



MICHIGAN AMATEUR
HOCKEY ASSOCIATION

FINANCIAL PROCEDURES
MANUAL

APPROVED MAY 13, 2016

Procedures & Forms

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Special Notes

- When using the document, if you have any questions or need further clarification, please contact the MAHA Treasurer.
- When the document refers to “Treasurer” this applies to the MAHA Treasurer as well as the 2-8 District Treasurers.
- When this document refers to “Secretary” this applies to the MAHA Secretary as well as the District 2-8 Secretaries.
- When this document refers to “Board of Directors” this applies to the MAHA Board of Directors.
- When this document refers to “Executive Committee” this applies to the MAHA Executive Committee.

Section #1 – Cash Receipts Handling

From time to time it is necessary for our volunteers to receive cash as a means of payment. When dealing with cash receipts, it is very important to follow the procedures outlined below. This allows for proper record keeping and provides a paper trail in case there are discrepancies.

Cash Receipt Handling Procedure

- If you receive cash as a payment, give a receipt to the person making the payment. Also please keep a copy of the receipt with the cash. Both copies of the receipt should be signed by both parties involved.
 - The receipt should document the date of payment, person making the payment, reason for payment, and amount of the payment.
- If you are seeing the Treasurer within 7 days, give the cash to the Treasurer along with the receipt.
- If you are not seeing the Treasurer within 7 days, go to your local financial institution and get a cashiers check or purchase a money order with your cash and mail it to the Treasurer. Make a copy of the cashiers check or money order for your records. If there is a fee to purchase the money order, take the fee out of the money being sent.

Section #2 – Check Receipts Handling

Checks are the most common method of payment to MAHA. Checks are always preferred over cash payments as they provide more documentation.

Check Receipt Handling

- All check payments should be made payable to MAHA or Michigan Amateur Hockey Association. Checks should never be made payable to an individual.
- The memo line should reflect the reason for payment. This allows for easier entry into the financial accounting software.
- Upon receiving a check as payment, make sure the numeric dollar amount on the check matches the written dollar amount on the check. Financial institutions will always go by the written amount.
- Once you have verified the dollar amount on the check, please create a statement to be given to the Treasurer. The statement must include date of payment; check number, who the check is from, and the purpose for the check payment.
- Make a copy of the checks for your records.
- Within 7 days hand deliver the checks to the Treasurer or mail.

Section #3 – Expense Reimbursement

During the course of doing business, the MAHA realizes that our volunteers will need expenses reimbursed for mileage or goods/services purchased on behalf of the MAHA.

Reimbursable expenses may be for goods purchased, services, lodging, food/meals and mileage for the volunteer while conducting necessary and approved business on behalf of the MAHA.

- **Lodging, Meals and Tips**
 - Reasonably priced hotel accommodations will be reimbursed for eligible trips. Reasonable meal expenses incurred during an eligible trip and customary and reasonable tips are also reimbursable.
 - When paying for a group meal or entertainment all names of participants must be listed on the receipt.
- **Non-Reimbursable Expenses**
 - Personal entertainment expenses; movies, games, health club, golf outings, alcoholic beverages (unless a reasonable charge as part of a covered meal) and other optional entertainment unless included and part of a meeting fee.
 - Valet parking, unless the hotel or venue prohibits guests from parking their own vehicles
 - Travel accident insurance premiums
 - Costs incurred by failure to cancel transportation or hotel reservations
 - Traffic and/or parking violation fines
 - Travel expenses for spouses are not reimbursable except where expenses are not separable i.e.. taxi fare, hotel room and MAHA does not incur additional expense.

Mileage

Annually MAHA will review the official mileage rate set by the Internal Revenue Service to determine the MAHA mileage rate. The annual MAHA mileage rate will be set at the winter meeting for the next fiscal year.

Reimbursement Process

- Please remember when on MAHA Business, you are expected to make your purchases as you would if they were your own personal expenses. As a volunteer of the MAHA you represent the organization, all expenses should be appropriate and in keeping with their goals of MAHA.
- The MAHA has tax-exempt status with several companies. When making a purchase please attempt to exclude Michigan Sales tax, understanding this may be unavoidable. The MAHA Tax ID Number is 38-2556088. Notify the cashier when making your purchase and taxes may be exempted. For large purchases call ahead to find out if any paperwork needs to be done ahead of time. We are already setup with companies such as Staples and Office Max. Copies of the ID card for those companies can be found in the Chairpersons Workshop book.
- After making a purchase, complete the MAHA Expense Report and attach receipts for each item. All items must have receipts. When completing the report, document the reason for the expense so it can be properly classified in the accounting system.
- Always sign and date the expense statement.
 - Note: Even when scanning/emailing the statement and receipt, you must sign your expense statement before scanning it.
- Have the Expense Reports approved by an authorized individual.
 - Expenses Reports submitted to MAHA by a member of the Board of Directors (except President) are to be approved by the President.
 - Expenses submitted by the MAHA President are to be approved by the MAHA Audit Committee Chairperson.
 - Expenses Reports submitted to the District (except District Chairperson) are to be approved by the District Chairperson
 - Expenses Report submitted by the District Chairperson are to be approved by another District Director, not the Treasurer

Within 30 days of your expenses, hand deliver, scan/email, or mail to the authorized individual listed above who will approve them and forward to the appropriate Treasurer for payment. The Treasurer will scan a copy of the expense

statement and all accompanying receipts into QuickBooks and attach them to the payment record

Section #4 – Purchasing

In 2011, the MAHA instituted a purchasing policy for goods and services to provide a more efficient and timely manner in which purchases can be made. This policy must be followed at all times unless otherwise determined by the Executive Committee.

In addition to his or her responsibility to purchase goods and services following the procedures explained in this manual, each volunteer remains accountable for the expenditure of the MAHA Funds in a manner that is necessary, appropriate, and in keeping with the MAHA Membership and their trust. All purchases made for the MAHA become the property of the MAHA. No purchase shall be made that is of a personal nature whether through the use of MAHA funds or with personal funds using the MAHA's purchasing power or name to receive favor from a vendor.

The Ethics of Purchasing

Volunteers authorized to make purchases for the MAHA are entrusted with funds that belong to the MAHA. These funds must be expended only for purchases specifically related to the delivery of services to the volunteers/membership as appropriated in the budget adopted by the Board of Directors.

Conflict of Interest

Volunteers must follow the MAHA Conflict of Interest Policy. This Policy is available on the MAHA website.

Purchasing Procedures

The use of the MAHA's purchasing process is critical to the effective, fiscally responsible operation of the MAHA. The process typically accounts for larger purchases of the MAHA's total budget.

An important part of the MAHA's purchasing process is the budgeting system, which consists of these planning steps:

- Identify the need
- Budget for expenditure
- Receive approval of your budget
- Evaluate the all options
- Select the best options

Generally, the greater the expenditure the greater the need to perform these functions in detail.

The MAHA's purchasing process is structured to place as much responsibility as possible in the Volunteer purchaser's hands. As the dollar amount of an anticipated purchase increases, the specification and bid procedures become increasingly important, helping to ensure the effective use of the MAHA funds, maintain fairness and equity for all vendors, and provide documentation necessary to protect the individual making the purchase. The purchasing approval procedure also becomes increasingly formal, moving from the purchaser, to the Executive Board as the amount exceeds \$3,000.

Competitive Bidding Process– Purchase of Goods or Services Over \$5,000.00

The use of the competitive bidding process is fundamental throughout the purchasing process of the MAHA. All purchases greater than \$5,000.00 must be competitively bid in a manner that is fair and in the MAHA's best interest. Competitive bidding is an effort to purchase at the lowest price that meets MAHA specifications. Therefore, the MAHA is not obligated to accept the lowest bid, if that bid does not meet specifications. Exceptions to competitive bidding may occur; these exceptions are identified in this manual. A minimum of three bids should be requested prior to making a decision.

Splitting Purchases

The purchasing system has been designed to expedite purchases by delegating more authority to the volunteer while maintaining the integrity of the competitive bidding process. Therefore, the practice of splitting purchases so as to eliminate a need to solicit written quotes, sealed proposals, and/or requiring the bid process will not be acceptable.

Charging Goods or Services to the MAHA

Charging goods or services to the MAHA is a normal function of day-to-day business activities.

- When you charge goods or service always use the MAHA Corporate name and address:

MAHA or Michigan Amateur Hockey Association
5007 Washington St
Midland, MI 48642-3362

- The volunteer must use their last name as a purchase order number.
- Statements/invoices are to be mailed to the corporate address via US Postal Service or emailed to the treasurer's email address.
- A copy of the invoice will be forwarded to you by the Treasurer for payment approval and to verify the goods or services are received or are in process so payment can be processed and issued. Invoice must be returned with your approval by signing and dating the invoice with your approval. You should also include what the item is for and the account to be charged.
- The Treasure will scan a copy of the invoice and any accompanying documents into QuickBooks and attach them to the payment record
- The MAHA is a tax-exempt corporation under a 501(3) c designation and is exempt from Michigan Sales Tax. When making a purchase please attempt to exclude Michigan Sales tax, understanding this may be unavoidable. The MAHA Tax ID Number is 38-2556088.

Fixed Asset Records

All MAHA fixed assets must be registered with the MAHA Treasurer. A tag will be issued and is to be fixed to the asset. The tag should note the asset number and in service date. This will help with accounting record keeping and inventory analysis.

Section #5 – Writing Checks

When writing checks off of MAHA accounts, proper procedures must be followed. In addition, only authorized individuals should be signing MAHA checks.

Check Writing Procedures

- Checkbooks should be maintained by the Treasurer and should be held in a secure location. They should not be left out where they can be stolen.
- Checks should be completed and signed as needed. Checks should not be prefilled and left to sit for extended periods of time. Only sign checks when they are needed, never in advance.
- Checks should only be written after an invoice or reimbursement form has been reviewed and properly authorized. Payments should not be made on statements, only invoices.
- Checks should always be made payable as noted on the invoice. Checks should never be written to “CASH”.
- Checks at the MAHA Executive Committee level can be signed by the President, Treasurer, or the Secretary. Checks at the District level can be signed by the Chairperson, Treasurer, or MAHA Treasurer.
- Supporting documentation must be marked when payment is made with the check number and uploaded to QuickBooks.
- Voided checks are to be marked “VOID” and retained for accounting purposes.
- At NO time should checks be made out to cash or should cash be used to pay individuals or companies for their goods or services.

Section #6 – Bank Account Reconciliations

A vital function of the Treasurer is the reconciliation of all bank accounts. Reconciliations help to detect unauthorized access to funds in a bank account, as well as help monitor liquidity levels. Without proper review, unauthorized access can go undetected.

In order to maintain a segregation of duties, reconciliations should be completed and reviewed by an individual separate of the check writing process. If it is not possible for an independent individual to complete the reconciliation, the reconciliations should at the very least be reviewed by an independent individual.

- Bank accounts will be reconciled on a monthly basis and in a timely basis using QuickBooks.
 - Reconciliations should be completed and reviewed within 30 days of the end of a month.
- Actual copies of monthly bank statements shall be forwarded to the Treasurer, and any other appropriate parties, after the reconciliation is complete.

Section #7 – Tax Exempt Status/Miscellaneous Items

The MAHA is a Michigan Corporation and has been awarded 501c3 status by the United States Internal Revenue Service.

The MAHA is recognized by the State of Michigan as being exempt from State of Michigan Sales Tax.

Both of these are important and vital to the operation and goals of the MAHA and must be protected at all times.

The MAHA operates on a Fiscal Year beginning on May 1 and of each year and ending on April 30 of the following year.

The MAHA currently uses QuickBooks online to record financial transactions. All transactions, including uploading of bills and receipts is to be done on QuickBooks online in a timely fashion.

By keeping financial records on QuickBooks online, this allows our Treasurer and our Accountant access to our financial records 24/7. The actual documents are to be kept by the Treasurer for a period of 7 fiscal years.

Section #8 – Budgets

The MAHA will follow the following budget process:

- QuickBooks shall be used for Budgeting.
- By December 15th of each year, the responsible person for the program or district shall receive a statement generated thru QuickBooks including total income/expenses for the previous fiscal year and total income/expenses for the first 6 months of the current fiscal year.
- By January 6th of each year, the responsible person for the program or district shall forward their budget for the next fiscal year to the treasurer using the proper budget format.
 - Document each Event, Program or Other expenses within you area
 - List each Event or Program separate and label accordingly so we can see the estimated expenses for each.
 - Add any additional expense categories you need to if the appropriate category has not been provided.
 - At the bottom of the sheet give us a brief description of your anticipated Events and Programs, including an estimate of the number of participants.
 - **Do not include use income to offset expenses. Just give us your expenses and we can calculate fees that need to be charged to cover expenses.**
- The Treasurer will forward the budgets on to the budget committee for review.
- By the MAHA Winter Meeting, the treasurer will prepare a budget for the next fiscal year for approval at the Winter Meeting.
- If the responsible person or district does not forward their budget to the treasurer by January 6th, the budget committee will create their budget for the next fiscal year.

Section #9 – W-9 Documents

- W-9 reporting is done on an annual calendar basis: January- December.
- A W-9 is required for:
 - All Purchases made from a person or vendor for goods or services (this includes legal and accounting services).
 - Purchases made from Corporations – (Incorporated, Inc. or LLC) – MAHA should request a W-9 in order to prove the incorporated status, as they can be excluded from the 1099 reporting requirement if we can verify the Corporation status.
- A W-9 is not required for:
 - Reimbursed expenses made to volunteers while conducting business on behalf of the MAHA
 - Purchases for goods or services made directly from Municipalities or Educational Institutions.

Section #10 – Forms

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