

MANCHESTER AREA HUMAN RESOURCES ASSOCIATION

Finance and Accounting Policy

Overview

To ensure adequate management of MAHRA's assets, a finance team will be established consisting of the Treasurer, Treasurer Elect and President. From time to time, due to Board of Director vacancies, a designee may need to be approved by the Board of Directors to fulfill one of these roles. The team will be responsible for the overall maintenance of MAHRA's bank and credit accounts, preparing financial statements, cash reconciliation, monthly and annual meeting financial reconciliation, and coordination with CPA for all tax related matters.

- MAHRA will utilize QuickBooks as the accounting system. In the spirit of transparency, access to the account will be as follows: Treasurer and Treasurer Elect will have full access; President and President-Elect will have read only access. As applicable, the designee referenced above will be granted access consistent with their role.

Authorities

- The President, President-Elect, Treasurer and Treasurer-Elect (or designee) shall be listed as contacts on all banking and credit documentation.
- The President, President-Elect, and Treasurer (or designee) shall have access to a company debit or credit card. The Treasurer-Elect may be granted access upon completion of one year of service and with Board of Director approval.
- The President, President-Elect, and Treasurer (or designee) will have check writing ability. The guidelines below will govern amounts:
 - Under \$700 requires one signature (Treasurer)
 - \$701-\$2,000 requires two signatures (Treasurer and President-Elect)
 - \$2001 and above requires two signatures (one of which must be the President)
- Wire Transfers are not permitted from any MAHRA account without the written approval of the President, President-Elect and Treasurer.
- Substantiation of expenses (receipts, email approval, etc.) is required for all transactions greater than \$25.00. These documents shall be retained electronically within QuickBooks, linked to the corresponding transaction. Any transaction without a receipt that is greater than \$25.00 requires approval by the President-Elect or President. Under no circumstances shall the President or President-Elect approve his/her own receipts, or lack thereof.
- Periodic audits shall be conducted by the President-Elect (at least once per fiscal year). In the event the President-Elect is serving as a designee, another member of the Board of Directors, not including the Treasurer, President-Elect or President, shall be required to conduct the audit.
- An annual audit will be conducted at the conclusion of the fiscal year by a member at large.
- The finance team may contract with a third-party to perform an independent audit of MAHRA's recorded finances. All audit results will be shared with the board and recorded in the minutes.

Bad Debts (Uncollectable Accounts Receivable)

The MAHRA finance team is responsible for managing all monies owed to MAHRA. From time to time, some membership accounts will be rendered uncollectable (bad debt). The following best practices shall be utilized when managing accounts receivable:

- Periodic evaluation (monthly)
- Identify accounts that are 30-45 days past due and attempt to collect (retain documentation of collection efforts)
- If 90 days past due and collection attempts are not successful it can then be deemed uncollectible and written off
- Write-offs must be approved by the Board and recorded in the minutes
- Finance shall coordinate with Membership to document in the Member profile
- Member in default shall be placed in 'suspended' status until such time as past-due income is recovered
- If MAHRA is subsequently able to collect the past due income, it must be coded as recovery revenue

Fixed Assets

Any fixed asset that is procured by MAHRA shall be capitalized with a supporting depreciation schedule. This schedule will be published by MAHRA's CPA and depreciated according to the schedule. The following criteria must be met for capitalization:

- Item(s) must be a tangible asset that can be quickly turned into cash (i.e. PC, furniture, software)
- Must be valued at \$1,000.00 or greater