

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-1
SECTION: Finance PROCEDURE NO.: F-1-1
TITLE: Treasurer and Business Manager PAGE: 1/1

ORIGINAL DATE: September 30, 2002
AMENDED DATE: March 30, 2009

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to elect a qualified Treasurer and appoint a Business Manager in accordance with the Foundation's stated job requirements.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-1
SECTION: Finance PROCEDURE NO.: F-1-1
TITLE: Treasurer and Business Manager PAGE: 1/1

PROCEDURE

1. The nominating committee shall be responsible for ensuring adherence to this policy.
2. While it is preferable that both the Treasurer and Business Manager be Certified Public Accountants, the Board recognizes that it is not always possible to recruit a Kappa CPA to fill these two positions.
3. The candidates should be familiar with, or able to learn, the software accounting package used by the Foundation to prepare its monthly financial statements. The candidates should also understand accounting principles and the correct presentation of financial statements.
4. The Treasurer and Business Manager serve on the Finance Committee.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-2
SECTION: Finance PROCEDURE NO.: F-2-1
TITLE: Bank and Bank Accounts PAGE: 1/1

POLICY STATEMENT

It is the policy of Kappa Kappa Gamma Charitable Foundation of Houston to maintain one or more interest bearing accounts and one or more checking accounts, all fee free when possible, in accordance with approved accounting policies and procedures.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-2
SECTION: Finance PROCEDURE NO.: F-2-1
TITLE: Bank and Bank Accounts PAGE: 1/2

AMENDED DATE: March 30, 2009

PROCEDURE

1. Choice of Financial Institutions:
 - A. In order to change or add a financial institution with which the Foundation deposits funds, the Finance Committee will gather information from three institutions.
 - B. This information and a recommendation shall be presented to the Board of Trustees for approval before any funds are moved from the current institution.
 - C. The Finance Committee will implement the Board's decision.
2. The Treasurer and Business Manager shall maintain separate accounts.
3. All Foundation receipts shall be deposited to the Treasurer's account. Sometimes, when an arrangement is made with a company to process credit card payments of underwriter tickets or marketplace purchases, the deposits must be made to the same account from which the fees are taken. In this instance, the deposits may be made to the Business Manager's account.
4. The Treasurer shall transfer funds to the Business Manager as Business Manager needs and so advises the Treasurer.
5. The Business Manager shall make all disbursements for the fundraising project(s) from her account. This includes disbursements for the fundraising project(s) as well as all Foundation expenses. The Business Manager should confer with the Treasurer to make sure that all expenses are properly categorized in the Foundation's record keeping system.
6. The Treasurer shall maintain whatever number of accounts she needs to best maintain separation or tracking of categories of expenditures or events.
7. The Treasurer and Business Manager shall inform themselves of the safety and soundness of all depository institutions with which the Foundation is doing business and make recommendations to the Finance Committee when a change should be made.
8. Signature authority
 - a. All disbursements over \$2,000 must have two signatures.

- b. Treasurer's accounts: President, Vice President, Treasurer, or Secretary may sign
 - c. Business Manager's Account: President, Vice President, Treasurer, Business Manager, or Secretary may sign
- 9. Receipt and reconciliation of bank statements
 - a. Treasurer accounts: Treasurer receives and reviews the bank and brokerage statements. A copy of the bank statement shall be mailed or faxed to the Business Manager for reconciliation.
 - b. Business Manager accounts: The Treasurer receives the bank statement and sends a copy to the Business Manager who reconciles the account.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL:	Organizational	POLICY:	F-3
SECTION:	Finance	PROCEDURE NO.:	F-3-1
TITLE:	Receipts	PAGE:	1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to maintain an appropriate system of financial checks and balances necessary to secure the financial resources of the organization.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-3
SECTION: Finance PROCEDURE NO.: F-3-1
TITLE: Receipts PAGE: ½

AMENDED DATE: March 30, 2009

PROCEDURE

1. The Treasurer receives and deposits all monies by the Foundation (including donations and Pilgrimage receipts), except in the situation when a credit card company must deposit directly to the account from which fees are withdrawn. In this case, the deposit may be made to the Business Manager's account.
2. Making deposits:
 1. The Treasurer must record all deposit checks and make a duplicate copy of the deposit slip.
 2. The exception to this rule is the numerous checks by Stitchers or Kappa Kitchen or for any other sales conducted during fundraiser(s) as well as home tour ticket sales during the Pilgrimage. Copies of these checks do not need to be made.
3. When a donation is received, the Treasurer shall send the necessary information to the Assistant Secretary:
 1. Assistant Secretary sends an official tax receipt, which also serves as a thank you note to the donor (sample of form is exhibit C in Exhibits Section) within 30 days of the receipt of the gift.
 2. If the gift is "in honor of" or "in memory of", the Assistant Secretary shall notify the honoree.
 3. Assistant Secretary sends the information to the Administrative Assistant for input to the database.
 4. Letters must be in compliance with current IRS guidelines.
4. For all gifts, the Treasurer notifies the *Keynotes* editor or designated liaison of the donor's name and purpose of gift (if any). For non-Pilgrimage gifts, the amount is not to be announced. These donations are

included in *Keynotes* at no cost to the Foundation. Pilgrimage Underwriters are included in supplemental pages in *Keynotes* containing other Pilgrimage information and the Foundation is charged for printing these pages as well as for a portion of the bulk mailing costs.

5. Deposit controls over receipts for Home Tour and related activities:

1. Home Tour

No receipt or numbered ticket is given to home tour ticket purchasers. The controls in place involve the fact that two Kappa volunteers sit together and collect the cash and checks for ticket sales. The Ticket Chairmen collect these receipts and write a report daily, detailing the income received. This report and the funds are turned over to the Treasurer or the Business Manager for confirmation and then the Treasurer deposits the funds.

2. Other sales activities

Cash registers may be utilized which total the day's receipts broken down by categories of cash, checks, and credit cards (taxable vs. non-taxable is also detailed). These register tapes are reconciled by the Business Manager, or her designee, i.e. the Cashier Chairman, at the end of each day. The Treasurer deposits the funds.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational

POLICY: F-4

SECTION: Finance

PROCEDURE NO.: F-4-1

TITLE: Disbursements

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to maintain a fiscally responsible system for the disbursement of funds.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-4
SECTION: Finance PROCEDURE NO.: F-4-1
TITLE: Disbursements PAGE: 1/1

AMENDED DATE: March 30, 2009

PROCEDURE

1. The Business Manager shall prepare all checks based on check requests.
2. Check authorization
 - a. The Business Manager shall provide a form to be used for check requests or reimbursements.
 - b. The committee chairs must approve all check requests (by signature or email).
 - c. Expenses must be substantiated by attaching the receipts to the reimbursement form.
 - d. Sales tax will not be reimbursed since the Foundation is a tax-exempt organization, and therefore, does not owe sales tax on purchases. Thus, if that expense is incurred, it will not be reimbursed. Tax-exempt forms will be made available to all chairmen.
3. Number of Signatures required on checks.
 - a. Treasurer's Account
 1. **No checks shall be written on this account without the approval of the Executive Committee.**
 2. The only withdrawals shall be transfers to the Business Manager's account or to the brokerage account. The Treasurer shall contact the bank and request the transfer, following whatever bank procedures are required.
 - b. Business Manager's Account
 1. The Business Manager shall prepare and sign all checks.
 2. **All disbursements over \$2,000 must have two signatures.**

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-5
SECTION: Finance PROCEDURE NO.: F-5-1
TITLE: Budget & Financial Statements
PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that financial statements shall be prepared monthly for review by the Board of Trustees.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-5
SECTION: Finance PROCEDURE NO.: F-5-1
TITLE: Budget & Financial Statements
PAGE: 1/1

AMENDED DATE: March 30, 2009

PROCEDURE

1. An annual budget for the foundation operating expenses will be prepared by the Treasurer in consultation with the Business Manager for the upcoming fiscal year (beginning May 1 of each year).
2. A copy of the proposed budget shall be provided to all Trustees at the March Board meeting so that it may be studied (and modified if necessary) before the April Board meeting.
3. The Board of Trustees will approve the annual budget at the April meeting.
4. In the year preceding the Pilgrimage (an odd-numbered year), the Pilgrimage Chairs prepare a budget for that event. That budget shall be voted on by the Board of Trustees at the February meeting (of the even numbered year).
5. Preparation of Financial Statements: Based on her review of bank statements and deposit information, the Treasurer will prepare journal entries and forward to the Business Manager. The Business Manager will then prepare financial statements and send to the Treasurer and President for review. The Pilgrimage Chairman should be consulted as needed particularly in months with high Pilgrimage activity. Once they have both agreed that all accounts are in order and are properly categorized, the Business Manager will forward the financial statements to the Secretary for distribution to all Board Members.
6. The Board of Trustees will review current financial statements monthly.
7. The Treasurer and the Business Manager should compare the Budget to the Financial Statements on a monthly basis and reasons for

material variances (defined as within 10% of budget) should be investigated and reported to the Board.

8. After the close of each fiscal year, the accounting records for that year shall be copied onto a diskette, labels with the year and software used (including version) a permanent record shall be made and added to the Treasurer's permanent binder.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL:	Organizational	POLICY:	F-6
SECTION:	Finance	PROCEDURE NO.:	F-6-1
TITLE:	Other Business	PAGE:	1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that other business matters be handled in a fiscally responsible manner.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation Of Houston

MANUAL: Organizational POLICY: F-6
SECTION: Finance PROCEDURE NO.: F-6-1
TITLE: Other Business PAGE: 1/1

AMENDED DATE: March 30, 2009

PROCEDURE

Credit Cards: the following types of credit card arrangements may be utilized:

1. A credit card acceptance system so that donors to the Foundation or Fundraising event may charge their donations to their personal credit cards.
 - a. The Treasurer will confirm that this credit arrangement is operational.
 - b. The Treasurer (or her designee) will complete and phone in all credit card transactions for donating or underwriting.

2. A credit card acceptance system for use at all fundraising sales activities so that purchasers of goods can charge these purchases to their personal credit cards.
 - a. The Business Manager or Treasurer, assisted by the Cashier Chairman, shall arrange for this credit and obtain whatever machines are necessary
 - b. At the discretion of the Treasurer, there will be a Cashier Chairman, for fundraising activities who will report to the Treasurer. The Cashier Chairman will be selected by the Pilgrimage Chairman.
 - c. The Cashiers are responsible for entering all purchase/return transactions.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational

POLICY: F-7

SECTION: Finance

PROCEDURE NO.: F-7-1

TITLE: Grants

PAGE: 1/1

AMENDED DATE: March 30, 2009

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation that the payment of all grants shall be made in one payment, in the year following the Holiday Pilgrimage.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-7
SECTION: Finance PROCEDURE NO.: F-7-1
TITLE: Grants PAGE: 1/1
AMENDED DATE: March 30, 2009

PROCEDURES

1. Upon the final determination of the amount and designees of the Kappa Kappa Gamma Charitable Foundation of Houston grantees, the actual grant payment shall be made in one payment, in the year following the Holiday Pilgrimage.
2. Duly authorized checks, not cashier's checks, should be the method of payment of grants.
3. The Treasurer shall have checks (for the distribution of funds) prepared by the Business Manager for presentation to the grantees.
4. When the final distribution is made, the Treasurer will have checks prepared to be handed out at the awards luncheon or meeting. If a designee cannot attend this meeting, then the check should be mailed along with a cover letter signed by the President to the grantees. These letters should be mailed certified, return receipt requested. Copies of this information should be sent to the Philanthropy Chair.
5. Grant payments will be disbursed only upon receipt of documentation from the Philanthropy Chair that the grantee is in a fiscally responsible position.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational

POLICY: F-8

SECTION: Finance

PROCEDURE NO.: F-8-1

TITLE: Tax Filings

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that all required federal and state tax returns be filed.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-8
SECTION: Finance PROCEDURE NO.: F-8-1
TITLE: Tax Filings PAGE: 1/1

AMENDED DATE: March 30, 2009

PROCEDURES

1. The Treasurer shall submit all required accounting data to the Foundation's CPA for preparation of forms to be filed.
2. The Treasurer is responsible for all Texas Sales Tax returns.
3. The Foundation federal and state returns (Form 990) shall be signed by the President, Treasurer or their designee.

REVIEWED: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-9
SECTION: Finance PROCEDURE NO.: F-9-1
TITLE: Finance Committee PAGE: 1/1

Original Date:

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that there shall be a Finance Committee.

Reviewed: January 19, 2009

Kappa Kappa Gamma Charitable Foundation of Houston

MANUAL: Organizational POLICY: F-9
SECTION: Finance PROCEDURE NO.: F-9-1
TITLE: Finance Committee PAGE: 1/1

AMENDED DATE: March 30, 2009

PROCEDURE

1. The Finance Committee shall serve to help or advise the Treasurer as needed.
2. The Finance Committee's duties include drafting the retained funds proposal from the pilgrimage proceeds and assisting with budgetary recommendations.
3. The Committee should meet to conduct a review of the financials of the Foundation, after year-end.
4. The committee shall be chaired by the Treasurer of the Foundation.
5. The Business Manager shall serve on the committee.
6. The committee should be comprised of one or two past Treasurers, if they are able to serve, as well as one or two additional board members, and members of the Association in good standing, where desired.

Reviewed: January 19, 2009