



Voluntary Protection Programs Participants' Association  
Region VII Iowa · Kansas · Missouri · Nebraska

## FINANCE POLICY

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### Objective

This document establishes the general guidelines and operating procedures that outline the finance system, functions and authorizations, including responsibilities, Treasurer transition, fiscal management, invoice approval and check signing, investments, travel reimbursement, financial reporting, audits and records retention.

This policy is to be used in conjunction with the duties of the Treasurer as described in Article 3, Section 3.7 of the Region VII Voluntary Protection Programs Participants' Association (VPPPA) By-Laws.

### Applicability

This policy is applicable to the Region VII VPPPA.

### Revision Summary

Revisions include requirements for a Treasurer's transition planning, insurance for Chapter financial institutions, annual operating plans, travel reimbursement for Board members, treasury reporting, financial audits and special procedures criteria, and electronic financial record retention.

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- 1.0 Definitions.
  - 1.1 Chapter: Voluntary Protection Programs Participants' Association Region VII, with a geographical area covering the states of Iowa, Kansas, Missouri and Nebraska.
  - 1.2 Executive Council: includes the Chairperson, Vice Chairperson, Secretary / Historian, Treasurer, Labor Representative from a Site with a Collective Bargaining Agreement (CBA), and Labor Representative from a Site without a CBA. The Committee's duty is to act on matters requiring expediency or privacy not practical for decision of the full Board. The Committee shall have all of the authority of the Board except as limited by the Chapter By-laws.
  - 1.3 Form 990 Questionnaire: a document distributed by the National VPPPA Controller's Office to collect financial information from each VPPPA Chapter for inclusion into National VPPPA's Form 990 (Return of Organization Exempt



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

From Income Tax) which is a report filed annually with the Internal Revenue Service (IRS) by organizations exempt from Federal income taxes under section 501 of the Internal Revenue Code.

- 1.4 Full audit: a detailed test of all an entity's accounts to determine whether the entity's financial statements present fairly the financial position, results of operations and cash flows or changes in financial position in accordance with generally accepted accounting principles or other comprehensive basis of accounting. The test, broad in scope with independent source confirmation, determines whether the entity has complied with laws and regulations that may have a material effect on the financial statements.
- 1.5 Officers: the Chapter Officers of the Board of Directors, including the Chairperson, Vice Chairperson, Treasurer and Secretary / Historian.
- 1.6 Special procedure audit: generally undertaken with a limited scope, these specialized audits are designed to obtain detailed information about only a portion of the entity's financial statements. Special procedures can be tailored to meet very specific objectives defined by the entity.
- 2.0 Responsibilities.
  - 2.1. The Board of Directors and its Officers are responsible for prudent management of the Chapter's funds so that mismanagement, non-management or self-dealing does not occur.
  - 2.2 The Treasurer is responsible to maintain the financial records and manage the financial affairs of the Chapter in accordance with the established By-laws, finance policy and procedures.
  - 2.3 The Treasurer is responsible to achieve an effective transition upon leaving office. A formal transition shall occur between outgoing and incoming Treasurers within 90 days of the incoming Treasurer taking office. The transition shall include a consult to discuss roles and responsibilities, and the completion of both the Treasurer's Transition Report and the Treasurer's Transition Checklist. This process is described in Appendix 2 – Treasurer's Transition Planning.
- 3.0 General policy.
  - 3.1 The Treasurer shall select a financial institution(s) to provide the appropriate financial services. Only financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) shall be used. All account types shall be documented and



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

provided to the Chapter Board of Directors. All account numbers shall be documented and provided to the Chapter Chairperson and Vice-Chairperson. Account numbers shall not be communicated via e-mail. No other financial institutions shall be utilized for Chapter finance matters.

- 3.2 The Treasurer, Chairperson, and Vice Chairperson are authorized to endorse checks and orders for the payment of money or otherwise withdrawal or transfer funds on deposit with the Chapter financial institution for appropriate disbursement on behalf of the organization without approval of the Chapter Board of Directors. Any single disbursement that exceeds \$1,000.00 shall require two signatures. These two signatures shall be by the authorized persons, with one signature being that of the Treasurer.
- 3.3 All expenditures shall be supported by written documentation. The documentation shall be filed with the Treasurer.
- 3.4 The face of each document from which payment is made shall reflect the amount paid, the corporation check number used to pay the item, and the date the payment was issued.
- 4.0 Fiscal management.
  - 4.1 The Chapter Board shall approve an annual operating plan for the general fund and any other investment or scholarship fund for the fiscal year (July 1 to June 30), no later than June 30 of each year prior to the upcoming fiscal year.
  - 4.2 The Executive Council and the Conference Planning Committee Chairperson and Vice Chairperson shall prepare the annual operating plan.
  - 4.3 No plan shall be approved where expenditures exceed the expected means of financing. No items of expense may be incurred through the year except as provided for in the approved plan, unless a revision is adopted and approved by the Board.
- 5.0 Invoice approval and check signing.
  - 5.1 It is in the best interest of the Chapter that strong safeguards against possible error or fraud in the payments made by the Chapter are in place, as well as to maintain excellent relations with its creditors.
  - 5.2 Chapter Officers shall be the authorized members to approve documents for payment, or use Chapter credit cards within limits and solely for Chapter business as determined and authorized by the Chapter Board. The Treasurer, Chairperson and Vice Chairperson are authorized to hold Chapter credit cards.



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

- 5.3 All invoices received by the Chapter for payment shall be forwarded to the Treasurer for processing and review, including attachments of any receiving documents or receipts that may have preceded the invoice. An Invoice Payment Request Form (see Appendix 1) with all supporting documentation and approval signature shall accompany the invoice for payment.
- 5.4 After verification of the receipt of goods or services, the invoice shall be approved for payment by an Officer. This shall not be the same person verifying the receipt of goods or services.
- 5.5 After an invoice has been approved for payment, it shall be entered into the accounting system and check written in the normal course of business. If the check amount exceeds \$1,000, two signatures shall be required. These two signatures shall be by the authorized persons for check signing on the checking account, with one signature being that of the Treasurer.
- 5.6 All Officers are authorized to approve invoices for payment and responsible to ensure that the invoice falls within current budgetary amounts.
- 6.0 Investments.
- 6.1 To increase the Chapter's financial assets, funds will be invested in safe growth vehicles. These accounts shall be low risk and have a record of safe and steady growth.
- 6.2 The Treasurer shall identify and transact investment strategies, with approval of the Board of Directors.
- 7.0 Travel Reimbursement.
- 7.1 The Chapter shall reimburse non-Board members for auto mileage to conduct business on behalf of the Chapter. Chapter business shall not include travel to board meetings or conferences.
- 7.2 All auto mileage shall be supported by written documentation using the Invoice Payment Request Form and shall be submitted to the Treasurer.
- 7.3. Mileage shall be reimbursed at a rate equivalent to the IRS allowable rate. Mileage shall be calculated using the address of the traveler's company as a start and end point of the travel. Mileage submitted shall be verified through Mapquest. If the mileage submitted is not reasonably close to the Mapquest quote, the mileage quoted by Mapquest will be used to calculate the reimbursement.



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

- 8.0 Financial reporting.
- 8.1 The Treasurer shall submit a treasury report to the Board of Directors monthly for review and approval. The treasury report shall include:
  - 8.1.1 A summary of all receipts and disbursements. Receipts and disbursements are to be controlled and reported based on pre-numbered receipts and checks. The summary shall account for all items in each sequence.
  - 8.1.2 Beginning and ending balance of checking, savings and investment accounts.
  - 8.1.3 A reconciliation of ending amounts on the summary to account statements provided by financial institutions.
  - 8.1.4 A copy of all periodic statements provided by financial institutions.
- 8.2 Treasury reports shall be communicated to the Chapter membership upon request through the Treasurer and at least annually through the annual conference.
- 8.3 The Treasurer shall submit an annual operating plan summary to the Board of Directors quarterly for review and approval. The plan summary shall include actual versus budgeted revenues and receipts, expenditures and disbursements, beginning and ending fund and cash balances.
- 8.4 The Treasurer shall engage a certified public accountant to examine the financial records for each fiscal year through a special procedures audit as defined in § 9. The report shall be prepared and presented to the Board of Directors within 120 days of the fiscal year-end.
- 8.5 The Treasurer may consult, as necessary, a certified public accountant to assist in the preparation of the Chapter's annual Form 990 Questionnaire.
- 9.0 Audits.
- 9.1 The Treasurer shall engage a certified public accountant to conduct an independent third-party special procedures audit of all financial records annually, and when a new Treasurer is elected or appointed. A full or special procedures audit may also occur upon request of the Chapter membership, Board of Directors or Officers, with the majority approval of the Board of Directors.



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

- 9.2 The special procedures audit shall be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). The following special procedures will be applied to the transactions for the fiscal year, including:
  - 9.2.1 All expenses \$300 or greater will be selected and agreed to supporting documents and traced to inclusion in the bank statement. Investigation of proper approval of the disbursement will be noted and proper signatures will be identified on the canceled check.
  - 9.2.2 All deposits \$300 or greater will be selected and agreed to supporting documents and traced to inclusion in the bank statement.
  - 9.2.3 The fiscal-year end reconciliation report will be tested and traced to the bank statement.
  - 9.2.4 The account activity will be totaled and agreed to the supporting expenses and deposits tested.
- 10.0 Records retention.
  - 10.1 Bank statements, original deposit slips and invoices, receipts and payment requests for all financial transactions shall be maintained for seven years plus the current year. Annual compiled financial statements and financial statement reviews shall be maintained for seven years plus the current year.
  - 10.2 The annual Form 990 Questionnaire shall be a permanent record of the Chapter. Any correspondence from the National VPPPA or the IRS concerning any matter shall be maintained for seven years.
  - 10.3 The original of all reports given by the Treasurer shall be signed and maintained for seven years plus the current year. An electronic back up copy of all financial records shall be maintained by the Treasurer for the same required retention period. Only the Chapter Treasurer or Chairperson is authorized to dispose of financial records after the retention period.



Voluntary Protection Programs Participants' Association  
 Region VII Iowa · Kansas · Missouri · Nebraska

### Appendix 1 – Invoice Payment Request Form

<b>Invoice Payment Request Form</b>			
Send Check Payable to:			
Date	Description of Product(s) and/or Service(s)		Amount
		<b>Total:</b>	0.00
Board Member Requesting Payment of Invoice:			
Name:			
Phone:			
Email:			
Signature: _____			Date: _____
		<b>Treasury Office Use Only</b>	

Note: Please attach invoice, receipts and bid sheets if applicable.



Voluntary Protection Programs Participants' Association  
Region VII Iowa · Kansas · Missouri · Nebraska

## Appendix 2 – Treasurer's Transition Planning

This document provides new Treasurers with a summary of tasks and activities to become oriented with to effectively carry out the Treasurer's role and responsibilities. The following actions will facilitate familiarization with the Treasurer's role:

- Review the Chapter By-laws focusing on the Treasurer's responsibilities;
- Obtain from the outgoing Treasurer any records and documents necessary to manage all financial matters for the Chapter (bank statements, receipts, etc.);
- Review the past two years' annual operating plan records to find costs of comparable items to be included in the budget;
- Visualize where you want the Chapter to be financially at the close of your term and base your actions on that vision.

### Transition

A good transition with the outgoing Treasurer is necessary for success. The transition begins with a consultation with the outgoing Treasurer to discuss the role and responsibilities of the position. The consult is most effective after the incoming Treasurer has reviewed the outgoing Treasurer's Transition Report.

Each outgoing Treasurer shall create a Treasurer's Transition Report. The Transition Report shall include, but not be limited to:

- Records of the previous year's spending;
- Conference attendance and registration information;
- A proposed annual operating plan for the upcoming year;
- Breakdown of how each Chapter account is utilized and the revenues and disbursements for each account;
- Interactions with the Chapter Chairperson and Board of Directors;
- Other pertinent information about the financial policies and procedures of the Chapter (By-laws, Treasurer's role and responsibilities).

The incoming Treasurer shall document all information that was not included in the outgoing Treasurer's Transition Report, maintain this record indefinitely, and include it in their own Treasurer's Transition Report.

The following checklist provides a guide for outgoing and incoming Treasurers regarding necessary actions to transition. The Treasurers shall initial each action upon completion and sign and date the document when all actions are completed.



**Voluntary Protection Programs Participants' Association**  
**Region VII Iowa · Kansas · Missouri · Nebraska**

### Treasurer's Transition Checklist

Ini- tial	<b>Incoming Treasurer Checklist</b>	Ini- tial	<b>Outgoing Treasurer Checklist</b>
	Sign new bank signature cards with Chapter Chair at the bank with the Chapter accounts.		Sign off bank signature card with Chapter Chair at the bank with the Chapter accounts.
	Apply for new credit / debit cards at the bank with the Chapter accounts.		Surrender all credit / debit cards for disposal to the incoming Chapter Treasurer or current Chapter Chair.
	Verify receipt of all Chapter financial documentation (paper and electronic) within 90 days of the incoming Treasurer taking office.		Turn over all Chapter financial documentation (paper and electronic) to the incoming Treasurer within 90 days of the incoming Treasurer taking office.
	Ensure and verify new credit card information has been updated with outgoing Treasurer and Chairperson information.		Update credit card information with credit card company on incoming Treasurer information.
	Verify with the National VPPPA Office that a Chapter Treasurer change has occurred and provide updated contact information.		Notify National VPPPA Office that a new Chapter Treasurer has been installed.
	Verify receipt of By-laws, job duties, and responsibilities from outgoing Treasurer.		Give incoming Treasurer a copy of the Chapter By-laws and Treasurer job duties and responsibilities.
	Verify that specific guidelines for expenditures, funding allowances for purchases, and requirements / dollar amounts for checks and expense approvals have been reviewed with the outgoing Treasurer.		Review specific guidelines for expenditures, funding allowances for purchases, and requirements/dollar amounts for checks and expense approvals with incoming Treasurer.
	Verify that past conference operating plans have been reviewed with outgoing Treasurer.		Review past conference operating plans with incoming Treasurer.
	Verify receipt of past audits and review the audit process with the outgoing Treasurer. This will include the audit performed by the region and the Form 990 Questionnaire.		Review past audits and audit processes and procedures with incoming Treasurer.
	Provide dates and list of officers currently listed on the regional incorporation information.		Ensure that the necessary information and funds are disbursed annually or as necessary to maintain an active incorporation for the Chapter.
	Verify that current bank account statements and transactions have been reviewed with the outgoing Treasurer.		Review current bank account statements and transactions with the incoming Treasurer.
	Verify receipt of the timeline of deadlines and actions for submittals of reports, audits, regional statements, etc. Obtain clarification the purpose of each during the review.		Provide a timeline of deadlines and actions for submittals of reports, audits, regional statements, etc. to the incoming Treasurer. Explain the purpose of each during the review.

Outgoing Treasurer

Date

Incoming Treasurer

Date