

**WASHINGTON ARTILLERY
VETERANS ASSOCIATION
POLICIES AND PROCEDURES
FILES**

**BUSINESS AND
FINANCIAL MANAGEMENT**



1 OCTOBER 2016

Table of Contents

	<i>Page</i>
Part 1. General	
General	4
Purpose	4
Scope	4
Surety Bond	4
Part 2. Committees	
Finance Committee	5
Audit Committee	5
Budget Committee	5
Donations Committee	6
Part 3. Business Management Requirements	
For State of La	7
Annual Report	7
Change of Directors and/or Officers	7
Change of Registered Office / Agent	7
With Financial Institutions	7
Signature Authority	8
Meeting Minutes Authorizing Changes	8
Part 4. Investments	
Investment Restrictions	9
Requirements to Approve Budgets and Alter Investment	9
Restrictions Strategies	
Stop Gap Measures	9
Part 5. Income and Collections	
General	10
Dues	10
Dues Schedule	10
New Members	10
Renewals	11
Other	11
Half and Half	11
Socials	11

Part 5. Income and Collections (Continued)

Other	12
Safeguarding Cash / Receipts	12
Mail Receipts	12
Debit / Credit Cards	12

Part 6. Expenditures/Disbursements

WAVA President	13
Checking Account	13
Debit Card	13
Recurring Obligations	13
Food and Beverages	14
Socials	14
Donations	14
Jackson Barracks Museum	14
Enlisted Association	14
Officers Association	14
Other	14

Part 7. Accounting Procedures and Reporting

Preparing Deposits	16
Reconciling Bank Statements	16
Annual Budget	16
Quarterly Treasury Report	17
Annual Treasury Report	17
Annual Audit	17
Annual IRS (IRS Form 990) Report	

Forms

Deposit Reconciliation	
Debit / Credit Card Reconciliation	
Annual Budget	
Quarterly Reports	
Annual Reports	
Balance Sheet	

Part 1

General

1-1. General. There are specific requirements established for registered associations in the State of Louisiana as well as sound financial practices which must be observed and practiced for an organization to endure and be successful in that effort. These practices are essential for maintaining good order and will aid in eliminating any acts of impropriety, whether real, or perceived.

1-2. Purpose. This SOP prescribes policies and procedures required to conduct business as a registered association in the State of Louisiana and establishes financial policies not specifically covered by our by-laws.

1-3. Scope. This SOP applies to all WAVA business and financial activities. No deviation from these policies is authorized unless specifically approved by a majority vote of the Board of Directors.

1-4. How to Recommend Changes to This SOP. Recommended changes should be made via the WAVA Suggestion Form, fully justifying the recommended change and submitted to the Board of Directors no later than two (2) weeks prior to the next scheduled Board Meeting.

Part 2

Committees

2-1. Finance Committee. This committee shall consist of four (4) members, appointed by the President. Upon receiving information from the WAVA Treasurer as to the funds available for investment, along with his/her recommendation, the Finance Committee shall review and report their recommendation to the Board of Directors at the next WAVA meeting or earlier if situations dictate. The Board of Directors will make the final decision on any investments to be made. Additionally, the Finance Committee is responsible for the preparation and presentation of the Annual Budget. See Part 7, Paragraph 7-4. Annual Budget for additional guidance.

2-2. Audit Committee. This committee shall consist of three (3) members, appointed by the President. It shall perform an annual audit of the Treasurer's records and make an Audit Report no later than the second regular meeting (April of each year) of the Board of Directors. The Treasurer shall make himself and the records available to the Audit Committee upon request, but is not a sitting member of the committee.

2-3. Budget Committee.

This committee shall consist of three (3) members appointed by the President, one of whom shall be the Treasurer. It shall meet no later than the 1st of September of each year to prepare the budget for the upcoming fiscal year. It shall be provided with the necessary records required to prepare as accurately as possible, a thorough and complete budget, in the format used by the association, no later than the September board meeting. The budget presented must be based on objective historical financial information.

a. The budget, as a minimum, must forecast the following areas.

1) Income.

- a) Dues
- b) Interest / Dividends Earned from Investments
- c) 50/50 Earnings
- d) Socials
- e) Merchandise Sales
- f) Miscellaneous

2) Expenses

- a) Recurring
- b) Meetings (including Food and Beverage)
- c) Fraternal

- d) Administrative (i.e., office supplies)
- e) Functions (socials, ceremonies, etc... NOT meetings)
- f) Awards
- g) Other (i.e., donations)

2-4. *Donations and Grants Committee.*

a. This committee shall consist of three (3) members, appointed by the President. Its sole responsibility shall be to qualify, or disqualify, any and all requests for donations from WAVA. Furthermore, it shall insure that said requests do not exceed the established guidelines for donations to any one organization. Those guidelines are established in Part 6, Disbursements / Expenditures.

b. This committee shall report to the board of directors their recommendations for all donations and grants. The final authority to approve, or disapprove, rests with the board of directors

Part 3

Business Management Requirements

3-1. *With the State of Louisiana.* The Secretary of State's (SoS) office requires several reports be submitted in a timely manner. The Secretary of the association is responsible for the timely and accurate submission of all reports to the Secretary of State's office. Only the Annual Report has a set date requirement. The specific requirements for this report are identified below. The forms required are changed from time-to-time and can be obtained by visiting the SoS's website at www.sos.la.gov. Once on the website's Home Page click on the Business Services tab at the top then click on the File Business Documents tab on the drop down menu. On the File Business Documents page search for the appropriate form, print it out and complete it. Follow the instructions on submitting the form. Additionally, the fees charged for these filings can be found on the File Business Documents page and should be checked prior to filing any forms since these may change from time-to-time. Additional instructions are provided next to each report to be filed. In some instances, these may be easier steps to follow.

a. Annual Report. From the SoS Homepage, you can access the Commercial Database. From there, you will type in the business name (without the corporate ending, i.e. L.L.C. or Inc.) and click "search". A list of businesses will then appear. Click on the "details" button next to the name of your business. All of the information regarding WAVA will appear on your screen. If the annual report is due to be filed (or up to 4 weeks prior to the due date), you will see a bar at the top of the page that says "Print Annual Report Form for Filing". You may also file the Annual Report online. It is due during the month of July of each year.

b. Change of Directors and/or Officers. If there is a change in the Officers of the Board of Directors, this form is required to be filed as soon as the change becomes effective. Typically, this should be accomplished by the 15th of January, unless there is a mid-term replacement, which the notification should be submitted as soon as possible after the replacement assumes his/her duties.

c. Change of Registered Agent. In United States business law, a registered agent, is a business or individual designated to receive service of process (SOP) when a business entity is a party in a legal action such as a lawsuit or summons. The registered agent's address may also be where the state sends the paperwork for the periodic renewal of the business entity's charter (if required). The registered agent for a business entity may be an officer or employee of the company, or a third party, such as the organization's lawyer or a service company. Failure to properly maintain a registered agent can affect a company negatively. This form requires the authentication of a Notary and must be filed as soon as there is a change.

3-2. *With Financial Institutions.* Both our bank and Investment Brokerage have their own sets of required documents allowing us to conduct business with them. No matter what their requirements are the following shall be required by both.

a. **Signature Authority.** Checking and investment accounts should be subject to a dual-signature requirement even though it is inconvenient. This internal control is related to cash disbursements and requires two authorized signatures on all company checks. Each institution has their own form of signature authority requirements. The important thing to remember is whenever there is a change to anyone who previously had signature authority the requirements must be changed. This change shall take place within two (2) weeks of the change occurring within the association. As a minimum, the Treasurer and the President shall have signature authority. The President may select up to, but not more than two (2) additional individuals, the 1st Vice-President and the Secretary, with signature authority. The additional individuals may be necessary due to an individual not being available when signatures are needed.

b. **Meeting minutes Authorizing Changes.** Most institutions require the minutes of any meeting authorizing the change of our directors / officers allowed to sign for, or access our accounts. The Recording Secretary shall insure the minutes from any meeting are available within (2) working days following such meeting. They shall be provided to the President with two (2) additional copies.

Part 4

Investments

4-1. *Investment Strategies.* In consideration of the fiduciary responsibilities of all Directors / Officers of the association to protect and grow the financial resources of WAVA, we must take care to protect and increase the body of our investments. While markets can be volatile, reasonable care and attention can mitigate fluctuations and losses.

4-2. *Requirements to Approve Budgets and Alter Investment Restrictions and Strategies.*

a. Approval of Budgets. All budgets and / or changes to such shall be approved by a majority (minimum 10 votes) vote of the Board of Directors.

b. Alter Investment Restrictions and Strategies. All investment restrictions and / or strategies and changes to such shall be approved by a two-thirds (2/3) majority (minimum 12 votes) vote of the Board of Directors.

c. Stop-Gap Measures. Currently there is a \$600,000.00 Stop-Gap safety in place for our investment broker to impose if the market trends show a down-turn on our investments. At that point all of our investments will be converted to cash to prevent any further loss. This measure must be reviewed periodically to insure there is never a significant loss in our investment accounts.

Part 5

Income and Collections

5-1. General. This part discusses the separation of duties between the person(s) receiving cash and the person(s) responsible for maintaining accounting records, as well as the handling procedures involved in the different methods which monies are received by our association.

Money must be deposited promptly and intact. Cashing checks from deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling of personal and WAVA funds, and modification of cash records are all serious offenses and may result in immediate discharge from employment and/or prosecution.

Any, and all, checks received for payment shall be immediately endorsed and signed prior to being turned-over to the Treasurer, unless the Treasurer is receiving the payment(s). The following individuals shall have an endorsement stamp issued to them.

- a. President
- b. Treasurer
- c. Secretary
- d. 1st Vice-President
- e. Office Manager
- f. Merchandising Chair

5-2. Dues.

- a. Dues Schedule.
 - 1) Annual dues are to be raised at an annual rate of \$5.00 per year, beginning January 2016 until they reach a maximum of \$30.00 per year. Thereafter, every 5 years they shall be reviewed, in committee, to determine if another increase is required.
 - January 2016 - \$20.00
 - January 2017 - \$25.00
 - January 2018 - \$30.00
 - 2) This increase shall apply to both the active and associate membership.
 - 3) Perpetual Membership Fee. Perpetual Memberships is \$300.00.

b. **New Members.** New members shall submit a completed application and payment to the Secretary. The Secretary shall record the payment and update the rolls as necessary to insure the new member's information is posted. The Secretary shall make two (2) copies of the application and provide one (1) copy to the administrative consultant to be posted on the contact roster with email address, physical address, and phone numbers. The second copy, with the payment, shall be forwarded to the Treasurer for posting to the financial records and immediate deposit into the general fund.

c. **Annual Renewals.** Annual Renewals shall follow the same process as for new members except the application shall indicate they are an annual dues payment and not a new member. The same copy and treasury procedures above shall apply.

d. The Secretary shall invoice all annual paying members no later than the 1st of October for the upcoming year's dues. When those payments are received the same documenting and accounting process as for new members shall be followed.

5-3. Other.

a. **Half and Half (50/50).** Half and half proceeds shall be delivered to the Treasurer, along with any other collections (merchandise sales, new member's dues, dues renewals, etc...). These collections shall be recorded in the meeting's minutes. The Treasurer and the individual handing the funds over to the Treasurer, shall sign a duplicate receipt recording the transaction, with each keeping a copy of the transaction. The Treasurer will insure they are deposited into the general fund in a timely manner. The winner of Half and Half shall receive his / her winnings that evening.

b. **Socials.** The handling procedures for income from socials is more complex because of the different sources providing these monies. Each of these sources is discussed separately to eliminate any confusion of individual responsibilities.

1) **RSVPs.** RSVPs in advance will typically be handled by the 1st Vice-President. He shall meet with the Treasurer at an agreeable time to periodically turn-in collections so they may be deposited into the general fund. Accountability of these funds shall be maintained on the Social Event Registration Log found in the Socials SOP.

2) **Door Payments.** Payments received at the door shall also be logged on the Social Event Registration Log and be turned over to the Treasurer at the end of the event.

3) **Merchandise Sales.** Merchandise sales receipts shall be turned over to the Treasurer at the end of the event. The Merchandise Committee Chair shall maintain an inventory of all items sold including an accounting of credit card sales through our merchant account.

4) **Half and Half.** These proceeds shall be accounted for in the same manner as above. The winner of Half and Half shall receive his / her winnings that evening.

5) The Social Event Financial Recap (see Socials SOP) is an automated report showing the reconciliation of all monetary transactions for that event. The report shall be completed by the Social Committee Chair and reported to the board at the next scheduled meeting. A record of all funds received on the evening of the social shall be reported to the Recording Secretary for inclusion in the minutes of the event.

6) The fees for attending socials is as follows. Advance RSVPs are \$20.00 per person. Children 12 and under years of age attend at no charge. If registrations are not received earlier than ten (10) days prior to the May and September socials, or payment is made at the door with no advance notice, a \$5.00 late fee, per person, shall be imposed.

c. Other sources of income may be donations received through the mail, donations received from other organizations (i.e., 5th Company Reenactors may make a donation), personal donations made by members during meetings, members donating back to WAVA Half and Half winnings, etc. These donations shall be handed over to the Treasurer for immediate deposit into the general fund. An accounting of these other sources of income shall be provided to the Recording Secretary for inclusion in the meetings minutes. Additionally, the Treasurer and the individual handing the funds over to the Treasurer, shall sign a duplicate receipt recording the transaction, with each keeping a copy of the transaction.

5-4. Safeguarding Cash / Receipts.

a. When opening the mail and a payment has been discovered, this payment shall be immediately endorsed and signed then logged on a mail payment receipt log and placed in WAVA's safe, along with all other cash / receipts, until they can be deposited into the general fund at the earliest possible time. Monies placed in the safe shall be turned over to the Treasurer as soon as possible.

b. Credit / Debit cards shall be restricted to the individuals identified below. From time-to-time an individual may need to let another party use his debit card because of availability. The responsibility for that card rests with the individual assigned. All receipts must be submitted, attached to an invoice describing the expenditures.

c. The issuance of debit cards is restricted to the following individuals.

- President
- Treasurer
- 1st Vice-President

Part 6

Disbursements / Expenditures

6-1. WAVA President. The President has been authorized, by approved resolution, to spend up to \$1000.00 per month, at his discretion, for the day-to-day running of the organization. These expenditures may include, but are not limited to, food for meetings, office supplies, beverages, paper products, etc. These funds must be accounted for by turning in all receipts, attached to a reconciliation report, at the end of the month, to the Treasurer. The debit card shall be used for these discretionary expenditures. An example of the WAVA Reconciliation Report is attached.

6-2. Debit Card. The debit card is to be used for discretionary spending only and is limited to \$400.00 per day. Additionally, when debit cards are used the purchases should be acknowledged by two (2) individuals authorized to make disbursements. This may be accomplished when the receipts are turned over to the treasury they include the signatures of both parties privileged to the purchase. As stated above, all debit card expenditures must be reconciled and turned in to the Treasurer at the end of the month.

6-3. Checking Account. Whenever a check is written for WAVA funds two (2) signatures shall be required. The signatures on file at the financial institution where our funds are held shall be the only signatures authorized to sign checks.

6-4. Recurring Obligations. WAVA is under contract with several vendors for services and is billed either monthly, or annually for these services. These vendors and their billing period are identified below. Access information (user identification and password) can be obtained from the Treasurer on a need-to-know basis.

Vendor	Billing Period	Renewal
Eagan Insurance (Liability Insurance)	Annually	Annual
Cox Cable (Internet Provider)	Monthly	Annual
Aplus (Domain Host, www.washingtonartillery.org)	Annually	March
(Website Host)	Annually	April
Clover Go Merchant Services (Merchant Account)	Monthly	Annual

Vendor	Billing Period	Renewal
Office Manager	Monthly	30 th
Custodian	Monthly	30th

When a change in responsibility occurs we shall contact each of these vendors and provide them with the new contact information of the responsible individual no later than 30 days after change of responsibility occurs.

6-5. Food and Beverage. Food and beverages are provided at all meetings and social events. They are provided at no charge to the membership with the exception of the Annual Seafood and BBQ Dinners in May and September, respectively. The 1st Vice-President shall be responsible for the management of the Food and Beverage program. All receipts for the meals provided during either the meetings or the socials shall be turned over to the Treasurer, or his designated representative, the night of event. They shall be attached to the invoice with a description of what the monies were used for.

6-6. Socials. WAVA conducts two (2) social events a year. The Seafood Dinner and the BBQ Dinner. Additionally, we participate with the active battalion in the Wreath Laying Ceremony at Metairie Cemetery. There are expenses associated with all three of these events. All receipts shall be turned over to the Treasurer, or his designated representative, no later than the close of these events.

6-7. Donations. Several times through the course of the year we are asked for donations to support organizations through financial contributions. These organizations include, but are not limited to:

a. The Louisiana National Guard Military Museum. WAVA has traditionally contributed, financially, to the museum every few years. Our contributions have been significant, ranging from \$2,500.00 to as much as \$5,000.00.

b. The Louisiana National Guard Enlisted Association (LANGEA). The active battalion traditionally comes to WAVA to support its participation at the state enlisted convention. We provide funding to support one (1) junior enlisted person and the provision of refreshments in the hospitality suite. Our contribution has ranged from \$800.00 to \$1,000.00.

c. National Guard Association of Louisiana (NGALA). NGALA has traditionally asked us to support the state convention. We do with a \$1,000.00 donation to the association.

d. If caution is not taken our ability to support these organizations continuously could be diminished. Therefore, all requests for donations must be received at least 60 days prior to the need for the funds. The request shall be provided to the Donations Committee for review and a recommendation of approval or denial of any request.

A denial must be fully justified, in writing, back to the requesting organization within 30 days of the request. Any variation from this policy shall require a two-thirds vote of the Board of Directors.

The following restrictions are place on our donations program.

a. All donations are restricted to no more than twenty-five percent (25%) of the previous year's growth in investments (i.e., if we netted \$30,000.00 on our investments in 2015 then \$7,500.00 will be available for donations during 2016).

b. Furthermore, the following restrictions shall apply to the individual donations identified in 6-7. a., b. and c. above.

- The Louisiana National Guard Military Museum: 20% of allocated donations funds
- The Louisiana National Guard Enlisted Assn: 20% of allocated donations funds.
- The Louisiana National Guard Officer's Assn: 20% of allocated donations funds.

c. All remaining funds for donations shall be managed by the Donations / Grants Committee.

Part 7

Reports

7-1. General. There are specific financial reporting requirements and procedures established in our By-Laws and other Standard Operating Procedures which are identified and described here. In this chapter we have provided the detail required to complete these reports. These practices are essential for maintaining good order and will aid in eliminating any confusion on the current state of our treasury.

7-2. Preparing Deposits. Deposits must be made as soon as possible after receipt of cash. Ideally the treasurer can make these deposits either the day of receipt, or the next business day. However, it may be necessary for others who are authorized to transact with our financial institution to make these deposits. This would include the President, the 1st Vice-President or the Secretary. In any event, the record of deposit must indicate where the deposited funds came from (i.e., merchandise sales, half and half money, membership dues, etc...). The Deposit Reconciliation shall be used to accomplish this.

7-3. Reconciling Bank Statements and Credit / Debit Card Receipts.

a. The Treasurer, along with the Merchandise Chairman, is responsible for reconciling the monthly bank statements and Merchant accounts as they are received. Once reconciled they shall be maintained in the WAVA office files. These files shall include all Deposit Reconciliations as well as all Debit / Credit Card and Merchant Account Reconciliations.

b. Processed debit / credit card charges/credits must be handled properly and timely. Each individual authorized to use a debit / credit card shall reconcile their receipts and turn them over to the Treasurer within five (5) days after the end of the month. They shall use the Debit / Credit Card Reconciliation.

c. Sales forms and invoices must be pre-numbered and accounted for to ensure all sales are billed and recorded.

d. As an added safeguard the Audit Committee should consider cursory audits quarterly.

7-4. Annual Budget.

a. The Budget Committee shall prepare an Annual Budget and submit it to the Board of Directors for approval no later than the October Board meeting. They shall be provided all the historical information necessary to present as accurate a projection of income and expenses possible. As a minimum they shall be provided the following information.

- Number of members paying dues
- Projected interest on investments
- 50/50 projections
- Projected merchandise sales
- Anticipated socials attendance
- Any anticipated miscellaneous sources of income
- All recurring expenses
- Anticipated meetings expenses
- Anticipated Fraternal expenses
- Anticipated administrative expenses
- Anticipated functions expenses
- Anticipated awards expenses
- Other projected outlays

b. This information shall be made available to the Budget Committee upon their request, but no later than the 1st of September. The Budget Committee shall use the attached Annual Budget Template for the preparation of their budget. It is recommended the budget be sent to the board members in advance of the meeting so they will be prepared to discuss and approve the budget in a timely manner.

c. No more than Seventy-Five percent (75%) of the previous year's growth in investments (i.e., if we netted \$30,000.00 on our investments in 2015 then \$22,500.00 will be available for budgeting during 2016. This number includes the 25% for donations) shall be used towards the operating budget. The balance of operating capital requirements shall come from the income generated throughout the year (i.e., dues, 50/50, socials, merchandise sales, and miscellaneous income). If not enough income exists for projected needs, then it is the responsibility of both the Finance Committee and the Budget Committee to work together to either make recommended cuts or determine if a resolution is required to raise the restrictions identified in 7-4. c. above before presenting the budget to the board of directors.

7-5. *Quarterly Treasury Report.* The Treasurer shall prepare Quarterly Treasury Recap and Balance Sheet Reports to be presented at the April, Jul and October Board Meetings. He/she shall use the attached templates for the presentation of this report. It shall be prepared as of the last day of each quarter.

7-6. *Annual Treasury Report.* The Treasurer shall prepare the Annual Treasury Recap and Balance Sheet Reports to be presented at the January Board Meeting. He/she shall use the attached templates for the presentation of this report. It shall be prepared as of the last day of each quarter.

7-7. *Annual Audit.* The Audit Committee shall be provided all necessary records and documentation to conduct a thorough audit of the treasury no later than the January board meeting. They shall audit the records of the preceding year only, unless specifically requested to do otherwise, by the board of directors. Their report shall be completed and presented to the

board of directors no later than the April board meeting.

7-8. *Annual IRS (IRS Form 990) Report.*

The proponent officer for this SOP is the Secretary. Users are invited, and encouraged, to send comments and suggested improvements on the WAVA Suggestion Form directly to the Secretary for review and appropriate action.

By order of the Board of Directors:

Ernest Guerra
President, WAVA

Official:
Russell A. Mayeur, Sr.
Secretary, WAVA