



Anglophone Action Group

ACCOUNTING POLICIES AND PROCEDURES

Group Terms of Reference

- To identify and make decisions concerning fundraising strategies and long-term financial sustainability of AAG's mission
- To oversee and disburse funds accordingly per AAG's goals
- To budget and allocate funds in support of outreach activities per AAG's mission.

This document describes all accounting policies and procedures proposed by the AAG Finance Committee. It will ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All AAG's staff 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 staff and approved by the Executive Director and Finance Committee of the Board of Directors.

Chart of Accounts and General Ledger

AAG will design Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The general ledger is automated and maintained using our accounting software QuickBooks for non-profits.

Bank Reconciliation

1. All bank statements are given unopened to the Executive Director. The Executive Director reviews 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 record including amount, payee, and sequential check numbers.
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 six months.
5. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.

The reconciliation report will be reviewed, approved, dated, and initialed by the Executive Director

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 \$250 and is kept in a locked file cabinet at all times.
2. The Operations Manager 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 Operations Manager and another 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.
5. The Operations Manager and the Bookkeeper together will periodically count the cash in the petty cash fund.

No checks will be cashed by the petty cash fund

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 500 dollars (\$500). Items purchased with a value or cost less than five dollars (\$500) 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

Revenue or Fundraising Strategies

Membership contributions

Donors/sponsors

Selling of merchandises (e.g. T-shirts, book bags, coffee cups, scarfs, memorabilia etc.)

Fundraising Galas/Dinners

Grant writing

TV Ads and Documentaries

Recognition/Award Ceremonies

Short films

Conferences and workshops

Educational Resource materials

Financial Reports

1. The Bookkeeper will prepare the monthly and annual financial reports . The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, cash flow projection, and any other requested reports. Periodic and annual financial reports will be submitted to the Finance Committee and Board of Directors for review and approval. The Operations Manager 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 Operations Manager will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, 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 Operations Manager 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 Operations Manager or outside CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the CEO, the Board Finance Committee, and the Board Chair for their review and approval. The Operations Manager will then file the return with the Internal Revenue Service by the annual deadline.

Fiscal Policy Statements

1. 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. All cash accounts (except petty cash) owned by AAG will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. All capital expenditures which exceed five hundred dollars (\$500) 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 AAG form. Reimbursements to the Executive Director will be authorized by the Board Chair.
7. Any donated item with a value exceeding (\$50) will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation.
8. All volunteer time shall be recorded as in-kind donations.
9. The Executive Director and one designated Board and staff member are the signatories on AAG bank accounts. Disbursements exceeding (\$1,000) require a second signature by an authorized board or staff member. Checks over \$ 500 require approval from the Board of Directors.
10. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Executive Director for review.
11. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
12. Accounting and personnel records will be kept in locked file cabinets in the finance office and only parties with financial and/or HR responsibility will have access to the keys.
13. The fiscal year will run from January to December every year