

Financial Controls Policy

Organization: Red Mountain Community Social Club

Effective Date: April 7, 2026

Approved by: RMCSB Board

1. Purpose

The purpose of this policy is to establish financial controls that ensure the organization's funds are managed responsibly, safeguarded against misuse, and accurately reported. These controls help maintain transparency, accountability, and compliance with federal, state, and local regulations.

2. Scope

This policy applies to all club members, and anyone with access to the financial resources of the organization.

3. Financial Responsibilities

- **Board of Directors**
 - Approve the annual budget and any material deviations.
 - Review of financial statements.
- **Treasurer**
 - Oversee day-to-day financial operations.
 - Prepare financial statements for the Board.
 - Ensure compliance with accounting policies and controls.
- **Members Handling Funds**
 - Adhere to all procedures outlined in this policy.
 - Report any discrepancies immediately to the Treasurer or Board.

4. Segregation of Duties

To minimize the risk of errors or fraud:

1. Authorization, recording, and custody of assets must be separated wherever possible.
2. No single individual should have control over all aspects of any financial transaction.

5. Cash Management

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- All cash received must be documented with a receipt and deposited promptly.
- Cash disbursements require a signed check request or invoice approval by the Treasurer.
- Petty cash funds must be limited, reconciled monthly, and accounted for with receipts.

6. Banking Controls

- All bank accounts must be in the organization's name.
- Bank statements should be reviewed monthly by the Treasurer and reconciled against accounting records.
- Online banking access must be controlled, with periodic review of authorized users.

7. Expenditure Controls

- All expenses must be supported by proper documentation (invoice, receipt, or contract).
- Payments not already approved in the budget require Board approval.
- Reimbursement requests must be submitted with receipts and approved by the Treasurer.
- No personal expenses may be charged to the organization.

8. Financial Reporting

- Financial statements must be prepared and presented to the Board.
- Annual financial reports must comply with generally accepted accounting principles (GAAP) and IRS regulations.
- IRS Form 990 or 990-EZ or any other applicable forms must be filed annually, with a copy provided to the Board for review.

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9. Audit and Review

- The organization will undergo an annual independent audit or review as required by applicable law or funding agreements.
- **Federal Requirement:** If the organization spends \$1,000,000 or more on federal awards in a fiscal year (including pass-through funds), it must obtain a Single Audit under the Uniform Guidance (2 CFR § 200.501).
- **State & Local Requirements:** State of Arizona agencies and Maricopa County may require an independent audit or financial review as a condition of receiving state or local government funding or contracts. Any such requirements specified in funding agreements must be followed.
- **Reporting & Corrective Action:** Audit findings must be presented to the Board of Directors, and appropriate corrective actions must be implemented promptly.

Conflict of Interest

Any financial transaction involving any club member that may present a conflict of interest must be disclosed in writing and approved by the Board.

11. Document Retention

Financial records, including receipts, invoices, bank statements, and tax filings, must be retained for a minimum of seven years or as required by law.

12. Policy Review

Policies and procedures are reviewed and revised at the direction of the Board President as needed or to align with changes in the law or changes in organizational practices.