

Recommended Best Accounting and Communication Practices

Current as of April 19, 2021

Best Accounting Practices

By-Laws, Constitution, or Articles of Association

A document should be prepared by the organization which details the following:

- Name of organization
- Purpose
- Membership
- Dues (if any)
- Officers and duties
- Meetings
- Board of Directors (if any)
- Committees (if any)
- Fiscal information
- Order of business
- Dissolution

Internal Controls

Internal accounting controls is a series of procedures designed to promote sound management practices, and will significantly increase the likelihood that:

- Financial information is reliable
- Assets and records of the organization are not stolen, misused, or accidentally destroyed
- The organizations policies are followed
- Government regulations are met

The following internal controls should be in place and strictly adhered to in your organization:

Cash Receipts

The following controls should be applied in order to ensure that all cash intended for the organization is received, promptly deposited, properly recorded, reconciled and kept under adequate security:

- All income should be documented by pre numbered receipts, with appropriate copies of the receipt kept with the Treasurer's record and original receipt given to the donor/patron.
- Receipt #'s should be documented on bank deposit slip.
- Receipts should be reviewed and tied to deposit slips monthly. This should be done by an officer other than the Treasurer or person making deposits.
- If concessions, concession sales reports should be prepared and signed by at least two people.
- If ticket sales, start with beginning cash, issue pre-numbered tickets and provide a report reconciling gate receipts.
- If fund raiser, # of items sold should be calculated and compare to deposits into the bank.
- All income should be deposited into the organization's checking account in a timely manner. As an example, school activity fund accounts must have income deposited by the end of the next business day; however, if the deposit for a day totals less than \$100, monies maybe accumulated until the deposit equals \$100 or deposit into the fund no less than one time per week.
- At no time should income be left in an unsecure place.
- A check register or ledger should be kept on the bank account showing dates and source of all revenue received and when deposited.
- Bank statements should be sent directly by the bank to, and reconciled by, an officer other than the treasurer (or the person who writes checks/deposits income.)
- The Treasurer must keep accurate records and report the status of the treasury at each meeting. The Secretary's minutes should reflect financial actions and/or account balances. Minutes of the meetings and a Treasurer's Report should be presented at each business meeting.

Recordkeeping

The following should be implemented to ensure accurate review of financial records, and continuity when organization officers change.

- All bank statements, investment instruments, check registers, receipt books, invoices, gate reconciliation forms, concessions reconciliation forms, bank account information, sanctioning applications and approvals, by-laws, minutes of meetings, and related financial records or paperwork, should be kept by an officer of the organization. These items should be transferred to new incoming officers when previous officer no longer holds the office. This information should be kept for a minimum of 5 years.
- Central office must be notified within 30 days of any change in officer(s) or the organization's tax status.

- A statement (income received and expenses paid) should be calculated on each fundraiser and provided to officers of the organization. This will provide for a careful analysis of the effectiveness of the fundraiser in accomplishing the goals and purpose of the organization, and the amount of revenue generated by the fundraiser.
- A financial report should be prepared by the treasurer, signed off on and reviewed by another officer showing beginning cash balance, revenue received, expenditures paid, and ending cash balance at the end of each school year.
- A check register, and/or copies of checks should be submitted as part of the sanctioning application yearly.

Communication Practices:

Correspondence to Membership

- President or other designated member should communicate official club information with the President reviewing the information prior to sending the information.

Meeting Procedures

- Prepare an agenda for each meeting
- Agenda should include Minutes from the Secretary and a Treasurer's Report from the Treasurer