

**11/24/2020**

**FINANCIAL PROCEDURES  
OF  
USA Diving, INC.**

**USA Diving, Inc – Financial Policies &  
Procedures**

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## **Accounting Procedures**

### **A. Annual Accounting Period and Basis of Accounting**

USA Diving, Inc maintains a calendar annual accounting period which runs from January 1 to December 31. USA Diving, Inc uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

### **B. Conflicts of Interest**

In executing financial procedures, there are particular risks in relation to Conflicts of Interest. Anyone working with the finances of USA Diving, Inc should be careful to be cognizant of the policies and guidance in the Conflict of Interest Policy.

### **C. Journal Entries**

To ensure transactions are recorded in the proper accounting period and account, it may be necessary for the Staff Accountant to record journal entries in the accounting system. All journal entries will be posted by the Staff Accountant and reviewed and approved by the President on a monthly basis. The President will review and approval the journal entries by signing and dating the journal entry report in the upper right-hand corner.

### **D. Recordkeeping**

Records will be kept in accordance with the USA Diving, Inc's Document Management & Retention Policy. The Staff Accountant is responsible for maintaining financial records in accordance with the policy.

### **E. Internal Controls**

USA Diving, Inc employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded. Financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the USA Diving, Inc 's assets while also considering efficiency of operations. Internal controls are included in various sections throughout this document.

## Financial Planning and Reporting

### **A. Creating the Chart of Accounts**

The chart of accounts is a listing of all accounts used in the general ledger of an organization. The chart is used by the accounting software to group accounts together for reporting purposes, such as expenses, revenue, assets and liabilities. The chart of accounts separates the most important accounts usually by department but not to the level of detail of specific tournaments or events. If reporting on specific tournaments or events is necessary, separate class codes or other identifiers can be utilized in the accounting system. The chart of accounts is created at the inception of an organization and can be modified when necessary. Once the chart of accounts is established, staff will receive a list of the accounts pertaining to their respective departments/disciplines for use on expense reports. Department Directors are responsible for monitoring expenses within each of their accounts throughout the year to ensure the line items do not go over budget.

## **B. Annual Budget Development**

### **1. Creating the Budget**

The proposed budget is broken out into departments: General Administration, Membership, Events, Education, and High Performance. The Department Directors are responsible for creating the initial requested budget to present to the President. The Staff Accountant and President cumulatively develop the budget.

The proposed budget is then given to the Audit/Finance Committee and the Board, or by whatever process accords with the USA Diving, Inc Bylaws. The Audit/Finance Committee and the Board is to analyze and review the proposed budget from a viewpoint of both tactical and strategic relationships between the budget and the organizational mission. The Board shall approve the forthcoming budget by month end December of each year.

The President will accept a prioritized list of unbudgeted items from each department so that if additional revenue becomes available, expense items can be strategically added during the year. This process would be initiated by the President for submission to the Board, with final approval granted by the full Board of Directors.

### **2. Budget Variances**

The approved budget from the Board of Directors will not be modified or revised. If at any point throughout the year Department Directors become aware that they will, or have, run over or under-budget on a particular line item, it must be addressed with the President and appropriate reallocations will be made so that the overall department/discipline budget does not vary from the original budgeted amount. If reallocations cannot be made and expense overages will likely occur, the President will provide an explanation to the Board of Directors for their approval. Board approval on expense overages will only be given in unique and rare circumstances recognizing that not all expenses can be predicted when budgets are established.

### **3. Financial Forecasting**

Twice per year, a financial forecast for the remainder of the year will be prepared. The Staff Accountant will prepare the financial forecast with the assistance of the Department Directors. The forecast starts with the actual expense and the remaining budget for the year. The Department Directors will adjust the remaining budget based on predicted expenses for the rest of the year. The forecast will be given to the President and Audit/Finance Committee for their review and approval.

## **C. Periodic Reporting**

### **1. Preparation of Financial Statements**

USA Diving, Inc.'s financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) "Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities." Under GAAP, there are two classes of net assets, those with donor

restrictions and those without donor restrictions. Expenses are reported by functional (program and supporting activities) and natural (salaries, rent, supplies, etc.) expense classifications.

## 2. Creating the Statement of Activities (aka Income Statement) by Department

The purpose of the income statement is to show the net income or loss at a given time. The income statement by department is created by taking the approved chart of accounts and breaking the income and expense accounts out into the departments. All income accounts should be listed first, followed by all expense accounts by department/discipline.

## 3. Creating the Statement of Financial Position (aka Balance Sheet)

The purpose of the balance sheet is to show the financial position of the organization over the annual accounting period. The balance sheet shows what USA Diving, Inc owns and what USA Diving, Inc owes. The difference between what USA Diving, Inc owns and owes is the organization's net assets. The balance sheet is created by listing all USA Diving, Inc's assets, all short-term and long-term liabilities, and the net assets.

## 4. Monthly Closings

At the end of a given month the Staff Accountant will complete the Monthly Financial Reporting Closing Procedures (see Exhibit A) as developed in conjunction with the independent audit firm (outlined in subsection 5 below). The month end close should include the following:

- a. Reconciliation of cash accounts;
- b. Accounts Receivable detail;
- c. Accounts Payable detail;
- d. Line of Credit;
- e. General journal entries; and
- f. Financial statements.

To initiate the monthly closing process, monthly bank account statements will be emailed directly to the President (or his/her designee) for review. The President will be responsible for reviewing the monthly bank account statement and comparing it to the bank reconciliation report provided by the Staff Accountant. Additionally, the Staff Accountant will provide a comparison analysis to assist the President with identifying missing or delayed transactions. The President should ensure the bank account statement and bank reconciliation report reflect the same information as it relates to deposits and withdrawals. The deposits on the bank account statement should be compared to the "list of checks and cash received" that month to ensure all the funds were deposited into the bank account. The bank account statement should be reviewed to ensure the cashed checks, ACH withdrawals, credit card payments, and wire transfers were appropriate disbursements. The President should also review the bank account statements for routine withdrawals such as payroll, retirement contributions, insurance, etc. to ensure the transactions occurred and were accurate. The President will initial the bank statements and the "Bank Statements Verified" form and give to the Staff Accountant to proceed with the monthly closing. The President or the President's designee will initial the month end check off sheet upon final approval of the monthly close.

## 5. Year-End Closings

At fiscal year-end, the monthly closing detailed above will be completed, however additional detail pertaining to the following will be included as well:

- a. Reconciliation of foreign currency account;
- b. Inventory adjustments; and
- c. Advances pending receipts.

## 6. Audits

Each year, a Board-approved independent auditor will perform an audit of the previous annual accounting period. All accounting records will be made available for review. The purpose of the audit is to express an opinion on the financial statements and the validity of the information presented. The audit will be conducted in accordance with generally accepted auditing standards, planning and performing the audit to obtain reasonable assurance of whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

USA Diving, Inc will also permit the USOPC, at its request, to conduct an audit of expenses supported by any funding provided by the USOPC. USA Diving, Inc will allow the USOPC to have reasonable access to all files, records, and personnel necessary to make such financial audits, verifications, and program evaluations as deemed appropriate during the term of the USOPC funding and for four (4) years after the expiration or termination of any USOPC funding.

## 7. USOPC grant reports

In accordance with USA Diving, Inc Program Partnership Agreement, the USOPC requires the submission of reports throughout the year for various funding and grants, subject to the specifications and requirements in the funding or grant agreements. Funding paid to USA Diving, Inc during the course of a year must be accounted for by completing a final report on each project. The final report will provide a brief narrative and financial overview for each project.

## **D. Tax Compliance**

### 1. IRS Form 990

The Staff Accountant is responsible for working with the external accounting firm to prepare and finalize the annual IRS Form 990. The President will review the IRS Form 990 prior to its approval by the Audit Committee and Board of Directors by the IRS deadline of May 15 each year. If approved by the Board of Director, USA Diving, Inc can file an automatic 6-month extension if additional time is required to complete the IRS Form 990. Once the IRS Form 990 is submitted to the IRS, the full public copy will be made available on USA Diving, Inc website, as well as the prior two years. The submitted IRS Form 990 will also be provided to the USOPC's Audit Department.

### 2. IRS Form 1099

The Staff Accountant is responsible for preparation and distribution of the annual IRS Form 1099s to all required individuals per the IRS instructions. The 1099s will be distributed prior to the January 31<sup>st</sup> deadline annually. The 1099s and 1096 will be submitted to the IRS by the February 15<sup>th</sup> deadline annually.

## Revenue and Accounts Receivable

### **A. Accounts Receivable**

#### 1. Invoicing

An invoice (see Exhibit C) must be issued whenever money is owed to USA Diving, Inc. Invoices will be issued by the Staff Accountant as expenses are incurred on behalf of an USA Diving, Inc customer with a copy of the invoice being mailed and/or emailed to the customer. When a check or other form of payment is received, the Staff Accountant will record the invoice as paid in the accounting system. For invoices that remain outstanding at the end of a month, a statement will be issued. If an invoice is still outstanding after 60 days, the Staff Accountant will call or email the customer to identify an anticipated date of receipt.

#### 2. Receipt of Payment and Deposits

When a check or other form of payment is received, the individual checking the mail should create a "list of checks and cash received." The individual checking the mail should not have access to the accounting and/or membership system to ensure proper segregation of duties. Once the "list of checks and cash received" has been created a copy should be provided to the CEO to assist with his/her monthly closing process. The checks and cash can then be provided to the Staff Accountant to record the invoice as paid in the accounting system.

Upon receipt of a check or cash payment, the Staff Accountant or his/her designee will hold the funds in a deposit folder to be processed at week-end. At week-end, the Staff Accountant or his/her designee will fill out a bank deposit slip and make photocopies of both the payment and deposit slip. Copies will be filed in both the customer file and the bank file. A receipt will be recorded in the accounting system to allocate the funds to the appropriate account. Checks greater than \$5,000 will not be held until week-end, but rather will be deposited upon receipt.

Upon receipt of a credit card payment, the transaction will be recorded in the accounting system to allocate the funds to the correct account. Copies of the credit card receipt will be filed in the appropriate customer file and bank file.

For all on-line deposits, such as membership payments or on-line donations, amounts are reconciled on a monthly basis by the Staff Accountant. The funds deposited will be reconciled with a report from the membership and/or development system. The Staff Accountant will not have edit access to these systems to ensure appropriate internal controls and segregation of duties exist.

#### 3. Refunds

If a credit card refund is necessary, it will only be issued to the card on which the transaction was originally processed.

#### 4. Late Payments

Invoices issued by USA Diving, Inc will make clear that such invoices will be subject to late

fees at USA Diving's sole discretion. A two percent (2%) interest charge will be added to the balance of the invoice once it has been outstanding for thirty (30) days, and for every additional thirty (30) days thereafter.

## **Expense and Accounts Payable**

### **A. Accounts Payable**

#### **1. Receipt of Invoices**

Incoming invoices will be received by the Staff Accountant and reviewed and verified for accuracy and compliance with the budget. Invoices will be posted to the accounting system to the appropriate expense account on the date they are confirmed as accurate by the Department Director. The invoice will be held in the payables file until payment is made.

#### **2. Disbursement of Funds**

Funds on deposit in banks or other financial institutions may be drawn upon only by check, online payment or transfer. For check disbursements of [twenty thousand dollars (\$20,000)] or less, authorization may be granted by the original signature of either the authorized signors. For disbursements greater than [twenty thousand dollars (\$10,000)], authorization may be granted by the original signature of the authorized signors, as outlined in the Finance Policy with additional approval given by the non-signing party via the Request for Disbursement form (see Exhibit E). The Request for Disbursement form must be attached to the invoice and check stub and retained in the vendor file.

Online payments of [\$10,000] or less may be authorized in keeping with authorizations in the Finance Policy, the Request for Online Payment form (see Exhibit F). For online payments of more than [ten thousand dollars (\$10,000)], The President must authorize the form. The Request for Online Payment form must be attached to the invoice and retained in the vendor file. A copy must also be filed in the corresponding monthly bank file.

Transfers between linked USA Diving, Inc bank accounts may be authorized by the President via the Transfer Request form (see Exhibit B). There is no threshold which triggers additional signature requirements. A copy of the Transfer Request form must be filed in both corresponding monthly bank files.

#### **3. Check Writing or ACH (Automated Clearing House) Payment Procedures**

Checks are written or ACH payments made as necessary, but not less than weekly, and decisions for payment will be based on the Aged Payables report and current cash flow. The Staff Accountant or his/her designee will cut the necessary checks/initiate online payment and will give the checks/notify with email, with supporting documentation attached, to the appropriate individuals for signature/approval on ACH payment website. The supporting documentation must also be initialed by the President, or his/her designee, to confirm his/her review of the invoice and approval of the disbursement. For all checks/payments issued, the check stub/confirmation print out will be attached to the invoice and filed in the appropriate vendor file.

#### **4. Wire Transfers**

Wire transfers will be arranged on an as-needed basis. For wire disbursements of twenty thousand dollars (\$20,000) or less, authorization may be granted via the Wire Transfer



Request form (see Exhibit G) with the signature of either the Board of Directors Chairman or President. For wire disbursements greater than twenty thousand dollars (\$20,000) authorization may be granted with the signatures of both the Board of Directors Chairman and President. Once the necessary signatures have been obtained, the wire transfer will be initiated by the Staff Accountant the appropriate banking institution. The President will provide any necessary confirmation of wire transfer details to satisfy respective institutions' call-back or approval procedures. Email confirmation, when available from the banking institution, of wire transfers processed will be provided to the President. A copy of the Wire Transfer Request form must be filed in the vendor file and monthly bank file.

## **B. Purchasing**

### **1. Consumable items**

It will be necessary for employees to purchase organizational items. Purchases can be made with a corporate credit card or by the employee personally and be reimbursed. In both instances, the purchases must be approved by the Department Director and be within the budget. To ensure the USA Diving, Inc receives competitive pricing, any purchase for goods or services over \$20,000 requires documentation that three or more quotes were obtained or pursued. Thresholds for competitive sourcing requirements apply to the total order amount. Splitting orders to avoid quote and/or bid requirements is not allowed.

### **2. Contracts**

Employees of USA Diving, Inc may need to commit the USA Diving, Inc to doing things or paying money to a third party in exchange for services or goods from that third party. In each such case, Employees will need to execute a contract. A contract is an expressed agreement between parties for an exchange of goods or services. Contracts can take many forms but they must be clear on the terms of the exchange. Contracts must be in writing and signed by the President or an appropriately appointed staff member and the contracting party prior to the exchange of any service or goods. All fully executed contracts must be given to the Staff Accountant ] to be kept on file.

## **C. Payroll**

### **1. Timesheets**

All hourly employees, exempt and non-exempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes. Hourly employees complete time sheets and submit them to their supervisors on the due date, based on the schedule produced at the beginning of the year. Supervisors review, correct if necessary, sign and submit timesheets to the Staff Accountant within three (3) working days from the time sheet due date. The Staff Accountant is responsible for submitting the time sheet information to the 3<sup>rd</sup> party payroll provider and accounting systems as needed. All paid time off balances are maintained within the payroll system, based on the information provided on approved timesheets.

### **2. Preparation and Approval**

Payroll is processed through the 3<sup>rd</sup> party payroll provider. Timesheets and payroll changes are verified by the President. All documentation is reviewed by the Staff Accountant and an e-mail is generated by the Staff Accountant to the 3<sup>rd</sup> party payroll provider outlining the pertinent payroll changes. The President is copied on the original e-mail and all subsequent e-mails

concerning adjustments. Change reports provided to the President directly from the 3<sup>rd</sup> party payroll provider. If the change in payroll involves President compensation, the Treasurer must be informed of the changes without unreasonable delay. In this manner the President is informed of all hours charged, bonuses paid and other payroll changes. If the Staff Accountant is unavailable, the President may transmit the payroll.

The payroll data is e-mailed to the Staff Accountant and the President, who reviews and approves. A hard copy of the payroll register and related reports is maintained and is available for review by the President or the Board of Directors. An electronic version is also maintained.

The Staff Accountant enters payroll data into the general ledger through a recurring journal entry. The 3<sup>rd</sup> party payroll provider is responsible for preparing and distributing all the payroll tax reports and W-2s in accordance with the IRS deadlines. The Staff Accountant and President will review the reports and forms prior to distribution.

### 3. Pay upon Termination

The Staff Accountant will ensure final paychecks are paid in accordance with state rules and regulations. Final paychecks will include any accrued PTO in accordance with the Employee Handbook. The Staff Accountant President will ensure the final paycheck is accurate and distributed appropriately.

## D. Expense Reporting

Individuals incurring expenses on behalf of USA Diving, Inc are required to report on expenditures through the completion of an expense report (see Exhibit D). Where applicable, receipts must be submitted with the expense report. The expense report will detail what the expense was for, the amount of the expenditure, and to which budget line it should be allocated. It is recommended that expense reports be submitted to the Staff Accountant within 10 days of the completion of incurring the expense to allow the expense to be recorded in the period the expense was incurred. Expenses must be submitted for reimbursement within three months of being incurred, or they will not be reimbursed. Expense reports are processed weekly for employee reimbursement.

### 1. Credit Card Procedures

Credit cards are issued to employees primarily to facilitate travel. All cardholders are responsible for completing expense reports to verify and summarize all card activity.

When credit card statements are received by the Staff Accountant they will be matched with the submitted expense reports and receipts to confirm all transactions are correct and documented. If any transactions appear for which an expense report and receipt has not been submitted, the Staff Accountant will contact the cardholder to confirm the transaction and request the documentation be provided. If expense reports and receipts are not submitted timely, and the transactions cannot be verified prior to the payment being due, the cardholder will be billed for the late charge of that respective credit card company.

Whenever possible, receipts should be submitted; electronic scans are acceptable. Receipts should be sent to the Staff Accountant.

The Treasurer will review the corporate credit card activity of the President.

## 2. Missing Receipts

Cardholders are responsible for the collection and submission of all receipts for all transactions occurring on their credit cards. Every effort should be made to obtain a duplicate copy of a missing receipt from the vendor. If the cardholder is unable to obtain a copy, a Missing Receipt statement must be sent to the President with a complete explanation of the expense.

### **E. Expense Reimbursement**

Any USA Diving, Inc personnel requesting reimbursement of expenses must submit a completed expense report form (see Exhibit D) along with supporting documentation to the Staff Accountant. Each individual submitting an expense report is responsible for making sure all areas of the form are properly completed before submission. All expense reports must be approved by the Director of the Department and the Staff Accountant. The President must approve expense reports that are submitted by the Director of the Department. Reimbursements requested by the President must have the additional approval of the Treasurer.

There are certain expenses that USA Diving, Inc will not reimburse (i.e., traffic/parking violations). Additionally, if an individual incurs an expense for an unbudgeted item for which they did not receive prior authorization from the Director of the Department, President or Staff Accountant may not be reimbursable. While USA Diving, Inc does not have an all-inclusive list of non-reimbursable expenses, the President has the right to deny reimbursement of any unnecessary, excessive, or inappropriate expenses.

### **F. Petty Cash**

The USA Diving, Inc does not keep a petty cash box. Employees can purchase items with a company credit card or personally and be reimbursed.

## **Asset Management**

### **A. Account Maintenance**

#### 1. Online Banking

USA Diving, Inc will seek to maintain accounts with financial institutions that provide online banking capabilities. The President and the Staff Accountant have online access to USA Diving, Inc accounts. Online access will be primarily to review account balances for accuracy and control purposes. USA Diving, Inc may also engage in online transactions including transfers between linked USA Diving, Inc accounts and payments to certain vendors. Where possible all electronic payments require dual approvals, where one individual can initiate a transaction and the other person approves the transaction. Online transactions require the completion of a Transfer Request form (see Exhibit B) or a Request for Online Payment form (see Exhibit F). Online transfers and payments must comply with all additional procedures for payments as detailed in this document.

### **B. USA Diving, Inc Capital Assets**

#### 1. Purchase of Capital Assets

USA Diving, Inc carries certain durable (i.e., non-consumable) assets on its books as capital purchases if the invoice was three thousand dollars (\$3,000) or more. If an item purchased is that is equal to or exceeds the dollar threshold the item must be capitalized. A capital purchase must be approved, in writing, by the President and the timing of the purchase must be coordinated with the President or the Staff Accountant.

Incurring of any financial obligation and/or execution of any debt instrument (including, but not limited to, loans and leases), for the purpose of securing a capital asset, must be approved by the Board. Approved debt instruments may be executed only by the President or Board of Directors Chairman. USA Diving, Inc will not accept personal loans from staff members or Board of Directors nor will it make provide loans to such individuals.

2. Depreciation of Capital Assets

USA Diving, Inc has established the straight-line methodology for depreciating all fixed assets. Depreciation will begin in the month the asset is placed in service. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The amount of annual depreciation is determined by dividing an asset's cost reduced by the salvage value, if any, by its estimated life. The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.

The useful life of an asset is that period during which the asset provides benefits. Estimates of useful life consider factors such as physical wear and tear and technological changes that bear on the economic usefulness of the asset. The following chart summarizes the useful life for each type of currently held property and equipment:

<b>Equipment</b>	<b>[Useful Life]</b>
<b>Computers</b>	3 years
<b>Office Equipment</b>	3 years
<b>Sport Equipment</b>	5 years
<b>Furniture</b>	7 years
<b>Vehicles</b>	5 years
<b>Leasehold Improvements</b>	The shorter of the life of the leasehold improvement or the remaining term of the lease

3. Sale of Capital Assets

The sale of USA Diving, Inc asset, whose original purchase price is estimated to have been over the capital asset threshold must be approved in advance by the President. When in doubt of the value, a recommendation should be obtained from the Staff Accountant. The

individual approving the sale is responsible for notifying the Staff Accountant writing of the proposed sale, the proposed sale price and the name of the person responsible for forwarding the bill of sale and money to USA Diving, Inc's office.

The responsible individual must forward the bill of sale and money received to USA Diving, Inc's office immediately after the sale has been completed. Such funds cannot be diverted to other uses, organizational or otherwise. Any legal titles (i.e., automobile titles) must be signed by an officer of the USA Diving, Inc.

USA Diving Inc should be able to anticipate, in advance, the sale of almost any asset that has outlived its usefulness. The approval process should be followed in these cases. However, occasional opportunities to sell assets come along on short notice and would be lost if the entire approval process were followed. If an individual in a position of authority is certain a sale would otherwise be approved, he/she may take responsibility and consummate the sale. However, this expedited process should only be exercised in exceptional cases. This does not apply to the sale of automobiles or other assets for which an officer of the USA Diving, Inc needs to sign the title or bill of sale.

### **C. Inventory**

USA Diving, Inc maintains inventory of products for resale and promotional use. The value of inventory is recorded using the first-in, first-out method. A physical count of all inventory will be taken periodically but no less than once per year. The physical inventory counts will be done by an individual that does not have routine access to inventory or the inventory records to ensure proper segregation of duties. This function can be out-sourced. If the year-end physical inventory shows significant discrepancies between system generated and manual counts, additional inventory counts will be performed during the year. An adjustment will be made to perpetual records based on the physical inventory performed. Inventory reports should be provided to senior management and the Audit Committee.

### **D. Financial Record Backup Policy**

Financial accounting records are maintained and backed up via the accounting system using multiple levels of redundancy to guard against failure. The Staff Accountant will ensure that USA Diving, Inc accounting system also utilizes a comprehensive disaster recovery process, hot backups, and offsite backup storage.

## EXHIBIT A – Monthly Financial Reporting Closing Procedures

### USA Diving Inc

Monthly and Annual Financial Reporting Closing Procedures

Updated: **DATE**

	<b>Completed By:</b>	<b>Reviewed By:</b>
1 At year-end, count all foreign currency and adjust trial balance to US currency. Use excel spreadsheet to detail count and provide the detail in the year-end close file.	_____	_____
2 Reconcile all cash accounts. Investigate all reconciling items greater than three months old. Attach all reconciliations to bank statements and include in month end closing folder. Include copy of all cancelled checks for the month.	_____	_____
3 Review accounts receivable outstanding and agree aging report to trial balance. Tie receivable listing to open invoice folder. Investigate old or problem receivables. Include aging report in month end closing folder.	_____	_____
4 Perform a physical count of inventory at year-end. Adjust inventory as needed through COGS account to agree to physical count. Include physical count in year-end closing folder.	_____	_____
5 At year-end, reclass pending travel advances to prepaid and immediately reverse following year-end.	_____	_____
6 Review accounts payable outstanding by agreeing to open invoice folder. Ensure that aging report matches trial balance. Include aging report in month end closing folder.	_____	_____
7 Ensure commercial term loan balance matches loan statement and trial balance. Include loan statement in month end closing file.	_____	_____
8 Print off all general journal entries for the month.	_____	_____
9 Prepare monthly closing file by placing financial statements on top of support in the order of the procedures above and give file to CEO. Place checklist on top of entire file.	_____	_____

Accounts to be adjusted by auditors at year-end:

- Record new assets
- Accrued salaries and related expenses
- Valuation allowance
- Allowance for bad debts
- Record depreciation
- Prepaid expenses



**EXHIBIT C – Invoice**

**USA Diving Inc**

**Invoice**

**ADDRESS**  
**ADDRESS**  
**ADDRESS**

Invoice Number:

Invoice Date:

Phone: **(XXX)XXX-XXXX**

Fax:

Sold To:

<b>Customer ID</b>	<b>Customer PO</b>	<b>Payment</b>
		Net 14 Days

Quantity	Item	Description	Unit Price	Extension

**Subtotal Sales**  
**Tax**  
**Total Invoice**  
**Amount Payment**  
**Received**  
**TOTAL**

**NOTE:** Invoices will be subject to late fees if not paid within thirty (30) days of their issue. A two percent (2%) interest charge will be added to the balance of the invoice once it has been outstanding for thirty (30) days, and for every additional thirty (30) days thereafter.





**EXHIBIT E – Request for Disbursement Form**

FROM THE DESK OF:

**NAME**  
~~[Director of Finance]~~  
**(XXX) XXX-XXXX**

DATE: TO:

I request authorization of the following disbursement more than \$10,000 from **USA Diving Inc**  
**BANK NAME Account NAME:**

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CHECK #	PAYEE	AMOUNT	\$
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REQUEST IS  
APPROVED  
Chair, **[NGB]** Board of Directors      Date

**EXHIBIT F – Request for Online Payment**

FROM THE DESK OF:

**NAME**  
Staff Accountant  
(XXX) XXX-XXXX

**DATE:**

**TO:**

I request authorization to provide payment via online banking from USA Diving Inc **BANK NAME**  
**Account NAME** the following disbursements:

<b>PAYEE</b>	<b>CONFIRMATION #</b>	<b>AMOUNT</b>
		\$

REQUEST IS APPROVED \_\_\_\_\_  
Chair, **[NGB]** Board of Directors Date

REQUEST IS APPROVED \_\_\_\_\_  
**[NGB]**'s Chief Executive Officer Date

**EXHIBIT G – Wire Transfer Request**

AFEX-Associated Foreign Exchange,  
Inc. 140 Broadway, Floor 46  
New York, NY 10005

Please complete the following transfer at your earliest convenience.

**Transfer to:** Bank name  
Bank  
address  
IBAN:  
SWIFT:

**Beneficiary:** Name  
Address

Amount:

\$ Memo:

Funds: **USA Diving**  
Acct#

Thank you for your prompt attention to this matter.

Authorized by,

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**Chair, USA Diving, Inc Board of Directors**  
Date

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**USA Diving, Inc President**  
Date