



USA Weightlifting, Inc

**ACCOUNTING
POLICIES AND PROCEDURES**

**January 31, 2017
Amended: October 8, 2018**

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I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at USA Weightlifting, Inc and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All USA Weightlifting's staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the Board of Directors.

II. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Reviews Chief Executive Officer performance annually and establishes the salary
4. Reviews and approves all contracts over \$250,000
5. Reviews and approves all non-budgeted expenditures over 10% of budget
6. Reviews and advises staff on internal controls and accounting policies and procedures
7. Approves external audit firm

Chief Executive Officer

1. Reviews and approves all financial reports including cash flow projections
2. Sees that an appropriate budget is developed annually
3. Reviews and signs all issued checks and/or approves check signing procedures
4. Reviews and approves all contracts under \$250,000
5. Reviews and approves all grant submissions
6. Approves inter-account bank transfers
7. Is on-site signatory for all bank accounts
8. Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
9. Oversees the adherence to all internal controls

Associate Executive Director/Director

1. Approves all program expenditures
2. Monitors program budgets
3. Reviews and approves all reimbursements and fund requests for their designated areas
4. Assists Executive Director with the development of annual and program budgets
5. Reviews all incoming and outgoing invoices for their designated areas
6. Monitors and manages all expenses to ensure most effective use of assets
7. Monitors and makes recommendations for asset retirement and replacement
8. Reviews all financial reports

Finance Department

1. Overall responsibility for data entry into accounting system and integrity of accounting system data
2. Records deposits
3. Processes invoices and prepares checks for signature
4. Processes payroll
5. Maintains general ledger
6. Prepares monthly and year-end financial reports
7. Reconciles all bank accounts
8. Mails vendor checks
9. Manages Accounts Receivable

Membership Manager

1. Makes bank deposits

III. Chart of Accounts and General Ledger

USA Weightlifting, Inc, has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (event vs. membership vs. administration). The finance department is responsible for maintaining the Chart of Accounts and revising as necessary. The Chart of Accounts is attached to this manual as an addendum.

The general ledger is automated and maintained using Quickbooks. All input and balancing is the responsibility of the finance department.

IV. Cash Receipts

Cash receipts generally arise from:

1. Membership activities
2. Direct donor contributions
3. Payment of invoices

The principal steps in the cash receipts process for check payments are:

The Membership Manager receives incoming mail opens and distributes the mail. The Membership Manager stamps all checks “for deposit only,” and makes one (1) copy of each check. The checks are kept in a locked cabinet until taken for deposit.

Weekly (or more often if necessary), the Membership Manager submits the validated deposit slip and copies of the checks to the Finance Department for processing. The Finance Department processes the deposit in Quickbooks. A copy of the deposit slip is attached to the deposit. The deposits are put in a file to attach to the bank statement.

All cash received will be counted, verified, and signed off by the Membership Manager and another available staff member. The cash will be deposited with any checks received that week. A receipt will be given to the paying party and a copy kept for internal purposes as back up to the deposit.

The principal steps in the cash receipts process for credit card payments are:

The Finance Department downloads the current transactions from the bank website on a daily basis. The Finance Department then downloads the detailed credit card transactions from the membership system. Both reports are balanced and the deposits are recorded into Quickbooks in summary.

V. Inter-Account Bank Transfers

The Finance Department monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Finance Department recommends to the Chief Executive Officer when a transfer should be made to maximize the potential for earning interest. The Finance Department is directed in email when to make a transfer and in what amount.

VI. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements
7. Marketing/promotional materials

Check & ACH payments are processed weekly on Thursday. Checks & ACHs can be prepared manually within one day, but this should be limited to emergency situations.

Requests for cash disbursements are submitted to Accounting in three ways:

1. Original invoice
2. Employee expense report or reimbursement request
3. Excel file approved by the Chief Executive Officer

All invoices are to be approved by the Program Manager prior to being submitted to accounting.

Every employee reimbursement or purchase request must be documented on the approved form with receipts, nature of business, before approving for reimbursement as follows:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased

The Associate Executive Director/Director reviews all requests for payment and:

1. Verifies expenditure and amount
2. Approves for payment

The Finance Department processes all payments and:

1. Immediately enters them into the Accounts Payable module
2. Prints checks according to due date
3. Submits checks, with attached backup documentation, to Chief Executive Officer for approval and signature. All checks in excess of \$7,500 require a second signature from an authorized staff member
4. Mails checks and appropriate backup documentation
5. Files all backup documentation in the appropriate file

Expense Allocations

Expenses that correlate to a specific event or department are coded and processed as such. Expenses that are incurred for the overall operations are coded to the National Office.

VII. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which USA Weightlifting, Inc receives funds.

The receipts for all credit card charges will be given to the Finance Department within two (2) weeks of the purchase along with proper documentation, using an electronic application process from the cell phone. The Finance Department will verify all credit card charges with the monthly statements and process into Quickbooks in a timely manner. The credit card reconciliation, along with the monthly statement and all receipts will be submitted to the Chief Executive Officer for approval and signing.

The Chief Executive Officer's credit card usage will be provided to the Board of Directors for review.

VIII. Bank Account Reconciliations

1. All bank statements are downloaded monthly from the bank website by the Finance Department.
2. The Finance Department performs a timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Finance Department will investigate any checks that are outstanding over six months.
4. The Finance Department will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
5. The reconciliation report will be reviewed, approved, dated, and initialed by the Chief Executive Officer.

IX. Property and Equipment

Property and equipment includes items such as:

1. Event Equipment
2. Office furniture and equipment
3. Computer hardware
4. Computer software

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand five hundred dollars (\$1,500). Items purchased with a value or cost less than one thousand five hundred dollars (\$1,500) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	60 months
Office Equipment	60 months
Office Furniture	60 months
Computer Software	36 months
Event Equipment	120 months

1. A Fixed Asset Register is maintained by the Finance Department including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The Register will be reviewed by the Chief Executive Officer & Associate Executive Director.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Chief Executive Officer shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

X. Personnel Records

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the Chief Executive Officer.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Finance Department.
3. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

XI. Payroll Processing

1. The Finance Department will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
2. All employees are paid on an exempt salary basis.
3. All employees are paid thru direct deposit.
4. The Chief Executive Officer will review payroll expenditures and allocations monthly.
5. All quarterly federal and state payroll reports will be prepared and filed appropriately by the payroll provider.
6. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

XII. End of Month and Fiscal Year-End Close

1. An independent staff member will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each month and fiscal year end, the Chief Executive Officer will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. At the end of the fiscal year, the outside CPA firm will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the CEO and the Board of Directors for their review and approval. The outside CPA firm will then file the return with the Internal Revenue Service by the annual deadline.
5. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

XIII. Financial Reports

The Finance Department will prepare the monthly and annual financial reports for distribution to the Chief Executive Officer. The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, cash flow projection, and any other requested reports.

Periodic and annual financial reports will be submitted to the Board of Directors for review and approval.

XIV. Fiscal Policy Statements

1. All cash accounts owned by USA Weightlifting, Inc will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. All capital expenditures which exceed one thousand five hundred dollars (\$1,500) will be capitalized.
3. No salary advances will be made under any circumstances.
4. Reimbursements will be paid upon complete expense reporting and approval using the official USA Weightlifting, Inc. form. Reimbursements to the Chief Executive Officer will be authorized by the Board of Directors.
5. Any donated item will be recorded and a letter acknowledging the donation will be sent to the donor within one week of the receipt of the donation.
6. All professional pro-bono time shall be recorded as in-kind donations.
7. The Chief Executive Officer and one designated staff member are the signatories on USA Weightlifting, Inc bank accounts. Disbursements exceeding (\$2,500) require a second signature by an authorized staff member.
8. Bank statements will be reconciled monthly. All bank reconciliations will be given to the Chief Executive Officer for review.
9. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
10. Accounting and personnel records will be kept in locked file cabinets in the finance office and only parties with financial and/or HR responsibility will have access to the keys.

Amendment 10-8-2018:
Amended Credit Card receipt policy to reflect use of an electronic application.