

Altrusa International Inc.

Financial Procedures Manual



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1.0 INTRODUCTION

This Manual is divided into five sections

1. Introduction
2. Organization Structure
3. Financial Accounting System
4. Reports
5. Financial Policies

1.1 PURPOSE OF MANUAL

The purpose of this manual is to provide guidelines regarding the appropriate procedures to be followed by the Association with regard to the processing of financial transactions, preparation of financial reports and maintenance of accounting systems. Financial records and reports need to be maintained in a reliable and timely fashion and be fully compliant with legislative requirements and internal policy requirements.

This manual provides clear instruction as to who is responsible for various activities, when such activities need to take place and what basic process steps must take place. It is intended that this manual not provide detailed computer processing guidelines but rather guidelines on internal controls that need to be maintained in order to protect data integrity.

1.2 FINANCIAL POLICIES

The key financial policies of Altrusa International Inc. are:

Policy 68: Fiscal Policies of International

Policy 70: Fiscal Policies for the International Convention

Policy 71: Reimbursement of Expenses

Policy 72: Fiscal Policies for Official Meetings, Travel, Committees and Appointees

Policy 73: Governor Elect Training Fee

Policy 74: Expenses for International Committees and Special Appointees

There are also other policies that have fiscal ramifications namely:

Policy 54: Revitalization

Policy 64: Governors' Council

These policies are the primary guidance with regard to fiscal matters of the Association and the provisions of the Finance Procedures Manual should be read in conjunction with these.

1.3 REVIEW OF PROCEDURES

The financial procedures manual will be reviewed bi-annually by the Finance Committee in consultation with the Executive Director. Any changes will be submitted to the next International Board meeting for approval.

The review will incorporate a review for changes to relevant International Policies and other manuals such as the Personnel manual that will affect financial procedures.

The primary copy of the manual will be held by the Executive Director and a copy provided to the International Treasurer at the beginning of their term.

1.4 GENERALLY ACCEPTED ACCOUNTING PRACTICE

All financial records and reports will be kept and presented in accordance with U.S Generally Accepted Accounting practice.

2.0 ORGANIZATION STRUCTURE

There are two key Organizations in the Altrusa family, the Association and the Foundation. Essentially the Association is the membership Organization and Foundation is the philanthropic Organization. They are distinct legal entities and for accounting purposes must be treated as such with any transactions between the two entities being on an arm's length basis.

2.1 THE ASSOCIATION

Altrusa International, Inc. is a not-for-profit Association with a 501(c) (4) classification under the Internal Revenue Code. Altrusa International, Inc. is exempt from paying federal income tax on income generated in the course of business as long as it is related to the Altrusa's mission as stated in Altrusa's mission statement. The Association only pays federal income taxes on unrelated business income over \$1,000. The Association is, however, required to pay Illinois sales tax on all purchases. Contributions to the Association are not tax deductible to the contributor. Altrusa's Federal Identification Number (FEIN) is 36- 1263940. Altrusa's Group exemption number is 0738. Altrusa is required to charge sales taxes on merchandise sales to clubs in Illinois. Altrusa's Illinois reseller number is 0916-4146 MTV and expires June 2015

2.2 INTERNATIONAL BOARD

The Board of Directors manages the affairs of Altrusa International, Inc. It determines fiscal policy based on the recommendation of the Executive and Finance Committee, as well as, input from the other members of the Board. The Board is responsible for insuring that all fiscal matters conform to the Bylaws and Policies of Altrusa International, Inc. It is the only body empowered to authorize general or confined contractual agreements and purchases and deliver any instrument in the name of and on behalf of Altrusa International, Inc.

2.3 EXECUTIVE COMMITTEE

The Executive Committee may perform the duties of the Board between Board meetings. All of its actions, consistent with the articles of Incorporation, and International Bylaws and Policies, will be ratified by the Board of Directors at its next meeting. The duly elected and qualified officers and Immediate Past President will constitute the Executive Committee. The Executive Director and Legal Advisor are ex-officio members without vote.

2.4 FINANCE COMMITTEE

The Finance Committee is made up of the International Treasurer, International President, International President Elect, Immediate Past International President and International Vice President and an additional appointee of the International President. The International Treasurer is chair of this committee. The Executive Director will serve as an ex-officio member without vote. The committee is charged with the responsibility of oversight of all financial aspects of the operations of the Association. The committee meets quarterly and all meetings are summarized in minutes. In performance of its role the Finance Committee may request advice from external parties if required.

The Finance Committee reviews the biennial budget and makes recommendations to Board of Directors. They review the Association's financial statements on a monthly basis, and the accounting methods and audit with the Accounting Assistant and Executive Director. The committee proposes financial policy changes and acts as counsel to the Board on all matters pertaining to the finances of the Association.

2.5 INTERNATIONAL TREASURER

The Treasurer is elected by ballot at the biennial Convention. The term of office is for two years and until a successor has been elected and installed. The Treasurer is the Chief elected financial officer and a Member of the Board of Directors and Executive Committee. The Treasurer is the Chair of the Finance Committee and serves as an ex-officio member of the Long Range/Strategic Planning Committee.

The Treasurer's general responsibilities are:

- Be informed on all Altrusa policies, principles, practices, and procedures.
- Possess good understanding of and professional experience with financial operations and procedures, preferably a CPA or has a degree in business administration; understand budget preparation, and other related areas.
- Commit needed time to completely fulfil the responsibilities of office.
- Practice personal characteristics of integrity, wisdom, and independence.
- Review/analyze monthly and annual financial reports (including review of the general ledger transactions listing), budgets, financial projections, and maintain close working relationships with the Executive Director and the Association's Accounting Department ensuring there are financial statements and reports at each meeting.
- Review compliance with financial procedures manual and financial policies.
- Present financial reports at meetings of the Board of Directors and the membership.
- Conduct financial briefing program at the International Convention.
- Serve as International Representative to District conferences and meetings of other organizations as requested and performs such other duties and functions as the President may assign, keeping President fully and promptly informed on all activities.
- Become thoroughly familiar with duties of the President and other International officers, board members, chairs, and staff, along with a thorough understanding of association governance, specifically governance of Altrusa International, Inc. Attend all International meetings, such as Board and Executive Committee meetings and International conventions.
- Assist district treasurers by disseminating useful information about sound financial practices and procedures.
- Respond promptly to all communications from International.
- Record all official correspondence and pertinent information by copying the Executive Director in order to retain permanent/archived data. Pass appropriate records and correspondence to successor at end of term.

2.6 PROGRAM PLANNING

In the year prior to Convention the President Elect presents to the July International Board meeting appointees for standing committee for approval. In September/October a meeting is held of the incoming committee chairs to plan for the coming biennium. Any expenditure relating to this meeting and expenses incurred by the program planning committee between this meeting and the end of the following May will be classified as program planning committee expenditure. After 31st of May they will effectively transfer to standing committee status for expense coding purposes.

2.7 FOUNDATION

Altrusa International Foundation, Inc. is a separate entity from the Association. In 1964 The IRS granted the 501 (c) (3) classification to the Foundation. The Foundation's Federal Identification Number (FEIN) is 36-6110418. In 1985, the Altrusa International Foundation, Inc. was granted an

umbrella 501 (c) (3) status, under the group exemption number (GEN) number 9381. About One hundred and twenty (120) Altrusa Clubs have set up their own local foundations to avail themselves to the advantages of receiving monies through their own foundation. Any contribution made to a 501 (c) (3) organization is considered to be tax deductible to the donor (United States). State sales tax usually does not have to be paid on foundation purchases. All foundations must check with their Secretary of State as to whether they are required to pay sales taxes. In 2008 the IRS started requiring that club foundations (with less than \$25,000) file the 990N. Foundations with over \$25,000 are required to file a 990 EZ or 990.

Altrusa International Foundation, Inc. rents office space and equipment from the Association, The Foundation and the Association share some supplies and equipment, such as, mail machine, copier and the Altrusa data base and website. The Foundation reimburses the Association by paying a monthly fee to the Association.

Biennially, the officers of the Association and the Foundation sign a letter of intent as to the service fee and services provided by the Association.

Further details regarding the transactions between the Association and the Foundation are provided in sections 4.7 and 5.4 of the manual.

2.8 INTERNATIONAL OFFICE

The Executive Director is responsible for managing the International Office and oversees all aspects of financial operations including investments, cash management, accounting systems, required reports, financial planning, and programs. The Executive Director participates in the formulation of new policies and implements actions designed to achieve the goals and objectives of the Association within existing policies approved by the Board of Directors and delegate body. The Executive Director supervises the overall planning, direction and coordination of staff activities and programs to assure the goals and objectives as well as to meet the needs of the members. The Executive Director is responsible for the arrangements for all official meetings. The International President is in regular contact with the Executive Director and monitors the ongoing implementation of Association policies carried out through the International Office. The Executive Director answers directly to the President in all matters.

The Executive Director is responsible for preparing the salary budget and makes recommendations to the Finance Committee as appropriate.

2.9 EXECUTIVE DIRECTOR

As part of the role of Executive Director the following duties are relevant to the financial systems of the Association.

- Responsible for Altrusa International, Inc.'s administrative, fund-raising, stewardship, budgetary, public relations and program related activities.
- Fully inform the Board, Executive Committee, and membership concerning the International office and committee operations and relevant Association supported activities.
- Participate as an ex-officio member in all meetings of the Finance Committee.
- Maintain effective internal and external relationships. This includes working with the International President, Chair of the Altrusa International Foundation, Inc, Officers, Governors and membership, as well as promoting the goals of Altrusa with other organizations.
- Oversee the preparation of all budgets, with the International President, for submission by the Finance Committee to the Board of Directors.

2.10 ACCOUNTING ASSISTANT

The role of the Accounting Assistant is primarily focussed on the administration of the financial systems and in this role bears the responsibility for ensuring the accurate processing of all financial transactions in accordance with the financial procedures manual and report to the Executive Director who bears the final responsibility for the integrity of the financial systems.

3.0 FINANCIAL ACCOUNTING SYSTEM

The financial records of the Association are kept using a computerized accounting program. Supplementary records may be kept electronically or manually.

The primary responsibility for the maintenance of the financial accountings system lies with the Accounting Assistant. The Executive Director will supervise the accounting system of International, in consultation with the International Treasurer. Recommendations submitted annually by the independent auditors will be implemented to insure proper financial management systems are maintained.

Passwords will be used to provide security with regard to computer system access.

3.1 QUICKBOOKS

The current accounting program used by the Association is QuickBooks. The membership records are maintained on a customized membership database system, Group Tally.

3.2 TASKS

The key tasks of the financial function of the Association have been broken into daily, weekly, monthly and annual tasks. There are key dates that must be met to ensure that the financial function adheres to International bylaws and policies.

3.3 DAILY TASKS

- Receipt and Bank all monetary receipts
- Date all invoices received and submit for approval.
- Date all reimbursement claims received and submit for approval.

3.4 WEEKLY TASKS

- Pay all due invoices and reimbursements that have been duly approved.
- Process bank statement transactions in QuickBooks and reconcile (note that this may be done daily in June and July when dues receipts are most prolific)

3.5 MONTHLY TASKS

- Reconcile Membership Records to Membership dues receipt account.
- Maintain membership records based on dues submitted
- Process monthly standing journals
- Reconcile Bank Statements and GL Bank Ac's
- Reconcile all Balance Sheet Accounts and proof in total expenses
- Review monthly financial statements and submit to Executive Director
- Follow up any overdue accounts receivable

3.6 ANNUAL CALENDAR

There are a number of key dates that must be met for the production of financial information. An annual calendar of key dates is provided in Appendix 1

3.7 CHART OF ACCOUNTS

The general ledger chart of accounts and guideline for use is included in Appendix 2

3.8 INTERNAL CONTROLS

The Association will maintain suitable internal controls for an organization of similar size and nature. It is acknowledged that with small staff numbers that this can be difficult to achieve however the following minimum standards will be maintained. It is the responsibility of the Executive Director to ensure that these standards are adhered to. The International Treasurer will review at least annually that the International control standards are being met.

3.9 SEPARATION OF DUTIES

The mail will be opened and dated, and monies receipted by the Administrative Assistant. This duty should on occasion be performed by other staff members either annual leave is being taken and on other sporadic occasions. This will ensure not only that at least two members of staff will be familiar with these tasks but also provides opportunity to detect possible inaccuracies and prevent fraud.

All invoices must be approved for payment prior to the payment being processed. The person processing the payment shall not also be the authoriser of the invoice.

3.10 DELEGATED AUTHORITY

Approval of purchase orders, authorization of invoices and reimbursements for payment will be according to the authority table included in Appendix 3.

4.0 REPORTS

There are two key types of reports that the Association needs to generate from its financial records and these are management reports for internal use by the International Board of Directors and Executive Director and financial reports for members and external users.

4.1 MANAGEMENT REPORTS

Management Reports will include a Statement of Income and Expenditure (Operating), Statement of Income and Expenditure (Convention) and Balance Sheet and the Foundation Class P & L Statement. The Statement of Income and Expenditure will include the month's actual and budgeted income and expenditure and variance and the year to date actual and budgeted income and expenditure and variance.

Monthly management accounts will be prepared by the Accounting Assistant. The accounts will be provided to the Executive Director by the 20th of the month (or earlier) following the end of the month. The International Treasurer will receive a copy of the monthly accounts by the 25th of the month will forward to the finance committee by the 28th of the month and the final monthly accounts will be published for the Board of Directors by the end of the month or earlier. The following supporting documentation will be provided with the monthly accounts to the Executive Director

- Bank Reconciliation
- Accounts Receivable Trial Balance
- Fixed Asset Schedule
- Accounts Payable Trial Balance
- Membership Dues Reconciliation
- General Ledger Transactions listing for the month

The Executive Director and International Treasurer may request copies of the full monthly accounts work papers if desired.

4.2 FISCAL YEAR

The fiscal year of the Association is June 1 through to May 31.

4.3 CURRENCY

The financial transactions will be recorded in U.S. Dollars and all financial reports will be presented in that currency. Any funds held in other currencies will be translated into US dollars at the exchange rate of the day as published/provided by Bank of America or JP Morgan Chase.

Any changes in foreign currency valuations at the end of the financial year will be recorded as unrealized foreign exchange gains or losses.

4.4 ACCRUALS

The financial accounts will be presented on an accrual basis. A comprehensive accruals system will be maintained by the Accounting Assistant. Work papers supporting the accrued balances will be maintained each month and be available for review at the request of the Executive Director or International Treasurer at any time.

Revenue Recognition

Revenue recognized during a period related to the dues earned for that period of membership. All dues collected for future years are deferred and recorded as deferred membership revenue. Dues received in the current year for that same year are recognized on the cash basis of accounting.

Expense Recognition

Expenses which are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. General and administrative costs are allocated to the various programs or supporting service based on either staff hours worked on the functional areas or on a percentage basis as established by the International Board of Directors.

4.5 GENERAL LEDGER JOURNALS

The Accounting Assistant will process journals to the General Journals to account for monthly accruals and to make adjustments to correct any coding errors. Any journals will be dated and be clearly annotated as to the reason for the journal. Any supporting evidence to support the journal entry will be attached to the journal papers.

Periodically the Executive Director will review the journal entries made and initial to show that this review has been performed.

4.6 CLEARING ACCOUNTS

Clearing accounts are used to record transactions that are not revenue or expense in nature or as a temporary holding account that will be analysed by the end of the month. Use of clearing accounts assists in ensuring that the transactions are correctly cleared from the Association accounts.

4.7 CREDIT CARD RECEIPT CLEARING ACCOUNT

When the payment of the office credit card is made, this will be coded to this general ledger account. Upon receipt of the credit card statement the various affected expense accounts will be debited, and the clearing account will be credited. The balance of the clearing account will be zero at the end of each month.

4.8 RECONCILIATIONS

All balance sheet general ledger accounts will be reconciled each month. Key income items will be reconciled each month. Other expense items with regular monthly payments will be reconciled on a proof in total basis.

4.9 WORKPAPERS

The Accounting Assistant will maintain a comprehensive set of monthly work papers showing the reconciliation of the balance sheet and income statement accounts. Appropriate documentation will be attached to these worksheets as supporting evidence.

4.10 MANAGEMENT REPORTS

The International Treasurer will report to the Board of Directors at each board meeting. These reports will include:

1. Management letter at the July board meeting. If the letter is not available at this board it will be presented at the next board meeting.
2. Financial Statements including Balance Sheet and Operating Profit and Loss Statement with comparisons to budget.
3. Status of the Association's reserves.
4. A summary of the budget expense adjustments authorized by the International President and the Executive Committee.
5. A review of the International Convention budget at the pre-Convention meeting and a review of the final statement of income and expense within one hundred and twenty (120) days after the conclusion of the International Convention.
6. Presentation of the Convention budget at the July Board meeting of the even numbered year.
7. Presentation of the Operating budget for the next biennium at the January Board meeting of the odd numbered year.

Each month the International Treasurer will forward copies of the monthly accounts to the Finance Committee. These same reports are provided to the Board of Directors on a quarterly basis.

4.11 ANNUAL FINANCIAL STATEMENTS

The annual financial statements will include a Statement of Income and Expenditure and a Balance Sheet and Statement of Cash Flows and appropriate accounting notes.

Annual Financial Statements will be provided to the membership on the International website in the secure Member section.

4.12 AUDIT

The annual financial statements will be audited by an independent auditor appointed by the Board of Directors. The financial statements and supporting documentation and other records required by the auditor will be provided by the 30th of June in each year. The audit will be completed by the 20th of July so that the Audited Financial Statements will be available for publication to members at the biannual convention.

At the start of each biennium the International Board of Directors will formally appoint the auditor for that biennium.

The International Board of Directors will review the appointment of an external auditor at least once every ten years and should duly consider rotation of an auditor after this period of time. The Board of Directors will request that the Executive Director seek bids from auditors based in the Chicago area for the audit of the Association. Once bids are submitted these will be summarized and presented to the International Board of Directors for selection and appointment. The Executive Director will then advise the successful auditor of their appointment.

4.13 PUBLISHING FINANCIAL REPORTS

The audited financial statements and a report from the International Treasurer will be published on the International website by 31st of August in each year of the biennium.

5.0 FINANCIAL POLICIES

This section of the Financial Procedures Manual provides detailed policies and procedural guidance for key balance sheet, income and expense items and major financial transactions.

5.1 BANK ACCOUNTS

The Association operates the following bank accounts:

1. Check Account (Operating Account)
2. Payroll Account
3. Saving Account

The Board of Directors will have the authority to open bank accounts in the name of the Association. The Executive Director will be responsible for establishing banking relationships as will be determined by the Board of Directors as provided in policy.

Additional bank accounts may be opened from time to time for special purposes. No funds can be borrowed in the name of the Association without a specific Board of Director's Resolution. Therefore, the minimum balance for any association bank account is zero. No overdraft facility may be obtained under any circumstances.

The Executive Director will provide the Association's financial institutions with the resolutions and signatory authorization approved by the Board of Directors

5.1.1 CASH HANDLING

All cash received will be receipted into QuickBooks, the deposit report printed, and bank deposit slip completed and deposited in the bank on the day of receipt.

The exception to this will be where the deposit would be less than \$100 and in this circumstance the cash/checks may be stored in a lock cash tin for a maximum of two days before being deposited with the bank. Application of this exception will be with the express permission of the Executive Director.

5.1.2 MERCHANT CARD RECEIPTS

The Association accepts payments via the following credit cards, Visa, MasterCard Discover and American Express. Payments may be made for dues or donations by credit card.

The Accounting Assistant receives an email notification of credit card transactions from Authorize.net. This credit card receipt is processed into Quick Books into the A/c 12000 Credit Card Receipts (clearing account). The credit card receipts are then cleared from this account when they appear in the bank statements as part of the bank reconciliation process. This is checked against bank statement and receipt into QuickBooks.

Membership Dues: With Group Tally, credit card payments are automatically processed to the member name/record that was checked off. The amount is then entered into Quick Books.

Other Credit Card Receipts: If the charge is for anything else these are entered into the Credit Card Receipts a/c and when the bank statement is processed these are cleared to the appropriate income a/c

5.1.3 CHECKS, MONETARY DRAFTS

All checks or bank drafts received will be receipted and received by the Administrative Assistant with the deposit slip created. The Accounting Assistant will deposit the funds and supply deposit receipts from Chase and QuickBooks to the Administrative Assistant and processing In QuickBooks are done by the Accounting Assistant.

This is to ensure that two people are checking inwards cash and checks.

5.1.4 BANK RECONCILIATIONS

Bank Statement entries will be processed into QuickBooks at least once a week and the General Ledger balance must be reconciled to the Bank Statement at least once a month.

During peak periods it may be appropriate to process and reconcile bank statement transactions daily.

Bank reconciliations must also be performed as part of the end of month reconciliations.

The bank reconciliations will be reviewed by the Executive Director and/or International Treasurer at least semi annually.

5.1.5 PETTY CASH

The petty cash of up to \$100 will be held in a lockable cash box and keys will be held by the Accounting Assistant and the Executive Director.

Petty cash transactions will be recorded in the petty cash book by the Accounting Assistant. The petty cash book will record the date, purpose and amount of the petty cash transaction and a receipt for the petty cash item will be attached.

The petty cash held will be reconciled to the petty cash book balance and transaction invoices/receipts at the end of each month or whenever a reimbursement of petty cash is required to ensure an adequate cash balance is held.

Requests for additional cash to reimburse petty cash will be approved by the Executive Director.

5.2 INVESTMENTS

The Executive Director is authorized to invest the Association's funds in CDs in financial institutions which are insured by the U.S. Federal Government, not to exceed \$250,000 (including interest) in each account. Multiple accounts can be held with the same institution as long as it is covered by FDIC and the provisions of The Certificate of Deposit Account Registry Service (CDARS)

Investments may only be made in deposits that are insured by the FDIC. Investments may be made on a term not exceeding two years and not less than 3 months. Interest received on investments will be compounded unless otherwise approved by the Finance Committee.

A schedule of investments, including interest rate and maturity date will be provided to the Finance Committee at each quarterly meeting.

The interest earned on investments will be recorded on an accrual basis.

5.3 ACCOUNTS RECEIVABLE

All other invoices charged to clubs and members will be due for payment on the 20th of the month following the date of invoice. Letters will be sent to any overdue debtors at the end of the month following. Any accounts that remain overdue after 30 days will be advised to the International Treasurer. Debtor accounts may only be written off with the permission of the Finance Committee.

5.3.1 DUES INVOICE

Membership records are maintained on Group Tally. Club Treasurers submit annual dues and update membership records online via the International website. The dues are not recorded as income until the dues payment is received at the International Office.

Dues payments will be deposited into the bank account on the day received by the Accounting Assistant. The club treasurer using a VISA, MasterCard or American Express card, can pay the membership dues through the Group Tally site or they can remit the dues by check payment.

Note that after 15th of June late payment fees are levied on any unpaid dues and after 10th of July that status of any active members for whom dues have not been received will be changed to “unpaid”. Reinstatement fees will be levied on any dues received from these “unpaid” members. On 31st of August any “unpaid” members will have their status changed to “dropped”. Thus by the 31st of August in each year our membership data base records must be reconcilable with the membership dues income accounts and must reflect the true status of membership numbers.

The membership data base will be reconciled with the dues income accounts in the general ledger at the end of each month.

Any clubs which have short paid dues, club convention fees or not paid late fees or reinstatement fees will be invoiced for these fees. After follow up of any overdue invoices any remaining overdue invoices will be referred to the club’s associated District Governor for continued follow up until all invoices are paid.

5.3.2 MEMBERSHIP DUES

Membership Dues are set by the Convention Body. Current membership dues and fees are provided in Appendix 4. The treatment of the dues received will depend on the time of the year that the new member joins Altrusa. See 5.3.4 for Late Payment Fees

Each District Governor is responsible for working with clubs in the district to ensure that they fulfil their financial obligation to International. The Executive Director is responsible for working with the Clubs-at Large to ensure that they fulfil their financial obligations to International.

Full Year Dues

Club Treasurers are responsible for collecting dues and forwarding them to the International Office.

Full year dues received from members (excluding Clubs at Large and Affiliate) received from members between 1st of June and 30th of November are coded to A/c 13003.

Clubs at Large

Full year dues received from Clubs at Large members between 1st of June and 30th of November are coded to A/c 13010. Half year dues received from members of Clubs at Large are coded to Half Years Dues Income A/c 13030

Affiliate Members

Affiliate members send their dues directly to the International Office. Full year dues received from affiliate members between 1st of June and 30th of November are coded to A/c 13020. Half year dues received from affiliate members are coded to Half Year dues income A/c 13030

Emeritus Members & Life Members

Emeritus and Life members are not required to pay International dues.

Half Year Dues

Dues received from 1st of December until 31st of March are charged at half of the full year rate. These dues will be coded to Half Year Dues income A/c 13030.

"Two month free" - Fourteen Month Dues

Dues for members joining from 1st of April to 31st of May are full year dues which apply until the 31st of May of the following year. These dues are treated as deferred income (a/c 11500) at the end of the financial year and will be reversed to Full Years Due's income (a/c 13003) at the beginning of the next financial year. In this manner the dues income will be correctly recorded in the income year to which they pertain.

5.3.3 PROCESSING FEES

All new members are required to pay a \$10 US processing fee. This will be coded to processing fees A/c 13100, at the time that the dues are received. All processing fees will be treated as income in the year that the fee is received.

5.3.4 LATE PAYMENT FEES

Any member dues for full year members who are continuing their membership which are not paid by 15th of June are subject to a late payment fee as provided in the schedule of fees in Appendix 4. Late payment fees are coded to A/c 13120 and are treated as income in the year that the fee is received.

5.3.5 REINSTATEMENT FEES

Members who have resigned from Altrusa and then at some point in the future decide to re-join Altrusa are able to have their membership reinstated. Reinstating members must pay a \$10USD reinstatement fee. This is coded to a/c 13130 and is treated as income in the year that the fee is received.

If dues remain unpaid on July 10th, all services to unpaid members will be suspended. The members' status is changed to "unpaid". A follow up on all "unpaid" members will take place in July and any members remaining with "unpaid status" as at 31st of August will then be marked "dropped". Dues received from members with "unpaid" or "dropped" or "inactive" status will attract a reinstatement fee.

5.3.6 CLUB CONVENTION FEE

Each club is required to pay \$30USD per year as a Club Convention Fee. This income is treated as deferred income (A/c 11510) in both years of the biennium and then at the beginning of the next

biennium the deferred income account is reversed against the Club Convention Fee a/c (A/c 13500) so that it is correctly recorded as Convention income in the year that the Convention is held. The Club Convention Fee is listed as an item on the Annual Dues Invoice.

In order for a club to retain its "Club in Good Standing" status it must have paid its Club Convention Fee. Failure to maintain club in good standing status means that a club is not entitled to delegates for District Conferences and International Conventions.

In December of each year the International Office will advise District Governors of any clubs in their district that have not paid their Club Convention fee. Clubs will be advised that payment of the Club Convention fee will be required prior to 1 March of the following year in order to maintain Club in Good Standing status.

5.3.7 ACCOUNTS RECEIVABLE INVOICES

Invoices may be issued by International to charge clubs with services provided. All invoices must be raised against a Debtor account. The invoice will be due and payable on the 20th of the month following the date of the invoice. No statements will be issued. Interest on overdue accounts at a rate of 5% may be charged.

5.3.8 CREDIT POLICY

Overdue accounts of clubs, districts and members will be sent one reminder one week after the account is due for payment and a final reminder one month after the account is due for payment.

Should the overdue amount remain unpaid notification will be sent to the district to solicit their help in collecting monies due.

After a further month the matter will be advised to the International Finance Committee for further activity.

5.4 FOUNDATION CONTRACT INCOME

The International Foundation utilizes physical and personnel resources provided by the Association in order to perform its duties. The Association charges the Foundation for the use of these resources with a monthly invoice.

Each biennium a contract is negotiated between the Association and the Foundation for these services. The key steps in this negotiation process are as follows:

1. In July of even numbered year The Executive Director prepares a draft contract including a schedule of services and costs and supporting work papers. The Executive Director will be required to provide a schedule of costs borne by the Association and the proposed allocation percentage for the Foundation to the International President.
2. This is distributed to the International Board members before September of the even numbered year
3. The International Board of Directors will review and approve the draft contract to be proposed to the Foundation Board of Trustees at the October board meeting of the even numbered year.
4. The Foundation Board of Trustees will review the draft contract at their November board meeting of the even numbered year. The Foundation Board of Trustees may choose to approve the draft contract at this meeting. If not the Chair of the Foundation Board of Trustees will further negotiate the contract with the International President of the Association until agreement is met.

The agreed contract will be signed by the International President and the Chair of the Foundation Board of Trustees by 31st of December of the even numbered year and take effect from 1st of June of odd numbered year (beginning of the biennium). The contract price will then be charged via a monthly invoice on the 1st of each month.

The invoice will be required to be paid by the end of the month in which the invoice was issued (i.e. terms of net 30 days). These payment terms will be effective from 1st of June 2012.

The income for the recharged services will be analysed and coded to the various affected expense accounts in the Association's books as part of the invoice process.

5.5 NON DUES INCOME

Doc Morgan Commission

The Board is responsible for selecting an official supplier for Altrusa Image supplies. The official supplier is presently Doc Morgan, Inc. Members must deal directly with the official supplier with regard to the purchase of branded items. Doc Morgan pays a royalty to International as per the agreement with the International Board. Royalties received from Doc Morgan sales are recorded in A/c13401. Royalties from other suppliers/Altrusa Clubs and Districts is coded to A/c 13402

5.5.1 SALES – PRINTED MATERIALS

Upon receipt of an order and monies from a club or member for merchandise the Accounting Assistant will produce an invoice and packing slip for the goods. The invoice will be coded to A/c 13305. These will be passed to the Administrative Assistant and the items will be prepared for dispatch.

Prior to dispatch the items will be checked against the packing slip by the -Accounting Assistant.

The monies received will then be receipted against the invoice.

5.6 DEFERRED REVENUE

The deferred revenue accounts are used to record receipts in one year that are actually a revenue stream for the next or future years. Separate deferred revenue accounts are established for each relevant revenue stream.

The balances of the deferred revenue accounts are to be reversed in the future periods in which the revenue should be recognized. For example, Deferred International Dues would be reversed in the first period of the following financial year (June) and Convention Registration Fees would be reversed in the second period of the following financial year (July – the month the convention is held). Deferred revenue Club Convention fees at the end of the first year of the biennium will not be reversed but carried through and added with the second year's fees. The total for that biennium will be reversed in the second month of the next biennium.

5.7 ACCOUNTS PAYABLE

Creditors Accounts will be opened on the authorization of the Executive Director or Accounting Assistant. All supplier invoices received on or prior to the 15th of the month will be paid in accordance with trading terms signed by the Association with the supplier. Payments to creditors can only be made where a duly authorized invoice is received. Invoices received after the 15th of the month will be deemed "late" and will be paid the following month.

Each week the Accountings Assistant will process the “payment run”.

Where the supplier has not extended 20th of month following terms the invoice will be paid in the weekly Friday check payment run. All checks must be signed by two signatories.

5.7.1 INVOICES PAYABLE

When invoices are received in the mail they must be stamped with the date receipt by the person opening the mail and passed to the Accounting Assistant for coding to the appropriate GL a/c.

All invoices must be reviewed by the person approving the invoice for payment (Executive Director) as to whether they are allowable within the budget, whether the good or service has been received, whether the coding to the GL is appropriate and whether the pricing is correct and if all is in order approved for payment. If the Executive Director is unavailable invoices may be approved by the International President.

Once approved, the invoice will be processed into QuickBooks accounts payable. Once all invoices for the month are processed these must be reconciled against Supplier statements where supplied. Once all invoices and statements have been reconciled the check run can be processed so that the invoices are paid.

The Accounting Assistant will:

- Assign Vendor by name
- Enter Approved Invoices into the Accounting System (QuickBooks)
- Reconcile Invoices & Vendor Statements
- Prepares check register and prints checks for signing.
- Write the check number on the check listing from QuickBooks.
- File all invoices paid in the check run behind the check listing.
- Reconciles the bank accounts to verify that all checks issued are recorded in the General Ledger and presented in the bank. Vendors will be followed up when a check remains outstanding after 20 days.

The International Treasurer or other International Board member will review the creditor invoices periodically to ensure all checks have been made and payment has been duly authorized.

5.7.2 PURCHASE OF MERCHANDISE

The purchase of merchandise must start with the raising of a purchase order which has been approved by the Executive Director or other authorized person (in accordance with delegated authorities – Appendix 3).

When the goods arrive they must be checked against the packing slip and the order and any discrepancies must be referred to the supplier immediately.

The items must then be receipted and the goods inward receipt, packing slip and purchase order must be stapled together and filed.

When the invoice is received from the supplier this must be matched to the goods inwards receipt and the pricing compared to the purchase order. If the invoice matches the purchase order/goods inwards receipt the invoice can be processed. If it does not match then the documentation must be forwarded to the Executive Director for further approval.

The invoice must then be processed and reconciled to the supplier statement when the Accounts Payable payment run is prepared.

5.7.3 CHECK PAYMENTS

Once the Accounts Payable is reconciled the checks can be printed and signed and sent along with the remittance advice to the supplier. All checks must be signed by two authorized signatories (the Executive Director, International President, International President Elect and International Treasurer are signatories). Where the check is made payable to a signatory the supporting documentation must be approved by two people (not including the signatory).

5.7.4 ELECTRONIC PAYMENTS

Any electronic payments to vendors must be approved by two authorized signatories.

5.7.5 CREDIT CARD PAYMENTS

Transactions paid for using the Association Credit Card will be recorded in QuickBooks as each transaction is made. The initiating staff member is responsible for printing the invoice/online proof of transaction, submitting it for proper authorization and ensuring that this is given to the Accounting Assistant for entry into the QuickBooks system. When the Credit Card Statement of Activity is received the statement will be reconciled against the transactions already entered into QuickBooks. The Accounting Assistant will make a brief note on the Credit Card Statement regarding the details of each transaction and the General ledger code used and the Statement will be scanned and emailed to the International President (copy to International Treasurer) for authorization. Once approved by the International President the Credit Card statement will be paid.

The Association Credit Cards are held by the Executive Director any use thereof must be approved by the Executive Director prior to any transactions being initiated using the Association Credit Card.

5.7.6 INTERNATIONAL FUNDS TRANSFERS PAYMENTS

Transfers of funds to International Bank A/Cs will be transacted by Chase Bank. The Accounting Assistant will provide the bank account details for the funds transfer.

Any transfers of International Funds must be authorized by both the Executive Director and the International President or President-Elect.

5.7 REIMBURSEMENTS - VOLUNTEERS

Policy 23 provides the policies of the Association as they relate to the reimbursement of expenses for volunteers while conducting the business of the Association.

Reimbursement checks will be issued within then (10) working days. A copy of the reimbursement form with an explanation of any changes from the original submission will be sent to the member

5.8 PERSONNEL EXPENSES

The policies of the Association with regards to personnel are provided in the Personnel manual. For details regarding all personnel policies this manual must be consulted along with the following procedures with regards to generating & processing the payroll and maintaining personnel records. All salaries will be paid by direct deposit (preferred) or check on the Wednesday following the close of the pay period in accordance with the provisions of the personnel manual. An

earnings statement will be available on the day the check is deposited or delivered to the employee.

Payroll disbursement policies and procedures are established by the Executive Director and are ratified by the Board of Directors.

The payroll is processed by the Accounting Assistant. The Accounting Assistant is responsible for the payroll liabilities and tax filing.

5.8.1 TIME SHEETS AND OTHER PERSONNEL POLICIES

For policies regarding employees, please refer to the Personnel Manual.

5.8.2 ALLOCATION OF PERSONNEL & ADMIN EXPENSES FOR ANNUAL FINANCIAL STATEMENTS

Personnel and Office Administration expenses are the two major components of the Support Services functional area. A portion of these expenses needs to be allocated to the Association Governance, Membership Services and Convention Administration functions for the purposes of the presentation of the Annual Financial Statements.

The allocation of personnel costs is based on the estimated time spent on key functional areas of Association Governance, Membership Services, and Convention Administration. Time estimations are based on time sheets kept by staff.

In order to provide continuity from year to year the Office & Administration expenses are typically allocated on the following basis:

5% for Association Governance

27% for Membership Services (note International Altrusan = % and District/Club Websites = %

With the remainder defined as club support).

5% for Convention Administration in the non-convention year and 10% in the financial year that convention is held. Staff time spent in support of the following areas would be allocated to "Association Governance":

<i>Board meetings</i>	<i>Governor-Elect Training</i>
<i>Service Leaders Conference</i>	<i>Governors Council meetings</i>
<i>Program Planning Meeting</i>	<i>Standing Committee Meetings</i>
<i>Special Appointees</i>	

Staff time spent in the following areas would be allocated to "Membership Services":

<i>New Club Building</i>	<i>Club Liability Insurance</i>
<i>Website</i>	<i>International Altrusan</i>
<i>Transactions</i>	<i>Development of Manuals</i>
<i>Awards</i>	

Staff time spent on any aspect of Convention planning or execution will be classified as Convention Administration.

Functions including dues invoice, dispatch of inventory, correspondence, banking and financial record keeping (this list is not conclusive) will remain in general administrative expenses.

Time spent on Foundation activities will already have been recharged via the Foundation contract.

The remainder of the Office & Administration expenses will continue to be classified as Support Services in the financial accounts.

The percentage allocations will be reviewed by the Executive Director at least once every 5 years to ensure that allocations are reflective of work done.

5.8.3 REIMBURSEMENTS - EMPLOYEES

The policies regarding reimbursement of expenses incurred by employees while conducting Association business is provided in the Personnel Manual. An employee may request an advance for expenses that may be incurred while travelling on Association business where the employee is required to be away from home for three or more days, up to the amount of \$40 per day. Such requests for advances will be reviewed and approved by the Executive Director.

Expense reports are due fourteen (14) days after returning from a trip and the employee is responsible for accounting for the advanced funds and reporting all expenses.

If expenditures exceed the advance, a check will be issued to the employee. If expenditures do not exceed the advance, the employee must return the unexpended funds by personal check

A guide to reimbursable and non-reimbursable expenses is provided in the personnel manual. If the employee is unsure of eligibility of expense for reimbursement, the employee must seek approval of the Executive Director prior to incurring the expense. Moderation and discretion must guide decisions to incur expenses on the Association's behalf. The Association may deny reimbursement of any expense it deems inappropriate or excessive.

5.9 PREPAID EXPENSES

Prepaid expenses are those that are paid in one financial year but relate to an event that will occur in a following financial year.

5.10 FIXED ASSETS

Assets are classified as fixed in nature where their benefit is for more than one year and the cost is in excess of \$500. The cost incurred must not be of a repair or maintenance nature.

5.10.1 ASSET REGISTER

A register of fixed assets will be maintained. Each asset will be assigned an asset number when it is added to the register. The following details will be recorded for each asset, asset description, purchase date, purchase cost, depreciation rate/useful life, opening book value, and depreciation ytd, closing accumulated depreciation and closing book value.

5.10.2 ASSET ADDITIONS

Fixed assets are recorded at cost. For each new asset an Asset Addition form will be completed and a copy of the purchase invoice will be attached. The asset will then be entered onto the asset register. The asset addition form will be filed in the Fixed Assets folder in date of acquisition order.

5.10.3 ASSET DISPOSALS

Assets may only be sold or written off with the express permission of the Executive Director. An asset disposal form must be completed and then reviewed and authorized by the Executive Director. The disposal will then be entered onto the Fixed Assets Register. If the asset is sold a copy of the invoice documenting the sale will be attached to the disposal form. If the asset is written off a brief description of the reason for the asset being written off must be detailed on the disposal form.

5.10.4 DEPRECIATION

Assets will be depreciated on a straight-line basis over its useful life. The useful life is determined based on IRS guidelines. A monthly accrual for depreciation will be prepared based on one twelfth of a full year's depreciation calculation. The monthly journal is Debit Depreciation Expense A/c 17070 for Office Equipment and 17060 for Office Furniture and Credit Accumulated Depreciation. Note that a new asset is only depreciated for the months since purchase. For example, if an asset is purchased in October it would only be depreciated for 8 months.

5.11 NET ASSETS, UNRESTRICTED

Board Designated Net Assets

The goal of the Association is to maintain six (6) months average operating expenses, defined as Unrestricted Net Assets. The Board of Directors may approve funds to be transferred to Board Designated Net Assets (a sub classification of Unrestricted Net Assets) for specified purposes.

No funds can be released from the Unrestricted Net Assets or Board Designated Net Assets without the approval of the Board of Directors.

No funds may be borrowed in the name of the Association, in any amount, except by specific resolution of the Board of Directors

5.12 EVENTS

The Association is responsible for organizing a number of events during the year including Governors-Elect Training, International Convention, Program Planning Meeting, International Board Meetings and other teleconference meetings for committees.

5.12.1 GOVERNORS-ELECT TRAINING

The Governors-Elect training event is usually held at the same time as the face to face International Board meeting in July of the even numbered year. As part of this training event the Governors-Elect audit part of the International Board meeting. Expenses relating to this event are covered in Policy 73

In January of the odd numbered year (prior to Districts setting their own biennium budgets) the Accounting Assistant and the Executive Director will prepare a worksheet approximating the travel costs for the Governors-Elect to attend the Governor-Elect training event. It is acknowledged that

at this time the locations of the Governors-Elect are not known as they have not been elected and it may also be that location of the training event is not known at that point in time. As a result of this uncertainty there is an approximation of actual costs to be reimbursed to the Districts. Nonetheless the travel equalization worksheet should provide full working so that the International Board is able to determine how the calculation was made when deciding on the equalised amount to be set for Governors -Elect training.

Once the fee is set by the International Board, the Executive Director will advise all District Governors in writing of the equalized travel cost. On the 1st of June of the even numbered year prior to Governor-Elect training, the Accounting Assistant will prepare an invoice to Districts for the equalized travel fee which will be payable by the Districts by the 1st of July that year. Districts will in turn submit the actual travel costs of their Governor-Elect for attending the training event, and receipts for these costs, for reimbursement. The Accounting Assistant will process these reimbursement requests within two days of receipt, and payment will be made within 10 days.

5.12.2 CONVENTION

This is the single largest event organized by the Association. The convention itself usually runs from Friday through to Monday inclusive and is normally held in the month of July in odd numbered years. Any meetings of the Association held prior to the commencement of the Convention (e.g. Finance Committee, Executive Committee and International Board meetings) or after the conclusion of the convention, are not Convention costs but rather are Association operating costs.

The financial policies pertaining to Convention are found in Policy 70.

5.12.2.1 CONVENTION INCOME

Other than Registration income the Convention can also generate income from other sources such as the sale of tickets to meal events, sale of convention charms and hire of exhibit/trade display space. Much of this income is handled with the registration process but some transactions such as the sale of charms may take place during the convention itself. The processing of the transactions/receipts prior to convention will take the same form as the processing of registrations. However, for income received during the convention itself the following processes will be observed:

1. A cash receipt recording the transaction will be provided to the individual initiating the transaction. This receipt will note who the transaction was with and what the transaction was for.
2. The cash or check will be placed in the cash lock box.
3. At 3pm each day any cash will be prepared for deposit at the bank and taken to the bank.
4. The receipt numbers corresponding to the deposit will be noted on the deposit slip.
5. Upon return to the office the deposits will be entered into QuickBooks and itemized per the details in the receipt book.

5.12.2.2 CONVENTION EXPENSES

Any expenses for meetings of the Executive Committee and Board of Directors held at the Convention will be charged to the Association's general operating budget.

The procedures for the reimbursement of expenses for the Convention are the same as reimbursements for Operating expenditures.

5.12.2.3 CONVENTION FINANCIAL REPORTS

The Executive Director will provide an interim financial report detailing the income and expenses of the Convention against the budgeted income and expenses within ninety (90) days of the close of Convention. This report will be presented to the International Board of Directors.

The Final Convention Report will be presented to the International Board of Directors within one hundred and twenty (120) days of the close of Convention.

5.12.3 BOARD MEETINGS

Face to face board meetings are held in the days prior to convention, the day after convention and in the July of the year following convention. All other board meetings are held by telephone or internet.

Venues for the Board meeting are paid for directly by International Office. All costs for venue hire, meals, and accommodation during the board meeting period are paid for by International Office and coded to Board meeting expenses A/c 14010.

5.13 TAXATION

The Federal 990 IRS Report is to be completed by the auditors and submitted to IRS by October 15th. Both the Association and the Foundation are required to file this report. The Association is required to file an IRS Form 990 T (Unrelated business income) which is completed by the Accounting Assistant and submitted to the IRS by October 15th.

Annual Group Exemption letter is to be completed by the Accounting Assistant. The report lists current information on all Association's individual clubs. The report must be submitted at least 90 days before the close of the accounting period (February 28th)

Pension filings to IRS form 5500R (or C) including Schedule A & B will be filed by the Executive Director on or before the deadline of December 31st.

5.14 ANNUAL STATUTORY RETURNS

Illinois Non-profit Annual Report must be filed with the Secretary of State of Illinois by December 31 and each year. Both the Altrusa International Association and the Altrusa Foundation are required to file.

Indiana Non-profit report must be filed with the Indiana Secretary of State by December 31st each year. Both the Association and the Foundation are required to file.

The Executive Director is responsible for ensuring that these reports are filed on time.

5.15 BUDGET

The Association has three budgets, the operating budget, the capital expenditure budget and the convention budget. All three budgets are prepared by the Executive Director in consultation with the International President, President Elect and Treasurer and these are presented to the Finance Committee for review and approval. International Policies relating to the development and approval of budgets are found in Policy 69

5.15.1 BUDGET CONTROL

The International Board reviews the financial performance of the Association, comparing the variances between actual income and expenditure and budget at each board meeting. A report of these variances is presented by the International Treasurer as chair of the Finance Committee.

No one will incur expenses payable by International unless those expenses have been specifically budgeted and approved. Special provisions must be approved in advance.

5.15.2 OPERATING BUDGET

The Associations' operating budget includes the following sections:

Association Governance

Support Services

Membership Services

The budget package presented to the Executive Committee and International Board of Directors should include a comprehensive set of work papers to show full supporting evidence of the formulation of the amounts provided in the proposed budget.

Note that the budget will be prepared using the Budget Template and the final version of the budget approved by the Board at the January Board meeting of the odd numbered year. It will be verified to the budget that is presented to the membership in the International Altrusan and at International Convention. Each line item is to be double checked to ensure that it is correct.

5.15.3 CAPITAL BUDGET

The Association's capital budget will include the budget for the purchase of any capital asset items. This is prepared by the Executive Director in consultation with the International President and the work papers submitted with this budget to the Finance Committee should include a plan for capital expenditure for the following 6 years. The capital budget and supporting work papers will be presented to the International Board of Directors for approval and the January board meeting in odd numbered years. The capital budget is not presented to the membership body for approval.

5.15.4 CONVENTION BUDGET

The convention budget is prepared by the Executive Director and International President and submitted to the Finance Committee for approval in the July of the year prior to the Convention.

The budget should show registration income, event meal ticket and other convention income items, and Convention Administration, Convention Program, Convention Registration, Convention Publicity, Hospitality & Meal Events, and Convention Office expenses.

Supporting documentation and work papers will be included in the Convention budget package to illustrate the build-up of budgeted income and expenses. Those expenses directly related to registration numbers should be presented in a manner which allows the Executive Committee and International Board of Directors to perform what-if/scenario analysis on the budgeted figures.

5.16 RISK MANAGEMENT

The Executive Director is responsible for ensuring that the Association has adequate insurance cover in case of adverse events. The Board of Directors will review the policies, the coverage provided by these policies on a biennial basis to ensure that the coverage sourced by the Executive Director is sufficient.

In recent years, Altrusa International has changed insurance brokers and insurance coverage. Below is a summary of the current coverage for local clubs, districts, and foundations by Altrusa International, as well as optional insurance for independent purchase.

Liability Insurance: Covers most activities, as well as the individuals who are participating in an Altrusa-sponsored activity. This insurance is paid for by Altrusa International, and covers accidents which are deemed as the responsibility of a Club or District, up to \$2,000,000.00 (\$1,000,000 for clubs located outside the U.S. and its territories, including Puerto Rico, and Canada.) Often, the venue that is providing space for the Club requires proof that the Altrusa event is covered by liability insurance. It is important to understand that an Altrusa-sponsored event is covered by this insurance even if no certificate of insurance is requested. But, not all activities are covered; there are exclusions. For further information, please see the attached FAQs.

*** The local foundation is not covered by the insurance, only the Club; however, the Club foundation would not exist without the Club, therefore events sponsored by a local foundation must list the Club as a co-sponsor. The Club's name must appear first in marketing materials. If a foundation wants its own liability insurance, it must be purchased independently.*

Directors and Officers Insurance: This insurance covers members of the Altrusa International, Inc., Board of Directors and the Altrusa International Foundation, Inc., Board of Trustees, in the event that the officers are sued. This type of insurance is sometimes called Errors and Omissions. The Club foundations are covered by the International policy; however, the local Clubs and Districts are

not covered. Each year, Altrusa International requests that each Club foundation pay \$10 to reimburse International for the added expense of covering the foundations. Presently, the Clubs and Districts must purchase E & O insurance on their own. Clubs located outside of the U.S. and its territories, including Puerto Rico, and Canada, would not be covered.

Fidelity Bond: This type of insurance is to protect the Club's, District's or foundation's funds in the event that any officer mishandles them. Each Club, District, or foundation must purchase this insurance independently. It may be purchased from the Cook and Kocher Group listed below, or through a local insurance broker. Clubs located outside of the U.S. and its territories, including Puerto Rico, and Canada, would not be covered.

Insurance Contacts:

For information regarding Certificates of Insurance, or to purchase any insurance policies listed for clubs listed in the U.S. and its territories, Puerto Rico, and Canada, please contact our insurance broker, the Cook and Kocher Group. Ask for Michelle Wolff at 1-847-692-9200, FAX: 1-847-692-9299, or e-mail: MichelleW@CookandKocher.com.

For information regarding Certificates of Insurance, or to purchase any insurance policies for Clubs located outside of the U.S. and its territories, Puerto Rico, and Canada, please contact our foreign liability insurance broker, C. M. Verbiest & Associates Professional Liability Group, LLC. Ask for Gary Walro at 1-734-464-5880 or toll free at 800-524-9615, FAX: 734-464-5997, or email: gwalro@cmverbiest.com.

Convention Insurance

The Association will carry excess Convention Insurance for all those attending the meeting. Also, Convention Cancellation Insurance is sometimes purchased.

APPENDIX 1: KEY FINANCIAL DATES

June

1 June - First Day of Financial Year

1 June – New Foundation Services contract takes effect.

1 June - Governors-Elect Travel Equalization “Registration Fee” invoices to be raised.

15 June – Last day for payment of annual dues without late fees.

30 June – Financial Records to be prepared and delivered to auditors.

30 June 2020 – Altrusa’s Illinois Reseller number expires.

Finance Committee meeting to be held

Budget for Convention to be presented to the Finance Committee in even numbered years.

July

1 July Governors-Elect Travel Equalization invoices due for payment.

10 July – members unpaid at this date have status changed to “unpaid”

20 July – Annual Audit to be completed

Management Letter to be presented at July Board meeting

Budget for Convention to be presented to International Board in even numbered years

August

31 August – Audited Financial Statements to be published

31 August – Members whose dues remain unpaid are “dropped”.

31 August – Member numbers to be reconciled to financial records and “final” membership list published.

Agenda for September Finance Committee to be sent out.

September

Finance Committee Meeting

Draft Convention Financial Result to be reviewed by Finance Committee

Foundation Contract draft for the next financial year to be prepared for presentation to October International Board meeting.

October

15 October – Federal 990 IRS due

15 October – Federal 990T due

15 October – State 990 IRS (Foundation) due (Illinois & Indiana)

Updated 19 July 2018

Preliminary Convention Financial Result to be sent to International Board

November

30 November – half year point in financial year.

30 November – Final Convention Financial Result to be sent to International Board.

Agenda for Dec Finance Committee meeting to be sent out.

December

1st December – half year dues commence

31 December – Pension Filings 5500R (or C)

31 December – Annual Reports – State (Indiana & Illinois)

Operating and Capex Budgets to be presented in even numbered years to Finance Committee

Finance Committee Meeting

January

31 January - W-2 form to be given to each employee

31 January - 1099 Forms to be sent to Vendors who received payments % expense allocations to be reviewed at January Executive meeting every 5 years and to be approved by Board in January in even years.

Finance Committee Meeting (prior to International Board Meeting)

Executive Board to approve Governor-Elect travel equalization amount in odd years.

Operating and Capex Budgets to be presented in odd numbered years to International Board

February

1st February – Consignment orders for Conferences due

28 February - W2's due to Government Agencies

28 February - 1099's due to IRS and State

28 February – Annual Group Exemption letter due.

Send out agenda for March Finance Committee meeting

March

31 March – End of Half Year dues.

Finance Committee Meeting

April

1st April – 14 month dues commence

15th April - Dues Invoice available for next financial year complete

May

1 May Operating Budget to be published to members prior to Convention.

31 May - End of the Financial Year

31 May - End of Foundation Services Contract

31 May - Agenda for Finance Committee to be sent out

APPENDIX 2: CHART OF ACCOUNTS – CODING GUIDELINES

CHART OF ACCOUNTS		WHAT GOES IN THIS ACCOUNT
INCOME		
Membership Dues		
13003	Full Year Dues	Dues received from 1 June to 30 November plus the reversal of deferred revenue (membership dues) that were received from 1 April to 31 May of the previous financial year.
13010	Full Year Dues - CAL	Dues received from Clubs at Large - 1 June to 30 November plus the reversal of any clubs at large dues included in the deferred revenue (membership dues) that were received from 1 April to 31 May of the previous financial year.
13020	Full Year Dues - Affiliates	Dues received from Affiliates - 1 June to 30 November plus the reversal of any affiliate dues included in the deferred revenue (membership dues) that were received from 1 April to 31 May of the previous financial year. After club charter Affiliates will be changes with a Journal Entry from Affiliates to Full member dues and membership status change from AF to Active
13030	Half Year Dues	Half year dues received from 1 December to 31 March from all member types
Other Fees		
13100	Processing Fees	New member processing fees of \$10 per new member are coded here
13120	Late Fees	Late fees charged after 1 July are coded here
13130	Reinstatement Fees	Members returning to Altrusa (reinstating) also pay a \$10 fee which is coded here.
Net Merchandise & Publications Sales		
13401	Sales Doc Morgan Royalties	Quarterly royalty payments from Doc Morgan are coded here.
13402	Other Royalties	
13211	Agreement	
13260	Donated Revenue	
<i>Less</i>		

16620	Cost of Goods Sold (Merchandise)	Put all purchases of merchandise should be coded to the corresponding income account Do not use 16620
13300	Cost of Goods Sold (Printed Materials)	Costs of producing printed materials and adjustments to Inventory on hand
13569	Postage & Handling	Postage and freight costs and packaging required for the dispatch of merchandise and printed materials
Other Income		
13220	Investment Income	Interest income from CD Investments
13250	Governor-Elect Training Equalization	Invoices to Districts for equalised travel costs
13240	Website Development (District/Club)	Fees charged to districts and clubs for the website hosting
13290	Other Income	Income items not otherwise classified.
EXPENSES		
Association Governance		
14010	Board Meetings	All board meeting costs, travel, meeting room hire, accommodation, meal reimbursements, catering, etc
14090	Board - Other Expenses	Other board expenses not related to meetings
14025	International Officers to headquarters	International Officers expenses during visit to International Office
14060	International Officers' Pins	The international officer pins presented at Convention
14070	Service Leaders Meeting	International President, President Elect and Executive Director costs to attend the Service Leaders Conference meeting.
14080	Assoc Liaison to Foundation	Costs for appointed liaison to attend Foundation board meetings incl travel, accommodation and meal reimbursements.
14020	Int Off Rep to District Conference	Costs of travel for Int Officers to attend assigned District Conferences. Accommodation and Registration and per diem should be met by host district
14030	Board of Directors Insurance	Insurance policy for Board of Directors is coded to prepaid insurance- journal allocation of monthly portion of invoice is coded here
Governors' Council		

14100	Governors' Council Expenses	Meeting room hire for face to face meeting held at Convention. Plaques for Governors also coded here.
14110	Governors-Elect Training Expense	Meeting room hire, accommodation costs, meal costs, catering costs and training leaders travel costs and other incidental training event costs.
14120	Governors-Elect Training Travel Equalization	Travel costs for Governors-Elects to attend training - submitted by Districts/Individuals for reimbursement.
Committee Expenses		
14360	Planning Program Committee	Meeting room hire, travel and accommodation, meal reimbursements and catering and other incidental costs relating to the incoming chairs program planning meeting. Note that after 31 May of the Convention year there should be no more costs incurred in this account as they are now really more related to the standing committee's
14315	Standing Committee Expenses	Expenses incurred by the incumbent committee's i.e Standing committees include the following: ASTRA, Service, Communication, Membership, Nominating, LRSP, Personnel and Leadership. Some of these a/cs may be elected and others appointed Expenses incurred by these committees in delivering their goals are coded here. This account should include expenses for the standing committee chairs up until from 1 June of year in which they take up the role (they take over at the Convention) and go through to the 31 May of the year of the next Convention as at this point most activity is drawing to a close for the incumbent chair.
14320	Special Appointee Expenses	This account should include the expenses for the special appointees from the convention at which they become the special appointee until the next convention at which point their role concludes. The special appointee's include the BRR chair, Legal Advisor, Parliamentarian, Clubs at Large Coordinator, Marketing Committee, Search Committee, UN Representative. Expenses incurred in performing their roles, or attending face to face meetings are included here.

Finance & Legal Expenses		
14410	Statutory, Trade Mark Fees & depreciation	Annual statutory fees and licence fees for trade marks
14440	Audit	Annual audit fee
14460	Legal Fees	Legal expenses incurred (excludes Legal Advisor meeting attendance costs as this should go in special appointees)
Office & Admin Expenses		
17010	Office Rent	Monthly rent payments less the recharged portion to Foundation
17020	Office - Utilities	Monthly electricity bills
17025	Office Maintenance	R & M on office fixtures and fittings
17030	Office - Insurance	Insurance policy payments on office fixtures and fittings are coded to prepaid insurance. Only the monthly accrual journal is coded to this account.
17035	Office - Equip Lease	Office equipment rentals (e.g. copier/water cooler)
17040	Office Equip Repairs & Mtce	R & M on office equipment, service contracts on equipment
17051	Computers	
17050	Copier	Copies made
17060	Office Depreciation - Furniture & Fittings	Monthly depreciation exp. on furniture and fittings
17070	Office Depreciation - Equipment	Monthly depreciation exp. on equipment
17080	Loss on Disposal of Fixed Assets	Any loss on disposal of fixed assets
17090	Computer Service, Software, Internet	Computer programming upgrades and annual software licence fees. Purchases of new programs in excess of \$500 should be capitalised not expensed
17100	Office - Supplies	Stationery, water supplies,
17110	Office - Admin Postage	Postage stamps, pre paid postage machine
17120	Office - Admin Telephone	Monthly telephone account
17131	Office - Admin Bank Service Chg	Bank fees and Merchant service fees
17190	Office - Admin Misc	Sundry expense items that cannot be coded elsewhere
Personnel Expenses		
17510	Salaries	
11400	Accrued Vac Expense	Monthly accrual for vacation leave owed to staff
17515	Personnel Recruitment	
17520	Payroll Taxes	

17530	Payroll Services	Intuit (QuickBooks) fees
17540	Health Insurance	Monthly Health Care services invoices
17545	Life Insurance	
17550	Workers Compensation Insurance	Workers Compensation Insurance payments are coded to prepaid insurance. Only the monthly accrual journal is coded to this account
17505	Independent Contractor Fees	Fees paid to external contractors for services that would ordinarily be performed by staff. E.g accountancy fees for role that would have been performed by the Finance officer in prior years
17555	Staff Development/Tuition	Staff training and continuing education costs
17560	Professional Dues/Subscriptions	Staff costs for membership of professional bodies and subscriptions to industry magazines, UN Subscription
17570	Staff Travel	Include staff travel incurred in attending visits to Convention sites and Altrusa meetings for Executive Director
17580	Pension Plan, Service Fee and Employer Contribution	
Membership Development/Services		
16010	Awards	Include costs for distinguished club award cords and pins, Membership Awards and certificates for awards.
16020	Member Recognition	Cost of producing membership incentive
16030	Memorial Flowers	Purchase of flowers for funeral
16050	New Club Building Incentive	Monetary incentives paid to clubs or individuals for new club building extension projects
16055	Marketing and Promotion	Costs incurred in implementing the marketing plan
16080	Dues Billing	
16710	Club Liability Insurance	The premium on the club liability insurance policies is coded to prepaid insurance. The Monthly portion of Club liability insurance policy is then journaled to this code.
Communication Expenses		
16100	Website Maintenance	Invoices from Enkode for website maintenance and website hosting fees are coded here
16101	District/Club Website Development	

16510	International Altrusan - Production & Postage	Costs of producing electronic version, printing hard copies and posting out hard copies
16085	Non Chargeable Materials	
16680	Translations	Costs for translation services for International manuals and brochures
16090	Electronic Mail Distribution	
Clearing Accounts		
13800	Foundation Clearing A/c	Receipts on behalf of foundation received via online credit card transactions and small payments made on behalf of International foundation are coded here. This account is cleared via a payment to Foundation or invoice to Foundation each month.
17191	Credit Card Clearing A/c	Credit card payments are coded here and then cleared to the various expense accounts each month via a journal
11210	Dues over payment	
Convention Registrations		
13500	Club Convention Fees	Annual club convention fees received are coded to deferred revenue. At the end of the second financial year in the biennium the deferred revenue account is reversed against this a/c to be applied to the convention that immediately follows the end of the financial year.
13510	Conv. Income - Full Registration	All full registrations and refunds of full registrations are coded here
13520	Conv. Income - Partial Registration	All partial registrations and refunds of partial registrations are coded here
Convention Additional Meal Event Income		
13530	Conv Income - Meal Tickets	All one off meal ticket receipts are coded here (no breakdown is made for meals included within full or partial registrations)
13540	Conv. Income - Special Event SF	All tickets sold for special event at convention is coded here
13545	Conv. Income - Altrusa Institute	All registrations for Altrusa Institute are coded here
13550	Conv. Income - Past Gov. Luncheon	All receipts for the past governor's lunch are coded here. This is a cost recovery event and so expenses for the event should match.
Other Convention Income		

13560	Con. Income - Convention Charm	Sales of the convention charm
13570	Conv. Income - Vendor Booth Fees	Receipts from external vendors for booth space at convention
13580	Conv. Income - Club/District Booth Fee	Receipts from districts/clubs booth space at convention
13590	Conv. Income – Misc. Income	Income otherwise unclassified should be coded here. If total of this account is more than a few hundred dollars then the Int. Treasurer should be consulted as to establishing an appropriate income code in the chart of accounts.
13591	Sponsorship/Grants	
Convention Administration		
14600	Convention Expenses	
19117	Venue Hire	Any venue hire for the convention incurred by the Association should be coded here. Meeting room hire for board meetings should be coded to the operating exp. for Int. Board Meetings, and any room hire for Foundation meetings should be billed to Foundation
19618	Transportation Expenses	Any bus hire costs for convention
19101	Signs	Any costs for signage at convention
19102	Printed Materials	Costs of convention program, inserts, flyers, hand-outs, convention kits/bags and event programs should be coded here.
19103	Audio/Visual/Equipment	Hireage of any audio visual equipment and technician time
19104	Convention Photographer	
19106	Conv. Adm. Board	Travel, accommodation, registrations and per diem for International Board members per financial policies
19107	Conv Adm. - Standing/Conv Committees	Travel, accommodation, registrations and per diem for standing committees and convention committees as per policy
19114	Convention Insurance	Insurance policy cost for convention event
19115	Conv Adm. Association Awards	Costs directly associated with the awards presentation ceremony (excluding banquet costs)
19116	Convention Charms	Purchase cost of convention charms
10540	Pre-convention expenses	Do not use this account unless expressly advised to code something here by the Executive Director/International President or International Treasurer

19120	Credit Card Processing	Merchant Service Fees for processing of credit card transactions for Convention Registrations
19122	Registration Software	
19123	Misc.	
Convention Program Expenses		
19205	Conv. Program - Incom. Chairs	Costs for workshops run by Incoming Chairs - this includes their registration and accommodation reimbursements, costs for hire of workshop rooms and production of associated workshop materials and costs associated with the biennium presentation at Convention
19802	Conv. Exhib./Dipl - Labor Ch	Costs for contracted labour to assist with set up of convention venue/rooms/displays
19206	Conv. Program - Outside Speaker	Speaker costs including speaking fee, travel, meal and accommodation reimbursements
19208	Conv. Program - Altrusa Institute	Costs for hire of venue, catering and speaker fees and travel reimbursements, production of any hand-outs and hire of any audio visual equipment for this event.
Convention Hospitality & Meal Events		
19604	Labour Charges	Cost for contracted labour to assist with set up of banquet rooms
19605	Decorations/Flag	Costs of decorations for banquet events and costs for flag ceremony
19112	Conv. Adm. Function Coord	Costs of travel/registration/accommodation and per diem for Convention Function Coordinators
19121	Governor's Council Luncheon	Catering costs for Governor's Council
19606	Conv. Meal/Soc. - Past Pres Lunch	Catering Costs for Past International Presidents Lunch
19607	Conv. Meal/Soc. - Banquets	Catering for Convention Banquets
19609	Conv. Meal/Soc. Past Gov. Lunch	Catering for Past Gov. Lunch (note that this is a cost recovery event, so the income and cost lines should offset)
19613	Conv. Meal/Soc-Intern'l Reception	Catering for International Reception pre-Convention
19614	Conv.Meal/Soc- Entertainment	Cost of entertainment for Opening and Installation Banquets

19616	Conv.Meal/Soc-Special Event	Costs for Special Optional Events for Convention.
19617	Board Guest Accommodations	
19619	Conv. Optional Event	Optional Event Venue
Convention Office Expenses		
19704	Convention Office Expenses	Incl. office supplies, shipping expenses,
19706	Staff - Travel/ Accom	Costs of travel and accommodation for staff attending convention
19708	Staff - Staff Meal/Incid	Costs of reimbursement of meals for staff attending convention
19709	Convention Photo	Official Photographer fees
Balance Sheet		
Current Assets		
10102	Chase Operating Account	
10103	Chase Payroll Account	
10130	Petty Cash	
12000	Clearing Account	
10200	Investments- CD's	
10300	Accounts Receivable	
10310	Accrued Interest	
10500	Prepaid Rent	
10510	Prepaid General	
10530	Prepaid Insurance	Insurance policies should be coded here and then a monthly journal entered to allocate expense over the period of the policy.
10540	Prepaid Convention Expense	Expenses paid for the next convention in advance. These will be reversed once the convention takes place.
10550	Prepaid Postage	Replenish postage
10560	Prepaid Board & Governor Expense	
10590	Prepaid Expenses - Other	
Fixed Assets		
10900	Office Equipment & Furnishings	Office Equipment asset Purchases
10910	Furniture & Fixtures	Purchase of Furniture assets
10990	Allowance for Depreciation	Monthly accrual for
10992	Depreciation-Furniture	Depreciation of office furniture
10920	Trademark	
10991	Trademark Amortization	
Current Liabilities		
20000	Accounts Payable	

11500	Deferred Inc.- International Dues	Dues received from 1 April to 31 May are coded here and then the balance is reversed to the Full Year Dues a/c on 1 June.
11501	Deferred Inc. Affiliate Dues	
11505	Deferred Inc. Clubs at Large	
11507	Deferred Inc Subscriptions	
11508	Deferred Inc GE Travel Reimbursement	
11510	Deferred Inc - Club Convention Fees	Club Convention fees received in each biennium are coded here and then at the beginning of the next biennium they are reversed to convention income - club convention fees
11515	Gov. Elect Training	
11521	Deferred Inc Conv. Guest Meals	
11522	Deferred Inc Conv. Charm	
11523	Past Governor's Luncheon	
11524	Centennial Birthday Celebration	
11525	Deferred Income	
11550	Deferred Inc Conv Opt. Event	
11590	Deferred Inc Website	
11520	Deferred inc - Convention Registration	Any convention registrations received prior to 31 May for the July convention are coded here and then reversed in the following financial year so they are matched correctly against the convention
11210	Over and short member dues payments	Account use to record over and short payments of membership dues
Payroll Liabilities		
24001	Federal Payroll Tax – Employer	
24002	State Payroll Tax - Employer	
24003	Federal Payroll tax – Employee	
24004	State Payroll Tax – Employee	
24005	Retirement Plan	
24006	AFLAC Plan	
24007	Health Insurance -Employee	
Long Term Liabilities		

11400	Accrued Vacation Pay	Journal entries are entered against this account to bring the account balance into line with the Accrued Vacation Pay Schedule. The contra account is the vacation pay expense
11450	Accrued Audit Fees	
11460	Accrued Web. Dev District/Club	
27200	Other Liabilities	
Equity		
12001	Board Designated Net Assets	Prior year surpluses
12200	Undesignated Net Assets	Minimum balance of \$75000
12700	Undesignated Funds	
30000	Opening Balance Equity	This account should not be used

APPENDIX 3: DELEGATED AUTHORITIES

Expenditure

Position	Capital (Budgeted)	Capital (Unbudgeted)	Expense (Budgeted)	Expense (Unbudgeted)
Employees				
Executive Director	\$5,000	0	\$5,000	0
Accounting Assistant	\$500	0	\$500	0
Volunteers				
International President	\$10,000	\$0	\$10,000	\$0
International President Elect	\$2,500	0	\$10,000	0
International Treasurer	\$2,500	0	\$10,000	0
Executive Committee	\$100,000	\$10,000	\$100,000	\$20,000

Notes:

This authority refers to the authority to spend (being the ability to commit the Association by placement of an order or payment of an invoice. Violation of the approved limits will subject an employee to disciplinary action up to and including termination.

Only one check signatory needs have the necessary authority level.

In the case of the Executive Committee authority, with written approval of the Executive Committee the International President may sign a check for payments up to the limit of the Executive Committee authority as chair of the Executive Committee. The International Board of Directors has unlimited authority to commit the Association to expenditure subject to it not requiring borrowing of funds to pay for such committed expenditure.

Fixed Asset and Debt Write Offs

Position	Fixed Asset Write Off	Debt Write Off
Volunteers		
International President	\$1,000	\$1,000
Finance Committee	\$2,000	\$2,000
Executive Committee	\$5,000	\$5,000

The International Board of Directors has unlimited authority for write offs and any write offs in excess of the levels in this table must be presented to the International Board for approval.

Fixed Asset value re write offs is the book value at the time of the write off.

APPENDIX 4: SCHEDULE OF DUES AND FEES

International Dues and Fees Schedule Renewing Members

Dues Postmarked before June 15

Active Members	\$55.00 US
Clubs-At-Large Members	\$27.50 US

Dues Postmarked between June 16 and July 10

All Clubs must add \$5 US late fee for each renewing member.

Dues Postmarked after July 10

All Clubs must add \$10 US reinstatement fee for each renewing member. Reinstating members are not eligible for half-year dues.

New Members: All new members pay an additional \$10 processing fee with their annual dues. New members can join any time during a year and are credited with active membership as soon as dues are received. To encourage recruitment Altrusa has two special payment options for new members:

- *Half-year dues:* From December 1 through March 31 new members pay one half of the regular International dues to become active members throughout the duration of the fiscal year.
- *Free Months:* New members joining in April and May pay full dues, but are credited with membership through the entire following fiscal year.

Fees:

New Member Processing Fee \$10 US	<i>(Applied to all new members)</i>
Late Fee \$5 US	<i>(Applied to all renewing members between June 16th and July 10th)</i>
Late Fee \$10 US	<i>(Applied to all renewing members after July 10th)</i>
Transfer Fee \$10 US	<i>(Applied to members transferring to a different Club)</i>
Reinstatement Fee \$10 US	<i>(Applies to members who lose their active status and wish to become active again)</i>

Convention Fee \$30 US	<i>(A fee used to subsidize International Convention – each Club pays this one-time fee every year)</i>
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