

## **LESI Finance Manual**

LE commissioned its Finance officers to develop a finance manual for LE. This manual identifies the proper procedures for financial responsibility in LE. Below is the LE Finance Manual as approved by the Board of Directors.

### **FINANCIAL POLICIES CONTROLS AND PROCEDURES**

Lake Erie Swimming, Inc. (LESI) is dedicated to ensuring that all financial operations are transparent and conducted in a manner that safeguards the organization's assets and provides a strong financial foundation. Lake Erie Swimming operates on a calendar year, and all financial records are maintained on a cash basis.

#### **FINANCIAL CONTROLS**

**FINANCIAL REQUIREMENTS:** Annually, a copy of the financial reports listed below shall be forwarded to USA Swimming headquarters within five (5) months after the close of the fiscal year for the LSC. Lake Erie Swimming shall not file for federal tax extensions unless extenuating circumstances arise.

- A. Financial Reports sent to USA Swimming: Form 990, Annual Financial Review.
- B. Every effort will be made to have taxes filed by May 15<sup>th</sup> of the current year.
- C. Payment for incorporation fee to the State of Ohio Attorney General will be paid at the same time the taxes are filed.
- D. IRS Form 990 will be filed electronically.
- E. All bank and brokerage Statements shall be directed to the Finance Vice Chair.

#### **AUTHORIZATIONS**

- A. Signature authorization may be granted by the Board of Directors to at least two officers in addition to the Treasurer.
- B. Number of signatures required:
  - 1. Under \$5,000 requires any one signature.
  - 2. Over \$5,000 requires a minimum of two signatures.

#### **GRANTS**

All money grants or in-kind contributions shall be recorded as general revenues of the Corporation. Obligations contained in the grant or gift contract shall be included in the budgeted expenses of the Corporation.

#### **CASH**

- A. Transactions between members (group and individual) and LESI should be done by check. This provides written documentation of amount paid and received. This is for the

protection of the clubs, members and LESI. When cash transactions are employed at LESI events, the following guidelines are in effect:

1. The meet director (or coordinating volunteer) and the Treasurer shall determine the amount and denominations of the start up cash needed (admissions, deck entries, registrations, etc.).
2. The Treasurer shall arrange for the cash to be brought to the meet or event. Included in the envelope with the cash will be the necessary sign off sheets.
3. The event director and appropriate volunteer shall sign for the receipt of the cash.
4. At the end of each session or each day (as determined practical) the event director, or Treasurer or their designee and the volunteer shall count the cash together and sign the count sheet and put the signed count sheet and cash in a sealed envelope.
5. The event director and Treasurer shall arrange for the timely collection and deposit of said cash.

## **FINANCIAL REPORTS**

- A. **External Reports:** The Finance Vice Chair shall prepare unaudited financial statements, monthly, quarterly and annually, for the Board of Directors. Financial statements are to be prepared in compliance with generally accepted accounting principles on a cash basis, and contain budget to actual amounts and variances. Reports will be e-mailed and published according to the following schedule:
  1. Monthly: Profit and Loss, Balance Sheet and Journal.
  2. Quarterly statements 30 days after the end of the quarter: Profit and Loss, Balance Sheet.
  3. Annual unaudited statements 60 days after the end of the year: Profit and Loss, Balance Sheet.
- B. **Annual Audit:** The Audit Committee will engage an independent CPA annually to conduct a financial review. The Financial Review report will be presented to the Board of Directors and the House of Delegates. The Financial Review report is first presented for review and approval to the Board of Directors at its April meeting. The approved Financial Review report is then presented for approval at the Spring House of Delegates.
- C. **Internal Semi-Annual Audit:** LESI will undergo a semi-annual internal audit that shall be conducted by at minimum of two persons of its Audit Committee. Internal auditors will review financial data from January through June of the current year and record all findings on the forms provided by the Finance Chair. Auditors shall complete the audit and submit it to the Finance Chair no later than August of the current year. The Finance Chair will present the audit report to the Board of Directors for review and approval at its September Board meeting.

## **FIXED ASSETS AND PHYSICAL INVENTORIES**

All assets with a useful life greater than one year and a cost greater than \$500.00 shall be recorded in the records as fixed assets. Generally, they are to be depreciated using the straight-line method over a useful life of five (5) years for furniture, fixtures, equipment, leasehold improvements, and the like.

When a normal life of five (5) years appears unreasonable, a more realistic life may be used. An annual inventory will be conducted and adjustments made to the records by the equipment manager.

- A. **Lake Erie Swimming Copiers:** Lake Erie Swimming owns and operates two copiers that are stored on site at Cleveland State University. These copiers shall be used for all meets hosted by LESI. The Finance Chair shall ensure that the copiers are being serviced at least two times per year. Member clubs and outside swimming organizations hosting a meet at CSU may rent the copiers following the procedure listed below.
- Club representative emails Finance Chair 30 days prior to the meet requesting rental of the copiers.
  - Finance Chair shall provide detailed email of the proper procedure.
  - Club will submit copier counts via email to the Finance Chair within 48 hours of the meet.
  - Club will be invoiced within one week of copier counts at a flat rental fee of \$25 plus 5 cents per copy.
- B. **Miscellaneous Rentals and Policies Regarding LSC Purchased Items:**
- Cable and cable harness – Shall be maintained by the Officials Chair. A team may rent the cable harness for a fee of \$25. There is no rental fee for the cable. Note: Once the cost of the cable harness has been recovered through rentals, the fee will be waived for all LESI meet hosts.
  - Lap Counters – May be rented solely for use at CSU at a cost of \$25.
  - LSC Computers and Printers – These items are not for rent. They will be maintained by the permanent office.
  - External Strobes – Shall be maintained by the Officials Chair for use at any LSC meet where a hearing impaired swimmer(s) is competing. No rental fee.
  - Radios/Headsets – Shall be maintained by the Officials Chair or his designee. Certified officials who have failed to secure their own radios and headsets shall be charged \$10 per day for use of the equipment.
  - Projector – The LSC projector will be stored at the permanent office. Requests for its use shall be determined by the permanent office manager.
  - Software –
    - Hytek MM and TM updates and purchases will be handled by the permanent office manager.
    - Quicken Software shall be purchased and stored by the LSC Treasurer.

## **FINANCIAL POLICIES**

### **THE RESERVE POLICY**

Lake Erie Swimming Incorporated adopts the following policy for its Financial Reserve Policy:

Lake Erie Swimming will hold in a reserve account an amount equal to at least 25% of its operating budget. The Reserves shall be kept in an FDIC account for liquidity purposes and the status of the

reserve account shall be reported to the Board of Directors quarterly. If funds from the reserve account are needed and used, the following year's budget must allocate a budget surplus in order to replenish the account. Funds must be replenished to the reserve account within one year.

\*\*Note – see Appendix for full reserve policy details. \*\*

### **CREDIT CARD POLICY**

Lake Erie Swimming will only use credit cards that have been approved and obtained by the Finance Committee. Authorized users of the account will be determined by the Finance Committee.

### **PURCHASING POLICY**

**Competitive Purchasing:** Lake Erie Swimming requires all purchases over \$1000 be competitively priced. When possible, the purchaser should solicit prices from at least three (3) vendors. If fewer than three vendors are available, the purchaser is required to notify the Finance Vice Chair prior to purchase. Generally, the lowest bid should be accepted by the purchaser. If another bid is selected, a reason should be provided in writing to the Vice Finance Chair prior to purchase.

### **REIMBURSEMENT POLICY**

LESI recognizes that volunteer time and contributions are vital to its success. In Lake Erie Swimming, Inc's role as a non-profit organization, the association strives to be fiscally prudent. Lake Erie Swimming reimburses volunteers, consultants, and staff for reasonable expenses incurred while conducting business or performing services on behalf of the association, as authorized by the Board of Directors and approved in advance of travel. Honorariums shall be paid in accordance with LESI Policy or as approved by the Board of Directors. LESI has developed a reimbursement policy for those who may need assistance to allow them to participate in certain association activities.

- A. **Procedure** - If a volunteer incurs costs that are reimbursable, the volunteer shall submit a completed check request form with original receipts for costs incurred to the Treasurer within two weeks of event conclusion. The Treasurer should issue a check for reimbursement within seven (7) days to ensure reimbursement funds are received in a timely fashion. ***Check request forms not accompanied by itemized receipts will not be processed.*** Failure to submit documentation in this timely fashion may result in no reimbursement being issued.
- B. Reimbursement and honorariums shall be paid by Lake Erie issued check.
- C. Lake Erie will not issue a check to an individual for the purpose of conversion to cash (i.e., writing a check to John Doe so he can purchase extra food for Zones).
- D. The Lake Erie Treasurer will not issue blank checks.

### **TRAVEL POLICY**

- A. **Policy Overview** - Lake Erie Swimming will pay for reasonable travel expenses for volunteers that are incurred in the performance of their duties for Lake Erie Swimming. If not included in the annual budget, travel approval should be obtained from the Board of Directors by submitting the approved Lake Erie Swimming Travel Request/Authorization Form to the General Chair and the Treasurer at least 21 days prior to departure. The travel authorization request must include the following items:
  1. Program Name (ex. Rules Committee Meeting)
  2. Name(s) of traveler(s)
  3. Date(s) of Program

4. Travel dates
5. Airfare or mileage estimate
6. Lodging estimate

**B. General Guidelines and Documentation of Reimbursable Business Expenses**

Accounting for travel expenditures should be completed within two weeks of the conclusion of a trip for volunteer travel in order for the volunteer to be reimbursed. Volunteers shall submit their completed check request forms with original receipts within two weeks of the conclusion of travel.

***Reimbursable Expense List:***

- Registration Fee
- Per Diem
- Lodging
- Airfare
- Mileage

***Generally Non-Reimbursable Expenses:***

- Airport parking
- Luggage fees
- Ground transportation
- Rental vehicles
- Hotel parking

**C. Specific Guidelines**

1. **Air Travel** - If traveling by air, volunteers should book flights within 21 days or more of travel to be fully reimbursed. All airfares not made 21 days in advance will not be used when calculating average airfares. When two or more volunteers are traveling on behalf of Lake Erie Swimming, the average airfare will be the reimbursable amount. If a volunteer is traveling alone and books a flight less than 21 days prior to the date of travel, the volunteer will need to provide documentation why travel arrangements were not purchased earlier and may be subject to a \$50 penalty that will be deducted from the reimbursable amount. The reimbursement form and the documentation must be submitted to the Treasurer within ten days of the trip's conclusion. For travel not booked 21 days in advance, the reimbursement will not be issued until the Board of Directors has reviewed the case.
  - Lake Erie will only reimburse for coach class.
  - Unused or Lost Airline Tickets - It is the responsibility of the travelers to keep their airline tickets safe and to use the airline tickets for the intended trips. If a volunteer loses his airline ticket or does not complete travel, the expenses may not be reimbursed. Documentation must be submitted by the traveler to the Board of Directors explaining the circumstances around the loss or non-use of the ticket.
  - Charges for re-ticketing, schedule changes, etc. are reimbursable if incurred for a valid business reason on behalf of the LSC and approved by the Board of Directors. If there is a change in an itinerary that results in additional cost, the traveler must provide notification to the Treasurer upon completion of travel.

2. **Hotel Reservations** - If a volunteer is reserving hotel rooms for a Lake Erie sponsored event, the rooms must first be secured via the Lake Erie credit card or the volunteer's personal credit card. The Lake Erie coordinator or representative of the event can choose to pay the invoice to the hotel either via Lake Erie issued check, by Lake Erie credit card, or by personal credit card. If paid by personal credit card, reimbursement shall be made when proper forms and receipts have been submitted to the LE Treasurer.
3. **Use of Personal Vehicles** - Personal vehicles may be used if it saves times and is less expensive than renting a car, taking a taxi or using alternate transportation. When two or more people on Lake Erie Swimming business share a vehicle, only the driver may claim reimbursement for mileage, parking and toll charges. If a traveler prefers to take his/her vehicle on approved Lake Erie Swimming business, mileage costs up to the lowest available airfare expense may be claimed. Mileage reimbursement shall be two times the allowed IRS amount for charitable mileage.
4. **Meals and Entertainment** - Lake Erie Swimming will provide volunteers a per diem allowance to defray a portion of meal costs. The per diem amount for each event will be established by the Board of Directors.
5. **Non-Reimbursable Expenses** - The following types of expenditures incurred by volunteers will not be reimbursed unless specifically authorized by the Board of Directors:
  - Amounts spent in excess of those considered reasonable
  - The costs of the personal leg of the business trip that is extended for personal reasons
  - Airline or hotel upgrades
  - Annual fees, late fees, or finance charges on personal credit cards
  - Expenses relating to unlawful activities (i.e. parking tickets, moving violations, fines)
  - Air phone expense, other than in an emergency
  - Laundry or dry cleaning

## **BUDGET**

### **ANNUAL BUDGET**

#### **A. Timeline and Approval**

- March-June: Budget forms and instructions will be made available to division heads for development of proposed program budgets. Division heads should consult with the chairs of their committees to develop a budget for each major event. The budget for an event shall be as detailed as possible so as to portray an accurate financial snapshot of the program. Committee Chairs will be required to follow all of the Financial Procedures outlined in this Manual for the event for which they are the representative.
- By June 30<sup>th</sup>, all division heads must submit detailed budgets for the following calendar year to the Finance Vice Chair for all areas which fall under their delegation. Budget worksheets can be found on the LE website.

- July-August: Using the budget worksheets and revenue projections, the Finance Vice Chair produces a first draft of the proposed budget, to be reviewed and revised by the Budget Committee.
- By August 15<sup>th</sup>, the draft budget created by the Finance Vice Chair, shall be reviewed by the Budget Committee.
- By late August, a final proposed budget will be distributed to the Board of Directors for review.
- September: Board of Directors reviews, amends and approves the Proposed Budget.
- October: The budget is presented to the Lake Erie Swimming House of Delegates for approval.

**B. Budget Variances** - The budget should be approved as a living document, one with built-in flexibility. The Board of Directors should endeavor to live within the budget and be ever vigilant as to overrunning any specific budget category. The Board should be looking at the whole of the divisional budgets to determine that the intent of the House of Delegates is being carried out by the expenditure of funds within the division. Ultimately, it is the Board's responsibility to review and approve all changes in the manner in which budgeted funds are to be expended. In order to determine that funds are being spent in conformity with the budget, a quarterly budget to actual expenditures report will be provided by the Treasurer to the Board.

1. Minor variances are defined as no more than 10% than the proposed budgeted amount for the line item.
2. Proposed variances that are in excess of 10% of the budgeted amount must be submitted in writing to the Finance Vice Chair for approval by the Budget Committee. For new programs adopted during the year, and previously approved programs that have been greatly expanded, the Board will consider budget amendments to adequately fund the programs.

## **QUADRENNIAL BUDGET**

- A. General Guidelines:** The Finance Vice Chair shall be responsible for developing a Quadrennial Budget every four years. During the current quad, it is the responsibility of the Finance Vice Chair to monitor the quadrennial budget in comparison to current and past annual budgets. Adjustments to the quadrennial budget will be submitted to the Board of Directors annually at the March meeting. The final approved quad budget must have a surplus equal to or greater than zero.
- B. Procedure:** A draft quadrennial budget shall be created by the Finance Vice Chair. The budget committee will review the proposed budget and make changes as appropriate. The quadrennial budget shall then be presented to the Board for approval in the spring of the year preceding the new quadrennium.

## **PERSONNEL AND DUTIES**

The Finance Vice Chair and the Treasurer, who are elected into office by the House of Delegates and serve on the Board of Directors, carefully manage the LESI finances. These positions also chair

several committees to provide insight and assistance understanding financial policies and procedures of LESI.

## **PERSONNEL**

### **FINANCE VICE CHAIR**

Job Description – Serves as the chief financial officer who recommends policy to the Board of Directors that will safeguard the resources of Lake Erie Swimming, chairs and has charge of the affairs and property of the division that includes the Treasury function, the development and implementation of an investment program, and the development and implementation of a marketing and fundraising plan.

Monthly Duties –

- Monthly reconciliation of Quickbooks as submitted by the Treasurer.
- Finance Chair submits monthly financial reports to the BOD.

Yearly Duties –

- Works together with the Treasurer to maintain the proper financial position.
- Performs ethical fiduciary duties by making recommendations to the BOD on financial policy.
- E-Files Form 990 with IRS and submits copies to Ohio Attorney General and USA Swimming to remain in compliance with all federal, state and USA Swimming governance.
- Arranges and reviews the Internal Audit and External Review by a CPA Firm.
- Informs committee chairs of any financial requirements and parameters or limitations associated with their events/duties.
- Maintains the Lake Erie Swimming Finance Manual, recommending amendments and updates to the Board of Directors.

Committees - The Finance Vice Chair serves as the committee chair of the Finance Committee, the Audit Committee, the Budget Committee, the Elaine Miller Committee and the Marketing Committee.

### **TREASURER**

Job Description – Responsible for the day to day financial operations of Lake Erie Swimming which include, but are not limited to, writing checks, making deposits, paying bills, inputting data into Quickbooks, possession of the LSC credit card, etc.

Monthly Duties –

- Writes checks and makes deposits as needed.
- Submits a monthly Quickbooks files to the Finance Chair.
- Compiles financial reports after each LSC event and submits to the BOD and Finance Chair.

Yearly Duties –

- Inputs data from Quickbooks on the E-Form 990 and submits to Finance Chair for review.
- Provides year end reports as needed to Finance Chair and/or BOD.

The Treasurer serves on the Finance Committee, Budget Committee, Audit Committee and the Elaine Miller Committee.

### **EQUIPMENT MANAGER**

The Finance Vice Chair shall carry out this position or appoint a designee.

Duties include:

- Manage the use of the LESI copiers.
- Maintain a list of LESI equipment, monitor its location and maintenance.



## COMMITTEES

### **BUDGET COMMITTEE**

**Mission Statement:** To prepare and present a budget for consideration and approval by the Board of Directors and House of Delegates.

**Membership:** The Budget Committee shall be comprised of the Finance Vice Chair, who shall serve as Chair, the General Chair, the Treasurer, the Administrative Vice-Chair, the Senior Vice Chair, the Age Group Vice Chair, and the Senior and Junior Athlete and Coach representatives.

**Meetings:** The meetings of the Budget Committee shall be held at any time or place upon the call of the Committee Chair upon no less than six (6) days written notice of such meeting to each member.

#### **Responsibilities:**

1. Consult with the officers and committee chairs, and coordinators in the preparation of an annual budget.
2. Present the budget to the Board of Directors, making revisions as directed by the Board.
3. Provide the Secretary with the proposed budget, as approved by the Board of Directors, for timely distribution to the members of the House of Delegates.
4. Prepares a quadrennial budget (aligned with Summer Olympics quadrennial) for presentation to the Board of Directors in the Olympic year.

### **FINANCE COMMITTEE**

**Mission Statement:** To develop and supervise execution of financial policies as approved by the Board of Directors.

**Membership:** The Finance Committee shall be comprised of the Finance Vice Chair, who shall serve as Chair, the General Chair, the Treasurer, the Administrative Vice-Chair, at least one other member who is independent of the Finance Division, and a sufficient number of athletes so as to constitute at least 20% of the committee.

**Meetings:** The meetings of the Finance Committee shall be held at any time or place upon the call of the Committee Chair upon no less than six (6) days written notice of such meeting to each member.

#### **Responsibilities:**

1. Develop policy regarding the investment of LESI's working capital, funded reserves.
2. To effect the annual and semi-annual audit/review of the books, pursuant to the bylaws.
3. Receive and review the audit and other reports submitted by the independent auditor.
4. Submit the audit and other reports to the Board of Directors and make recommendations with regard thereto.
5. Regularly review LESI's equipment needs and oversee acquisition of any needed equipment.
6. Make recommendations to the Budget Committee and Board of Directors regarding any financial matters.
7. Develop policy for conduct regarding all financial matters.
8. Supervise execution of all financial policies.
9. Maintain a list of LESI equipment, monitor its location and maintenance.

## **ELAINE MILLER COMMITTEE**

**Mission Statement:** To administer the Elaine Miller Fund.

**Membership:** The Elaine Miller Committee shall be comprised of the Finance Vice Chair, who shall serve as Chair, the Treasurer, and the Registration Chair.

**Meetings:** The meetings of the Elaine Miller Committee shall be held at any time or place upon the call of the Committee Chair upon no less than six (6) days written notice of such meeting to each member.

**Responsibilities:**

1. Establish and publicize application process.
2. Review each application, authorizing awards as appropriate.
3. Maintain strict confidentiality.

## **AUDIT COMMITTEE**

**Mission Statement:** To review 6 months of financial documents, reports and bank statements and submit a report to the Board of Directors for approval.

**Membership:** The Audit Committee shall be comprised of the Finance Vice Chair, who shall serve as Chair, the Treasurer, and no more than 3 but no less than 2 appointed volunteers to conduct the semi-annual audit.

**Meetings:** The meetings of the Audit Committee shall be held at any time or place upon the call of the Committee Chair upon no less than six (6) days written notice of such meeting to each member.

**Responsibilities:** Finance Chair shall issue directions to the appointed volunteers on how to conduct the audit. Volunteers should complete the audit within 4 weeks. Each auditor is responsible for 3 months of financial files. The Treasurer will FedEx the files to each auditor and provide instructions on returning the files. The Finance Chair will review all documents and submit a final report to the Board of Directors.

## **PR & MARKETING COMMITTEE**

**Mission Statement:** To promote and market Lake Erie Swimming and the sport of swimming.

**Membership:** The PR & Marketing Committee shall be comprised of the chair, other volunteers as appointed by the Chair, and a sufficient number of athletes so as to constitute at least 20% of the committee.

**Meetings:** The meetings of the PR & Marketing Committee shall be held at any time or place upon the call of the Committee Chair upon no less than six (6) days written notice of such meeting to each member.

**Responsibilities:**

1. Work with media to recognize accomplishments of Lake Erie Swimming athletes, coaches, and clubs.
2. Team with any corporations or local companies for financial support, VIK, etc.

