



Montana Nonprofit Association

Financial Policies and Procedures

Cash Receipts / Accounts Receivable

Cash receipts (check or cash) should be recorded in a deposit ledger and then immediately endorsed with a For Deposit Only stamp. Checks should be photocopied. Cash should be verified by the documentation which accompanies the cash receipt. Copies of checks and cash documentation should be attached to each deposit record (see below).

Deposits

Receipts should be deposited to an MNA account at least once per week. A copy of the deposit record and a copy of the corresponding check or cash documentation for each item should be retained. At the end of each bank statement cycle, the Treasurer or other Board designee will reconcile the deposit register and deposit records to the bank statement.

Bank Reconciliations

Bank statements are to be reconciled to the account/check register monthly. Reconciliations will be performed by the Executive Director or other staff designee and reviewed by the Treasurer or other Board designee.

Cash Disbursements / Accounts Payable

The Executive Director, the Treasurer, the Board Chair, and one other Board member proximate to the MNA office shall be designated as signatories on MNA accounts. All invoices are subject to budget authority. Checks written on invoices above \$1000.00 must have two signatures. Invoices of \$2500.00 or greater must have written authorization from the Finance Committee. An exception to the requirement for Finance Committee approval is allowed when the expense has been previously budgeted and approved by the Board of Directors. Payroll checks and any other check made payable to the Executive Director should be signed by signatories other than the Executive Director.

Grant Receipts, Restriction Releases, and Allocation

The Executive Director has responsibility for seeing that revenue received is allocated in accordance with any restrictions placed on its use by the grantor or contributor. Generally, grant funds are accompanied by a letter or other documentation from the grantor which outlines any stipulations on use of the funding. This documentation, along with the proposal and budget sent as application for the grant, are used to guide the allocation of the grant revenue to various projects. These funds will be booked as temporarily restricted assets.

Financial Statements

The Executive Director and Treasurer will work together to prepare financial statements on a monthly basis. These statements will summarize all expenditures and receipts for the period covered and compare them to the approved budget. The monthly statements will be circulated to the Finance Committee as completed. The full Board will review the most up-to-date financial statements available at each Board Meeting.

Budget

The Board of Directors is responsible for approving an annual budget at the regularly scheduled Fall Board meeting.

Investment Policy

MNA should limit the funds in its checking account to \$10,000.00 or less. Any amount above \$10,000.00 should be transferred to an interest bearing account or other investment vehicle approved by the Board. The MNA investment account will require two signatures for any withdrawal of funds.

Accounting Software

Setting up the MNA chart of accounts and computerized accounting system should be the responsibility of the Finance Committee. The Executive Director and other staff will be given appropriate levels of security authority for use of the computerized accounting system, while reserving design and oversight authority for the Treasurer or other Board designee.