



Financial Controls
Policies & Procedures Manual
Amended February 2025
Approved March 2025

Purpose: This financial controls policy provides for the effective control over and accountability for all funds received (i.e. grant awards, annual contributions, individual donations and fundraising proceeds) and all funds disbursed (i.e. payments of bills and day-to-day operational expenses, and purchases). The policy requires a separation of duties to ensure proper checks and balances regarding the organization's revenues and expenses.

TABLE OF CONMNTS

<i>Topic</i>	<i>Poge #</i>
I. Separation of Duties	2
II. Documentation & Record Retention	2
Bookkeeping, Data Backup & Destruction	
III. Bookkeeping	
A. Banking	3
1. Bank Accounts	
2. Check Signing Limits	
3. Bank Statements	
B. Income	4
C. Expenses	4
D. Employee Compensation	4
IV. Reporting	5
V. Audit, Budget & Annual Tax Preparation and GA Secretary Of State Non-Profit Status Renewal	6

I. Separation of Duties

- *Executive Director* Refer to Job Description

Treasurer

- Prepares checks & deposit funds received weekly
- Documents day-to-day revenues and expenses in QuickBooks
- Approves non-budgeted expenses up to \$100
- Signs checks
- Create/Provide reports to BOD for review at board meetings and annually
- Participate in annual budget preparation
- " • Coordinates annual audit or review, budget approval and tax preparation (W-2 form and 990)
- Oversees financial record retention via external hard drive
- All financial documents and external hard drive to be maintained by Treasurer during their term in office. Passed to Board Chair at term expiration.

Executive Committee.

- Prepare annual budget
- Ensures Executive Director's and Treasurer's duties are performed in a timely manner.
- Selects firm to perform audit or review and tax preparation if needed.

Board of Directors

- Approves annual budget

II. Documentation & Record Retention

- Treasurer shall use ***Financial Software of choosing*** to document and report financial transactions. And backup data monthly per external hard drive.
- TRHC shall maintain hardcopy records, maintained in secure file in TRHC office, according to legal requirements (refer to *IRS Compliance Side for 501(c)3 Public Charities*), and then destroy by shredding after 7 years.

III. Bookkeeping

A. Banking

1. Bank Accounts

- a. TRHC shall maintain its accounts in financial institutions that are federally insured.
- b. Authorized check signers include the Treasurer, Secretary and Chair.
- c. Signature cards at Financial Institution shall be updated to reflect any officer changes.
- d. All bank accounts shall be reconciled to the bank statement monthly.

2. Check Signing Limits:

- a. Up to \$500 — only one signature is required.
- b. \$2000 or greater — prior approval by the BOD required*
 - i. *The approval limit must be enforced by TRHC. The bank will accept all checks with at least one valid signature.
- c. Any checks payable to any one of the above named persons shall be signed by someone other than the payee.

3. Bank Statements

- a. Executive Director receives and stores bank statements for pickup by Treasurer.
- b. Treasurer receives bank statements and reconciles to bookkeeping software.
- c. Treasurer retains original statements.

B. Income

Income must be made a matter of record and deposited within one (1) business week. In accordance with contracts provided by Grantees, TRHC shall abide by all budget, expense, purchasing, fund advancement and reporting specifications contained in the contracts signed by the Grantee and TRHC.

Executive Director:

1. Receives, opens and makes copies of all donations, check, cash and ACH deposit. Keeps copies of donations as well as other pertinent correspondence in binder in the office. Copies each item and notifies Treasurer any items needed for processing.
2. Secures all donations in locked file cabinet in TRHC office. Hand delivers to Treasurer within 1 week of receipt.

Treasurer:

1. Complete receipt of donation and gives to Executive Director to be mailed with donor Thank you card.
2. Deposits income and records in bookkeeping software.

C. Expenses

Expenses over \$2000 must be approved by the Board of Directors (unless approved in the annual budget); accounts payable must be processed weekly.

Executive Director:

1. Receives and opens mail including invoices and statements .
2. Prepares check requests and delivers to Treasurer within 1 week.

Treasurer:

1. Prepares and mails checks to payees within 1 week and retains copies in file.

D. Employee Compensation

All compensation will be paid via direct deposit to a financial institution of employee's choosing.

1. All timesheets and requests for reimbursements will be submitted to Treasurer. They are due 5 business days before the end of the month.
2. Treasurer will enter information in bookkeeping software and process compensation requests within 2 business days of receipt.

IV. Reporting

Monthly:

1. Treasurer prepares monthly Income Statement and Balance Sheet and submits to Board Chair.
2. Treasurer provides updated financial statements to board members at scheduled meetings.

Annually:

1. Treasurer prepares Income Statement and Balance Sheet and distributes to BOD at annual meeting.
2. Treasurer will provide annual Balance Sheet to Executive Director no later than January 31st of the following year.
3. Executive Director prepares *Annual Report*, to include Treasurer's report, highlighting TRHC's community impact, financials and donor/volunteer activity and shares with BOD at annual meeting.
4. Upon board approval, copies of Annual Report will be available to Board Members and other entities upon request.

V. Audit, Budget and Annual Tax Preparation

Audit or Review (as determined by Board of Directors)

1. Treasurer ensures an external audit of TRHC's financial records is completed by an independent provider if requested by the board or required by IRS.
2. Treasurer obtains approval of the Board of Directors as to the extent and cost of the audit.
3. Treasurer proposes no less than two audit firms to the BOD to choose a provider.
4. BOD selects provider.
5. Treasurer commissions chosen provider to perform annual audit, when needed.
6. If the audit results in a management letter, Executive Committee is responsible for developing a corrective action plan to be presented to the Board of Directors.
7. BOD can call for an interim audit with a quorum.

Budget

1. Executive Committee prepares proposed budget and submits to BOD at October Board

- meeting.
2. BOD reviews and approves at December board meeting.
 3. Upon approval, Treasurer inputs budget parameters to bookkeeping software.
 4. Change requests to annual budget must be submitted to the Treasurer for review. Treasurer will submit to BOD for final approval of amendments.
 5. Once approved, Treasurer will make changes in bookkeeping software.

Tax Preparation (W2 Form)

1. Treasurer ensures annual tax preparation of W2 Form is completed for employee by January 31st.
2. Treasurer provides a summary of the tax return as a report to the BOD.
3. Treasurer and Executive Director provide documentation to tax preparer as requested.

Georgia Secretary of State Non-Profit Status Renewal

1. Treasurer or Executive Director receives and submits annual status renewal to ensure TRHC remains in good standing with the Georgia Secretary of State's office and reports to the Board.

This document was *Approved* 3/2025.