

**MICHIGAN STATE PREMIER SOCCER PROGRAM
FINANCIAL POLICIES AND PROCEDURES**

A. Purpose:

The keeping of accurate records is imperative for the continued success of MSPSP. The first and most important function of record keeping is to provide MSPSP trends within the operation. These records will enable MSPSP to determine what is happening within the business, which areas are productive and cost effective and which require the implementation of changes. MSPSP records should provide income tax information that can easily be retrieved and verified.

The purpose of this Financial Policy and Procedures is to provide consistent application of conduct and proper internal controls to safe-guard MSPSP assets. To this end, all funds raised and dispersed in the name of the MSPSP shall be managed in such a way that the tax-exempt status of MSPSP is not endangered. These policies, also, serve to communicate to MSPSP's members how the funds they pay to support MSPSP will be spent.

The Michigan State Premier Soccer Program provides members with program and administrative support. Some primary services MSPSP offers include, manual registration, Board of Director insurance and means such as the MSPSP website.

B. Record Retention and Destruction:

It is required by the IRS that MSPSP be able to verify deductions. For that reason alone, it is imperative that MSPSP maintain a filing system that ensures easy retrieval of financial information. When the fiscal year is closed, bank statements, Revenue and Expense Records, a copy of the tax return, and any other pertinent information for that year, shall be put away for storage labeled with that corresponding year.

Original copies of invoices, financial statements, bank statements, audit reports, tax forms and contracts shall remain in the MSPSP Office. Invoices and vouchers must be retained for 5 years. Tax records shall be retained for 7 years.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	4 years
Checks (for important payments, & purchases	Permanently
Contracts, mortgages, notes and leases (still in effect)	Permanently
Correspondence (General)	4 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers & vendors)	4 years
Depreciation schedules	Permanently
Duplicate deposit slips	4 years
Expense analyses/expense distribution schedules	7 years
Yearend financial statements	Permanently
Insurance policies (expires)	Permanently
Insurance records, current accident reports, claims, policies, etc.	Permanently
Inventories of products, materials and supplies	7 years
Invoices (to customers, from vendors)	7 years

Minute books, bylaws and charter
Tax returns and worksheets

Permanently
Permanently

In-house Storage

The following documents are stored in a locked Cabinet: checks, tax filings (2 Years), network backup CD & flash drives, incorporation papers, bylaws, 501C3 determination letter, bank statements, archive information, current insurance policies, and investment information.

Archive

Records to be retained are stored in banker boxes after 2 years of storage in our office. Records are boxed and labeled with a destruction date or marked "permanent." All Covered, a third party vendor, backs up the computer network files nightly. If MSPSP is informed of an investigation, claim or potential lawsuit, the normal destruction policy will be suspended.

Electronic Documents.

Electronic documents shall be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule shall be maintained for the appropriate amount of time.

C. Management and Control:

The Board Chairperson, Treasurer and MSPSP Accountant shall be in regular contact concerning the financial performance of the MSPSP. All income of the MSPSP shall be deposited into MSPSP's Operating checking account. Expenses shall be paid by checks drawn or online via credit card, against the following accounts:

Types of Accounts: The MSPSP shall have the following accounts as approved by the Board of Directors: 1) The operating accounts or checking accounts with Fifth Third Bank and, 2) Savings accounts with Fifth Third Bank, Chase and Comerica Bank. MSPSP does not maintain a petty cash fund.

The Board Chairperson/Treasurer must receive MSPSP Executive Board or MSPSP Board of Director approval on checks that are over \$3,000 each and not considered routine business.

Location of Accounts:

The MSPSP Office shall maintain all accounts. Operating accounts must be placed in institutions insured by FDIC or by another federally insured institution.

Name of Accounts:

All accounts of MSPSP shall be in the organization's name (Michigan State Premier Soccer Program).

Signatures:

Checks, for the payment of expenses, shall be written by the MSPSP Accountant with the approval of two of the following three individuals: Board Chairperson, Treasurer or MSYSA Executive Director. Two original signatures are required on all checks.

Receipts:

All revenue of MSPSP shall be deposited into the Operating checking account.

a. Opening Mail and Collecting Financial Receipts:

MSPSP has implemented the daily deposit policy to assist with the efficiency of having accurate financial records within the accounts payable system in Quickbooks. It is important that MSPSP deposits of all types be made on a daily basis. Examples of the different types of deposits are affiliation fee and various fines. Deposits are to be ledgered by their corresponding general ledger account number. The MSPSP Accountant will be responsible for writing up deposit tickets. The MSPSP Program Manager receives funds via mail or Transfirst (credit cards). He provides the MSPSP Accountant supporting detail for each revenue transaction. The MSYSA Administrative Assistant is responsible for taking deposit to the bank. Between deposits, all funds will be kept in a locked cabinet. It is important that all parties involved with this process adhere to the deposit policy in order to enhance, and effectively streamline, the financial operations of the Michigan State Premier Soccer Program.

b. Reconciliation of Accounts:

Reconciliation of bank statements will be completed on a monthly basis by the MSPSP Accountant. All supporting detail, including bank deposit slips, are attached to the account reconciliation. The MSPSP Treasurer reviews each balance sheet reconciliation and initials his/her review. The Treasurer will be immediately notified of any discrepancies determined when reconciling the MSPSP accounts.

c. Operation of Accounts:

Accounts shall be opened and operated to insure funds are managed under the acceptable practices of all 501C-3 tax-exempt organizations.

D. Audits:

The MSPSP shall have its financial accounts audited by an accounting firm. Audit results shall be provided to the Board of Directors.

E. Financial Reports:

In order to maintain financial integrity, the following reports are required at monthly board meetings: Balance Sheet, Actual vs Budget Income Statement, and Actual vs Last Year Income Statement and Customer Balance Report.

F. Expense Reimbursement Policy:

It is expected that the Board of Directors, volunteers and contracted staff of MSPSP will, from time to time, incur expenses on behalf of MSPSP. This policy presents standard procedures by which MSPSP appropriate individuals may recover funds properly expended in the name of MSPSP business.

General Policy:

MSPSP Board members, volunteers and contracted staff shall be reimbursed for actual, reasonable, and proper expenditures incurred in the conduct of approved MSPSP business. MSPSP's Board members, volunteers and contracted staff should not be penalized nor should they profit by adhering to stated MSPSP policies with respect to expense reimbursements.

Expense Reimbursement Form:

An expense reimbursement form created by the MSPSP Accountant must be utilized by anyone requesting reimbursement from MSPSP. All appropriate data (eg. date, signature, purpose/event and attached receipts and invoices) should be submitted to the MSPSP Accountant, within thirty (30) days of incurring expense.

Documentation Required:

Expenses will be paid only as a result of documentation which includes a valid itemized receipt and a written stated purpose for the expenditure supporting the expense. Such documentation shall include the MSPSP Expense Report with proper attachments, invoices or other billing.

Business Meetings and Conferences:

When expenses are submitted for attendance at MSPSP business meetings, conferences, and meals with guests, the MSPSP member should indicate on the expense report the nature of the meeting, the attendees, and other data which may be necessary to support the expense.

Responsibility of Persons who submit or Approve Expense Reimbursement:

Any person with expense reimbursement approval authority must fully realize that their signature on an expense report indicates conformity to MSPSP policy, that legitimate and necessary expenses have been incurred, and that all items on the expense report are properly reimbursable to the submitter of the report. The submitter, Accountant and Treasurer approving the report have equal responsibility for its correctness and to ensure all expenditures are in agreement with MSPSP policy.

Penalty for Failure to Submit Timely:

Expense reports not submitted within thirty (30) days of the end of the fiscal year shall not be reimbursed, unless specifically approved by the Board of Directors.

Rebates or Adjustments:

Any rebate or adjustment received by a person submitting an expense reimbursement request should be deducted from expenses claimed. Funds received after an expense report reimbursement should be returned to the Treasurer along with a corrected copy of the original expense reimbursement.

Discounts:

Everyone, including members, are encouraged, and advised, to maximize discounts available to them. The fact that MSPSP may be paying the bill has no bearing on their personal obligation to seek discounts. MSPSP volunteers, Board members, etc. should request any available discounts for car or van rental, lodging and air travel.

Receipts:

For reimbursement purposes, itemized receipts must be attached for all expenditures.

Compliance with IRS Regulations:

The policies, procedures and instructions contained herein are written to conform to current IRS and Federal Government regulations.

H. Credit Cards:

General:

The Treasurer is in possession of a credit card, issued in the name of the Michigan State Premier Soccer Program. All credit card transactions must be approved by the Treasurer prior to purchase via credit card.

Uses:

The credit card may be used for securing reservations for lodging, air fare, paying for on-line accounts and other uses as approved by the Board of Directors. No personal charges are authorized nor may personal charges be incurred.

Responsibility of Expenses:

The annual fees for the credit card shall be paid by MSPSP. The billings from the credit card company shall be mailed directly to the MSPSP Office, which in turn, shall send payment to the credit card company in a timely basis to avoid any interest charges.

Reporting:

Any "other" charges on the MSPSP credit card mentioned above must be documented with itemized receipts attached and an explanation statement of the charge(s). The completed forms should be forwarded to the MSPSP Office within 30 days of the incurred expense(s).

I. Travel Expenses:

General Policy:

MSPSP will reimburse Board Members, volunteers and contracted staff for reasonable and proper expenses incurred in connection with traveling and living away from home in the conduct of approved MSPSP business. Each business trip must be properly authorized in advance by the MSPSP Chairperson or Treasurer. The purpose of the trip and expenses incurred must be documented and properly reported on an MSPSP Expense Reimbursement Form.

For reimbursement, Board members, volunteers, contracted staff and others traveling on MSPSP business must be approved by the Board Chairperson or Treasurer prior to the event.

Mode of Transportation and Air Travel:

Air Travel:

a. *Mode of transportation Least Expensive:*

The mode of transportation should be dictated by the relatively least expensive way to travel.

b. *Coach Class Required:*

Air travel will always be “coach” class. Travelers expecting reimbursement should make reservations as early as possible to take advantage of the least expensive fares available.

c. *Air Bonus Mileage Awards (Frequent Flyer Miles):*

The bonus mileage awards accrued by travel at MSPSP expense shall be the personal property of each traveler to be used as they see fit.

Personal Automobile:

Persons may elect to drive a personal automobile between home and airport, bus or train terminals or to travel destinations.

Reimbursement:

Mileage:

MSPSP mileage reimbursement shall be for the actual mileage driven at a mileage rate established by the Internal Revenue Service for the current calendar year

Parking and Tolls:

Parking fees and tolls are additional expenses which will be reimbursed in addition to mileage.

Mode of Transportation Least Expensive:

The amount reimbursed for travel by private automobile will not exceed the value of the least expensive air transportation. Actual mileage includes round trip to destination and travel between visiting event site and hotel. Exceptions to this policy may be granted by an applicable authority when it is in the best interest of the MSPSP.

Rental Cars:

Prior to rental of a car, consideration should be given to its use and other transportation alternatives. Members should request economy or compact sized cars, except when three or more members are traveling together where a full-size car may be needed.

a. Rental Agreements:

Rental agreements provide several options to the renter. Please check with the MSPSP Accountant for waivers that should or should not be taken when renting a car for individual rentals.

b. Accidents:

In the event of an accident, local rental and law enforcement authorities must be promptly notified. Contact the MSPSP Board Chairperson as promptly as possible.

c. Receipts required:

An itemized receipt and the actual payment receipt are required to be submitted for reimbursement.

Other Transportation:

Often the nature or place of the trip indicates that taking taxis, Uber, Lyft, or hotel courtesy cars is most economical, and negates the need for rental cars.

a. Taxis:

Taxis are an alternative to the use of rental cars and may be used appropriately.

b. Uber or Lyft:

This mode of transportation may be substituted for taxis or rental cars if costs are equal to or less than same.

J. Lodging:

MSPSP volunteers, contracted staff and Board Members authorized by MSPSP will be reimbursed for the actual cost of reasonable accommodations for approved travel.

Types of Rooms and Rate:

Single room rates should be requested when reservations are placed, with lodging expenses to be itemized by the day on the expense reimbursement request. Members are expected to seek lodging in the proximity of the visiting location to minimize the cost of local transportation.

Receipts Required:

The itemized hotel bill is required to be submitted.

Cancellations:

As requirements and plans change, it is understood that not all schedules may be met. Particularly expensive to MSPSP are payments for lodging held on reservations when “no-shows” occur. Only in the most unusual circumstances will the “no-show” be considered a proper expense. The traveler has the responsibility to cancel reservations. If the reservations are not cancelled, MSPSP may charge the individual(s) for the cost(s) of the reservation based on the circumstances.

K. Meals:

MSPSP implemented Michigan State Youth Soccer Association's (MSYSA) meal per diem policy. As of 02/15/2013, the MSYSA Board of Directors approved using the IRS per diem annual rate. Higher daily meal allowances may be approved by the Board of Directors in high cost areas.

L. Telephone:

Actual expenses for MSPSP calls, safe arrival calls and calls to family will be reimbursed to individuals traveling on MSPSP business. Proper receipts must be attached to the expense reimbursement request to substantiate the expense (e.g., itemized hotel bill or actual telephone bill.)

M. Non-Reimbursable Expenses:

The MSPSP will not reimburse Board members, volunteers and contracted staff for personal expenses such as, traffic citation, cost of clothing, personal medical expenses, entertainment, and losses of personal property, personal grooming expenses or movies.

Further, additional costs incurred when spouse/friend/family member accompanies a person on an MSPSP business trip are not reimbursable. Expenses incurred that are not attributable to MSPSP business are not to be included on an expense reimbursement request form.

N. Miscellaneous Reimbursable Expenses:

Other reasonable and necessary reimbursable expenses related to the MSPSP business activities may include, supplies, tips, passport fees, postage, and shipping, equipment rental, printing and copying.

O. Failure to Follow Financial Policies:

- a. In the event any volunteer, Board Member, contracted staff or any other person of the MSPSP fails to comply with these policies, the Board Chairperson or Treasurer shall be notified.
- b. The non-compliant person shall be notified in writing by the Board Chairperson or Treasurer either by delivery in person or by regular mail of the non-compliance and shall be requested to comply by a reasonable date.
- c. If the non-compliant person fails to comply by the date certain, a second letter from the Board Chairperson or Treasurer shall be delivered by person or by certified mail, return receipt requested. If sent by mail, the letter shall be considered delivered on the third day after it is placed in the U.S. mail, with sufficient postage and the correct address of the addressee. The letter shall demand compliance within fifteen (15) days after the letter is delivered or the non-compliant person shall be automatically considered in bad standing, removed from appointed office, and prohibited from participating in any MSPSP activity.
- d. If there is further non-compliance, the non-compliant person shall automatically be considered in bad standing, removed from the appointed office, and prohibited from participating in any MSPSP activity.

P. Budgetary Process:

Fiscal year is July 1st through June 30th .

General Policy:

a. *Sponsorship Revenue:*

Only revenue that is contractually “in hand” shall be projected as from non-members revenue.

b. *Registration Revenue:*

Previous year’s player registration shall be used for projecting revenue from player registrations for the next fiscal year.

Initial Budgets:

a. *Generation:*

The next fiscal year’s budgets shall be initially generated by the MSPSP Accountant and Treasurer.

b. *Distribution:*

The preliminary Budget shall be submitted to the Board Chairperson for review and comment.

c. *Proposed Changes:*

The Board Chairperson and Treasurer shall provide a reasonable deadline for the submission of proposed changes to the initial budget. Any proposed change must contain: 1) the full, initial budget for the line item, 2) the requested change, 3) the budget totals for each line item as modified; and 4) a detailed explanation and justification for each requested change.

d. *Budget Committee:*

If MSPSP does not establish a Budget Committee, the Board Chairperson, MSPSP Accountant and Treasurer shall present a proposed budget for MSPSP, including suggested line item changes. The proposed budget with proposed changes will be reported at the next Board of Directors meeting.

e. *Distribution of Approved Budget:*

The Board Chairperson/Treasurer shall provide copies of the final budget, as approved by the Board of Directors, to all its affiliated members at the Annual General Meeting.

f. *Budgetary Controls:*

The MSPSP Accountant and Treasurer shall be held accountable for operating within the approved budgets.

g. *Budgetary Amendments:*

Once the budget has been approved by the membership, as Represented on the Board of Directors, any changes to the budget must be accomplished through the budget amendment process.

- a. Contents of Requests for Amendment:** Requests for budget amendments shall contain:
- 1) The full, original budget as approved by the Board of Directors for the department,
 - 2) The requested change.
 - 3) The budget totals for each line item as modified,
 - 4) A detailed explanation and justification for each requested change, including how well the proposed program meets the goals and objectives established by the Board of Directors and the Membership; and
 - 5) A statement identifying the source of funds for the requested increase.

h. *Request Submission:*

Each request shall be first submitted to the Board Chairperson and Treasurer. In turn, the Board Chairperson and Treasurer will provide each requested amendment to the Board of Directors for review and recommendation.

i. *Board of Directors:*

Upon the receipt of proposed budget amendment, the Board of Directors shall consider the amendment at its next scheduled meeting. In the event that urgency is required; the meeting may be by telephone conference or other telecommunication media.

j. *Treasurer and Program Staff:*

The Board Chairperson and Treasurer shall provide copies of the Budget Amendments, if approved, to all its members in possession of the original budget.

Q. Taxes and other Governmental Reports:

Federal Tax Status:

MSPSP has been granted Section 501(c) (3) non-profit, tax exempt status by the Internal Revenue Service. MSPSP must file an annual information return with the IRS. Failure to file a return can lead to reclassification of the group as a private foundation. This can lead to severe tax problems for the organization as well as subject it to fines.

a. MSPSP must also report payments to individuals contracting work with MSPSP if payments exceed \$600 or more per year.

b. MSPSP's 501(c) (3) exemptions is not an umbrella for other soccer associations. Each must apply for its own exemption.

c. It is the responsibility of MSPSP to withhold, report and pay taxes to the federal, state and sometimes local government

W. Zielen

P. Fenwick

R. Crawford

W. Smith

R. Grobbel

L. Bederka

T. Zbik

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