Lindale Soccer Association
Financial Policy

PURPOSE

Lindale Soccer Association (LSA) is committed to maintaining transparent, ethical, and responsible financial practices. These policies establish clear guidelines for budgeting, expenditures, and financial reporting to enhance accountability and mitigate risks associated with financial mismanagement. Adherence to these standards ensures fiscal integrity and supports the organization's long-term sustainability.

Financial Policy Statement: LSA shall implement financial policies designed to mitigate the risk of financial loss to the organization. These policies establish clear guidelines to prevent errors, loss, or misappropriation of funds, ensuring responsible financial management and accountability.

Nonprofit Compliance Policy: LSA operates as a nonprofit organization and is required to adhere to all applicable Internal Revenue Service (IRS) regulations to maintain its nonprofit status. These regulations establish limitations on the use of organizational funds and impose tax reporting obligations under specified circumstances. Compliance with these guidelines ensures fiscal responsibility and regulatory adherence.

Financial Risk Management Policy: LSA is affiliated with the North Texas State Soccer Association (NTSSA), which has established risk management guidelines for its affiliated youth soccer associations. While these guidelines primarily address non-financial risks and are not binding on member associations, LSA recognizes the importance of implementing its own financial risk management policies to safeguard assets and ensure operational stability.

As a nonprofit organization entrusted with significant funds and dependent on a volunteer staff for program coordination and delivery, LSA is committed to maintaining strict financial oversight. By proactively managing financial risk, LSA aims to uphold fiscal integrity, promote accountability, and sustain the long-term financial health of the organization.

Internal Accounting Controls Policy: To minimize financial risk, LSA shall implement appropriate internal accounting controls designed to safeguard assets and ensure the accuracy and integrity of financial transactions. These controls establish structured procedures to verify that all financial activities are properly executed as authorized and accurately recorded in the organization's accounting records.

Effective internal control procedures serve to:

a. Maintain the reliability of financial information, enabling the Board to make informed programmatic and operational decisions.

b. Protect organizational assets and records from theft, misuse, or accidental destruction.

c. Ensure compliance with applicable government regulations.

Adherence to these internal controls strengthens financial accountability, enhances operational transparency, and supports the long-term fiscal stability of LSA.

FINANCIAL OVERSIGHT ROLES AND RESPONSIBILITIES

A. LSA Executive Officers

The LSA Executive Officers (Executive Officers) are responsible for the strategic and operational leadership of the association, including oversight of financial practices. Each officer plays a distinct role in ensuring financial integrity, compliance, and alignment with the association's mission. In addition to their individual duties, the Executive Officers collectively hold the following financial responsibilities:

a. Ensuring the association adheres to ethical and legal financial practices.
b. Reviewing and approving the Spring and Fall budgets and major financial decisions.
c. Monitoring the financial health of the association through regular financial reports.
d. Reviewing financial policies and procedures to maintain compliance and efficiency.
e. Overseeing compliance with IRS regulations and nonprofit tax laws.
f. Approving audits and financial reviews when required.

1. President

a. Provides overall leadership and strategic direction, including financial oversight.
b. Ensures financial decisions align with the association's mission and long-term goals.
c. Serves as a signatory on financial documents and authorizations as needed.
d. Supports the review and approval of budgets and major financial actions.

2. Vice President (Appeals & Discipline)

a. Assumes general Vice President responsibilities, including supporting the President in financial oversight and decision-making.
b. Acts on behalf of the President in their absence, including in financial matters.
c. Ensures that financial decisions related to disciplinary actions or appeals are handled ethically and in accordance with policy.

d. Collaborates with the Executive Officers to evaluate the financial impact of disciplinary processes.

3. Director of Finance

a. Manages the day-to-day financial operations of the association.
b. Reviews all accounts to assess the financial position and resolve discrepancies.
c. Reconciles transactions to ensure accuracy and alignment with bank statements.
d. Compiles and presents financial statements to the Board.
e. Files tax forms accurately and on time.
f. Analyzes operating budgets to optimize financial management.
g. Prepares documentation and processes for audits.
h. Ensures compliance with Generally Accepted Accounting Principles (GAAP).

4. Director of Operations

a. Oversees the operational budget and ensures that expenditures align with approved financial plans.
b. Coordinates with the Director of Finance to monitor spending and resource allocation across programs and services.
c. Supports the implementation of internal controls related to operational spending.

5. Communications Director

a. Ensures financial transparency through timely and accurate communication of financial updates to stakeholders.
b. Collaborates with the Director of Finance to disseminate financial reports and summaries.
c. Supports the development of financial messaging for annual reports, newsletters, and public disclosures.

B. Treasurer (Non-Executive Officer Role)

The Treasurer supports the financial operations of the association under the supervision of the Director of Finance. Responsibilities include:

e. Entering financial data into the accounting software, including expenditures, revenue, and other records.
f. Issuing checks for approved expenditures.
g. Depositing funds into appropriate bank accounts.
h. Processing contractor payments during Spring and Fall seasons.
i. Allocating costs appropriately within the general ledger.
j. In the event of a vacancy, the Director of Finance will assume these responsibilities until a new Treasurer is appointed.

Any reference to the Treasurer within this policy shall also mean the Director of Finance whenever the Treasurer position is vacant or unfilled.

C. General Board Members

General Board Members serve in a governance and advisory capacity. While they do not manage day-to-day financial operations, they contribute to the overall strategic direction and uphold the financial integrity of the association by:

a. Acting in the best interest of the association's financial stability.
b. Preventing conflicts of interest in financial dealings.
c. Ensuring funds are allocated and used in alignment with the nonprofit's mission.
d. Supporting the segregation of financial duties to mitigate the risk of fraud.
e. Supporting the Executive Officers by serving on committees or task forces as requested, particularly those related to financial oversight, audit, or budget planning.

FINANCIAL POLICIES AND PROCEDURES

I. Document Ownership and Governance

a. This financial policy document is the official property of Lindale Soccer Association (LSA) and shall be maintained under the authority of the Executive Officers.
b. The Executive Officers are responsible for reviewing, updating, and ensuring compliance with the policies outlined herein.
c. Any amendments or revisions to this document must be approved by the Executive Officers and recorded in official meeting minutes.
d. The Director of Finance shall oversee the management and distribution of this document, ensuring accessibility to all relevant stakeholders.
e. Copies of this policy shall be retained by the club President and the Director of Finance, with updates incorporated into the LSA records as necessary.

II. Financial Ethics and Code of Conduct

a. LSA Board members, volunteers, and staff shall uphold the highest standards of financial integrity, transparency, and accountability in all financial dealings.
b. All financial transactions must be conducted in a manner that aligns with LSA's mission and nonprofit status.
c. Conflicts of interest must be avoided, and individuals with financial decision-making authority shall disclose any potential conflicts in accordance with LSA's conflict-of-interest policy.

d. Misuse, misappropriation, or unauthorized use of funds shall result in disciplinary action, including possible legal penalties and removal from the position.
e. Any concerns regarding financial misconduct must be reported promptly to the Executive Officers for investigation and resolution.

III. General Governance

a. The Executive Officers are responsible for formulating policies and reviewing operational activities to ensure financial accountability.
b. Financial duties and responsibilities shall be appropriately segregated to prevent any single individual from having sole control over critical financial functions, including cash receipts, disbursements, and bank reconciliations.
c. This policy shall be reviewed annually by the Executive Officers to ensure continued effectiveness and compliance.

IV. Budgeting

a. The President and Director of Finance shall prepare Spring and Fall budgets to outline financial allocations for the association's programs and operations.
b. The Executive Officers must approve the Spring and Fall budgets, including any proposed adjustments exceeding a designated threshold amount (Section H) or affecting specific line items.

V. Bank Account Management

a. LSA shall maintain two bank accounts and two savings accounts to ensure structured financial tracking:
    i. **Main Account:** Used for managing all operating revenue and expenses.
    ii. **Concession Account:** Dedicated to recording concession sales and related expenditures.
    iii. **Strategic Savings Account:** Reserved for strategic purchases exceeding $1,000.
    iv. **Scholarship Savings Account:** Allocated for financial assistance and scholarships administered in accordance with the LSA Scholarship Program and LSA Senior Scholarship Fund.
b. All bank accounts shall be registered under the name of Lindale Soccer Association to maintain financial oversight.
c. Online banking shall require multifactor authentication whenever available.
d. Passwords shall not be shared with any other individual.
e. Only authorized signers shall have access to LSA accounts. The designated signers include:
    v. President
    vi. Vice President

vii. Director of Finance
viii. Director of Operations
ix. Director of Communications

VI. Cash Receipts and Check Processing

a. The President, Vice President, and Director of Finance shall have access to the LSA mailbox and may open all mail.
b. All checks received will be forwarded to the Treasurer for processing.
c. Cash collected from concession sales shall be counted by the Concession Manager and verified by the Treasurer before deposit.
d. The Treasurer will deposit all checks and cash into the appropriate LSA bank accounts within seven business days.
e. All deposit documentation shall be recorded and attached to the respective entries in the accounting software system for audit purposes.
f. All receipts shall be deposited in full, with no disbursements made prior to deposit.
g. The Director of Finance will review and present deposit details at Board meetings to ensure ongoing financial transparency.

VII. Expense Reimbursement

Expense Reimbursement shall be administered in accordance with the LSA Expense Reimbursement Policy.

VIII. Refunds

Registration refunds shall be administered in accordance with the LSA Refund Policy.

IX. Payment Authorization

a. Approved expenditures must be documented through one of the following methods:
   x. Inclusion in the approved budget.
   xi. Recorded in board meeting minutes following a vote.
   xii. Confirmed via official email correspondence or text messages from board members.
b. Authorization thresholds for expenditures outside the approved budget:

Amount	Approval
Up to $300	Any Executive Officer
$301–$1,000	Majority approval of the Executive Officers
Over $1,000	Approval of the Board of Directors unless included in the approved budget

c. All expenditures must be forwarded within 24 hours to the Treasurer for review to ensure mathematical accuracy, validity, budget conformity, and compliance with agreements.

d. Approved expenditures shall be entered into the accounting system, matched with supporting documentation, and uploaded for auditing purposes.
e. In emergencies where immediate action is necessary to protect Association property or participants, the President and Director of Finance may authorize expenditures exceeding normal approval limits, provided the expenditure is reported to the Board of Directors at its next meeting.

X. Check Management

a. The Treasurer shall maintain custody and control of all unused check stock.
b. All checks must be signed by an authorized signer.
c. Checks exceeding $10,000 require two signatures.
d. The Treasurer shall ensure checks are issued only for approved expenditures, and all payments are recorded in the accounting system.
e. Voided checks must be marked "VOID" in ink, with the signature section removed, and retained for recordkeeping.
f. Online bill payment may be used as an alternative to physical checks, with access restricted to authorized signers.
g. Under NO circumstances shall:
    xiii. A check be issued without proper approval.
    xiv. Blank checks (checks without a completed date or designated payee) shall not be signed in advance.
    xv. Checks be made out to "cash", "bearer", or "petty cash".
    xvi. Checks be issued based solely on verbal authorization, unless approved by the **President**
    xvii. An officer may not sign a check payable to themselves.
h. If a check must be reissued due to loss or non-receipt, a stop payment will be initiated on the original check.

i. Cards must be stored securely, and any loss or theft must be reported immediately to the Director of Finance.

XI. Reconciliation

a. The Director of Finance is responsible for reconciling the general ledger at the end of each month.
b. Bank statements must be reconciled monthly
c. Bank statements will be downloaded from the bank for review.
d. The Director of Finance shall take appropriate action on outstanding checks over 60 days.

XII. Contractor Payment Processing

a. The Treasurer will collect contractor information and send a QuickBooks email invitation.
b. Contractor payment details must be submitted to the Treasurer for processing.
c. The Treasurer shall enter the contractor payment into the accounting system by the established weekly payment processing deadline.
d. The Treasurer will provide the following contractor payment records to the Director of Finance for review:
   xviii. PDF of referee payments.
   xix. Email confirmation for concession contractor payments.
   xx. Email confirmation for field and maintenance contractor payments.
   xxi. Excel QuickBooks report summarizing contractor payments.

XIII. Credit/Debit Card Usage

a. Organizational cards may be issued to members of the Board of Directors only with unanimous approval of the Board of Directors.
b. The default limit of all cards shall be $500 unless otherwise approved by the Board of Directors.
   xxii. President: $1,000
   xxiii. Vice President: $1,000
   xxiv. Director of Operations: $10,000
   Note: Higher purchasing authority is granted to the Director of Operations due to responsibility for capital equipment purchases and field maintenance expenditures.
c. Organizational cards may only be used for approved expenditures that align with LSA's nonprofit mission and budget.
d. All transactions must be supported by receipts and detailed records and submitted to the Treasurer.
e. Transactions must remain within approved budgeted amounts and require Executive Officers/Director of Finance approval before initiation.
f. Personal expenses, cash advances, and non-LSA-related purchases are strictly prohibited.
g. When a cardholder resigns from or otherwise leaves the Board of Directors, the card shall be immediately deactivated and destroyed or returned to the Director of Finance.

XIV. Operating Reserve

a. Lindale Soccer Association shall maintain an operating reserve to promote the long-term financial stability of the Association and provide adequate resources during periods of unexpected financial need.

b. The operating reserve is intended to provide funding for unforeseen emergencies, unexpected operating shortfalls, major equipment failures, delayed revenue, or other circumstances that could significantly impact normal operations.
c. The Executive Officers shall strive to maintain unrestricted operating reserves equal to a minimum of three (3) months of average operating expenses, subject to available resources.
d. Reserve funds shall be maintained in secure, Board-approved financial institutions and may be held in savings accounts, money market accounts, certificates of deposit, or other low-risk, federally insured investment vehicles.
e. Use of reserve funds exceeding $1,000 shall require approval in accordance with the expenditure authorization requirements established within this policy.
f. Reserve funds shall not be used for routine operating expenses unless authorized by the Executive Officers.
g. The Director of Finance shall report the reserve balance as part of the regular financial reports presented to the Executive Officers.

XV. Investments

a. Any funds held by LSA that are not scheduled for immediate operational use shall be invested to generate additional resources for future organizational needs.
b. Funds shall only be invested in FDIC-insured accounts, certificates of deposit, U.S. Treasury securities, or similarly low-risk investments approved by the Board of Directors.
c. All investment decisions must be reviewed and approved by the Executive Officers prior to the implementation of an investment transaction.

XVI. Asset Management

a. Asset purchases valued at less than $1,000 shall be expensed to the appropriate budget category.
b. When assessing whether an asset meets the $1,000 capitalization threshold, all related costs necessary to bring the asset into operational use – including freight, setup expenses, and consulting fees – shall be combined to determine its total value.
c. The asset threshold shall be established by the Executive Officers and reviewed annually in alignment with IRS guidelines.
d. An inventory and valuation of all organizational equipment shall be conducted annually by the designated property manager.
    xxv. At least one additional Board member shall participate in the inventory process every other year.

e. A copy of the inventory report shall be retained by both the President and the property manager and will be updated within the official LSA inventory documentation.

XVII. Fundraising and Sponsorship

a. All fundraising efforts must align with LSA's mission and comply with nonprofit legal requirements.
b. Sponsorship agreements shall be reviewed and approved by the Executive Officers to ensure financial and ethical alignment with LSA's values.
c. Funds raised through events, sponsorships, or donations must be properly recorded, allocated, and reported within LSA's financial system.
d. Transparency in donor contributions shall be maintained, ensuring funds are used for the intended purposes.
e. A designated committee may be formed to oversee fundraising initiatives, ensuring adherence to financial policies and sustainability objectives.

XVIII. Tax Compliance

a. LSA shall maintain a Tax Identification Number (TIN) issued by the IRS to ensure regulatory compliance.
b. The Director of Finance shall prepare and issue required IRS information returns in accordance with applicable federal law.
c. The Director of Finance shall coordinate with NTSSA, or designated CPA, for the preparation and timely submission of LSA's federal income tax filing by the statutory due date.
d. The Director of Finance shall file the Franchise Tax Annual Ownership Information Report by the statutory due date.
e. The Director of Finance, when applicable, shall ensure timely filing and payment of Sales and Use Tax obligations by the statutory due date.

XIX. Financial Record Retention

a. LSA shall maintain accurate financial records in accordance with nonprofit legal requirements and best practices.
b. Financial documents, including invoices, receipts, contracts, and bank statements, must be retained for a minimum of seven years or as required by applicable laws.
c. Digital and physical financial records shall be securely stored to prevent unauthorized access, loss, or damage.
d. Records related to audits, taxes, and major financial decisions shall be kept indefinitely to ensure historical financial integrity.
e. The Director of Finance is responsible for overseeing financial document retention and ensuring compliance with applicable regulations.

XX. Financial Review and Reporting

a. The Director of Finance shall be responsible for producing accurate financial statements to reflect LSA’s financial position.
b. The Executive Officers shall review financial reports at each board meeting to ensure accuracy and accountability.
c. The Director of Finance shall present the following financial reports at each board meeting:
   xxvi. Statement of Financial Position
   xxvii. Statement of Activity
   xxviii. Budget Projections vs. Actuals
   xxix. Bank Reconciliation Report
   xxx. Deposit Detail Report

XXI. Whistleblower Protection Policy

a. Lindale Soccer Association encourages Board members, volunteers, contractors, employees, and other individuals acting on behalf of the Association to report, in good faith, any suspected fraud, theft, financial misconduct, misuse of organizational assets, violations of law, or violations of this Financial Policy.
b. Reports may be made to the President, Director of Finance, or another Executive Officer. If the report involves an Executive Officer, it should be made to another disinterested Executive Officer or directly to the Board of Directors.
c. Reports shall be reviewed promptly and investigated in a fair, confidential, and impartial manner to the extent reasonably possible.
d. No individual who, in good faith, reports suspected misconduct or participates in an investigation shall be subject to retaliation, intimidation, harassment, discrimination, or adverse action because of that report.
e. Individuals who knowingly submit false or malicious allegations may be subject to disciplinary action.
f. The Executive Officers shall take appropriate corrective action whenever financial misconduct or policy violations are substantiated.

XXII. Financial Review and Audit Procedures

a. LSA shall conduct periodic financial reviews and, when appropriate, independent financial audits to ensure accuracy, accountability, and compliance with nonprofit regulatory requirements.
b. The Board of Directors shall determine when an independent financial review or audit is appropriate based on the association's size, financial activity, grant requirements, or other circumstances.
c. The audit process shall include a comprehensive review of income, expenditures, financial records, and adherence to established policies and procedures.

d. All audit findings, recommendations, and corrective actions shall be documented and presented to the Executive Officers for review and approval.
e. The Director of Finance shall oversee the implementation of corrective measures, ensuring financial transparency and compliance with audit standards.
f. Audit reports shall be retained in accordance with financial record retention policies and made available upon request to authorized stakeholders.

XXIII. Financial Accountability

a. The Executive Officers consist of elected individuals entrusted with financial stewardship. Each member shall acknowledge their responsibility to uphold financial integrity and adhere to established policies.
    xxxi. All members of the Board of Directors shall sign an agreement affirming their commitment to compliance before assuming office.
b. Suspected misappropriation of funds may constitute a criminal offense and may be referred to the appropriate law enforcement authorities.
c. Any director or individual found to have misused or misappropriated association funds may be reported to the North Texas State Soccer Association, which may affect the individual's eligibility to hold future positions within LSA or affiliated organizations.

XXIV. Review Of Policy

This policy will be reviewed annually and amendments will be approved by the LSA Executive Officers.