational expenditures.

## **22. BANK RECONCILIATIONS**

- A) Bank reconciliations shall be completed monthly by the treasure and cross-referenced with the cash and receipts logs and the monthly Financial Statements. The Financial Statements shall be compiled by the Treasure. The Statements shall be then reviewed by the President and presented to the Executive Finance Committee All Bank Statements, debit card Statements, and Endowment Fund Reports will be reconciled every month by the accountant, and records will be kept in the Finance office.

## **23. CASH AND CASH EQUIVALENTS**

- A) Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of six months or less. The Organization places its temporary cash investments with highly rated financial institutions. Treasure shall closely monitor the balances of the Checking account, Money Market and Certificates of Deposit accounts. At times, such investments may be outside of the FDIC insurance limit.

## **24. INVESTMENTS REPORTS AND INVESTMENTS POLICY**

- A) Investments shall be reported with the monthly financial statements at cost or market value. The President and the Executive Committee, in consultation with the Executive Finance Committee (EFC), shall review and determine the general investment strategy for all funds. The philosophy of the Organization short-term investments is safety of principal and liquidity. Acceptable investments shall be: Certificates of Deposit and Bankers Acceptances rated A1; Domestic Corporation Commercial Paper rated A1 and/or P1 by two (2) major rating services; all short-term Securities of the U.S. Government or an agency thereof. The Endowment Fund investment strategy shall be reviewed and evaluated by the Finance Committee annually, to ensure the portfolio's proper diversification, security and return on investments. All financial institutions shall be selected and approved by the Finance & Legal Committee and must have long-term investment rating of A or higher by Standard and Poor's, or a compatible rating.

## **25. INSURANCES**

- A) Reasonable and adequate coverage will be maintained to protect the Organization interests as well as the Board of Directors and the Organization Members. The following insurance policies shall be kept on a yearly basis: Commercial Property Contents and Computer Policy, General and Professional Liability Insurance, Directors and Officers Liability Insurance, Member's Dishonesty Bond Insurance, Employee's Life Insurance, Workers Compensation Insurance, Long-Term Disability Insurance, and Members Health

Insurance. Insurance Policies shall be carefully reviewed by the Organization President and Treasure before renewal each year.

## **26. BONDING**

- A) All Agency employees shall be bonded through a Member's dishonesty bond policy. In addition, the Chairman, President, Treasurer and all Board of Directors shall be bonded by a reputable bonding company.

## **27. PROPERTY AND EQUIPMENT**

- A) Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. A Depreciation schedule shall be prepared and maintained by the Organization Treasure on an annual basis, taking into consideration the annual equipment inventory. A Property Removal Form shall be required for the removal of the Organization property, supplies, and/or equipment from the Organization premises.

## **28. EQUIPMENT INSTALLATION**

- A) Purchase, installation and maintenance of telephone equipment, telephone lines, office equipment, computer equipment, etc. shall be approved by Treasure after discussion and approval by the President. Staff Members and other managers shall be responsible for receiving and supervising the installation of equipment scheduled for their facility or working area, and for maintaining and protecting the equipment installed in their offices.

## **29. DONATED MATERIALS AND SERVICES**

- A) Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt. Volunteers donated time to the Organization Program services on an on-going basis. Other volunteers contributed time and services for Administrative or fundraising activities. Such contributed services are generally not reflected in the Organization financial statements, since there is no objective way of assessing their value.

## **30. CONFIDENTIALITY AND RECORDS SECURITY**

- A) Financial records are restricted materials with limited access. Only Treasure and Accountant (or others so authorized) shall have access to financial records (vendor files, checks, journals, payroll, etc.).

## **31. DOCUMENT RETENTION**

- A) Financial documents are retained for a period of time in keeping with State law and the recommendations of the IRS.

## **32. TAX REPORTING**

- A) The Organization is exempt from federal income taxes under Section **501 (c) (3)** of the Internal Revenue Code as amended. Accordingly, no provisions for income taxes shall be reflected in the financial statements. Appendix Effective Systems of Internal Control General Internal control can be divided into two areas: Accounting Controls and Administrative Controls. Administrative Controls deal with the operations of the business, whereas the accounting controls deal with accounting for such operations.
- B) Accounting Controls should be designed to achieve the five basic objectives: Validation is the examination of documentation by someone with an understanding of the accounting system, for evidence that a recorded transaction took place and that it occurred in accordance with the prescribed procedures. As systems grow more sophisticated, validation is a built-in component whereby the transactions test themselves against predetermined exceptions. Accuracy The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, and additions and account classifications. The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate, account, in the right time period. Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only. Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports.

- C) The Control System should provide systematic responses to errors when they occur, to changed conditions, and to new type of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned. Physical Security It is important in all business organizations that the assets are adequately protected.
- D) Physical Security of assets requires that access to assets be limited to authorize personnel. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records that could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to petty cash vouchers. Transaction recording equipment limits access to assets limiting the number of employees involved in recording and posting transactions.

Any person upon becoming President or Executive officer or appointed officer; Chairman or member of the Board of Directors; shall sign and take the following Oath of Affirmation.

“I\_\_\_\_\_ (name), do solemnly swear to faithfully serve as \_\_\_\_\_ (position) of the United Bassa (Liberian) Organization In The Americas (UNIBOA), which is also known as the United Bassa (Liberian) Organization In The Americas (UNIBOA); and to obey and defend the Constitution and bylaws and Financial Management Policies and Procedures to the best of my ability; so help me God.”

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF WITNESS

\_\_\_\_\_  
NAME OF WITNESS

\_\_\_\_\_  
SIGNATURE OF WITNESS

\_\_\_\_\_  
NAME OF WITNESS

THIS WAS PREPARED BY THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS; AND IS HEREBY SUBMITTED TO THE GENERAL ASSEMBLY FOR APPROVAL.

Respectfully submitted:

*Joseph R. Reeves*  
Joseph R. Reeves – Chairman  
Program/Project/Policy Committee

*Edwin Moore*  
Edwin Moore  
Co-Chairman  
Program/Project/Policy Committee

*Joseph Cephas Z. K. Davis*  
Joseph Cephas Z. K. Davis  
Secretary  
Program/Project/Policy Committee

*Daniel Moore*  
Daniel Moore  
Program/Project/Policy Committee