

# **CHRIST CHILD SOCIETY OF NAPLES**

## **FINANCIAL PROCEDURES AND INTERNAL CONTROLS**

### **I. GENERAL**

1. The Board of Directors formulates financial policies, delegates administration of the financial policies and reviews operations and activities. This can be accomplished at a Board Meeting or by email.
2. Current job descriptions are maintained for all Board Members.
3. Financial duties and responsibilities are separated so that no one person has sole control over cash receipts, cash disbursements and reconciliation of bank accounts.
4. The computer used for record keeping is password protected.
5. The unused checks are locked in a drawer.
6. Credit card holders are current Christ Child members who are purchasing agents for Layingettes. Additional credit card holders, if needed, are approved by the Board of Directors.
7. Financial data is maintained on QuickBooks by the Financial Director or a hired professional and is password protected. The password is known by the Treasurer, the Finance Director(s) and the President and any hired professional. The password is changed yearly before the end of the fiscal year. A hired professional must be approved by the Board of Directors.
8. QuickBooks is backed up locally by the user after each use and is also backed up by Quicken Online Service. The password for QuickBooks Online Service is known by the Treasurer, the Finance Director(s) and the President and any hired professional.

### **II. CASH RECEIPTS POLICY**

1. The Treasurer or any Board member appointed by the Board of Directors opens mail addressed to the Christ Child post office box. The Treasurer endorses and deposits any checks and forwards documentation of source and amount of receipts to the Finance Director in charge of record keeping.
2. Board members or program chairs open any mail addressed to them for specific functions. They endorse and deposit any checks and forward documentation of source and amount of receipts to the Finance Director in charge of record keeping.
3. A report of receipts from contributors, excluding dues, is published in the Annual Report.

### **III. CASH DISBURSEMENTS POLICY**

#### **A. CHECK AND CREDIT CARD AUTHORIZATION**

1. All expenditures are reviewed for accuracy, compliance with bid requirements, if any, and conformity to the budget by program chairs, committee members or board members other than the Finance Director in charge of paying bills. Any expenditure exceeding current budgeted amounts must be reviewed and approved by the Board of Directors.
2. For budgeted expenses to be paid other than by credit card, a reimbursement form is sent by an authorized committee or board member to the Finance Director in charge of paying bills. This form includes invoices, receipts, purchase orders, category of expenses, specific items purchased or to be purchased, and payment instructions.
3. For budgeted expenses to be paid by credit card, an authorized credit card holder sends invoices or receipts, noting category of expenses and specific items purchased or to be purchased, to the Finance Director in charge of paying bills.
4. For special project expenses, bids, receipts, invoices or requests from other non profits outlining how the money will be spent is sent to the Special Projects Chair. All special projects are approved by the Board of Directors.
5. The Finance Director in charge of paying bills prepares checks or online payments on a timely basis. Only payments under \$5,000.00 may be set up for online payment.
6. Authorized check signers are the Finance Director(s) and the Treasurer. Additional check signers, if needed, will be approved by the Board of Directors.

## **B. CHECKS**

1. The Finance Director in charge of paying bills is responsible for all blank checks.
2. Documentation, check, and stamped envelope for mailing payment are sent to a second authorized check signer on payments over \$5,000.00 by the Finance Director in charge of paying bills and two (2) signatures are required on check. Two (2) signatures are also required on all checks made out to the Finance Director in charge of paying bills.
3. Voided checks have "VOID" written boldly in ink on the face and are kept on file.
4. In no event will:
  - a. Invoices be paid unless approved by authorized committee or board member.
  - b. Blank checks be signed in advance.
  - c. Checks be made out to "cash", "bearer", "petty cash", etc.

## **C. BANK RECONCILIATIONS**

1. Bank statements are received directly by the Finance Director in charge of record keeping.
2. The Finance Director in charge of record keeping or a hired professional reconciles the bank statement monthly.
3. The Finance Director in charge of record keeping or a hired professional sends the Treasurer the bank statement, the bank reconciliation and all credit card direct deductions monthly for review.
4. On all checks outstanding over 60 days, the Finance Director in charge of record keeping takes appropriate action.

## **IV. DUES POLICY**

1. Christ Child Society of Naples dues are determined by the Board of Directors.
2. A dues letter is sent in July requesting dues for the fiscal year July 1st through June 30th.
3. Any dues received after March 1st will be considered dues for the following fiscal year.
4. National Christ Child Society annual dues and Chapter Support dues are based on the number of members listed on the member roster as of January 1st and paid according to National's due dates.
5. Members belonging to more than one Christ Child Chapter are required to pay National dues for only one chapter (as approved by the National Christ Child Society).

## **V. BUDGET POLICY**

1. A budget is submitted for approval before or at the last Board of Director's meeting. Budget requests must be submitted in writing to the Finance Director 30 days prior to that meeting.
2. Special Project requests must be submitted electronically to the Special Projects Chair. Instructions on applying for Special Projects are posted on Christ Child's website.
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3. Special Projects must be approved by the Board of Directors.
4. Budget items and Special Projects may not exceed the approved amount by more than 10% without prior authorization of the Board of Directors.

## **VI. TAX RETURN**

1. Christ Child files the applicable Federal Tax Return, currently Form 990.
2. The tax return is reviewed by the Finance Review Committee and the Board of Directors.
3. On Christ Child's website, there is a statement, that the current tax return is available on request.

## **VII. CHARITABLE CONTRIBUTIONS**

1. The IRS requires that a donor must have a bank record or written communication from Christ Child for any monetary contribution before the donor can claim a charitable contribution on his/her federal income tax return.

2. Standard templates for acknowledgements for contributions received and thank you notes are kept by the Finance Director and available for use. These templates will assist in complying with state and federal requirements.
3. A donor is responsible for obtaining a written acknowledgement from Christ Child for any single contribution of \$250 or more.
4. Christ Child is required to provide a written disclosure to a donor who receives goods or services in exchange for a single payment in excess of \$75.
5. Christ Child should include the following in any written acknowledgement to a donor:
  - Name of organization
  - Amount of cash contribution
  - Description and good faith estimate of value as provided by the donor of non-cash contribution  
Statement that no goods or services were provided by Christ Child in return for the contribution, if that was the case
  - Description and good faith estimate of the value of goods or services, if any, that Christ Child provided in return for the contribution
6. Printed programs for events that include a raffle or an auction should include, "Christ Child Society of Naples follows IRS rules regarding charitable contributions. The cost of raffle tickets is not deductible. A donor may take a contribution deduction for a Silent or Live Auction item only to the extent that the contribution exceeds the fair market value of the goods and services the donor receives in return for the contribution".

## **VIII. CHARITABLE SOLICITATIONS**

1. Christ Child must file a Renewal Registration Statement for Charitable Organizations and Sponsors annually with the Florida Division of Consumer Services.
2. Christ Child must conspicuously display in capital letters the following statement on every printed solicitation, written confirmation, receipt, or reminder of a contribution:  

A COPY OF OUR OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE FLORIDA DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE 1-800-435-7352. OUR FLORIDA REGISTRATION NUMBER IS CH12255. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY THE STATE.
3. A charitable organization must include all of the following disclosures at the point of solicitation:
  - The name of the charitable organization and state of business
  - A description of the purpose for which the solicitation is being made
  - Upon request, the name and either the address or telephone number of a representative to whom inquiries could be addresses
  - Upon request, the amount of the contribution which may be deducted as a charitable contribution under federal income tax laws
  - Upon request, the source from which a written financial statement may be obtained
4. For non-cash donations, Christ Child will get a form signed by the donor that includes the name, address, and phone number of the donor and a description and an estimated fair market value of the non-cash donation.
5. Christ Child will keep a summary of non-cash donations, fair market values and amount paid by auction winners as well as the names and addresses of any raffle winners for a period of 3 years.
6. Christ Child must keep for a period of at least 3 years true and accurate records as to its activities in Florida. The records must be made available to the Florida Division of Consumer Services for inspection and must be furnished no later than 10 working days after requested.

## **IX. RAFFLES**

1. Raffle tickets will not be given as part of the purchase price of admission to a Christ Child event. If a raffle ticket is given to a donor as part of the purchase price, the reduction of a charitable expense to the donor for the raffle ticket will be equal to the fair market value of the GRAND PRIZE, whether or not the donor wins and whether or not the prize was donated for the event.
2. Raffle Tickets are prohibited from being mailed through the US Postal Service. However, when one or more of the three elements (i.e. prize, chance or consideration) are eliminated from a raffle, the arrangement does not constitute a lottery for postal purposes.
3. Christ Child must report raffle prizes if (a) the amount paid, reduced by the wager, is \$600 or more AND (b) the payout is at least 300 times the amount of the wager. (Example:  $\$25 \times 300 = \$7,500$ ). The organization uses form W-2G for this report.
4. For non cash prizes, if the fair market value of the prize is more than \$5,000, Christ Child must collect taxes equal to 25% of the fair market value of the prize minus the amount of the wager and remit the withheld taxes to the IRS. If Christ Child, as part of the prize, pays the taxes required to be withheld, it must pay 33.33% of the prize's fair market value minus the amount of the wager.
5. If the fair market value of the raffle item is more than \$5,000, Christ Child MUST include on the raffle ticket "the fair market value of the raffle item is subject to IRS withholding requirements."
6. The amount paid for raffle tickets is not tax deductible.

## **X. FINANCIAL INFORMATION INCLUDED ON CHRIST CHILD WEBSITE**

1. Financial Policies
2. Financial Procedures and Internal Controls
3. Annual Report without Donor's List
4. Tax Determination Letter
5. Document Retention and Destruction Policy
6. Whistleblower Policy
7. Gift Acceptance Policy
8. Statement that the current tax return is available on request.
9. Any other relevant information as approved by the Board of Directors

Reviewed and approved by Finance Review Committee on March 3, 2015 (by email)

Approved by CCSN Board of Directors on April 16, 2015