

AMERICAN PLANNING ASSOCIATION

WISCONSIN CHAPTER

# FINANCIAL POLICIES AND PROCEDURES



The Financial Policies of the Wisconsin Chapter of the American Planning Association establish guidelines for developing financial goals and objectives, making financial decisions, reporting financial status of the Chapter, and managing the Chapter's funds. All future financial and budget decisions shall be made consistent with these policies or the policies shall be amended. Amendment of any fiscal policy shall be made by majority vote of the APA-WI Board of Directors or member vote, as determined by the Board.

Adopted: September 2018

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## **I. GENERAL FINANCIAL POLICIES**

### **A. FINANCIAL RESPONSIBILITIES**

It is the responsibility of the APA-Wisconsin Board of Directors (Board) to formulate financial policies and review operations and activities on a periodic basis.

The Board delegates this oversight responsibility to the Treasurer of the Board and any Finance Committee of which the Treasurer is the Chair. The Treasurer may establish a Finance Committee as needed.

Treasurer and the Finance Committee has the responsibility for managing Agency funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.

The Accountant is directly supervised by the Treasurer and is responsible for the preparation of the Chart of Accounts, Reporting Formats and Form 990 reporting.

### **B. CONFLICT OF INTEREST**

Members of the Board of Directors are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Board members at the corporation's expense. If a Board member has a financial interest in a corporate transaction, the Board member must fully disclose the interest and abstain from voting. Loans are prohibited.

### **C. OVERALL BUDGET STRUCTURE AND REPORTING**

The Chapter's financial statements shall be prepared on a cash basis in accordance with Generally Accepted Accounting Principles ("GAAP").

APA-WI shall use a line item budget, with each income and expenditure allocated to a specific line item in the budget. Chart of accounts are maintained by the Treasurer based on the budget line items are listed consistent with this policy. Where possible, related income and expense line items shall have similar numbers and titles. The budget line items and descriptions may be modified by the Treasurer as needed without amending these Financial Policies and Procedures.

The Treasurer will provide the Board of Directors with a Budgeted Profit and Loss vs. Actual Report (P&L) and Balance Sheet following the end of each quarter. These reports shall detail the quarterly and to-date income and expenses compared to the budget, and current assets and liabilities.

All income derived from programs, fees, dues (National and Chapter-Only) and interest shall be included in the Profit and Loss Budget vs. Actual Report. Likewise, all expenses by APA-WI for any portfolio item shall be included. Each P&L report shall include the following for each line item:

- the amount received or paid out as of the statement date
- the amount established in the current year budget

The Treasurer will report the annual conference expense for the annual budget. Chapter may maintain a separate budget and accounts for its annual conferences. Financial policies related to the annual conference are addressed in Section IV.

#### **D. APA WISCONSIN SAVINGS AND CHECKING ACCOUNTS**

This section describes the purpose and use of the various accounts maintained by APA-WI.

##### **1. RESERVE/SAVINGS ACCOUNT**

Reserves may be held in a separate bank account. The Chapter reserve funds are intended to provide the Chapter with adequate financial resources for any unforeseen fiscal problems that may arise. The Treasurer will report to the Board the status of the financial status within the budget process and on a quarterly basis. A minimum reserve fund of one year of the Chapter's annual operating expenses shall be maintained. The Board has the right to adjust this amount annually or when necessary. See below section III, C. for additional information.

##### **2. CHECKING ACCOUNT**

The checking account is used to pay APA-WI's normal operating expenses, and to pay bills in accordance with the APA-WI adopted budget. Interest from the checking account is credited to a budget income line.

##### **3. BANK DEBIT CREDIT CARD**

APA-WI maintains the use of a bank debit credit card through its banking institution. This bank card is retained by the Treasurer for expenditures as needed under these financial policies. The President has access to the all financial accounts and will follow all financial procedures. All expenses require invoices to assign to appropriate budget category.

**E. SCHOLARSHIP FUND**

Through the APA-WI endowment held by the Madison Community Foundation, annual scholarships are provided to graduate planning students at University of Wisconsin-Madison and University of Wisconsin- Milwaukee. The Foundation manages this fund and provides annual statements on the fund as well as provides the awards for scholarships. The Treasurer will provide to the Board of Directors any financial reporting for the endowment fund as warranted. Each year, the Board of Directors will determine whether additional contributions will be made to the Foundation.

**F. BANK RECONCILIATIONS**

All bank statements will be reconciled every month by the Treasurer, and records will be kept in the Chapter's treasurer computer and Google cloud storage site.

**G. INSURANCE**

Reasonable and adequate coverage will be maintained to protect the agency's interests as well as the Board of Directors. Any insurance policy shall be reviewed by the Board of Directors before renewal each year.

**H. FINANCIAL DOCUMENT RETENTION POLICY**

This document retention and destruction policy identifies the record retention responsibilities of staff, volunteers, board members for maintaining and documenting the storage and destruction of the organization's financial documents and records. Financial documents including tax returns, annual statements, contracts, financial audits and insurance policies are retained permanently either in hard copy or electronically. Other financial documents should be retained for a period of seven years in keeping with State law and the recommendations of the IRS. The Treasurer, with Board of Directors oversight, is assigned the overall responsibility to maintain the financial documents in meeting this retention policy. The Treasurer may review this policy for updates and recommendations to the Board of Directors for any changes.

**I. TAX REPORTING**

APA-WI is exempt from payment of federal income taxes under Section 501 (c) (3) of the Internal Revenue Code as amended. Accordingly, no provisions for income taxes shall be reflected in the financial statements. APA-WI shall file an annual Federal tax return IRS Form 990 as required by the IRS. The Treasurer is responsible to assure compliance and timely submittal of IRS Form 990. An accountant may be contracted for the preparation of the tax filing.

## **II. ANNUAL BUDGET PREPARATION AND ADOPTION**

The Treasurer and President shall submit a draft proposed budget to the Board of Directors at the annual planning retreat for discussion and comments. All bylaws will be followed in the process. The proposed budget shall be based on consideration of the adopted Chapter Plan, requests from Vice Presidents and other portfolio managers, and current year actual expenditure and revenue trends from the latest Profit and Loss Statement. The Board shall adopt the budget no later than April of that year.

The Chapter's final approved budget shall be published each year on the website shortly after adoption. The Treasurer shall follow continuation of the previous budget year amounts for months preceding annual budget adoption.

## **III. CHAPTER FINANCIAL POLICIES**

### **A. PAYMENT AND CHECK POLICIES**

The Treasurer is responsible for the payment of various contract invoices, conference expenses and other expenses as assigned through the annual adopted budget. Payment of extraordinary expenses not associated with a contracted amount or anticipated budgeted on-going expenses may not be paid without prior approval of the Executive Committee.

APA-WI shall not honor any checks not cashed within 180 days of issuance.

### **B. CURRENT-YEAR BUDGET REVIEW**

Financial reports shall be provided to the Board of Directors prior to the quarterly Board meetings. Board members are expected to carefully review these reports to monitor monthly expenses related to their portfolio. The current year budget will be reviewed at each Board meeting and any corrections necessary will be made at the Board meeting.

Board members are expected to stay within the budget on each line item within their portfolios. Any project or service that is estimated to cost more than the approved budgeted amount must be pre-approved by the Board before any contract is signed or work is completed.

### **C. GENERAL POLICY FOR RESERVE FUND**

At the first Board meeting of each year, the Board shall determine whether and how much money can be budgeted within the reserve fund, based on recommendations from the Treasurer and President. The Board shall maintain the Reserve Fund, with a goal of having a minimum amount to fund Chapter operating expenses for one year.

The Board may determine which funds may be invested in financial instruments/securities that will provide the Chapter with the highest interest rate without

undue risk. Withdrawal from the reserve fund shall only occur upon approval by two-thirds (2/3) of the APA-WI Board of Directors.

**D. CREDIT CARD ISSUANCE AND EXPENDITURES**

The Executive Committee policy may approve the issuance of a chapter-issued credit card as necessary to the Treasurer or President. The credit card may only be utilized for Chapter expenses and all purchases must be within current budget line item amounts. Prior to the issuance of a credit card, the Executive Committee will develop additional policies.

**E. EXPENSE AND REIMBURSEMENT POLICIES**

This section contains the policies that govern the Chapter's payments for certain expenses, including reimbursements for expenses incurred by Board members, appointed advisors and others in conducting their duties on behalf of APA-WI.

**1. GENERAL EXPENSE REIMBURSEMENT POLICIES**

It is the intent of the Chapter to reimburse elected and appointed Board members, officers and advisors for expenses incurred while carrying out their duties on behalf of the Chapter, provided that such expenses are actual and reasonable based on the annual budget approved by the Board. Board members are expected to monitor the expense budgets associated with their respective portfolios and control expenses accordingly.

Expenses are paid only upon submittal of paid receipt, invoice or other written documentation of costs incurred to the Treasurer, along with any necessary explanation of the expense. Pre-approval of expenses not clearly related to assigned duties and budgeted items to the Board is required.

Requests for reimbursement should be submitted to the Treasurer within 30 days of the expense. All expenses must be submitted before the end of the calendar year in which the expense was incurred. Reimbursement requests submitted after the end of the calendar year will only be paid if approved by the Board.

**2. REIMBURSEMENT OF EXPENSES RELATED TO BOARD MEETINGS AND THE ANNUAL RETREAT**

The Chapter will provide payment for any food and beverages for the annual retreat. The Board may determine to reimburse for other travel expenses such as member mileage (at the current IRS rate), and meeting room expense.

**3. OTHER EXPENSE AND REIMBURSEMENT POLICIES**

The following policies address specific expenses and reimbursements.

- a) President: Expenses and travel costs incurred by the President to meet with affiliated organizations or pay for expenses related to special programs or

- projects. Travel costs and expenses incurred by the President or his/her designee to attend two APA Chapter Presidents Council meetings per year, including travel and meal costs, and lodging.
- b) Treasurer: Mileage expenses for Treasurer for the purposes of banking, accounting and tax reporting.
  - c) VP Chapter Affairs: Travel costs and expenses incurred by the VP to attend the fall APA Policy Conference; expenses incurred for other legislative and policy related meetings, events, and programs.
  - d) Awards: The Chapter Awards Program will cover the cost of providing one award to each recipient. The price charged for additional awards includes the price of the award, postage, management time to coordinate and mail and other costs as assigned by the annual budget.
  - e) Districts: Costs to provide District program not to exceed the amount budgeted for the year.

#### **F. CONTRACTUAL AGREEMENTS**

The Board of Directors will approve all contractual agreements and the President will sign the contracts. The Treasurer will be provided copies of all signed agreements and payments will be made as outlined in the approved contracts. Any variances must be pre-approved by the Board of Directors. All contract documents will be retained electronically according to APA-WI retention policy.

#### **G. DATA SECURITY POLICIES AND CLOUD STORAGE**

Data security is important to maintain for the organization and all members. The treasurer is issued a computer for purposes only of maintaining the financial information of the organization. At all times, appropriate file storage and antivirus software will be maintained by the Treasurer on the Treasurer's issued computer. Documents for the financial information will be retained on the Google cloud website. Hard copies will be maintained as necessary, but all efforts will be made to upload and maintain files on the Google drive cloud.

### **IV. CONFERENCE FINANCIAL POLICIES**

#### **A. GENERAL CONFERENCE FINANCIAL POLICIES**

1. The conference budget shall be developed by the designated conference director, in coordination with the conference committee.
2. The conference budget shall be submitted to the Board, including proposed expenses and venues, and proposed sponsorship packages for budgetary planning purposes.
3. Conference director, working with the conference committee and Treasurer is responsible for maintaining costs within the approved budget. Income and expenses

associated with the Conference shall be managed by the Conference Director and Treasurer.

4. If contracting with a conference hotel earns “reward points” toward lodging, those points may be used for other purposes as determined by the Board.
5. The down payment for the next year’s conference venue will be paid in the year prior.

**B. CONFERENCE REGISTRATION POLICIES**

1. Based on a recommendation from the Conference director, the Board shall approve registration rates for each conference.
2. Registration rates shall be set for categories of members and shall provide for increased rates closer to the conference.
3. Out-of-state APA members shall qualify for member rates.
4. Non-member rates shall be higher than rates for APA members and shall provide for increased rates closer to the conference.
5. Any complimentary conference registrations, paid for by the conference, will be identified and assigned only by the Conference director with final approval by the President.
6. The Conference Director may provide access to verified media representatives to conference sessions; however, the representative must purchase access to ticketed events (i.e., luncheon) as determined by the director.
7. Any APA-WI conference contractors that are present onsite to participate in conference logistics will be granted complimentary access to meals and events by the conference.
8. A university student shall be eligible to pay a student registration rate with demonstration of current enrollment or APA member student id number.
9. Conference director may determine reduced rates for conference attendees where applicable. For example, keynote speakers who wish to attend the conference may be eligible for a reduced registration rate.

**C. ANNUAL CHAPTER MEETING**

As the annual APA-WI Chapter meeting is held during the annual conference, any member may attend without cost to attend. However, attendance should be documented at the registration table. Costs to attend the conference are available to the member at rates determined.