



**American Boer Goat Association
ACCOUNTING
POLICIES AND PROCEDURES
MANUAL**

01/14/25

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I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at the American Boer Goat Association (ABGA) and to ensure that the financial statements conform to Generally Accepted Accounting Principles (GAAP); assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All ABGA staff and volunteers with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the Executive Director and Finance Committee of the Board of Directors.

II. Segregation of Duties

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Reviews and approves the annual budget.
2. Reviews financial statements monthly to include a Statement of Cash Flows, a Statement of Functional Expenses, a Statement of Financial Position, and a Statement of Activities.
3. Reviews Executive Director's performance annually and establishes the salary.
4. The President and Treasurer of the board will be appointed by the board to be authorized signers on the bank accounts in addition to the Executive Director and Office Manager.
5. Reviews and approves all contracts over five thousand dollars (\$5,000) with advisory committee input when possible.
6. Reviews and approves all non-budgeted expenditures over one thousand dollars (\$1,000).
7. Reviews and approves any draws from investment accounts.
8. Reviews and advises staff on internal controls and accounting policies and procedures.
9. Selects an independent CPA to conduct an annual audit of ABGA's financials. The auditor is required to present the results of the audit to the board of directors and explain any findings.
10. Treasurer performs duties as outlined in the ABGA bylaws.

Executive Director

1. Reviews and approves all monthly and annual financial reports to be forwarded to the board of directors.
2. Works closely with finance committee to see that an appropriate budget is developed annually and submitted to the board by November 1st.
3. Reviews and authorizes all issued checks and/or approves check signing procedures.
4. Reviews and approves all contracts under five thousand dollars (\$5,000) with advisory committee input where possible.
5. Works closely with grant writing committee to develop and complete grant submissions.
6. Executes board approved inter-account bank transfers to or from investments as directed.
7. Is signatory on all bank accounts.

8. Monitors grant reporting requirements and appropriate release of temporarily restricted funds.
9. Receives all electronic bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations. Highlights any projected cash flow concerns in monthly report to the board.
10. Oversees the adherence to all internal controls and monitors program budgets.
11. Approves all program expenditures, reimbursed expense requests, and cost center allocations for the A/P process.

Bookkeeper

1. Codifies expenditures and cost center allocations, reviewing all incoming and outgoing invoices.
2. Books all payroll expenses as per reports provided by ADP.
3. Accounts payable processes to include production of checks for review and approval by the Executive Director.
4. Performs month, quarter, and year end closing to include any required accrual entries and reconciliations of balance sheet accounts.
5. Records all inter-account bank transfers with appropriate supportive documentation.
6. Assists Executive Director with the development of annual and program budgets.
7. Manages the petty cash voucher system to include monthly reconciliation.
8. Reviews all incoming accounting department mail (stamped and dated by office manager as received).
9. Regular development and oversight of expense allocations / allocation tables.
10. Maintains general ledger with appropriate supportive documentation for each GJE.
11. Prepares monthly and year-end financial reports for Executive Director and board of directors.
12. Assists finance committee in any requested matters.
13. Reconciles all bank and other asset accounts monthly for Executive Director signature.
14. Overall responsibility for data entry into accounting system and integrity of accounting system data.
15. Processes invoices and prepares checks for signature.
16. Accounts Receivable or Bookkeeper prepares bank deposits and records deposits into accounting system.
17. Mails vendor checks.
18. Inputs Accounts Receivable in accounting system and reconciles A/R monthly.

Office Manager

1. The Office Manager or Member Services Staff receives, opens, and dates the incoming mail
2. Stamps any checks “for deposit only” and makes two (2) copies of each check and then given to Bookkeeper or Accounts Receivable Staff for processing and input into accounting system. Is signatory on all operating bank accounts.
3. Signs checks prepared by Bookkeeper and approved by Executive Director.
4. Manages payroll through ADP and submits bi-weekly payroll reports to Executive Director for review and Bookkeeper for processing.
5. All corrections to timesheets are to be made by Office Manager via ADP.
6. Maintains all personnel files in a secure, locked file cabinet and only allows access by authorized personnel.

III. Chart of Accounts and General Ledger

The ABGA has designated a Chart of Accounts (COA) specific to its operational needs and the needs of its financial statements. The COA is structured so that financial statements can be shown by expense type as well as by functional classification (program vs. fundraising vs. administration). The Bookkeeper is responsible for maintaining the COA and revising as necessary. The COA is attached to this manual as an addendum.

The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the bookkeeper, closely monitored by the Executive Director.

The bookkeeper should review the general ledger on a periodic basis for any unusual transactions.

IV. Cash Receipts

Cash receipts generally arise from online and mail-in memberships and fundraising activities

The principal steps in the cash receipts process are:

The Office Manager or Member Services Staff receives, opens, and dates the incoming mail, except bank statements, which are opened electronically directly by the Executive Director before viewing by Bookkeeper. All other fiscal matters are given to the Bookkeeper or Accounts Receivable Staff. The Office Manager stamps any checks “for deposit only” and makes two (2) copies of each check and then given to Bookkeeper or Accounts Receivable Staff for processing and input into accounting system. The checks are kept in a locked cabinet until ready to process and deposit.

Weekly (or more often if necessary), the Bookkeeper or Accounts Receivable Staff processes the deposit and takes it to the bank for deposit. A copy of the deposit slip is attached to the deposit. A copy of the checks and deposit slip are put in a file for the Bookkeeper to record the monies received in the general ledger and then attached to the bank statement as it arrives for reconciliation. The second copy of the check goes into the member’s file.

All cash received will be counted, verified, and signed off by the Bookkeeper and an additional staff member. There is to be (2) copies of the cash log made, and the cash itself in a locked cabinet until deposited to the bank. One photocopy of the cash log will be used as supportive documentation for the recording to the general ledger, and the second photocopy of the cash log goes into the member’s file. The Bookkeeper will post the cash to the general ledger using the appropriate cost allocation. A receipt will be given to the paying party and a copy kept for internal purposes.

V. Inter-Account Bank Transfers

The Bookkeeper, Executive Director, and finance committee monitor the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Executive Director and/or finance committee recommends to the board of directors when a transfer should be made to maximize the potential for earning interest or when there may be a need to draw from investment accounts. The Executive Director is directed by the board of directors when to make a transfer and in what amount. A copy of the transfer is provided to the board of directors at the next meeting.

VI. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Reimbursed Expenses
7. Marketing/promotional materials

Checks are processed weekly. Invoices submitted to the Bookkeeper by Wednesday will be processed and paid by Friday of the same week. Checks can be prepared manually within one day, but this should be limited to emergency situations.

Requests for cash disbursements are submitted for payment in three ways:

1. Approved original invoice
2. Approved purchase request (submitted on approved form)
3. Approved employee expense report or reimbursement request

Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose. No alcoholic beverages are permitted for reimbursement.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

The Executive Director reviews all requests for payment and:

1. Verifies expenditure and amount
2. Approve for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Submits to the Bookkeeper for processing

The Treasurer or President of the board reviews and approves any reimbursed expenses for the Executive Director

Bookkeeper processes all payments and:

1. Enters them into the Accounts Payable module timely
2. Prints checks according to allocation and payment date provided by the Executive Director
3. Submit a list of checks with documentation, to Executive Director for authorization to process, followed by Office Manager to sign. All checks in excess of five thousand dollars (\$5,000) require a second signature from an authorized signor; checks in excess of ten thousand dollars (\$10,000) require a second signature from the Treasurer or President of the board
4. Stamps invoice "paid", recording date and any applicable check or transaction number
5. Mails checks and appropriate backup documentation
6. Files all backup documentation in the appropriate file and scans all documents for attachment into accounting system.
7. Runs an accounts payable aging at the middle and end of each month and submits to the Executive Director to assure timely payment and management of accounts payable

VII. Credit Card Policy and Charges

All staff and board members who are authorized to carry an organization credit card will be held personally responsible if any charge is deemed personal or unauthorized, with the amount being reduced from the following paycheck. Unauthorized use of the credit card includes personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which the ABGA receives funds.

The receipts for all credit card charges will be given to the Bookkeeper within two (2) weeks of the purchase along with applicable documentation. The Bookkeeper will verify all credit card charges with the monthly statements and will assign an applicable allocation for posting. A copy of all charges will be attached to the monthly credit card statement when submitted to the Executive Director for approval and payment.

The Executive Director's credit card usage will be provided to the Board President and the Board Treasurer for oversight of irregularity.

See travel policy implemented 08-02-2008 for missing receipt policy and specific credit card usage guidance.

VIII. Accruals

To ensure a timely closing of the General Ledger each month, the ABGA books accrual entries. Some accruals will be made as recurring entries.

Accruals to consider for either monthly or year end:

1. Monthly interest earned on money market accounts, certificates of deposits, etc.
2. Recurring expenses, including employee vacation accrual, prepaid corporate insurance, depreciation, etc.
3. National / Regional Show Expenses
4. Draw-down from pre-paid accounts like general and directors & officer's liability insurance.
5. Reconciliation of the Accounts Receivable and Member Prepayments to the membership system.

IX. Bank Account Reconciliations

1. All bank statements are opened electronically by the Executive Director. The Executive Director reviews and signs off on the statements for unusual balances and/or transactions.
2. The Executive Director gives the statements to the Bookkeeper for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting records including amount, payee, and sequential check numbers. This is performed in the accounting software, using the reconciliation module. The QuickBooks reconciliation report is to be attached to the statement along with copies of all deposits and checks made during that month.
3. The Bookkeeper will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Bookkeeper will investigate any checks that are outstanding over three months.
5. The reconciliation report will be reviewed, approved, dated, and signed by the Executive Director.

X. Petty Cash Fund

Petty cash funds are maintained by the organization. The funds are to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.

1. The petty cash fund will not exceed five hundred (\$500) and is always kept in a locked file cabinet.
2. The Bookkeeper oversees the petty cash fund.
3. All disbursements made from petty cash are acknowledged in writing by the receiving party.
4. All money returned to the petty cash fund is counted and verified by the Bookkeeper and a second staff member. Receipts for items purchased with petty cash must be included with the return and should include appropriate account allocations as well as supervisor approval using a Petty Cash form.
5. The Executive Director and the Bookkeeper together will periodically count the cash in the petty cash fund.
6. No checks will be cashed by the petty cash fund.

XI. Property and Equipment

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand hundred dollars (\$1,000). Items purchased with a value or cost less than one thousand dollars (\$1,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	36 months
Office Equipment	60 months
Office Furniture	60 months
Computer Software	36 months
Leasehold improvements	Length of lease
Building Infrastructure	39 years

1. A Fixed Asset Log is maintained by the Bookkeeper including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The Log will be reviewed by the Executive Director periodically.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Executive Director shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

XII. Personnel Records

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, all approvals for pay-rate increases, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, and other forms (any social medial policy or cybersecurity policy as determined) as deemed appropriate by the Executive Director and Board of Directors.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Executive Director.
3. Copies of any background checks conducted during hiring or conducted periodically during working relationship
4. The electronically completed I-9 forms will be kept in a secure location through ADP separate from the personnel files.
5. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

XIII. Payroll Processing

1. Timesheets are electronically maintained by employees through ADP and submitted on a bi-weekly basis. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed in ink in circumstances where they are not tracked electronically.
3. All corrections to timesheets are to be made by Office Manager via ADP.
4. Timesheet data is to be reviewed and approved by the Office Manager for submission to ADP
5. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form and signed by the Executive Director before the change can be made.
6. The Office Manager will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
7. Paystubs are sent electronically, and additional copies are available for employees online through ADP. Payroll is directly deposited into employee accounts on Fridays following the close of the pay period (Wednesday).
8. If the employee requests that his/her check or stub be turned over to a third party, the request must be made in writing prior to distribution.
9. Employees may choose to receive a physical check for payroll. Their paycheck is produced by ADP and arrives with the stubs on the payroll date. The employee will receive a verification stub and check to be delivered by the Bookkeeper.
10. The Executive Director will review payroll expenditures and allocations monthly.
11. All quarterly federal and state payroll reports will be prepared and filed appropriately.
12. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

XIV. End of Month and Fiscal Year-End Close

1. The Executive Director will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each month and fiscal year end, the Bookkeeper will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, appropriate period-ending accruals have been entered, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final monthly and fiscal year-end financial statements are run, reviewed, and approved by the Bookkeeper and Executive Director, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the fiscal year, the board approved firm will perform an audit on all yearly financial proceedings. Any adjustments from the audit will be made and noted as such. Audit report will be given to the Executive Director, Finance Committee and Board of Directors for review.
6. At the end of the fiscal year, the outside CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Executive Director, the Finance Committee, and the board of directors for their approval. The CPA will then file the return with the Internal Revenue Service by the annual deadline, striving to avoid extensions wherever possible.
7. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

XV. Financial Reports

The Bookkeeper will prepare the monthly and annual financial reports for distribution to the Executive Director and Treasurer of the Board of Directors. Board members on the finance committee are responsible to share reports to member representatives on the finance committee. The reports will include a Statement of Activities, a Statement of Financial Position, a Statement of Cash Flows, and a Statement of Functional Expenses. Monthly reports should be dated the first day of the month to be reviewed through the end day of that same month (with a YTD column). Quarterly and annual reports should follow suit regarding dates used to run reports. During months that are both a month-end and quarter- or year-end, the board of directors should receive both the still picture of the month, as well as the quarter or year.

XVI. Fiscal Policy Statements

1. All cash accounts (except petty cash) owned by the ABGA will be held in financial institutions which are insured by the FDIC. The association will strive to mitigate uninsured funds, re-evaluating and adjusting account structure as needed.
2. All capital expenditures which exceed one thousand dollars (\$1,000) will be capitalized.
3. Employee or public personal checks will not be cashed through the petty cash fund.
4. No salary advances will be made under any circumstances.
5. No travel cash advances will be made except under special conditions and pre-approved by the Executive Director.
6. Reimbursements will be paid upon complete expense reporting and approval using the official ABGA form. Reimbursements to the Executive Director will be authorized by the Board Treasurer.
7. Any donated item with a value exceeding fifty dollars (\$50) will be recorded and in-kind donations
8. The Treasurer and President of the board, the Executive Director, and the Office Manager are the signatories on the ABGA's bank accounts. Disbursements exceeding five thousand dollars (\$5,000) require a second signature by an authorized board or staff member. Checks over ten thousand dollars (\$10,000) require a second signature by an authorized board member.
9. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Executive Director for review.
10. Financial reports are to be produced directly from accounting software, without reliance on auxiliary spreadsheets.
11. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
12. Accounting will be securely kept in cabinets in the finance office and only parties with financial will have access.