

ROCKFORD SPORTSMAN'S CLUB
FINANCIAL POLICY MANUAL
July 15, 2014

Introduction

This Financial Policy Manual defines the financial policies and financial control procedures of the Rockford Sportsman's Club (RSC). Where there is any conflict with the Bylaws of RSC, the Bylaws shall be considered as controlling. Questions of interpretation shall be settled by the Treasurer and/or the President.

General

1. The Rockford Sportsman's Club (RSC) is a non-profit organization.
2. All monies received by the Club will be deposited in a timely manner in a bank selected by the Treasurer and approved by the Board of Directors.
3. The Treasurer, under the direction of the Board of Directors, shall have charge of all monies, securities, financial reports and valuable documents associated with the financial status of the club.
4. The Treasurer will prepare and present at each meeting of the Board of Directors and of the membership a complete set of commonly accepted financial statements.
5. The Treasurer may be required by a majority vote of the Board of Directors and at the expense of the club, to provide a surety bond for the faithful performance of his duties in such an amount determined by the Board of Directors.
6. The office of Treasurer requires a person having proven financial management background. Therefore, it is intended that the Treasurer should be a person having proven educational or commercial training and skills in order that the Treasurer's responsibilities as now constituted can be effectively carried out.
7. Candidates for Treasurer shall be required to provide his or her qualifications to the membership by oral or written presentation before the close of nominations at the November membership meeting.
8. A newly elected Treasurer can expect a transition period of overlap with the past Treasurer to ensure continuity of record keeping.
9. All financial reporting and maintenance shall be in compliance with the current RSC Rules, Regulations and Procedures.
10. Financial records shall be retained for as long as required by the Internal Revenue Service.

11. Financial records must be reviewed on a yearly basis by individuals other than those elected to the club board. The Report of Attestation will be presented to the general membership and duly recorded in the applicable minutes of such meeting.

Definitions

Entry Fee - A fee paid by an Event participant to the Event Sponsor for the privilege of participating in an Event.

Event - A planned activity in which members of RSC or the public participate. An Event may have funds which have been disbursed from the RSC treasury, or the treasury of any Sister Club, to the Event Sponsor, for the purpose of helping to defray expenses associated with conducting the Event.

Event Allocation - The sum of money allocated from the treasury for the purpose of defraying expenses associated with conducting an Event.

Event Reconciliation - A balance sheet detailing income and expenses associated with conducting an Event.

Event Sponsor - The individual responsible for conducting and controlling an Event. An Event Sponsor is always a member of RSC.

Executive Committee - The six elected officers of RSC consisting of the President, the Vice President, the Treasurer, the Executive Officer, Membership Secretary and the Secretary.

Fiscal Year - The Fiscal Year of the Rockford Sportsman's Club runs from January 1st to December 31st.

RSC - Abbreviation for Rockford Sportsman's Club.

Series - A number of related individual Events.

Sponsor(ing) Club - RSC is the official sponsoring club for all events listed on the RSC calendar. Though other organizations may assist with funding some events, RSC is the official sponsoring organization.

Financial Authorizations

1. RSC Club Treasurer is authorized to pay bills presented for usual and ordinary expenses as they are incurred. The Club Treasurer is further directed that no bill for expenses of an unusual or extraordinary nature, regardless of amount, shall be paid unless the Board authorizes such payment.

Unusual and extraordinary expenses shall be defined as: A) unbudgeted expense, B) expenses not directly related to operations or maintenance of the Club facilities and C) expenses not related to or necessary for the conduct of usual and customary Club activities or any other activity as directed by the Board.

2. All expenditure of funds, with the exception of regular charges such as utility bills, taxes and similar obligations, that total \$300.00 or more, shall be submitted to the Board at a regular Board meeting for approval unless included as a specific line item in a Project Budget which has Board approval.
3. All notes, checks, drafts and orders for payment of money, issued by this Club, shall be signed by one of the following people: Club Treasurer or a Board approved designee.
4. The disbursement of funds, for items or services, as contained in the approved budget, will be made by the Club Treasurer. Committee Chairmen should make their advance requests through the Treasurer and include back up information and pricing, where applicable. Reimbursement of funds requires a receipt.
5. The Treasurer may not proceed with expenditures in the capital/project budget without approval of the Board.
6. No club member shall receive any compensation or financial award from club funds for contributions or service to the club. The only exception is when a member has an independent contractor agreement previously approved by the Board.
7. No invoice will be paid until said invoice is presented to the Treasurer after having been approved (signed) by the responsible committee or activity chairman as being valid consistent with the budget.
 - A. The Treasurer will then independently verify that the amount of charges and the timing when spent are consistent with the budget and will reject any expense incurred that the Treasurer believes does not meet the approved budget criteria.
 - B. If a committee or activity chairman improperly makes a commitment that results in an invoice being received by the club that is inconsistent with the approved budget the Club will not be liable and the chairman will be responsible for the amount involved unless otherwise agreed by a majority vote of the Board of Directors.

Debt Incurred by the Club.

The Club shall not incur any indebtedness to an institution or individual except as follows:

1. The Board of Directors shall have the sole authority to recommend to the Membership any contract for indebtedness.
2. The Membership must approve any proposal to incur a debt against the Club by a two thirds (2/3) majority vote of the Members present at any Regular Membership Meeting.
3. The Membership shall be notified of the proposed indebtedness by Email or letter sent to the Member's last known address at least three (3) days prior to the Regular Membership Meeting at which the vote is to be taken. Publication in the newsletter shall be deemed proper notification provided the three (3) day limitation is observed.

Loans Made by the Club.

The Club shall not loan money or extend credit to any person, individual, or entity.

Budgets

The purposes of the budget are planning, projecting, and controlling. Planning involves determining the needs and resources for maintaining the Club at the desired level of quality, and within the financial resources of the Club. Projecting the budget allows the Board of Directors to determine how much money will be needed in the short term to cover bills, and how much money should be held in reserve for future expenditures. The budget can also be a tool for controlling expenditures, based on income or previous projections, by measuring the plan and the projection in comparison to the actual financial activity.

1. Budgeting Process: Prior to each Fiscal Year, the Treasurer shall be responsible for overseeing all budgeting activities, operating, capital and event budgets, including a process that will commence in October of each year resulting in a detailed recommended budget for the following year.
2. The Treasure is responsible for creating a statement of expected income and expenses (a budget). The income section shall project income from membership dues and any other expected sources of income. The expenses section shall detail planned expenditures and amount, on an venue or Event by Event basis (Event Allocations), insurance expenses, and any forecasted expenditures.

3. At its December meeting the Board of Directors will approve a detailed line item budget and assign budget category responsibility for that operating year.
4. Only membership dues and initiation fees may be included in the operating budget as projected income and the dues and initiation fees income amount budgeted for any fiscal year may not exceed the actual dues and initiation fees income amount received during the previous fiscal year (the "Maximum Operating Budget").
5. Only membership dues and initiation fees can be used to budget standard operating expenses (including debt servicing) and may not be used for the purpose of budgeting construction or capital asset acquisitions.
6. Projected income which exceeds projected expenses in the Operating Budget is directed to the "Emergency Fund" and/or the "Capital Improvement Fund". The percentage allocation to each fund as approved by the Board of Directors on an annual basis.
7. The Emergency Fund will only be utilized by a positive vote from at least 2/3 of the members of the Board of Directors upon a sudden, urgent and unexpected occurrence or occasion requiring immediate action for which such an event; (i) is not first a Capital Improvement Fund expenditure or (ii) is not otherwise reflected in a line item(s) of the Maximum Operating Budget.
8. **Operational Budget**
The operating budget addresses the ongoing, routine maintenance of the Club, and includes expenses for equipment repair, fuel, supplies, utilities, leases (unless regarded as a purchase), and the like. The operating budget will project the current year's expenses, and may be broken down on a month by month basis. The Board of Directors can use the operating budget to compare the current year's expenses with the budget to project anticipated savings or deficits. This budget may also be used to compare the current year's projections to previous years' expenses.
9. **Capital/Project Budget**
The capital budget addresses the acquisition of assets, and includes the construction of buildings and permanent fixtures, the purchases of equipment, and the like. This budget, prepared by the Planning Committee, should look forward at least two or three years, if possible, in order to plan for the financing necessary to keep the property and equipment in good repair. Failure to plan for these large ticket items on an annual basis may lead to an excessive, one-time expense to replace equipment or buildings and may result in diminished conditions and quality of the Club.

10. Construction costs and capital asset acquisitions, which do not exceed the Capital Improvement Fund, may be incurred at any time during the fiscal year. Project budget(s) that are approved during a given budget year, but, incomplete during that year must be re-approved as part of the normal budgeting process.

11. Event Budgeting

Allocations of funds from the club treasury are made to help defray the expenses of conducting Events. Disbursement of these funds shall be made when convenient, prior to the date of the Event. The disbursement is made to the identified Event Sponsor. It is the responsibility of the Event Sponsor to create an Event budget, conduct the Event in a fiscally responsible manner, and at the conclusion of the Event, return any unused moneys to the Treasurer with an Event Reconciliation.

If the Event Sponsor incurs Event-related expenses greater than the sum of the Event Allocation plus Entry Fees, the Event Sponsor may petition the Board of Directors for an additional allocation of funds as needed.

Event Budget Responsibility

1. Each Event is an independent financial entity. Any Event may require a number of individuals to conduct the Event. In all cases however, only one individual shall be assigned the financial responsibility for an Event.
2. Funds associated with one Event are not to be co-mingled with funds associated with another, unrelated Event. The only exception to this general rule, is when an event is part of a Series. In that case, the Series may be considered the independent financial entity.

Series Events

1. When a number of Events is designated as a Series, overall financial responsibility may be vested in one Event Sponsor. The Series may be considered as one financial entity. In this case, only one Event Allocation shall be made for the entire Series. Funds may be carried forward from one Event to the next within the Series, and only one Event Reconciliation is made after the conclusion of the final Event in the Series by the designated Event Sponsor.
2. A Series may also be funded as separate events, in which case, multiple Event Sponsors may be used.

Jointly-Funded Events

Events or Series may be Jointly-Funded. In a Jointly-Funded Event, funds are disbursed to the Event Sponsor by the appropriate organization(s). There is no

requirement that each of the organizations contribute a like amount. At the conclusion of the Jointly-Funded Event, reconciliation is made with each club in proportion to each club's funding percentage.

Event Reconciliation

1. At the conclusion of the event, the balance sheet is re-worked to reflect actual, rather than estimated quantities, to arrive at the Event Reconciliation. The actual number of participants and the actual quantities of items expended during the event are plugged into the balance sheet.
2. Any prizes or supplies which the Event Sponsor purchased for the event, but were not distributed or used during the conduct of the Event should not be charged as expenses of the Event. Such leftover prizes or supplies revert to the ownership of the Rockford Sportsman's Club. Such prizes or supplies may be used for the conduct of another shoot in the future or charged to another Event Sponsor.
3. Because prizes or supplies used during the conduct of an Event may have been leftovers purchased prior to another Event months before, Event sponsors are not required to turn in purchase receipts. However, whenever possible, Event Sponsors must turn in receipts.
4. Also because prizes or supplies used during the conduct of an Event have been considered part of the Event Sponsor's personal property up to the moment of their use in an Event, in the absence of receipts, the Event Sponsor must use fair market value when valuing those items on the Event Reconciliation balance sheet.
5. For all Events, whether Funded, Unfunded, or Jointly-Funded, the Event Reconciliation balance sheet and any receipts shall be submitted to the Clubs' Treasurer within 21 days after the conclusion of the Event.

Event Cancellation

1. In the event of a cancellation, the entire Event Allocation shall be returned to the Sponsoring Club. If the Event must be canceled on the day of the Event, any Entry Fees collected must be returned to the participants. However, the Event Sponsor may collect or retain a portion of the Entry Fee from participants if supplies were used prior to the announcement of Event cancellation.
2. Any prizes and supplies purchased but not used for the Event remain the property of the Event Sponsor. The Event Sponsor may dispose of the leftover prizes and supplies purchased as he wishes.