

**BLUE GRASS SPORTSMEN'S LEAGUE
FISCAL POLICY
LAST REVISION 2004
THIS REVISION SEPTEMBER 2007**

Purpose

The purpose of fiscal policy is to establish procedures and guidelines in the financial and money matters of the Blue Grass Sportsmen's League (BGS�). Recognizing that the BGS� is primarily a volunteer organization, whose officers and board may change from year to year. It is important to have a fiscal policy that can be relied upon to conduct the financial matters of the organization in a sound and responsible manner without disruption.

Scope:

This Fiscal Policy is written for the fiscal operation of the League's activities to include all Committees, Divisions or any other sub-groups that may be formed.

Financial Goals:

- 1) To provide a consistent framework of financial management rules for handling the financial/money matters of the main club and divisions.
- 2) The annual dues and initiation fee of the BGS� club shall be recommended at an amount to conduct the normal operations of BGS�, provide for reserve account(s), and other approved goals of the BGS�. In setting and recommending this amount, all other sources of income such as farm operations, advertising, rental properties, government grants, etc. should be taken into account. The Board of Officers and Directors of the BGS� shall actively pursue any type of alternative funding available in order to maintain club assets while keeping dues and fees at a reasonable rate to assure maximum membership renewals on an annual basis.
- 3) Provide a financial savings vehicle for the future of BGS� assets and goals. The vehicle may be one account, or more, with distinct objectives. Amounts deposited and maintained in this account(s) shall be as directed by the Board and reviewed at minimum during the yearly budget period. General target amounts for saving are currently:
 - i) The annual Tobacco buy-out funds that are to be reserved for revenue generating projects only.
 - ii) The lead remediation fund as a per member set-off to be reserved for lead mining and/or berm repairs in the future.
 - iii) Any residual yearly earnings amount. A target for this amount should be three (3) months operating expenses. This is currently \$40,000 or a total of \$120,000.

Conflicts of Interest:

Every Board Member, Director, Director at Large should voluntarily report any conflicts of interest they may have concerning the BGS�. This includes Membership in other

organizations such as NRA, other Sportsmen's Clubs, Shooting Organizations, Wildlife, Environmental organizations or any other like organization should be disclosed in writing on an annual basis to the Board. Many and most times it is beneficial to have members that have an interest in many organizations related to sportsmanship and wildlife and land management, however the Board needs to know who belongs to what organizations in case a conflict may arise. Though it is highly desirable to have members on the Board who have a wide interests and experiences, the BGSL needs the membership in other organizations disclosed in case a conflict should arise. Also it is an important part of disclosure for other members to know what organizations you belong to, since that may influence your proposals or voting on behalf of the BGSL.

Handling Cash and Deposits

All cash receipts, checks, money orders, cashier checks, electronic credit, or any form of payment to the BGSL, divisions or its sub-groups should be deposited into the appropriate bank account of the BGSL. All monies or deposits must be made within three days of receipt. Expenditures may be made from money received if a signed receipt for expenditure is obtained. Personnel, employees and depositors should always receive a receipt for funds deposited regardless of whether it contains cash or not.

Handling Mail and Deposits

The bookkeeper should maintain a daily log/copy of mailed payments and other payments received. The BGSL bookkeeper should open the mail, log onto a daily deposit slip who sent what amount and initial the page. The bookkeeper should prepare an invoice/sales receipt showing the amount of funds received and the member/account who sent them (i.e. Tokens sold, hats sold, gate passes sold, club membership renewals, etc). Cash payments should not be received through mail. If cash payments are dropped off during the day or accepted at club meetings, a computerized sales receipt should be given to the member. If the bookkeeper is not available to give a computerized receipt, a manual handwritten numbered receipt should be issued to the member with that receipt number listed in the memo section of the invoice/sales receipt when it is logged at a later date. The BGSL Treasurer will be shown bank deposit receipts that total the daily deposits indicated in the log/QuickBooks system. The BGSL Treasurer will also initial the page to show his/her review of the log. The BGSL bookkeeper should try not to keep deposit funds overnight.

Petty Cash

The BGSL will maintain a petty cash account of \$300. This fund will be used for incidental income/expenses applicable to the day-to-day operations of the BGSL. Any income will be accounted for by the BGSL bookkeeper based on the source of cash received (i.e. Guest Pass income). All expenses will require a receipt for amount(s) spent. The BGSL Petty Cash Account will be reconciled monthly with any overage deposited to the BGSL bank account or shortage replaced by cash from the BGSL bank account. The BGSL bookkeeper will enter a journal entry monthly separating the income and expense items for the purposes of maintaining a true picture of the income and expenses of the BGSL.

BGSL divisions and subgroups may establish a temporary petty cash amount appropriate for the event being held. That fund must be balanced with cash or receipts for expenditures and closed after each event. The petty cash must be re-deposited into the appropriate bank account within three days of the closing or ending of said event. No petty cash amounts should be permanently maintained outside of the BGSL bank accounts. Groups that have multiple events per week and feel the need for a petty cash account may have a petty cash account not to exceed \$300. The amount(s) of petty cash should be accounted for on the monthly reports to the main BGSL. Any BGSL or Division Officer may request balancing of the Division's petty cash fund at any time.

Bank Accounts

All financial accounts held by BGSL, Committees, Divisions or other subgroups are the property of the BGSL. All financial accounts will be titled Blue Grass Sportsmen's League or BGSL and the name of the Committee, Division, and then subgroup. The Board of Directors will authorize the financial institution(s) where groups may have their bank accounts located. Only the Board of Directors may authorize what groups or subgroups may have bank accounts.

As part of internal controls, the original bank statement of all bank or financial accounts is received at the Main BGSL club at an authorized address set by the Board of Directors. Copies of the statement may be mailed or transmitted electronically to the divisions, committees or other groups. The bookkeeper and treasurer are to monitor or compare the bank statements to the activity reported in the division's, committee's, or groups Monthly Activity Report (Income and Expenses) for any differences. Any significant differences in the bank statement and monthly activity Report should be reported to the Treasurer and then the Board of Directors if warranted.

The signature of the President and Treasurer of the Main BGSL club shall be on all bank accounts.

Main BGSL Accounts: BGSL President and BGSL Treasurer signatures are required on checks for \$500 or more. However, in the absence of one of the parties the BGSL Secretary may co-sign.

BGSL Committee, Division or subgroup accounts: Shall require one or two signatures as the group decides. However, the BGSL President and BGSL Treasurer will be authorized signatures. In no case shall more than four signatures total be allowed. The purpose of authorized signatures is to limit and control access to the funds. (Not to make it so anybody and everybody can sign).

Every Committee, Division, or subgroup that is permitted an individual bank account will report on a monthly form approved by the BGSL Treasurer (Monthly Activity Report) its monthly income (both BGSL Income and non-BGSL Income) and monthly expenditures. The reports are due to BGSL Treasurer or Bookkeeper by the 20th of the next month.

Any group that does not submit reports shall be reported by the BGS� Treasurer to the Board of Directors. Any group that has failed to file two or more monthly reports may be subject to disciplinary action authorized by the Board of Directors. Disciplinary actions may include, but not be limited to, some or all of the following: 1) Freezing the bank account from further activities. 2) Removing the entire bank balance and moving those monies to the main BGS� bank account. 3) Cancellation of or prohibition of future events at the offending Committee or Division. 4) Disbanding of the Committee, Division, or subgroup until a new group who will comply is formed. 5) Assessing a monetary fee (not less than \$5.00 and not more than the balance of the account) against the group for the fiduciary risk exposure the main BGS� officers or employees received. In any event, the BGS� Treasurer shall make the recommendation of disciplinary action if three or more reports are missing or have been failed to be filed.

As a control feature, every Division, Committee or group that has a checking account will report the name(s) of the authorized signer(s), mailing address, and any other information the financial institution may require to the BGS� Treasurer at the first meeting of the Board of Directors in the new fiscal year. The BGS� Treasurer will then contact the financial institution and make arrangements for all signatures to be gathered for the bank account. Only the BGS� Treasurer may make arrangements for signature or address or any other change to all BGS� bank accounts, upon Board approval.

Insurance and Bonding

Directors Liability Insurance should be purchased by the BGS� for the benefit of the Directors. At the first meeting of the new board, the BGS� Treasurer shall gather the information required by the bonding company and ascertain that bonding insurance is to be purchased for the new fiscal year going forward.

Insurance and bonding requirements of the BGS� shall be reviewed by the Finance Committee on an annual basis. The Finance Committee shall report to the Board, no later than the third regular meeting, as to the types and levels of insurance necessary to protect the members, assets and employees from loss.

At a minimum, every three years the Treasurer shall obtain new bids to ascertain that BGS� is obtaining the best value for its insurance premium. The Treasurer must also take financial strength of the insurance carrier into account. The members of the Finance Committee should also disclose in writing, any personal or otherwise conflicts of interest in recommending new or continuing insurance policies or carriers.

All contractors performing work on BGS� property shall provide proof of insurance and/or bonding of a type and level set by the Board of Directors.

Fiscal Budgets

The Budget Committee comprised of the BGS� President, BGS� Treasurer, Past President, Past Treasurer, Directors At Large will vote on and submit recommendations to the BGS� Board of Directors and Officers

Capital Budget

The President shall invite, after annual club elections and before the first meeting of the Board, submissions and justifications of capital expenditure items to the budget. These submissions/justifications can be proposed electronically or in writing and must be received by the 2nd Tuesday of September. The submission/justification should be addressed to the Budget Committee (President, Secretary, Treasurer, Past President, Past Treasurer, Directors at Large). The Budget Committee will review any submissions/justifications on the 3rd Tuesday of September. If any additional justification is required, a representative from the Division or special group will be required to attend this meeting in order to have their capital expenditure item(s) considered.

Income and Expense Budget

An annual budget of all income and expenses, by month, will be presented to the Board of Directors for approval at the first Board meeting of the fiscal year. The budget shall be prepared for submission by the Budget Committee.

The Board shall approve the budget before any expenditure may be made during the new fiscal year. In the event, that the Board is unable to reach an agreement on a budget, an automatic emergency interim budget takes place until a new fiscal year budget can be approved.

Emergency Interim Budget

This budget allows for no capital outlays. Only routine expenses absolutely necessary to the continuation of the club are allowed. These include but are not limited to: Utility Bills, Employees Salaries, Taxes, Insurance, Fuels and emergency or safety repairs. A personnel hiring freeze shall be in place during the Emergency Interim Budget.

Approval of the Income and Expense Budget and the Capital Budget by the Board of Directors does not authorize the expenditures of funds. Each item in the capital budget shall be brought before the Board by the individual responsible for the capital outlay to stand on its own merit and be approved individually, before any expenditure may be made on that item. Those capital expense items which are not approved and spent during the current fiscal year shall not carry over into the next fiscal year.

Invoices and Bills

Any capital expenditure of \$2,500 or more shall have three bids submitted before being recommended to the Board. This includes main BGS�, divisions and any other subgroups. The board recognizes that the cheapest price may not always be the best deal

for the club. The board also recognizes that because of our physical location in the county three bids may not always be possible. In such case, the party seeking approval should address what efforts were made and why three bids were not possible.

Any Division payment of \$2,500 or more shall have the signature of the BGS� President or BGS� Treasurer. This shall include all BGS� accounts. The Board of Officers and Directors shall approve any capital expenditure exceeding \$2,500 prior to receiving the signature of the President or Treasurer. **Divisions must also seek prior approval of the Board of Directors of the sale of any asset with value in excess of \$2,500.**

Any individual purchase of \$1,000 or less will automatically be expensed. Any item purchased with a useful life of 1 year or less will be automatically expensed, no matter its cost.

Bills or invoices should be directed to BGS� or BGS� group name. Caution should be taken when paying bills or invoices not made out to BGS�. The main BGS� club, divisions and subgroups should strive to always pay their bills in a businesslike manner. Failure to pay reflects on the group as a whole. At the same time bills and invoices should be examined to be sure they are legitimate and based upon agreed terms.

Expense Reimbursement

From time to time, employees, directors or other members may have to pay a legitimate club bill from their own finances and require reimbursement. In such a case, the employee, director or member should submit an expense report with original invoice or copy, indicate who is to receive reimbursement (name and mailing address), and indicate the purpose of the bill (i.e. What ledger account should be charged). Authorized employees using their own vehicles for club errands may seek reimbursement of travel at the rate set by the Board of Officers and Directors.

Contracts

The President or Secretary (should the President be absent or incapacitated) of the League when duly authorized by the Board of Officers and Directors is the only party authorized to commit BGS� to a contract. No other signature shall be legally binding to BGS�. Complex contracts may require review by legal counsel.

All contractors performing work on BGS� property shall provide proof of insurance and bonding of a level acceptable to the Board.

If a contract is entered into for a particular Committee or Division, it shall be that group's responsibility to oversee the performance and completion of the contract.

Presidential Discretionary Fund

The President at his sole discretion may spend up to \$500/month for the benefit of BGS�. He shall submit appropriate receipts to the Bookkeeper for any expenditure. The \$500 allowance is on a per month basis and is not cumulative.

2007 Revision

Approved October 30, 2007

Board of Directors