

Financial Policies

[name] County Farm Bureau

The [name] County Farm Bureau is committed to responsible financial management. The entire organization including the board of directors, administrative manager, and staff will work together to make certain that all financial matters of the organization are addressed with care, integrity, and in the best interest of [name] County Farm Bureau.

The policy and procedural guidelines contained in this handbook are designed to:

1. Protect the assets of [name] County Farm Bureau.
2. Ensure the maintenance of accurate records of the county's financial activities.
3. Provide a framework of operating standards and behavioral expectations.
4. Ensure compliance with federal, state, and local legal and reporting requirements.

The Executive Committee of [name] County Farm Bureau has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years.

Every Director with financial related responsibility and the Administrative Manager is expected to be familiar with and operate within the parameters of these policies and guidelines.

Financial Reporting

- Annual budgets are prepared by the Administrative Manager and Executive Committee and approved by the board of directors.
- Budgets are reviewed quarterly.
- A Chart of Accounts is available and used to code receipts and disbursements to the proper accounts.
- Non-standard journal entries are discussed with Michigan Farm Bureau's County Services Department.
- Monthly Financial Reports are provided to the Board of Directors within [redacted] days of the close of the period (month).
- Reference explanations for any and all budget variances of [redacted] % or more are included for the above referenced reports.
- Annual reviews will be conducted by an independent CPA at the close of each fiscal year. Copies of these reports are to be sent directly to the Board of Directors. Copies of the financial review/audit will be sent to the County Services Department of MFB by November 1.
- The Fiscal Period for the organization shall be September 1 through August 31.

Safeguarding Assets

- The Executive Committee shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Board are carried out.
- The Executive Committee/Finance Committee shall provide fiscal oversight in the safeguarding of the assets of the county Farm Bureau and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all financial records.
- Actual income and expenditures will be compared to the budget on a quarterly basis.
- All excess cash will be kept in an interest bearing account (see Investment Policies).
- Bank statements are promptly reconciled on a monthly basis.
- Inventory records will contain descriptions, serial numbers, date of purchase or receipt, and valuation.
- Appropriate insurance for all assets will be maintained.

Payroll Controls

- Changes in payroll (i.e., pay changes) are approved by the Executive Committee before payroll is updated through a MFB approved Payroll System or MFB. Payroll information should be safe guarded to ensure confidentiality.
- County Farm Bureau is responsible for timely filing of all payroll taxes if county manages their own payroll.

Policies on Disbursements

- The Administrative Manager has
 - a. Expenditure approval up to the limits set by the annual operating budget as approved by the Board.
 - b. Single signature authority up to and including **\$500** with the exception of the Administrative Manager's personal expense reimbursement items which must be approved by an Executive Committee member having check signing authority.
 - c. The deliberate splitting of vouchers or invoices which have the sole purpose or effect of meeting the parameters of this authority is expressly prohibited.
- Check requests should be used for expenditures over the approved limit and should be approved by the president or other Executive Committee member.
- All disbursements, except petty cash, are made by check and are accompanied by substantiating documentation.
- All checks are pre-numbered and accounted for monthly.
- All checks should be filed by vendor with supporting documentation.
- All voided checks must be defaced and retained and filed with the bank statement or with canceled checks.
- No checks may be written to "cash" or "bearer".

- Blank checks are stored in a locked drawer or cabinet.
- Check requests are required for all volunteer/committee reimbursements plus an attached receipt. All requests must be signed by the requestor.
- One of the three Executive Committee members and the Administrative Manager are the two signatures which are required on all checks over approved limits. Blank checks may never be signed in advance.

QuickBooks Online Plus

- Each user should have a unique log-in and password that is not the same as their network password or any password to other critical system they have access to.
- Password should meet complexity requirements (i.e. at least 8 characters, special characters, numbers, etc.) The credentials should not be shared with anyone else and should be kept securely stored in a locked drawer or cabinet.
- Password should be changed every 60 days.
- Multi-Factor Authentication (if/when available) should be utilized to ensure only authorized access to QuickBooks is occurring.
- If a shared computer is used for the office (i.e. desktop) the QuickBooks log-in ID and password should not be autosaved in the QuickBooks log-in screen.
- QuickBooks Online should not be accessed from a public WIFI connection and should be accessed over a secure connection only.

Policies on Receipts

- All checks and cash receipts received through the mail are restrictively endorsed immediately by the Administrative Manager and recorded in the cash receipts register, listing the date received, payer, check #, and amount received.
- Two copies of all receipts are made; one to be attached to the cash receipts register and one for the vendor file.
- All cash receipts are recorded on a monthly “Cash Receipts Register”.

Petty Cash Fund

- The administrative manager will act as the custodian of the petty cash fund.
- Petty cash disbursements are limited to \$_____ in amount.
- Any employee receiving petty cash must sign a petty cash voucher. The voucher must list the amount received, the purpose for which the cash is needed, and the date of the purchase. In addition, receipts for goods/services purchased must be attached to the petty cash voucher.
- The administrative manager will balance and replenish the petty cash account at the end of each month.
- Michigan Farm Bureau’s County Services Department and/or the regional manager may periodically count the petty cash account to verify accuracy during scheduled reviews.
- Petty cash should never be used to fund personal expenditures regardless of the time duration.

Bank Reconciliations

- The Administrative Manager shall maintain a record of all bank transactions, listing all checks disbursed and all receipts deposited on a daily basis.
- On a monthly basis, the Administrative Manager will reconcile the bank statements and notify the Executive Committee of any discrepancies.
- The Administrative Manager will resolve all discrepancies with the assistance of the County Services Department, and the bank, if necessary. The Administrative Manager will report the resolution of the discrepancies to the Executive Committee.
- The Bank Statement may be accessed via online banking for reconciliation purposes. User ID, password and challenge questions should be in writing and placed in locked file cabinet.

Credit Card/Debit Card

- If the county chooses to use credit or debit cards, the cards should be monitored very closely. The credit limit of such card will be \$_____. The County President and Administrative Manager will be set up to have online access to accounts. The Administrative Manager will present bank statements on a monthly basis to the executive committee.
- The Credit Card Module, within Quick Books (if applicable) should be used to assist tracking of receipts and payment of bills.
- Administrative Manager, Executive Committee or County Board member personal items should never be charged on the corporate credit or debit card.
- Supporting documentation is required for each transaction. Approvals are required by County President or Executive Committee prior to use for expenditures over \$500.
- Administrative manager's business expenses, such as lodging/travel/training requires executive committee signature.

Mobile Payment App linked to checking account

- If the county chooses to use a Mobile Payment App for purchases this account should be monitored very closely. The County President and executive committee will determine what type of purchases may be made this way.
- The Credit Card Module, within Quick Books (if applicable) can be used to assist tracking of receipts and payment of bills.
- Administrative Manager, Executive Committee or County Board member personal items should never be paid using the Mobile Payment App.
- Supporting documentation is required for each transaction. Approvals are required by County President or Executive Committee prior to use for expenditures over \$500.

Online Banking

It is acceptable for counties to pay bills online. The county administrative manager is responsible for updating Quick Books to reflect any bills paid online, until the time that QuickBooks software is connected to the bank electronically. Executive Committee must give prior approval to use online bill payment.

Adopted on [date] by the [county] County Farm Bureau Board of Directors.