



## League of Women Voters of New Mexico

### FINANCIAL POLICIES AND PROCEDURES FOR LWVNM

(Adopted January 12, 2008)

These policy and procedural guidelines are designed to establish management systems that assure that fiscal responsibility is maintained when personnel changes and that support rather than hinder the work of the League.

#### **Authorities and responsibilities**

1. The board of directors has the authority to execute any financial policies it deems to be in the best interest of the organization, within the parameters of the organization's articles of incorporation, bylaws, and federal, state and local law.
2. The president together with the board of directors has the responsibility to ensure compliance with these policies and procedures.
3. The board of directors is responsible for ensuring that all financial reports present its financial condition and results of operations fairly and completely.
4. The board of directors shall arrange for an annual review of LWVNM financial records. The annual review shall follow the procedures described in Appendix II.B.4 of the LWVUS publication *Starting Points* and/or an adopted LWVNM Financial Review Procedure. *See Appendix II.*
5. The treasurer shall have the authority to manage LWVNM assets. The treasurer shall keep records in compliance with applicable laws and regulations, and which provide the documentation needed to perform annual financial reviews.
6. The treasurer shall prepare reports for board meetings and for annual meetings.
7. A budget committee appointed following the LWVNM bylaws shall prepare budgets for the upcoming year. The treasurer shall be an ex-officio member of this committee but not its chair.
8. The board of directors may adjust the budget if necessary to reflect changing conditions.
9. The board shall maintain a reserve fund with sufficient money to meet 1/4 of the budget (excluding in-kind contributions), provided enough funds are available. The president, vice president, or treasurer shall be authorized to use these reserve funds on an emergency basis, but such action should be reviewed by the board.
10. Contracts shall be reviewed and approved by the president and the treasurer. Short-term contracts for special projects that are approved by the board can be approved by the person(s) assigned the responsibility for that project.
11. The board, or its finance committee, shall review the LWVNM financial policies and procedures and consider amendments, at least once every two years.

## **Financial Reporting**

1. The fiscal year for LWVNM is from May 1 to April 30.
2. Annual budgets for the LWVNM General Fund and the League of Women Voters Education Fund (LWVEF; *see Appendix I*) are prepared by the budget committee, approved by the board at its March meeting, and ratified or amended by the May LWVNM Convention or Council.
3. Any adjustments made to the budget by the board of directors shall be documented in the following annual financial report.
4. Financial reports shall be provided to the board at each of its meetings.
5. A preliminary annual financial report shall be presented to the Convention or Council in May.
6. The report of the annual review committee shall be delivered to the board not later than September following the close of the fiscal year. The annual report will be finalized after the annual financial review has been completed. The final report and the audit report will be available to any League member on request.

## **Operating Procedures**

1. The president and the treasurer shall have the authority to sign checks. Checks written by the president shall be reported to the treasurer within two days and the required hard copy documentation should follow within seven days.
2. The treasurer will send out Per Member Payment (PMP) assessments to local League presidents and treasurers by mail, fax or e-mail. These assessments will be based upon the membership data provided by the LWVUS. The assessments to local Leagues will be sent out no later than three months after the information is received from the LWVUS. Payment from the local Leagues must be received no later than December 31st.  

Local Leagues shall not be charged state PMP for national members.
3. The treasurer shall maintain an accounting system that will assure consistency and availability of records over time.
4. Receipts and disbursements for non-budgeted items shall be evaluated by the board and budget amendments shall be proposed if necessary.
5. Expenses exceeding amounts anticipated in the budget require the verbal review and authorization of the president or the board of directors.
6. A voucher system shall be used to document expenses reimbursed to individuals without check signature authority. *See Appendix III.*
7. Acknowledgement of donations should be pre-signed by the president and sent out by the treasurer to assure prompt acknowledgement of the contribution.

### **Safeguards and controls**

1. Disbursements for non-budgeted items require the prior consent of the President. They must be reported to and confirmed by the board.
2. Invoices from unfamiliar or unusual vendors shall be reviewed by the President. They must be reported to and confirmed by the board.
3. No checks may be written to “cash” or “bearer”. No holder of the checkbook can write a check to her/himself. No checks shall be signed before both the recipient and the amount payable have been filled in.

## **APPENDIX I: THE EDUCATION FUND**

1. The LWVNM Education Fund exists in the LWVEF State and Local Grants Programs that is maintained by the LWVUS. It is a qualified 501(c)(3) organization, and donations to it are tax-deductible.
2. The project leader of educational activities that qualify to be paid by the LWVNM Education Fund is responsible for identifying the associated expenses. In general, such expenses will initially be paid from the LWVNM General Fund. The project leader shall assist the treasurer in completing a Request for Withdrawal to be sent to LWVEF in order to reimburse the General Fund for eligible expenses.
3. The treasurer is responsible for recording all donations to the LWVNM Education Fund and for depositing the checks with the national LWVEF, together with a completed LWVEF form. The treasurer also sends an acknowledgement of the tax-deductible gift to the donor.

Some Members At Large (MALS) write one check to LWVNM that includes both their membership dues and a donation to the Education Fund. In this case, the entire check is deposited in the LWVNM account and the treasurer writes a check from that account in the amount they designated for the Education Fund and sends that to LWVEF for deposit in our LWVEF Account.

4. The amount reported by the treasurer as being in the LWVNM Education Fund is the balance that is in our account at the LWVEF.

## **APPENDIX II: FINANCIAL REVIEW PROCEDURE**

1. CHECKING AND INVESTMENT ACCOUNTS
  - a. Obtain reconciliations at fiscal year end for all accounts.
  - b. Verify that reconciliations agree with amounts on financial report.
  - c. Compare balance on reconciliations to the fiscal year end bank/brokerage statements.
  - d. Verify reconciling items (note-some of these can be verified by examining items in the following month bank/brokerage statements).
2. DUES INCOME AND PMP
  - a. Obtain the number of members and dues by type of member from Membership Committee chair.
  - b. Compute dues by using amounts obtained in 2a.
  - c. Compare results from 2b to amount on financial report and investigate any significant difference.
  - d. Randomly select 5% of the members from the membership list and determine that dues have been received from them.
  - e. Using the information obtained in 2a, compute the amounts of PMP paid to the national and state Leagues. Compare computed amounts to amounts shown on the financial report and investigate any significant differences.
3. FUND RAISING
  - a. Obtain from the treasurer the amount of revenue and expenses for each fund raising event.
  - b. Ask the individual in charge of each event if the amounts appear reasonable.
  - c. If the amount does not appear reasonable ascertain what caused the differences.
4. INTEREST INCOME

Compare the amounts shown on the financial report to the bank/brokerage statements and ascertain reasons for any differences.
5. EXPENSES

Randomly select five disbursements from each month and determine that they have adequate supporting documentation and have been recorded in the proper expense account in the financial report.
6. BUDGET

Investigate any significant differences between actual and budgeted amounts.
7. FINDINGS

Review findings with the treasurer prior to presenting the report to the board.

Appendix II.B.4 of the LWVUS publication Starting Point has suggested procedures for the review of financial records. These procedures should also be considered in conjunction with the review.

## **APPENDIX III: BOARD EXPENSES**

### **Vouchers**

Board members and other League members who incur expenditures on behalf of the League must complete a Reimbursement of Expenses form and submit it to the treasurer along with supporting data (receipts, etc.) The originator of any expense is responsible for assigning it to the proper budget category on this form.

Board members are encouraged to submit vouchers even if they wish to donate the expenses, in order that the League may have an accurate record of its expenses.

### **Delegate expenses**

Delegates to state and national conventions, councils, and workshops representing LWVNM should be reimbursed for all registration fees, transportation, and hotel fees as the budget allows.

Delegates are chosen by the president and approved by the board. Board members and others whose presence is requested by the board are not charged registration fees at State Council and State Convention.

### **State board business**

In connection with all essential state board business allowable expenditures that may be reimbursed include:

1. Car travel at IRS charitable rate. Members are requested to car pool when workable.
2. Night's lodging at a reasonable rate for double occupancy.
3. Meals at a reasonable rate.
4. Meals considered as part of a program.
5. All duplicating, postage and telephone expenses necessary to carry out board responsibilities.
6. Child care at \$2 per hour; not to exceed \$10 per day.
7. Per diem of \$8 for each day when the lobbyist spends at least 4 hours on lobbying business. Lobbyists must give the treasurer a list of days for which they qualify.

In-Kind Expenses: Donating expenses related to League work (in-kind donations) is encouraged. Actual expenses should be reports except for car travel, which should be shown as the actual purchase price of gas. Items 1 through 7 under the reimbursement policy guidelines apply. The Reimbursement of Expenses form should be used and clearly marked "In-Kind Expenses."

## **APPENDIX IV: FORMS**

The following forms are associated with this procedure:

- A. Reimbursement of Expenses <http://www.lwvnm.org/forms/reimburse.doc>
- B. Request for Ed Fund Withdrawal <http://www.lwvnm.org/forms/edfund.doc>
- C. Deposit to LWVEF account