



**ACCOUNTING & FINANCIAL MANAGEMENT
POLICIES AND PROCEDURES
MANUAL**

October, 2012

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I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at Green Bay Botanical Garden (GBBG) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency. To minimize risk of fraud, Garden staff evaluates cash handling procedures on a regular basis.

All of GBBG's staff with a role in the management of fiscal and accounting operations is expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the Executive Director and Finance Committee of the Board of Directors.

II. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Reviews Executive Director's performance annually and establishes the salary
4. Two members of the board will be appointed by the board to be authorized signers on the bank accounts
5. Reviews and approves all contracts and non-budgeted expenses over \$25,000; Finance Committee reviews and approves all contracts and non-budgeted expenses over \$10,000.
6. Reviews and advises staff on internal controls and accounting policies and procedures
7. Finance Committee chooses and contracts with the auditor on an annual basis

Executive Director

1. Reviews and approves all financial reports including cash flow projections
2. Sees that an appropriate budget is developed annually
3. Reviews and signs all issued checks
4. Reviews and approves all contracts under \$10,000
5. Reviews and approves all grant submissions
6. Approves inter-account bank transfers
7. Is on-site signatory for all bank accounts
8. Reviews completed monthly bank reconciliations and reviews ACH transfers
9. Oversees the adherence to all internal controls
10. Reviews and signs off on final payroll report
11. Reviews journal entries and check register (for sequencing and vendor payments) monthly

Program Directors

1. Approve all program expenditures
2. Monitor program budgets
3. Review all timesheets associated with their departments and are responsible for keeping items up to date for their departments' personnel files
4. Review and approve all reimbursements and fund requests relative to their budgets
5. Assist Executive Director with the development of annual and program budgets
6. Review all incoming and outgoing invoices associated with their departments
7. Monitor and manage all expenses to ensure most effective use of assets
8. Monitor grant reporting and appropriate release of temporarily restricted funds as pertains their department
9. Oversee expense allocations
10. Monitor and make recommendations for asset retirement and replacement

Accountant

1. Overall responsibility for data entry into accounting system and integrity of accounting system data
2. Processes invoices and prepares checks for signature
3. Review and manage organization's cash flows
4. Processes payroll
5. Maintains general ledger
6. Prepares monthly and year-end financial reports
7. Mails vendor checks
8. Manages Accounts Receivable
9. Manages the petty cash fund
10. Review, revise, and maintains internal accounting controls and procedures
11. Review all financial reports
12. Assists all staff with budget preparation
13. Reconciles all bank accounts

Office Assistant

1. Reconciles daily activity from Counterpoint POS
2. Makes bank deposits
3. Receives and opens all incoming accounting department mail except bank statements

Donor Relations Coordinator

1. Codes and enters all sponsorships and donations into Raiser's Edge database
2. Prepares all donor and sponsor thank you letter acknowledgements

III. Chart of Accounts and General Ledger

GBBG has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Accountant is responsible for maintaining the Chart of Accounts and revising as necessary. The Chart of Accounts is attached to this manual as an addendum.

The general ledger is automated and maintained using our accounting software, Financial Edge. All input and balancing is the responsibility of the accountant with final approval by the Executive Director.

The Accountant should review the general ledger on a periodic basis for any unusual transactions.

IV. Cash Receipts

Cash receipts generally arise from:

1. Counterpoint transactions (admissions, gift shop revenues, membership payments, class registrations, rental revenues, special events)
2. Contracts and grants
3. Direct donor contributions*
4. Other fundraising activities

*All donations must be analyzed for donor intent: that is, it is imperative the intention of the donation is understood before coding it and depositing the funds. If donor intent is not clear, all means will be exhausted in trying to clarify whether the gift is intended for general operations, restricted to a specific program, or intended as permanently restricted to an endowment with only the earnings to be spent. In which case, determination needs to be made if earnings are restricted to a specific program or can be spent for general operations.

The principal steps in the cash receipts process are:

- Each morning the Office Assistant or weekend manager puts the starting cash in the cash register.
- Throughout the day the transactions are entered into the Counterpoint System, and those transactions interfaces with the accounting software, Financial Edge, via a summary entry made at each month-end.
- The Office Assistant receives incoming mail, opens it, and distributes all mail and checks to the appropriate staff member for further processing, or if appropriate, enters it into Counterpoint.
- The appropriate staff member then codes the check (to appropriate account) and enters payments into Raiser's Edge database and hands the check off to the Accountant.
- The Accountant enters all checks into a log, stamps all checks "for deposit only," and prepares the bank deposit for the Office Assistant. All checks are kept in the safe until fully processed and deposited. The Accountant enters all receipts into the general ledger (Counterpoint is uploaded daily).
- The Office Assistant reconciles all transactions within Counterpoint to the daily deposit, prepares the deposit and takes it to the bank, along with the deposit prepared by the Accountant. A copy of the deposit slip is attached to the deposit. The deposits are put in a file to assist in reconciling the bank statement. The deposit log book is maintained by the Accountant. Deposits are made daily during busy times; or as needed during slow periods.
- The bank reconciliation is done by the Accountant.

V. Inter-Account Bank Transfers

The Accountant monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Accountant recommends to the Executive Director when a transfer should be made to maximize the potential for earning interest, or a draw from the line of credit during slow periods.

VI. Cash Disbursements & Expense Allocations

Cash disbursements and checks are generally processed weekly. Invoices submitted to the Accountant by the end of the first week will be processed and paid by the end of the following week. Checks can be prepared manually within one day, but this should be limited to emergency situations.

Requests for cash disbursements are submitted to Accounting in three ways:

1. Original invoice.
2. Purchase or reimbursement request (submitted on approved form: <S:\Forms\ Check Request Form.doc>).
3. Petty cash: <S:\Forms\Petty cash receipt form.docx>.

All invoices must have the account code written on them and approved by the Program Manager prior to being submitted to accounting. The Executive Director must sign off on all invoices, requests for payment prior to checks being distributed.

Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

The Program Manager reviews all requests for payment and:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Submits to the Accountant for processing

The Accountant processes all payments and:

1. Immediately enters them into the Accounts Payable module
2. Prints checks according to allocation provided by the Program Manager and due date
3. Submits checks, with attached backup documentation, including stapling copy of remittance advice to invoice, to Executive Director for approval and signature
4. Mails checks and appropriate backup documentation
5. Files all backup documentation in the appropriate file

VII. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which GBBG receives funds. All credit card holders must sign an Employee Credit Card Agreement (link is S drive/Personnel/Employee Forms & Handbook).

The receipts for all credit card charges will be given to the Accountant within three (3) days of the purchase along with proper documentation and account codes. The Accountant will verify all credit card charges with the monthly statements. A copy of all charges will be attached to the monthly credit card statement when submitted to the Executive Director for approval and signing.

The Executive Director's credit card usage will be provided to the Board Chair and/or the Board Treasurer.

VIII. Accruals

To ensure a timely close of the General Ledger, GBBG may book accrual entries. Some accruals will be made as recurring entries.

Accruals to consider:

1. Monthly interest earned on money market accounts, certificates of deposits, etc.
2. Recurring expenses, including prepaid corporate insurance, postage, service contracts, depreciation, etc.

IX. Bank Account Reconciliations

1. All bank statements are given unopened to the Executive Director. The Executive Director reviews the statements for unusual balances and/or transactions.
2. The Executive Director gives the statements to the Accountant for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Bookkeeper will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Bookkeeper will investigate any checks that are outstanding over six months.
5. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
6. The reconciliation report will be reviewed, approved, dated, and initialed by the Executive Director.

X. Petty Cash Fund

Petty cash funds are maintained by the organization. The funds are to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.

1. The petty cash fund will not exceed \$1,200 during the season, which includes the start-up cash for the till for 3 days and the back-up "bank" of \$140.
2. The Accountant oversees the petty cash fund.
3. All disbursements made from petty cash are acknowledged in writing by the receiving party.
4. All money returned to the petty cash fund is counted and verified by the person accepting the petty cash originally and the Accountant or another staff member. Receipts for items purchased with petty cash must be included with the return and should include appropriate account allocations as well as supervisor approval.
5. The Accountant and Office Assistant together will periodically count the cash in the petty cash fund.
6. No checks will be cashed by the petty cash fund.

XI. Property and Equipment

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than \$600 (six hundred dollars) and a "useful life" of more than one year. Items purchased with a value or cost less than that amount will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	60 months
Office Equipment	60 months
Office Furniture	84 months
Computer Software	36 months
Leasehold improvements	40 years

1. A Fixed Asset Log is maintained by the Accountant including date of purchase, asset description, purchase/donation information, cost/fair market value, identification number, life of asset.
2. The Log will be maintained by the Accountant and reviewed by the Executive Director.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Executive Director shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded monthly. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

XII. Personnel Records

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, Simple IRA and Life Insurance beneficiary forms and other forms as deemed appropriate by the Executive Director.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Office Operations Manager.
3. The completed I-9 forms will be kept in a secure location separate from the personnel files.
4. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

XIII. Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted each Monday to the supervisor; the timesheets then are to be submitted to the Accountant by the Monday prior to the payroll Thursday. Payroll occurs every other Thursday, with the exceptions of holidays that fall on Thursday. In that case, payroll is the first business day prior to the holiday. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed in ink – unless prepared electronically.

3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid and/or tape are not allowable.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the Accountant.
5. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form (<S:\Forms\Employee change of status form.docx>) and signed by the Executive Director before the change can be made.
6. The Accountant will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
7. If the employee requests that his/her check be turned over to a third party, the request must be made in writing prior to distribution.
8. Employees must choose direct deposit to a designated bank account. Their paycheck is deposited directly into the designated account on the payroll date. The employee will receive a verification stub on or before the payday.
9. The Executive Director will review payroll expenditures and allocations prior to the payday.
10. All tax and quarterly federal and state payroll reports will be prepared and filed appropriately by the Accountant.
11. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

XIV. End of Month and Fiscal Year-End Close

1. The Accountant will review and sign off on all month- and year-end journal entries.
2. At the end of each month and fiscal year end, the Accountant will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final monthly and fiscal year-end financial statements are run, reviewed, and approved by the Finance Committee, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the fiscal year, the Audit Firm will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Executive Director, the Board Finance Committee, and the Board Chair for their review and approval. The Executive Director will then file the return with the Internal Revenue Service by the annual deadline.
6. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

XV. Financial Reports

The Accountant will prepare the monthly and annual financial reports for distribution to the Executive Director. The reports will include: Statement of Finance Position, Statement of Activities showing the budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, cash flow projection, transaction register, event summary, endowment summary and any other requested reports.

Monthly financial reports will be submitted to the Finance Committee and Board of Directors for review and approval.

XVI. Fiscal Policy Statements

1. All cash accounts (except petty cash) owned by GBBG will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. All capital expenditures which exceed six hundred dollars (\$600) and have a useful life of more than one year will be capitalized.
3. Employee or public personal checks will not be cashed through the petty cash fund.
4. No salary advances will be made under any circumstances.
5. No travel cash advances will be made except under special conditions and pre-approved by the Executive Director.
6. Reimbursements will be paid upon completion of an expense report and approval by the Executive Director, using the official check request form (<S:\Forms\Check Request Form.doc>). Reimbursements to the Executive Director will be authorized by the Board Chair or Board Treasurer.
7. Any donated item will be recorded and a letter acknowledging the donation will be sent to the donor by the Donor Relations Coordinator within three days of the receipt of the donation. Please use the in-kind donation form (<S:\Forms\inkind donation form 2.doc>).
8. All volunteer time shall be recorded as in-kind donations and tracked by the Volunteer Coordinator in the Raiser's Edge Database.
9. The Executive Director and two designated Board members are the signatories on all GBBG bank accounts.
10. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Executive Director for review.
11. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
12. Accounting and personnel records will be kept in locked file cabinets in the finance office and only parties with financial and/or HR responsibility will have access to the keys.
13. Any donation for a capital item valued at \$20,000 or more shall require one-third of the gift to go to the Endowment Fund for perpetual Garden maintenance.

XVII. Investment & Endowment Funds

The Garden has three endowment accounts: two are at the Greater Green Bay Community Foundation (GGBCF):

1. The Garden Fund
2. The Rose Fund

Investment decisions on these two funds are made by GGBCF.

The third Endowment Account is held at Nicolet National Bank. This fund was started in 2011 to allow GBBG to have the decision-making power related to its investment strategy rather than allowing the GGBCF to make all investment decisions.

Deposits to the endowment funds are done per donor restriction or board policy.

The Board has a policy stating 1/3 of any donation for capital improvements over \$20,000 will go into the endowment fund. Any other decisions to put money into the fund are made by the Board.

Withdrawals from the fund are made through the budget process which is approved by the Board. Any additional withdrawals are also approved by the Board. The Board has an Investment Policy that states any withdrawal from the funds exceeding 5% of the fund value must be authorized by 3/4 of the Board.

ADDENDUM A
Chart of Accounts

GBBG Revenue and Expense Codes			
Funds			Revenue Codes
	1	Operations	400 Individual Donors
	4	Capital	410 Corporate Donors
	5	Endowment	420 Government Grants
	6	Growing the Garden Campaign	430 Foundations
Cost Centers			435 Sponsorship Fees
100-119 Education			440 Admissions - General
	101	Workshops/Classes	441 Admissions - Group Tours
	102	School Programs	442 Admissions - School Tours
	106	Library	443 Admissions - Photo Sessions
	107	Group Programs	450 Garden Shop
	108	Children and Families	455 Food Sales
120-129 Membership			460 Rental Revenue
	120	Membership	461 Catering Commissions
130-139 Fundraising			465 Table, Chair & Linen Rentals
	130	Fundraising	470 Vendor & Photography Revenue
	131	Capital Campaign	475 Membership
	132	Annual Appeal	480 Endowment Income
140-149 Horticulture			Expense Codes
	140	Horticulture	490 Investment Income
	141	Collections Management	491 Capital Income
150-159 Administration			495 Miscellaneous Income
	150	Administration	
	151	Volunteers	500 Salaries
	152	Accounting	501 Employee Benefits
160-169 Facilities			502 Taxes
	160	Facilities	504 Contributions-NWTC
170-179 Visitor Services			505 Office Supplies
	170	Visitor Services	508 Hospitality & Entertainment
	171	Weddings, Facilities, Group Tours	511 Decorations
	172	Gift Shop	514 Books & Subscriptions*
	173	Vending Services	517 Postage
	174	DNU	520 Phone
180-199 Marketing/Events			523 Utilities
	180	Marketing	526 Bank Fees
	181	Garden Fair	529 Cash (over) short
	182	Garden Walk	532 Participation Fees*
	183	Garden of Lights	535 Interest Expense
	184	Soup With Substance	538 Printing & Photography
	185	Misc. Special Events	541 Honoraria
	186	Trips	544 Shipping & Freight
	187	Mulch Sale	547 Supplies & Services*
	188	TasteBud	550 Advertising & Promotion
	189	Winter Gala	553 Professional Fees*
	190	Art Harvest	556 Cost of Goods Sold
	191	Concerts	565 Rental & Storage
	192	Drawing	568 Equipment Purchase*

	194	Fall Family Festival			571	Repair & Maintenance
Deferred Revenue					572	Chemicals & Amendments
					574	Building Improvements
	230	Deferred Revenue + Cost Center			577	Plant Purchases
					580	Insurance
					583	Travel*
					586	Professional Development*
					587	Licenses & Permits
				Example	589	Institutional Dues*
				547-140-1	592	Depreciation
		pre-paid postage 121-000-1		Other Supplies/Horticulture/Operating	595	Miscellaneous*
*		Expense Code				
		Descriptions				
		Books & Subscriptions - includes purchasing computer annual subscriptions for antivirus, etc.				
		Participation Fees - includes cost to attend a meeting or luncheon that is not professional development				2011.2.2
		Also, includes trade show booth fees				
		Supplies & Services - all other supplies & services not covered by other areas				
		Professional Fees - fees paid to professionals (accountants, attorneys, design fees)				
		Equipment Purchase - any piece of equipment that is not capitalized (under \$600)				
		Travel - hotel, air, food, mileage while traveling				
		Professional Development - training that is at least day long; anything shorter is Participation Fees				
		Institutional Dues - dues to belong to an Organization (Chamber of Commerce, APGA, AHS, VCB)				
		Miscellaneous - expenses that are extraordinary (not recurring) that don't fit anywhere else				

ADDENDUM B

Document Destruction & Retention Schedule

HAWKINS | ASH

CPAs

Recommended Record Retention Schedule

ONE YEAR

Duplicate Deposit Slips
Receiving Sheets
Requisitions
Routine Correspondence (Vendors & Customers)
Stenographer's Notebooks
Stockroom Withdrawal Forms

SEVEN YEARS

Accident Reports & Claims (Settled)
Accounts Payable Ledgers & Schedules
Accounts Receivable Ledgers & Schedules
Bank Statements and Reconciliations
Cancelled Checks (See Permanent Retention)
Contracts & Leases (Expired)
Employee Files (after termination)**
Expense Analysis & Distribution Schedules
Inventories: Products, Materials & Supplies
Invoices: Customer & Vendor
Notes Receivable Ledgers & Schedules
Option Records (Expired)
Payroll Records, Summaries incl. Pensioners
Plant Cost Ledgers
Purchase Orders (Except Purchasing Dept. Copy)
Sales Records
Scrap & Salvage Records (Inventories, Sales, Etc.)
Stock & Bond Certificates (Cancelled)
Subsidiary Ledgers
Time Books
Voucher Register & Schedules
Vouchers: Payments to Vendors & Employees
(Incl. Allowances, Travel
Reimbursement, Entertainment)

THREE YEARS

General Correspondence
Internal Audit Reports
(Sometimes longer is desirable)
Internal Reports (Miscellaneous)
Petty Cash Vouchers
Physical Inventory Tags
Savings Bond Registration Records (Employee)

PERMANENTLY

Audit Report of Accountants
Capital Stock & Bond Records:
Ledgers, Transfer registers, stubs showing issues,
record of interest coupons, options, etc.
Cash Books
Charts of Accounts
Checks: Important payments, taxes, property purchase.
File under transaction
Contracts & Leases (in effect)
Correspondence: Legal & Important Matters
Deeds, Mortgages, Bill of Sale
Depreciation Schedules
Financial Statements (end of year)
General & Private Ledgers (incl. trial balances)
Insurance: Current Accident Reports, Claims, Policies
Journals
Minute Books for Directors & Stockholders
(Incl. By-laws & Charters)
Property Appraisal (by Outside Appraisers)
Property Records (costs, depreciation reserves, end-of-year
trial balances, depreciation schedules, blueprints, plans)
Tax: Returns, Worksheets, Revenue agents' reports,
income tax liability documents
Trademark Registration

Please note: Certain business entities may have specific industry requirements for document retention.

**Specific rules apply. Inquire for details.