

# USA Shooting Financial Procedures Manual

## Purpose

This manual provides guidance on internal controls that follow generally accepted accounting principles (GAAP). It outlines the steps and guidelines necessary to maintain financial accountability within USA Shooting and accurately record its financial transactions.

## Responsibility

- The Accounting Manager reports to the CEO and is responsible for the day-to-day financial operations and controls.
- The CEO is ultimately responsible for the company's financial performance.

## Auditor

- Per USA Shooting's bylaws, the Audit Committee is responsible for recommending an external auditor to the board annually. The selected auditor's role is to conduct a financial review of the company's financial statements and to provide an audit report. This report will include the auditor's opinion on the accuracy and fairness of the financial statements prepared by the company.
- The chair of the Audit Committee will coordinate with the external auditor and serve as the intermediary between the auditor and staff.
- The resulting management letter serves as a tool to validate current procedures and identify areas for improvement.

## Records

- Accurate record-keeping and retention of financial records are critical to protecting the organization and its employees.
- As a result, all personnel must properly record and store monthly financial statements and documents in accordance with USA Shooting's Document Retention Policy.

## Internal Controls

- These procedures are intended to avoid fraud and errors by ensuring that different people are responsible for approving payments, maintaining records, and overseeing financial transactions.
  - In some cases, staffing levels may make it difficult to implement ideal internal controls. In these cases, practical controls should be implemented to protect employees and company assets while maintaining a realistic workload.
  - Balance sheet accounts should be reconciled regularly to prevent problems from compounding over time.
  - The Chief Executive Officer (CEO) or a designated representative must review all monthly financial transactions.
  - It is of utmost importance for all staff to promptly report any inconsistencies.

# Purchasing, Expenses, and Reimbursements

## Pre-Approval Requirement

- All expenses, whether paid directly by the company or reimbursed to the employee, must be pre-approved by the Accounting Manager and CEO or CFO. This is to ensure that all expenses are legitimate and necessary for business purposes, and that they fit within the budget and financial plan.
- Exceptions to this pre-approval requirement may be allowed in certain circumstances, such as emergency or unforeseen expenses that are critical to business operations. In such cases, expenses should be reported and justified to the appropriate authority as soon as possible after the expenditure.

## Submission Timelines and Non-Compliance Consequences

- All employees, support staff, volunteers, and athletes are required to submit their expense reports, credit card reconciliations, and advanced funds reconciliations within 5 business days of return or by the 10th of the following month, whichever is earlier.
  - Missing the deadline of the 10th could lead to a denial of reimbursement and will require intervention by your manager.
- It is the duty of staff liaisons to ensure compliance with this submission timetable from athletes and support staff.
- If you have the authority to authorize or approve expenditures, it is your duty to ensure that such submissions are made within the established deadlines.
- Consistent failure to adhere to these rules may result in the revocation of company credit card privileges or the initiation of a performance improvement plan, which could culminate in termination.
- Should volunteers or athletes regularly fail to comply, they may face a prohibition from submitting any future requests for reimbursement or advances.

## Reimbursements

### Definition

- Reimbursements involve the process where individuals cover business-related expenses out-of-pocket and later receive money back from the company based on official receipts and/or invoices they submit.

### Staff Reimbursements

- Bill.com must be used for all expenses to be reimbursed, regardless of how they were incurred.
- It is recommended that employees use their company credit cards whenever possible.
- Reimbursement should be the exception.

### Non-Staff Reimbursements

- Receipts and invoices must be submitted to USA Shooting using Bill.com for reimbursement processes. Follow the outlined steps to ensure a smooth setup and reimbursement process.

### Submission via Bill.com:

- Athletes and support staff should use Bill.com for all reimbursement submissions.

### **New Bill.com Account Setup:**

- An account setup invitation will be sent to the payee when Accounting Manager receives the invoice in Bill.com and bill is entered.

### **Existing Bill.com Accounts:**

- It's preferred to use the invitation link to ensure the account is correctly linked to USAS.

### **For Assistance:**

- Volunteers and support staff should reach out to their staff liaisons for any questions.

### **Invoice and Expense Report Handling:**

- Upon receipt, the Accounting Manager will process the invoice/expense report.
- Funds are deposited within 10 business days post-approval; paper checks may take longer.

### **Approval Process**

- CEO Approval: All expenses require the CEO's final approval.

### **Staff Expenses:**

- Initial Review: The Accounting Manager reviews all staff expenses.
- Forwarding: Post-review, expenses are sent to the CEO for final approval.

### **Volunteer, Athlete, and Support Staff Expenses:**

- First Approval: Expenses initially approved by the designated staff liaison.
- Processing: After initial approval, the Accounting Manager reviews and processes the expenses.
- Final Approval: Expenses are then sent to the CEO for the final approval.

### **General Reimbursement Guidelines**

- Detailed Receipts for Reimbursement:
  - Include items purchased, cost, and date of payment on all receipts.
  - Accurate documentation helps prevent reimbursements from being taxed as income.
- Lost or Unavailable Receipts:
  - Exceptions to the receipt requirement are limited and should be infrequent.
  - Keep digital copies of receipts to minimize the risk of loss.
- Expense Details:
  - If a receipt lacks clarity regarding the expense nature, provide a detailed explanation.
  - Clear details are necessary for correct coding in the financial system.

### **Expense Submission Guidelines**

#### **Restaurants/Meals:**

- Provide a detailed receipt for each meal.
- List all attendees and the purpose of the meal.
- For meals paid on behalf of others, detail the business purpose along with all attendee names.
- Note: Alcoholic beverages are not reimbursable.

#### **Flights:**

- Receipts must include:
  - The event or business purpose
  - Passenger's name

- Travel dates
- Travel locations
- Ticket number
- Overall cost

### **Miscellaneous:**

- Gas expenses are non-claimable if mileage compensation is provided.
- Do not claim personal meal expenses if per diem is received.

### **Competition Advances**

- Protocols for providing advance funds for competitions:
  - Obtain prior approval from designated personnel.
  - Additional CEO approval required if advance exceeds \$10,000.
  - Unused funds must be returned within a week of return.

### **Expense Reimbursements**

- Policies for reimbursing Board, staff, committees, and volunteers:
  - Reasonable expenses like meals, hotels, travel are covered.
  - Authenticated report submitted within 30 days.
  - Itemized bills and receipts are required.
  - Reimbursement provided within 30 days of report receipt.

### **Expense Reports**

- Comprehensive report required. Attach bills, receipts, and documents.
- Note foreign currency and conversion rate.
- Use the provided Excel template.

### **Company Credit Cards**

- Currently managed in Expensify. Employees to enter their receipts by the 10<sup>th</sup> of the month following the expense.

### **Payment and Reimbursement Protocols**

While Bill.com is the preferred platform for checks and ACH payments, company credit cards are also frequently used for various expenditures. There are rare occasions when we may resort to using company cash or even employees' personal credit cards to conduct transactions. These methods, however, are less preferred and are typically used as a last option.

### **Preferred Payment Methods:**

- ACH Payments: Direct Deposit via Bill.com is our preferred payment method, offering speed and security.
- Credit cards are also preferred because they can be used for a variety of expenses and are protected from fraudulent transactions.
- Bill.com paper checks are used when ACH or credit cards are not feasible, and they are issued and signed by Bill.com. Checks are less preferred since they may be misplaced or held for an extended period before being cashed, resulting in increased bookkeeping and possible unclaimed property return to the state.
- The use of cash and other online platforms is our least preferred method because of the security risks involved.

## Accounts Payable Procedure:

- It is the responsibility of the Accounting Manager to review payables on Bill.com at least once a week, and generally more often, for the purposes of identifying vendors who require payment.
- Bill.com requires the CEO's approval before any expenses are paid. As for other payment methods, the CEO must approve them for the budget's suitability and to verify funds are available.

## Electronic Payments:

- Despite the convenience of electronic payments, security must be carefully verified. It is crucial to verify the recipient's account authenticity before making digital payments. It is common for scammers to use familiar vendor aliases and deceptively similar email addresses. Whenever a new electronic payment is made, or when existing members update their payment information, a direct verification with the vendor is required. This verification can be carried out either by initiating a new email thread using a previously verified email address or making a call to a confirmed number.
- The prescribed procedure for electronic payments involves:
  - Obtaining payment approval.
  - Inputting payee and payment details.
  - Completing the payment transaction.
  - Transaction reconciliation.
- The payment approval process must remain independent in order to strengthen internal controls. Separate individuals should enter payment details and oversee transaction reconciliation. Employing multi-factor authentication (MFA) is encouraged for heightened security on digital payment platforms. This should be managed by a person distinct from the one managing the main payment and reconciliation process.
- Lastly, as a cornerstone of this process, all electronic payments should be well-documented. This includes preserving records of invoices, approvals, and payment confirmations, ensuring they are readily available for future audits and reviews.

## INVOICES

### 1. Invoice Management

- Creation (Department Heads): Use the approved template on OneDrive to create invoices within two weeks post-transaction. Include all necessary details and accounting codes.
- Approval and Logging (Accounting Manager): Check invoices for correctness and proper coding. Log approved invoices in the accounting system and notify Department Heads for delivery.

### 2. Invoice Delivery and Payment Tracking

- Delivery (Accounting Manager): Send approved invoices to clients as PDFs via email, using the optional communication template as needed.
- Tracking (Accounting Manager & Department Heads): Accounting Manager will inform Department Heads of overdue accounts at weekly staff meetings.

### 3. Payment Processing and Deposit Handling

- Recording Payments (Accounting Manager): Enter payment details in QuickBooks Online. Communicate with clients regarding any discrepancies.

- Deposits (Accounting Manager): Complete deposit forms for check payments. Ensure accuracy for electronic payments in QuickBooks Online. Regularly reconcile these entries with bank statements on a monthly basis.

#### **4. Electronic Payments Management**

- Daily Review and Matching (Accounting Manager): Review daily bank activity. Match electronic payments to invoices in QuickBooks Online.
- Unmatched Payments (Accounting Manager): For payments without invoices, coordinate with relevant Department Heads to create matching invoices.
- Communication (Accounting Manager & Department Heads): Keep relevant parties informed about electronic payment statuses and corresponding invoices.

### **Financial Reporting**

#### **Monthly Financial Report Generation**

**Responsible Party: Accounting Manager and CFO.**

**Procedure:**

- Financial Report Preparation:
  - The Accounting Manager, assisted by the CFO, will prepare the end of month financials and full year forecast within 15 days of the end of each month, or the next business day if the 15<sup>th</sup> lands on a weekend or holiday.
- Finance Committee Review:
  - Submit the generated reports to the Finance Committee for review and approval.
- Board Presentation:
  - Following the Finance Committee's review, the CFO or their designee will present a financial summary to the Board of Directors on the next call.
- Alternate Procedure:
  - If the Finance Committee cannot meet in a given month, distribute financial statements to committee members, board members, and other required personnel, maintaining the prescribed timeline.

#### **USOPC Reporting:**

- Ensure timely submission of annual financial reports to the USOPC, adhering to their specified format.

### **Internal Reporting**

**Responsible Party: Accounting Manager**

**Procedure:**

**Distribution to Department Heads:**

- Distribute monthly profit and loss reports to all Department Heads, outlining year-to-date budget performance and remaining budget for the year.

**Access to Financial Records:**

- Ensure financial archive records on OneDrive are accessible only to the finance staff and CEO to maintain file integrity, while providing them to interested parties as determined by finance staff.

## **Document Storage and Naming Convention**

### **Procedure:**

#### **Document Storage:**

- Store monthly financial reports on the organization's OneDrive within the specified folder hierarchy: Finance Folder > Financial Reporting Folder > Monthly Financials Folder > Specific Year Folder.

#### **Naming Convention:**

- Adhere to the naming conventions outlined in the naming.txt description in each folder for each document stored there.

## **Journal Entries**

### **Preparation and Approval**

#### **Responsible Party: Accounting Manager and CFO.**

#### **Procedure:**

##### **Journal Entry Preparation:**

- The Accounting Manager is responsible for generating all journal entries ensuring accuracy and completeness.

##### **Documentation:**

- Attach all necessary documentation to the journal entry in QuickBooks for audit trail and transparency.

##### **CFO Review and Approval:**

- All prepared journal entries, except for certain exceptions, must be reviewed and approved by the CFO to ensure correctness and compliance with accounting standards. The CFO will sign-off (electronically or with a wet signature) on journal entry batch reports as a part of the approval process.

## **Cash Management**

### **Bank Accounts**

#### **Responsible Party: CFO (with delegated authorities to Accounting Manager or other on-site staff as required).**

#### **Procedure:**

##### **Account Management:**

- Bank accounts are administered as per the finance policy under the oversight of the CEO.

##### **Daily Monitoring:**

- Both the Accounting Manager and CFO ensure daily scrutiny of the bank account and QuickBooks banking registers for accuracy, earmarking any discrepancies for immediate resolution.

### Monthly Reconciliation:

- Engage in monthly bank reconciliations, or more frequently if warranted, to ascertain agreement between organizational records

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## Investments and Cash Management

- Note: For procedures on investments and cash management, refer to the separate Investment Policy document.

## Timeliness of Deposits

### Responsible Party: Accounting Manager

#### Procedure:

##### Deposit Processing:

- Aim to deposit funds within five business days post-receipt to ensure prompt processing.

##### Deposit Methods:

- Options for deposits include remote deposit capture, bank deposit, or physical deposit. Opt for the most appropriate method pertinent to the situation.

##### Posting Deposits:

- The onus of posting deposits to the financial system in QuickBooks Online lies with the Accounting Manager.

##### Segregation of Duties:

- Adhere to a system where the individual making deposits is distinct from the one generating payments and the one reconciling the accounts, strengthening internal controls and assuring the accuracy of deposits.

## Payroll Compensation and Procedures

### General Compensation

- USA Shooting adheres to a bi-monthly payroll schedule. Compensation is subject to statutory deductions and withholdings. A designated third-party vendor manages payroll functions, including:
  - Issuance of paychecks
  - Remittance of payroll taxes per IRS regulations
  - Maintenance of detailed monthly payroll records
- It is the employee's responsibility to update their W-4 and I-9 forms with any significant changes that might affect tax withholdings.

### Salary Adjustments

- Controls for salary modifications are as follows:
  - New hires and salary changes require written approval from the CEO and the respective department director.
  - CEO compensation changes approved in accordance with the bylaws are communicated to the appropriate staff member by the Board Chair.



## Independent Contractor Engagement

- USA Shooting engages contractors under clear agreements, requiring a Social Security or Federal Identification number for payment processing. Additional guidelines include:
  - Issuance of IRS Form 1099 by the Accounting Manager for contractors earning \$600 or more annually.
  - All contracts must follow the finance policy's signing protocols, outlining involved parties, terms, payment, and services provided.

## Payroll Reporting

### Third-Party Vendors and Reporting

- The third-party payroll vendor is responsible for comprehensive payroll (W-2) reporting.
- The Accounting Manager files all necessary 1099 forms each January through a third-party service.

### Contractor Hiring and Contract Details

- The CEO must approve the hiring of contractors, ensuring contracts include:
  - Identity of contracting party
  - Terms of contract
  - Payment details
  - Specific services to be rendered

## USA SHOOTING USOPC FUNDING COMPLIANCE

USA Shooting is committed to strict compliance with USOPC funding agreements. To meet this commitment, we've established the following controls and procedures:

### Precision in Accounting and Reporting:

#### Setup:

- Our accounting system is configured to align with the PPA or its equivalent, using specific identifiers like tags, sub-accounts, or classes. This setup enables accurate accounting, timely reconciliations, and compliance with USOPC reporting requirements.

#### Reporting:

- We submit comprehensive quarterly and annual reports to the USOPC by the deadlines outlined in the grant agreements, ensuring accuracy, detail, and thorough documentation.

#### Accounting Principles:

- We endeavor to adhere to accrual accounting principles for all USOPC grant-related transactions. For transactions of trivial amounts, where the materiality principle may apply, accruals and period allocation might not be strict. Nevertheless, we are committed to ensuring that all transactions are accurately allocated to the correct grant accounts.

#### Fund Allocation System:

- USA Shooting uses specific markers like tags, sub-accounts, or classes in our accounting system. This helps us clearly separate different types of grants, making sure our accounting and reports to the USOPC are accurate.

## **Accounting Steps:**

- **Receipt of Funds:** We record the receipt by debiting the Cash account and crediting the Temporarily Restricted Revenue account. This acknowledges that the funds are restricted until conditions are met.
- **Recording Expenses:** Eligible project expenses are recorded by debiting the Program Expenses account and crediting the Cash account to reflect money spent.
- **Fund Allocation:** Once conditions are met, we remove the restriction by debiting the Temporarily Restricted Revenue account. We then credit a Specific Project Revenue account to allocate the funds to approved projects.

## **General Ledger Alignment:**

- The amounts reported in the final grant reports are supported and validated by our accounting system, specifically the general ledger, to ensure full compliance with USOPC requirements.

## **Expense Classification and Compliance:**

### **Review and Oversight:**

- Every expense undergoes an in-depth review by the High-Performance Manager (or equivalent). This review ensures compliance with both USA Shooting's Financial Policies and Procedures and USOPC Grant Requirements as outlined in the PPA. Part of this review includes categorizing expenses based on relevant factors such as athlete gender or event discipline, using specific identifiers like tags or sub-accounts for accurate reporting.

### **Expense Restrictions:**

- USA Shooting strictly prohibits the use of USOPC funds for needless, excessive, or inappropriate spending, including but not limited to, luxury goods such as liquor, first or business class airline tickets, and upgraded hotel rooms and suites.

## **Documentation and Approval:**

### **Documentation:**

- All financial decisions, including USOPC grant allocations, are documented with justifications and details that assist in reporting and audits. This can be in digital or hard copy formats and must be maintained for future reference.

### **Cautionary Measures:**

- If there's uncertainty about using USOPC funds for a specific project, staff should abstain unless approved by the appropriate USOPC authority. All such discussions should be documented.

### **Approval:**

- The CEO and finance team sign off on a monthly or quarterly detailed report of grant allocations. This report includes the project name, accounting code, corresponding grant amount, label of the relevant month or year, running total of allocated funds, and remaining grant funds for each project.

## **Regular Monitoring and Reviews:**

## **Objective:**

- Our top priority is USOPC compliance and responding to audit feedback. Each year, before the final USOPC grant report, our Finance and High-Performance teams review all transactions and documentation. We not only correct current discrepancies but also update our procedures for future compliance and accuracy, documenting all changes.

## **BUDGETARY PROCESS**

The following procedures outline the steps involved in planning, budget preparation, control, and reporting of funds. This responsibility primarily falls under the purview of the Finance Staff and Finance Committee.

### **Planning and Budget Preparation:**

- The Accounting Manager will request budget submissions from all program managers no later than August.
- Upon receiving individual budgets, the Accounting Manager will compile the USA Shooting Projected budget.
- After preparation by accounting and review by the CEO, the Audit Committee will review the budget and make recommendations to the Board of Directors.
- The budget will be presented to the Board of Directors for approval, with potential changes resulting from their input.

### **Control:**

- It is the Department Head's responsibility to review actuals on a monthly basis to ensure accuracy and identify errors.
- Budget variances must be reported promptly to the Accounting Manager by the Department Head.
- The Accounting Manager and CEO will conduct monthly reviews of budget versus actual performance to ensure appropriate monitoring by Department Heads.

### **Variance Process**

Discrepancies between actual expenditures and budgeted amounts must be identified and resolved promptly. As part of this process, USAS Finance Staff works closely with the Finance Committee. The steps below describe how variances are identified, communicated, corrected, and reported.

#### **Identification:**

- Each month, Department Heads are mandated to contrast actual expenditures against the predefined budget.
- Discrepancies spotted during this review are recognized as 'variances'.

#### **Communication:**

- Variances identified must be reported to the Accounting Manager by the 10th of the succeeding month.
- In situations where the variance exceeds a threshold (e.g., >10%), a justification is imperative.

## Correction:

- Based on the justification provided, the Accounting Manager, in conjunction with the CFO, will decide on necessary corrective measures, ranging from budget reallocations to other suitable interventions.

## Reporting:

- Monthly, the Accounting Manager integrates all variances into the report presented to the Audit and Risk Committee.
- Annually, the Audit Committee assesses these reports to pinpoint recurrent issues or potential areas demanding refinement.

Our commitment is to ensure financial integrity and transparency across organizational functions by meticulous budget monitoring and management.

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## RISK MANAGEMENT

Effective risk management is vital not only for ensuring the safety and well-being of all stakeholders but also for securing cost-effective and comprehensive insurance for our clubs, members, and events.

Specific responsibilities and procedures are:

- The COO oversees the procurement and maintenance of insurance policies appropriate for the organization's diverse needs.
- Regular assessments of the insurance policies are mandatory, which the COO will conduct annually. These assessments will review coverage adequacy, premium competitiveness, and policy terms to ensure they align with organizational activities and exposures.
- In the event of significant organizational changes or introduction of new programs or events, the COO is tasked with evaluating potential new risks and adjusting insurance coverage accordingly.

## CAPITAL EXPENDITURES

- Capital expenditures are critical investments in the long-term capacity and infrastructure of the organization:
- The CEO and CFO will collaborate to develop a detailed Capital Expenditures plan, which is presented annually to the Board for approval as part of the budgeting process.
- Expenditures must strictly adhere to the approved budget, ensuring financial discipline and strategic alignment with organizational goals.
- Any proposed deviations from the approved Capital Expenditures budget require a thorough review process. This includes submitting a detailed justification for the overage, demonstrating the need for the expenditure, and outlining the expected impact on organizational capacity.
- Approval for deviations must follow the structured variance procedures as outlined in this manual, ensuring accountability and transparency in financial management.

## Exception Handling in Financial Procedures

### Identification

- Recognize and document any anomalies, such as unanticipated expenditures or inaccuracies in financial records, immediately upon detection.

### Impact Assessment

- Assess the potential impact on USA Shooting, including but not limited to financial consequences and the integrity of internal controls and financial reporting.

## **Notification**

- If it is determined that a material breach has occurred, promptly notify relevant parties including but not limited to the CEO, CFO, Audit and Finance Committees

## **Resolution**

- Initiate corrective actions by consulting with the necessary stakeholders to amend processes or adjust financial entries as warranted.

## **Documentation**

- Meticulously record and report all exceptions in accordance with established procedures. This may involve updating the internal controls log or communicating findings to the Finance Committee or external advisors.
- In cases of ambiguity or doubt, employees are encouraged to seek guidance from their immediate supervisor or the Finance Committees to ensure the continuity and reliability of USA Shooting's financial operations and oversight mechanisms.