



Florida Native Plant Society, Inc.
Internal Controls, Authorizations, and Financial Records Procedures

PURPOSE:

The Florida Native Plant Society, Inc. (FNPS) follows a system of internal controls for handling the receipt and disbursement of funds. Internal controls are a system of checks and balances that precludes one person from having complete control over financial transactions ("separation of duties"). Proper internal controls protect the organization against theft, fraud and loss due to unethical or illegal behavior.

POLICY

Financial Records

FNPS financial records and accounting comply with Generally Accepted Accounting Principles (GAAP).

FNPS maintains an accounting system able to track and report financial data by program, activity, and funding source.

FNPS maintains its accounting records on an accrual basis. Receivables are recognized when revenues are earned, and payables are recognized when obligations are incurred

FNPS employs a double-entry accounting system in its bookkeeping. This is done with appropriate computerized bookkeeping software (i.e. QuickBooks).

As part of its financial accounting, FNPS keeps the following records:

Cash receipts. All transactions involving incoming money are recorded in FNPS's digital accounting system and/or donor database. Information recorded for each receipt includes:

- Date received;
- Name of donor or source;
- Check number (if available)
- Total amount received
- Revenue account category or categories

Cash disbursements. When a check is written, the following is recorded:

- The date of the disbursement
- The name of the payee
- The total amount of the disbursement
- The general ledger account to which the payment applies

Payroll records. Although payroll is a cash disbursement, there is usually a subsidiary journal or set of

records where payroll details are recorded. It is important to have access to the payroll information in various formats including:

- Individual employee for each pay date (earnings records);
- Total payroll for each pay date; and
- Quarterly and annual totals of various types of withholding from pay.

General journal. All non-cash transactions are recorded as general journal entries in the accounting system. This is also used to switch items between accounts if necessary to correct a posting error.

Contract, Leases, Rental Agreements:

- All contracts and leases are subject to the same authorization procedure as above with the total value of the contract or lease being the approval amount. All contracts and leases exceeding \$500 must have a written contract or agreement and signed in accordance with spending authorities specified within. Contracts less than \$500 should be in writing where practical.
- Contracts and leases shall include (but not be limited to): start and end dates, deliverables, fee payment schedules, Staff or Board of Director's (Board) contact designee, provisions for termination of contract or lease.

Bank Accounts: FNPS operating funds shall held in FDIC insured Bank Accounts, including an operational Checking Account. Brokerage accounts for non-operating funds (include endowment funds) as defined and designated by FNPS Fiscal Policy may be maintain by FNPS as approved by the Board. At minimum, the Board Treasurer, VP Finance and Executive Director shall be owners of any brokerage accounts.

Documents related to financial accounting that must be kept indefinitely include:

- Canceled and voided checks for payments made by the organization
- Correspondence from donors indicating the nature of their contribution and intended use
- Payroll tax returns and W-2s issued to employee
- Contract and lease agreements

Fiscal Controls

- The owners of corporate savings and checking accounts include at a minimum: the Board President and Treasurer, Executive Director, and other staff or FNPS affiliates deemed appropriate by the Board.
- FNPS shall maintain a prudent amount of funds in the corporate checking and savings accounts to handle cash disbursements. As needed, the Executive Director and/or their designee shall transfer funds between financial accounts.

Procedure for Cash Receipts

- The Executive Director shall oversee management of cash accounts.
- For the daily receipt of cash/checks/credit card payments, the Executive Director will delegate responsibility to appropriate staff or contractor who will create a log of cash/checks/credit card payments received. The log will include the date received, amount, sender information (payment

source or handler such as Network For Good), account code, FNPS campaign if applicable, FNPS Committee if applicable, and any restrictions on contributions received. These data will then be entered into the FNPS corporate database.

- Once each week, the FNPS Bookkeeper will obtain the log and cash/checks from Administrative Services and then deposit the funds into the designated FNPS account.
- A second person (FNPS bookkeeper) designated by the Executive Director (other than Administrative Services) will prepare and execute deposits to the corporate account. Deposits shall be made weekly.
- On at least a monthly basis, the FNPS bookkeeper shall make a comparison between receipt log and monies deposited in the bank. Any discrepancies shall be resolved during the reconciliation. Any unresolved discrepancies are reported to the Executive Director. Once the reconciliation process is complete, the checks will be shredded.
- The FNPS Treasurer is provided copies of the checking account statements for review on a monthly basis, with an explanation from the Executive Director of any significant transactions unexplained by the statement content.
- All donations shall be acknowledged at least annually with a receipt which conforms to the Internal Revenue Service (IRS) requirements for acknowledging charitable donations.

Procedure for Handling Funds

- FNPS cash disbursements are made by check, credit card, or on-line bill pay.
- A check request, invoice or credit card receipt must be kept as documentation for each expense. Payments shall be reviewed and acknowledged by two people: The staff member or FNPS Officer making the payment and a staff member or FNPS Officer other than the person making the payment.
- Supporting documents for disbursements shall be marked “paid” and be noted with the payment date.
- The Executive Director and/or FNPS staff members (as designed by the Executive Director) are provided with a credit card issued from the banking institution where corporate accounts are held. Uses of these credit cards are strictly for organizational expenditures, procurements, and expenses that are reimbursable. The limit on the corporate credit card shall not exceed \$25,000.
- The Executive Director shall designate staff members and/or contractors who shall be issued corporate debit cards as required by the banking institution for anyone making deposits into FNPS accounts.
- The FNPS staff and contractors will show due diligence in protecting the privacy of credit card

information, and will keep such data in a secure location.

- No check signer shall sign any check without a current date, recipient name or check amount, or any check made payable to "Cash".
- Prior to disbursements to an individual or business providing services ("Contractor"), and IRS form W-9 must be filed with FNPS. If Contractor is paid by FNPS with federal funds, other documentation may be required.
- All payroll is handled via direct-deposit using the FNPS QuickBooks Online account. Once staff timesheets are approved, the FNPS bookkeeper pays the appropriate taxes and fees associated with each employee's payment and the remaining funds are deposited into each employee's designated account.
- Petty Cash: Petty cash limits are established by the Executive Director but shall not exceed \$1000 without approval of the Board or Executive Committee. Receipts, or other accepted forms as established by the Board, are required for all disbursements. Only the Executive Director shall have access to the Petty Cash Fund.

Specific Authorities:

The FNPS Board President is authorized to:

- Review and approve payroll for the Executive Director. When the President is not available, the Vice President for Administration is authorized to review and approve payroll for the Executive Director.
- The President or the Vice President for Administration (if the President is unavailable) will sign the Executive Director's timesheets indicating approval for payment to the FNPS bookkeeper.

The Executive Director is authorized to:

- Maintain checking, money market, certificate of deposit and other similar corporate liquid assets accounts.
- Make payments for budgeted operational expenditures up to \$10,000. Written approval and/or signature of the Vice President for Administration or Treasurer are required for checks and debits exceeding this amount.
- If operational expenses exceed an approved budget line item amount, the Executive Director is authorized to spend the lesser of \$1,000 over the line item amount, or 100% of the line item amount without a Board approved budget amendment. Expenses over these thresholds shall not occur without a Board approved budget amendment.
- Execute unbudgeted, urgent expenditures of up to \$500 and notify the Board Treasurer and President as soon as possible.

- Sign contracts, contract amendments, work orders and other documents related to operational expenses that are 1) under \$ 10,000 in value, and 2) are needed to execute a Board approved annual budget. The Board may delegate to the Executive Director the ability to sign any contracts and agreements exceeding \$10,000 on a case by case, via Board approved resolution.
- In accordance with Board direction, execute market sales orders for individual securities received as donations, and deposit proceeds in the FNPS corporate checking account.
- Oversee payroll expenses and payments. Monitor monthly federal and state payroll tax deposits and other payroll withholdings as required.
- Review and approve payroll for staff members.
- The Executive Director will sign staff member’s timesheets indicating approval for payment by the FNPS bookkeeper.

Approval of the Board is required for:

- The expenditure of funds above the limits authorized for the Executive Director.
- Unbudgeted expenditures with the exception of urgent expenditures (see above).
- The Board authorizes any write-offs of accounts receivable or other assets
- The powers and authority of the FNPS Board are delegated to the Executive Committee during periods between regularly scheduled Board meeting, or in times with Board quorum is not possible. These powers and authorities shall conform to and be limited by the specifics of this and other FNPS policies and bylaws. Any motions and approvals shall be documented in the Executive Committee meeting minutes and made available to the Board at its next meeting.
- The FNPS Executive Committee has authority to approve budget amendments under \$10,000 in periods between Board meetings and is obligated to report such approvals in the corporate meeting minutes and at the next available meeting of the Board. Board approval is required for budget adjustments that require allocation of >\$10,000 of reserve or contingency funds to the operating budget.

Approved:  _____
 President, Board of Directors

Date: 5/21/2020