

Ranger School Alumni Association Inc.  
Internal Control Policy  
To be voted on by the Association Board of Directors on 10/19/2019

Whatever their mission or size, all organizations should have policies and procedures established so that (1) boards and officers understand their fiduciary responsibilities; (2) assets are managed properly; and (3) the charitable purposes of the organization are carried out. Failure to meet these obligations is a breach of fiduciary duty and can result in financial and other liability for the board of directors and the officers. Effective internal controls will help to protect an organization's asset and assist in their proper management.

Internal controls are systems of policies and procedures that protect the assets of an organization, create reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. These systems are not only related to accounting and reporting but also relate to an organization's communication processes, internal and external, and include procedures for (1) handling funds received and expended by the organization, (2) preparing appropriate and timely financial reporting to board members and officers, (3) conducting the annual audit of the organization's financial statements, (4) evaluating staff and programs, (5) maintaining inventory records of real and personal property and their whereabouts, and (6) implementing personnel and conflicts of interest policies.

Implementation and monitoring of financial controls

- Procedures for Monitoring of Assets
  - Preparing an annual income and expense budget and periodic reports- at least quarterly. Comparing actual receipts and expenditures to the budget with timely variance explanations.
  - Writing and signing of checks or vouchers and receiving, recording, securing, and depositing cash and other receipts. Such procedures should ensure that no single individual is responsible for receiving, recording and depositing of funds or writing and signing checks. Checks and balances are essential to reduce the risk of embezzlement.
  - Ensuring that grants and contributions received are properly recorded, accountings required as a condition of any grant are completed and restrictions on the use of such funds, such as contributions given for a restricted purpose (e.g. building fund, scholarships) and prohibitions on the use of the principle of an endowment, are obeyed.
  - Requisitioning, authorizing, verifying, recording and monitoring of all expenditures, including payment of invoices, petty cash and other expenditures. Such procedures should ensure that no single individual is permitted to request, authorize, verify and record expenditures. For example, the same person should not be responsible for cash disbursements and bank reconciliations. These functions should be assigned to different individuals.

- Accessing, inputting and changing electronic data maintained by the organization. Preserving electronic records and ensuring data compatibility when systems change and creating an appropriate records retention policy are part of this process.
- Providing for regular oversight by an audit committee or, if there is no audit committee, by the executive committee to the board of directors itself.
- Reporting to the audit committee or board by employees and volunteers of allegations of fraud or financial improprieties.
- Ensuring that timely and appropriate financial reports are distributed to all directors and officers and reviewed by them, as well as the president.
- Providing procedures or approving contracts to which the organization is a party, including securing comprehensive bids from vendors.
- Making clear the responsibilities of all individuals involved with the organization, including the board of directors and officers, employees, volunteers and consultants, maintaining an organizational chart and updating the information as necessary.
- Preparing for the annual audit process in a timely manner.
- Developing a prudent investment strategy and providing proper oversight of the investment assets.
- Complying with governmental and other reporting requirements, including watchdog agencies.
- Complying with obligations to members, employees and the public, including their right, if any, to a copy of the organization's annual financial report.

#### Financial Controls

- Funds received will be entered by the Office Manager into a three-ring binder ledger into four different accounts
  - General Operating Checking
  - General Savings
  - Special Projects Checking
  - Special Projects Savings
- Funds will be logged by the office manager on to deposit slips and taken to the bank each week.
- General Operating Deposits, General Operating bills (if any) and correspondence are mailed to the treasurer. Treasurer records General Operating deposits into checkbook and the checkbook registry. Ledgers are included in the mailing to the treasurer every three months.
  - The income binder will be photo copied at a minimum of weekly and as part of the transfer to deposit slips
- Deposit slips will be ordered in triplicate, one for each of the following; Office Manager, Treasurer and bank.

- Special Projects deposits are entered into the checkbook and checkbook registry by the office manager. The deposit will be made by an authorized board member after reviewing for accuracy.
- Treasurer writes checks for General Operating Expenses
- Office Manager writes checks for Special Projects and, when necessary, an authorized Board member will sign the checks.
- Every three months, the Treasurer and Assistant Treasurer review the ledgers for the General Operating and Special Projects accounts. All data is entered into GnuCash. Balances are compared with bank statements for any missing data or reconciles. Reports to the board are generated from GnuCash.

#### Physical Controls

- Any and all funds received will be kept in a locked drawer in the Alumni Office located at the SUNY Ranger School Campus in Wanakena, NY by the Office Manager.

#### Financial Controls

- For each transaction, the funds received (cash, checks) will be entered into a pressed number receipt book (duplicate copies, so the information that the donor gets agrees to the receipt book) as individual entries by the Office Manager stating the date the funds were received, who provided the funds, what the funds were for and the amount received. Signs stating "Get Your Receipt" should be prominently displayed where the Officer Manger receives funds.
- The Office Manager will prepare deposit slips for each account based on the numbered receipts. The deposit will be checked for accuracy by a member of the Board of Directors by comparing the deposit total to the detailed receipt book making up each deposit. Funds will be deposited on a weekly basis by a member of the Board of Directors into appropriate accounts.
  - General Operating (GO) Savings
  - Special Projects (SP) Savings
  - Restricted Funds
- Transfer of funds from the GO and SP Savings accounts must be approved by vote of the Board of Directors at their annual meeting, or by unanimous written consent by mail or electronic mail
- All checks in excess of \$2,500 will need to be signed by two individuals; the Office Manager and the Treasurer. Checks in excess of \$2,500 must have prior approval of the Board and when applicable, bids/ quotes must be sought by a minimum of three (3) sources.
- Reconciliation of all accounts will be done on a monthly basis by two of the following individuals; Office Manager, Treasurer or Authorized Board Member.

#### Audit Committee

- The Audit committee was established as a Special Committee by the Board of Directors on June 8, 2019. It was approved as a Committee of the Board by the membership by vote to approve the Amended and Restated By-laws on August 3, 2019.

#### Finance Committee

- The Finance Committee is co-chaired by the Vice President and the Treasurer. At the time of the vote of this document it contains three (3) additional members of the Board of Directors.

Whistleblower Policy is a standalone document to be voted on in conjunction with this document.

Conflict of Interest Policy is a standalone document to be voted on in conjunction with this document.