

Danvers Youth Soccer Association
Financial Policies and Procedure Manual
Adopted November 6, 2013
Amended December 4, 2013

Danvers Youth Soccer (DYS) is a **Non-Profit / Tax Exempt organization** who files an annual **Form 990** with the IRS which is open to public inspection. **Massachusetts Form PC** is filed with the Massachusetts Office of the Attorney General – **Non-Profit Organizations /Public Charities Division**. Form Annual Report is filed to the Secretary for the Common Wealth.

DYS uses the **Cash reporting basis** for both internal reports and annual tax filings. This means that expenses are recognized when checks are issued and income is recognized when deposited in DYS' bank accounts. Accruals are not allowed under this reporting method.

Budget Process

Immediately following the November AGM, the President will assemble the Finance Committee (henceforth referred to as FC) and name a Chairperson. The sitting Treasurer can't chair the Finance Committee according to DYS by-laws. The Finance Committee under the direction of the Chairperson shall commence the Budget Process for the following calendar/fiscal year which runs from January 1st to December 31st. The Operating Budget will be approved at the January BOD. If there are any expenditures due before the next year's budget is approved they must be voted on and approved.

1. The Operating Budget:

- A. The FC shall request the current year's financial reports from the Treasurer in Microsoft Excel format.
- B. The Operating Budget shall be funded by anticipated registration fees, patch income, and other income components such as may exist in a given budget year.
- C. The FC will reformat the Excel spreadsheet inserting a new column for the requested budget for the following year. The current year's numbers will remain on the spreadsheet for reference and comparison purposes. The file will be saved and duplicated for each director who is responsible for a budget. Examples are the Registrar, the Director of Fields and Equipment, the Intramural Director and the Travel Director. Each Director will be sent their specific line items and will be asked to formulate a budget request. Notes to support the request will be collected and saved on the file.
- D. Budget requests must be returned to the FC in ample time for the committee to assemble the entire budget and meet to discuss the reasonableness of all budget requests. The

Operating budget shall be presented, discussed, revised and approved at the January Board of Director's meeting.

- E. The Finance Committee shall meet (virtually or in person) prior to the January BOD to finalize the proposed budget.

1. The Operating Budget (continued):

- F. The Operating Budget will be presented by the Finance Committee Chairperson (or another member of the Fin/Comm) at the January BOD meeting. Discussion and revisions will ensue to produce a reasonable, balanced budget. A motion must be made from the floor to approve the budget, motion must be seconded and receive a majority of votes for approval.

2. The Discretionary and Capital Budget:

Definitions:

Discretionary Spending – spending which does not relate directly to the operations of Danvers Youth Soccer, but is in line with the organization's mission as described in our annual public filing of Form 990 – **Community, Betterment Program & Youth Sports**. Examples are scholarships given to high school seniors, bereavements and other charitable contributions, etc.

Discretionary Spending is funded by the prior year's Danvers Invitational Tournament (DIT) profit, Interest and investment income, any surplus as may be generated by the prior year's Operating Budget, anticipated income from special events and programs as may exist for the given budget year, and by other donations to the organization. No more than 50% of the prior year's DIT profit shall be used towards the next year's Discretionary Spending.

Capital Spending – equipment in excess of \$500 or Field improvement in excess of \$500 whose expected life is at least 5 years. Examples include soccer goals, sod installation, storage sheds and job boxes. Capital Spending is not subject to the same limits as Discretionary spending, however common sense and necessity must dictate all Capital purchases.

Process: the Discretionary and Capital Budgets should be created anew each year. Many line items will be repeated each year (scholarships for example), but the worthiness of each item should be evaluated each year before being approved. After each line item is discussed, a motion must be made from the floor to approve the budget; motion must be seconded and receive a majority of votes for approval.

- 3. **The DIT Budget and the DSSSF Budget** will be presented at the January BOD meeting. The Director/Co-Directors of those events will present budgets for approval. The mission of the DIT

is to raise funds for DYS by running a three day soccer tournament. The mission of the DSSSF is to provide a two day, fun, non-competitive soccer tournament and to donate the net income to Operation Troop Support. The donation to Operation Troop Support shall be calculated using the Cash Basis accounting method and will be reviewed and approved by the President and the Finance Committee once all expenses and income transactions have been completed.

4. **Financial Transactions:** Once the budget is approved, the Treasurer, President, Directors and Finance Committee have ongoing financial duties throughout the Fiscal Year.

President:

- Shall coordinate the processing of signature cards for the four directors (in by-laws) who will be authorized signers for DYS' checking account. This must be done expeditiously.
- Will gain their own online access for all DYS accounts and will log in and review accounts frequently. Any questionable activity shall be reported to the Finance Committee immediately.
- Will verify with the Treasurer that Annual Reports, prepared by CPA firm, are filed in a timely manner.
- Shall verify that principal officers listed in the Secretary of State's database are up to date.

Treasurer's Duties:

- The Treasurer will deposit funds and write checks for expenses approved by directors in a timely manner. For example, the Director of Fields and Equipment shall submit Field Painting invoices to the Treasurer and give approval to pay. Approval can be verbal or via email. Treasurer then posts all expenses and income items to the proper accounts in Quicken.
- With respect to the DIT and the DSSSF, the Treasurer will deposit registration checks and write checks for expenses approved by directors in a timely manner. The Treasurer will also manage all cash activity over the course of a given tournament. This includes preparing the petty cash box and cash boxes for each site, collecting funds periodically each day, collecting all cash boxes at the end of each day and preparing the starting cash boxes for the next day if applicable. Each time the Treasurer "picks-up" money, they should count the money with the site coordinator and both should sign their name next to the pick-up amount. The Treasurer will tally sales by food/ beverage and apparel for each site, each day and prepare a spreadsheet with results. Ideally, deposits will be made each day. In the event that the Treasurer can't fulfill these tournament obligations, the President and DIT tournament director may together name a substitute.
- Will gain their own online access for all DYS accounts and will log in and review accounts frequently. Any questionable activity shall be reported to the Finance Committee immediately.

- The Treasurer will keep all accounts reconciled to the paper statement balance or to the online balance in a timely fashion.
- The Treasurer will present Financial Reports at the monthly BOD meetings. All reports will be approved by the board. The Financial Reports reported are the year to date budget reports and the monthly transaction list.
- The Treasurer shall update the budget in Quicken when additional spending is approved by BOD.

Treasurer's ongoing duties (con't):

- All checks over \$500 require two signatures. There are four signers on all DYS accounts specified in the By-Laws - the President, Treasurer, Vice President of Intramurals, and Executive Vice President.
- The Treasurer will communicate with the CPA firm and request a list of information needed for the CPA firm to complete annual tax returns. Since DYS is tax exempt, historically the Treasurer has requested that the CPA firm file tax extensions to give the Treasurer more time to assemble the necessary information.
- The Treasurer will file the Exempt Organization returns including, Form 990, Massachusetts Form PC, and Massachusetts Form Annual Report. The CPA firm gives detailed instructions to complete this task.

Director's Duties:

- Director(s) negotiates service contract cost with vendor(s). Reviews with associated DYS committee for approval.
- Director/Committee Chair signs agreement. Director will post agreement on DYS administrative site for Director level access.
- DYS receive(s) Goods and Services as specified in contract.
- Director should arrange to personally receive invoices from vendors.
- Director delivers (email, US Mail or in person) invoices to Treasurer and approves payment(s).
- Directors shall spend within their approved budget. It is the responsibility of each director to review the monthly Treasurer's reports to confirm that expenditures are reflected accurately.
- If any unforeseen expenses arise, the Director must present a request for additional budgeted funds from the BOD.

Finance Committee Duties:

- Approve the spending for Capital requests as approved by the BOD.
- Evaluate investment options for reserve funds.
- Give assistance to Treasurer when needed.
- Audit financial transactions periodically throughout the year and prior to the January BOD. Report findings to BOD.
- Approve the donation to Operation Troop Support.
- Update Financial Policies and Procedures manual as necessary.