



# **Financial Policies & Procedures Manual**

**Revised & Adopted**

**June 23, 2016**

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**August 17, 2017**

## **Greater Tampa Chamber of Commerce, Inc.**

### **FINANCIAL POLICIES & PROCEDURES MANUAL**

#### **INTRODUCTION**

The Greater Tampa Chamber of Commerce (GTCC) is the premier business advocacy organization in the Tampa Bay area. Founded in 1885, the GTCC is exempt from taxation under Section 501 (c)(6) of the Internal Revenue Code. Its fiscal year-end is December 31<sup>st</sup>. Membership in the GTCC consists of all types of businesses: public corporations, small businesses, not-for-profit organizations and government agencies.

The mission of the Greater Tampa Chamber of Commerce is to serve our members and enhance our community by building business success. The Executive Committee shall manage the affairs of the GTCC and oversee the activities of the committees. The appointed President & CEO reports to the Board Chair and is responsible for carrying out basic policies, as determined by the Board of Directors, and the management of the GTCC and its staff. Under the guidance of the President & CEO, the Staff Leadership Team plans and coordinates the Chamber's activities. Other staff members perform their assigned duties under the supervision of the Staff Leadership Team.

#### **FINANCE & ADMINISTRATION DEPARTMENT RESPONSIBILITIES**

The Finance & Administration Department is responsible for all financial activities and reporting requirements of the GTCC. Additionally, the department provides financial information to the Board of Directors, the Executive Committee, the Finance Committee as well as the Staff Leadership Team and as necessary, other staff. The accounting records of the GTCC are audited annually by an independent CPA firm. The audit report is provided to the Finance Committee, Executive Committee and Board of Directors as well as any members who request a copy.

The Finance & Administration Department is responsible for:

- Collaboration with all staff members in preparing an annual budget
- Development and adhering to sound fiscal policies and procedures
- Maintaining sound internal control policies and procedures
- Timely and accurate financial reporting
- Effective use of information technology
- Office operations and facilities management

#### **PURPOSE OF THIS MANUAL**

The policies and procedures discussed herein address the various accounting and financial policies, internal control policies, risk reduction policies and office administration policies relevant to the operation of the Greater Tampa Chamber of Commerce. These written policies

are designed to ensure financial accountability and transparency, eliminate misunderstandings and protect the assets and viability of the GTCC. It is the responsibility of the Finance and Administration Department to ensure sound accounting practices and internal controls.

While every effort is made to keep this manual up-to-date, all items referenced herein are subject to modification, amendment or deletion. All amendments will be brought before the Finance Committee for recommendation and Executive Committee for approval.

All manuals are property of the GTCC. The Chief Financial Officer is responsible for the distribution of this manual to said employees who, in turn, are responsible for safeguarding the materials and inserting approved changes. The Manual must be returned to the Chief Financial Officer upon termination of employment.

### **SEGREGATION OF DUTIES**

Effective internal controls mandate, when possible, an adequate segregation of duties to reduce the probability of dishonesty.

It is the policy of the GTCC to ensure an adequate segregation of responsibilities regarding all aspects of the financial operations of the GTCC to include but not limited to cash receipts, bank deposits, bank statement reconciliations, invoice approval, check preparation, check signing and expense reimbursement approvals. Additionally, the GTCC will consult with its independent CPA firm to study internal controls and recommend improvements in the segregation of duties.

### **COMPREHENSIVE POLICY**

All accounting and financial policies contained within this manual are all inclusive and supersede all previously adopted accounting and financial policies. Furthermore, any exception to a policy must be clearly documented and will not in any way make the exception a policy.

The Finance Committee may refer a policy to another committee for review if deemed appropriate; however, the Executive Committee will have final approval. Therefore, any policy additions and changes to a policy will be required to go through the established review and approval process.

**Greater Tampa Chamber of Commerce, Inc.**

**FINANCIAL POLICIES AND PROCEDURES MANUAL  
CHAPTER 1**

**GENERAL LEDGER ACTIVITY AND FINANCIAL STATEMENT PRESENTATION**

**I. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

It is the policy of the GTCC to use the modified accrual basis of accounting where revenues are recognized when they are earned and expenses are recognized when the related goods or services are used. Event revenues that are received in the GTCC office after the accounting period that applies to the revenue will be recognized in the subsequent period when payment is received by the GTCC. The financial statements will be prepared following generally accepted accounting principles.

Membership dues revenues are recorded ratably over the applicable membership period.

**II. CHART OF ACCOUNTS**

The chart of accounts is the foundation of the accounting system. It is constructed to allow a trained accountant an immediate understanding of the accounting numbering system. The GTCC chart of accounts is divided into five major account groupings and then subdivided by Department. This subdivision allows the Finance and Administration Department to prepare departmental financial statements:

<u>Account Classification</u>	<u>Financial Statement</u>
1. Assets	Statement of Financial Position
2. Liabilities	Statement of Financial Position
3. Net Assets/Member Equity	Statement of Financial Position
4. Revenues	Statement of Revenue and Expense
5. Expenses	Statement of Revenue and Expense

It is the policy of the GTCC to maintain a chart of accounts. A current chart of accounts is necessary to ensure proper account coding and all employees involved with account coding responsibilities or budgetary responsibilities will be issued a chart of accounts. The Chief Financial Officer is the only employee with authority to add or delete accounts.

### **III. JOURNAL TRANSACTIONS**

It is the policy of the GTCC to record and post monthly all general journal ledger entries to the general ledger. All entries that do not originate from journals must be supported by adequate documentation. Nonrecurring adjusting journal entries must be prepared to properly reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to, the following:

- Recording of non-cash transactions
- Correction of posting errors
- Accrual of income and expense items

All non-recurring adjusting journal entries must be authorized by someone who is not involved in the origination of the entry.

- The Chief Financial Officer will review and approve non-recurring adjusting entries generated by the Sr. Director of Finance and Administration.
- The President & CEO will review and approve non-recurring adjusting entries generated by the Chief Financial Officer.

### **IV. LEASES**

It is the policy of the GTCC to record leases as either capital leases or operating leases in the financial records, based on appropriate qualification criteria. A cost-benefit analysis will be prepared to assist in determining whether to lease or purchase a piece of equipment. All capital purchases are to be included in the Capital Budget and are approved by the Board of Directors.

When an equipment lease is capitalized, the equipment will be included among the fixed assets of the GTCC and depreciated accordingly. Payments for operating leases are considered expenses in the period the lease payment is made.

### **V. AMORTIZATION**

It is the policy of the GTCC to amortize all maintenance and support agreements over the length of the contract.

### **VI. PREPAID EXPENSES**

It is the policy of the GTCC to treat payment of expenses that have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period.

Examples of prepaid expenses include, but are not limited to, insurance premiums, room and catering deposits for future events and travel expenses for future events.

## **VII. ACCRUED EXPENSES**

Expenses that have been incurred, but not yet paid, should be recognized on the financial statements. The relative materiality of the expenses that have been incurred must be addressed, because distribution of the financial statements should not be delayed in the interest of accruing immaterial expenses. The dollar limit of these expenses will be determined by the Chief Financial Officer.

It is the policy of the GTCC to accrue unpaid expenses on its financial records.

## **VIII. ANNUAL VACATION LEAVE ACCRUAL**

At the end of the fiscal year, the Chief Financial Officer will compute the liability of annual vacation leave due to employees as of the last day of the fiscal year and will record the liability on the financial statements. This accrual will be based on the individual leave records of the employees and will follow the leave policies established by the GTCC Employee Handbook.

In the last month of the year, it is the policy of the GTCC to accrue the value of the annual vacation leave due to employees. The value is based on staff salaries effective at the end of the current fiscal year.

## **IX. LONG-TERM DEBT**

All long-term commitments will be included in the annual budget and approved by the Board of Directors.

It is the policy of the GTCC to include the current portion of long-term debt (the amount due to be paid within 12 months) on the financial statements. Only the non-current portion of long-term debts will be included in the long-term debt section of the financial records.

## **X. DEPRECIATION/CAPITALIZATION CUTOFF POINT**

It is the policy of the GTCC to depreciate fixed assets over their estimated useful lives.

It is the policy of the GTCC to capitalize assets in the period purchased if these assets cost more than \$500 or more individually.

Capitalized repairs and improvements will be depreciated using the straight-line method based on an analysis of the time the repair or improvement is expected to improve the property. The

Chief Financial Officer will be responsible for determining the life of an asset and will refer to the IRS guidelines for basis of that determination.

Fully depreciated fixed assets will remain on the GTCC Statement of Financial Position and will be included on the tangible property tax return until disposed of or otherwise deemed worthless.

## **XI. FINANCIAL STATEMENT PRESENTATION AND DISTRIBUTION**

It is the policy of the GTCC to prepare and distribute monthly financial statements that will include the Statement of Financial Position and the Revenue & Expense Statement, including departmentalized or functional activity reports, and other financial reports relevant to GTCC operations.

These statements should be prepared and finalized, monthly, by the 10<sup>th</sup> working day following the month of close.

The statements will be distributed monthly as determined by the President & CEO. In addition, the statements will appear on all agendas of the Finance Committee, Executive Committee and Board of Directors. Furthermore, the Finance Committee, Executive Committee and Board of Directors may receive an electronic version of the statements each month. Approval of all financial reports is pursuant to the Bylaws.

## **XII. NET ASSETS WITHOUT DONOR RESTRICTIONS/BOARD-DESIGNATED FUNDS**

Net assets without donor restrictions represent the cumulative results of operations of the GTCC. Board-designated funds are designated by the Board of Directors for a specific purpose. Net assets without donor restrictions including board-designated funds are subject to creditor action.

It is the policy of the GTCC to include board-designated funds with net assets without donor restrictions on the Statement of Financial Position. Any activity for board-designated funds will be disclosed to the Finance Committee, Executive Committee and Board of Directors.

## **XIII. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are funds designated by the donor to be used for a specific purpose according to the donor's wishes.

It is the policy of the GTCC to add sum all net assets with donor restrictions together for Revenue & Expense Statement presentation.

#### **XIV. ENDOWED FUNDS**

Endowed funds will be included with net assets with donor restrictions on the GTCC Revenue & Expense Statement.

An endowment fund is established when a donor contributes of money or property to the GTCC and specifies what the endowment and earnings on the endowment are to be used for.

It is the policy of the GTCC to include endowment funds with net assets with donor restrictions on the Revenue & Expense Statement.

#### **XV. OPERATING RESERVES**

The GTCC recognizes the importance of maintaining a minimum level of cash reserves in order to continue to operate if significant revenue streams are diminished or cease to exist.

Therefore, it is the policy of the GTCC to maintain cash in reserves equal to a minimum of 50% of annual operating expenses in the instance that significant revenue streams are diminished or cease to exist. Annual operating expenses are those not related to revenue generating events and programs.



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**FINANCIAL POLICIES AND PROCEDURES MANUAL**

**CHAPTER 2**

**CASH AND INVESTMENT MANAGEMENT**

**I. CHECK SIGNING AUTHORITY**

Proper segregation of duties is a must to ensure adequate internal controls for check preparation. Individuals who prepare checks should never be the check signers. All checks require two signatures.

It is the policy of the GTCC to give check-signing authority to the following positions:

- President & CEO
- Chief Operating Officer (in the absence of the President & CEO)
- Chief Financial Officer
- Board Chair
- Board Chair Elect
- Board Treasurer

In the instances where the President & CEO is unable to sign a check, a report will be provided by the Chief Financial Officer to the President & CEO for review which will provide a detail listing of checks that were signed in his/her absence.

**II. CASH LOGS**

Cash logs will be prepared daily and provide a list of all checks and cash that have been received by the Chamber. The Front Office Manager prepares the cash log and forwards it to the Senior Director, Finance & Administration for deposit processing.

It is the policy of the GTCC to prepare a daily cash log. The staff member preparing the cash log will not be the staff member who prepares the deposit.

**III. BANK RECONCILIATIONS**

Monthly bank reconciliations will be prepared by the Chief Financial Officer before the 10<sup>th</sup> business day of the month. Bank statements will be reviewed by the President & CEO monthly. Voided checks will be documented and accounted for properly.

It is the policy of the GTCC for the President & CEO to review bank statements monthly. The Chief Financial Officer is responsible for review and preparation of the bank reconciliations.

#### **IV. WIRE TRANSFERS/ELECTRONIC TRANSACTIONS**

The GTCC uses wire transfers for routine payments where repetitive wire transfer instructions have already been established. The Senior Director, Finance & Administration has security access for repetitive wire transfers. The Chief Financial Officer reviews and approves all types of wire transfers daily.

It is the policy of the GTCC to allow the Senior Director, Finance & Administration to make routine repetitive wire transfers which have been established with the banking institutions.

Non-repetitive wire transfers initiated by the Chief Financial Officer are approved by the President & CEO.

#### **V. LINE OF CREDIT**

It is the policy of the GTCC to maintain an open line of credit with lending institutions. The GTCC currently has a \$250,000 line of credit with an FDIC-insured financial institution.

Borrowing against the line of credit requires approval of the Finance Committee and the Executive Committee.

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**CHAPTER 3**

**ACCOUNTS PAYABLE**

**I. ACCOUNTS PAYABLE**

Accounts payable checks shall be released at the latest acceptable time, without affecting relationships with vendors. Early payment discounts should be taken, if they result in a benefit, and recorded as a net expense.

It is the policy of the GTCC to process and send checks disbursements within the following timeframe:

1. Vendors: within terms stated on the vendor invoice. The term “upon receipt” shall mean within 10 working days of receipt of the invoice by the Finance & Administration Department.
2. Staff reimbursement requests: within 10 working days of receipt of the invoice by the Finance & Administration Department.

In an effort to enhance internal controls and ensure a clear segregation of duties, the following policies will be followed:

1. The Senior Director, Finance & Administration will process expense vouchers and invoices and will print checks at least bi-weekly;
2. The Chief Financial Officer reviews all check processing for accuracy in coding and data entry;
3. Checks will be assembled and delivered to the appropriate check signers;
4. Supporting paperwork will be filed by the Senior Director, Finance & Administration; and
5. All incoming returned mail will be received, opened and date stamped by the Front Office Manager.

**II. CHECK DISBURSEMENTS**

Because of the need for strong internal controls and segregation of duties, the rules concerning check distribution should always be followed:

1. Unused checks are prenumbered and stored under lock and key.

2. All checks require two signatures preventing persons approving invoices and other expense vouchers from being the only person signing checks.
3. All checks will bear original signature. The use of facsimile signatures is prohibited.
4. The signing of blank checks is prohibited.

It is the policy of the GTCC to keep unused check supplies safeguarded under lock and key. A key will be maintained by the Chief Financial Officer and the Senior Director, Finance & Administration.

All check disbursements for non-recurring expenses will require approved internal purchase orders and an invoice. Distributions for expense reimbursements require an approved expense voucher. Distributions for recurring expenses require an approved invoice.

Signed checks that have not been mailed or distributed will be secured under lock and key.

### **III. PURCHASE ORDERS**

It is the policy of the GTCC to utilize an internal purchase order system to ensure advanced approval of all non-recurring expenses.

A purchase order (PO) must be completed for all non-recurring GTCC expenditures to ensure that all expenses are accounted for in the proper month and financial reporting is accurate. The following guidelines for submitting purchase orders must be followed:

1. A PO form should be signed out from the purchase order log in the Finance & Administration Department.
2. Staff members are required to submit a PO for expenditures as soon they become aware of the expense. The PO should be approved by the department head.
3. The amount on the PO should be the best estimate.
4. The date of the activity/event must be listed on the PO.
5. The minimum amount for PO is \$50.
6. If the expense is to be paid using a GTCC corporate credit card, that must be noted on the PO.
7. If there are any significant discrepancies in the PO amount and the actual invoice, the Finance & Administration Department will require clarification from the originating staff member and subsequent approval from the department head.

### **IV. DATE STAMP**

It is the policy of the GTCC to date stamp purchase orders, check requests and invoices when they are received in the Finance & Administration Department.

All incoming mail, with the exception of newspapers and magazines, are date stamped when received in the GTCC office.

## **V. VOIDED CHECKS**

Checks are voided for many reasons, such as errors made during the course of check preparation, duplicate payments made to vendors, stop payments issued on lost checks, etc. Regardless of the situation, every voided check will be accounted for on a voided checks log. The voided checks log will be available for the annual audit.

It is the policy of the GTCC to maintain a Voided Checks Log and document every check that has voided, regardless of the reason.

If voided checks are physically available, they will be stamped void and filed in the voided checks file, and the signature line will be torn off. Voided checks will be destroyed according the GTCC's document retention policy.

## **VI. WRITE-OFF OLD OR STALE-DATED CHECKS**

It is the policy of the GTCC to make every attempt possible to contact the payees of outstanding checks that have failed to clear the bank. Checks that have been outstanding in excess of twelve months will be handled in accordance with applicable state unclaimed property laws. A log of checks that have been turned over to the state will be completed and made available during the annual audit.

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**CHAPTER 4**

**ACCOUNTS RECEIVABLE**

**I. CONTROL OVER CHECKS AND CASH**

All mail, with the exception of confidential mail that is addressed directly to a staff member, will be opened by the Front Office Manager. The Front Office Manager will prepare a daily cash log of checks that were received.

It is the policy of the GTCC that all incoming mail, with the exception of newspapers and magazines, is imprinted with the date received stamp.

Mail will be opened and endorsed by the Front Office Manager and checks will be noted in the daily cash log. Once the checks have been logged, the log and checks will be given to the Senior Director, Finance & Administration, who will prepare the deposit. Deposits will be prepared at least twice per week. All deposits and general ledger reports from the membership database will be reviewed and approved by the Chief Financial Officer.

**II. CHECK ENDORSEMENT STAMP**

It is the policy of the GTCC to endorse all checks with a "For Deposit Only" stamp upon receipt in the Finance & Administration Department.

**III. COLLECTIONS**

It is the policy of the GTCC to complete orders and forward an invoice within the following timeframe:

Events & Programs: Once the attendee requests registration

Renewal Membership Dues: 90 days prior to the membership renewal date

New Membership Dues: Once the company/organization requests to join the GTCC

Information center: When the materials are sent

Thirty (30) days after the invoice is due, a past due invoice will be mailed electronically to the individual addressed on the invoice.

Sixty (60) days after the invoice is due, a GTCC staff member will contact the individual addressed on the invoice and attempt to collect the amount due.

If ninety (90) days elapse, the invoice will be considered uncollectible and will be written off. If the business wishes to renew their membership after the dues invoice is written off, a new invoice will be generated.

#### **IV. ALLOWANCE FOR DOUBTFUL ACCOUNTS**

It is the policy of the GTCC to maintain an allowance for doubtful accounts balances based on factors surrounding the credit risk of specific accounts, historical trends and other pertinent information. The Chief Financial Officer is responsible for preparing the allowance calculation and reporting it on the monthly financial statements.

#### **V. ACCOUNTS RECEIVABLE WRITE-OFF PROCEDURES AND AUTHORITY**

It is the policy of the GTCC to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated.

If a receivable is deemed uncollectible, the write-off must be approved by the department head that has responsibility for the revenue line item that will be affected, as well as the Chief Financial Officer.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Invoices for membership dues will be treated as a reduction in revenue.
2. Invoices for event and programs will be treated as a reduction in deferred revenue.

The Chief Financial Officer will be responsible for reviewing write-offs and reporting any issues to the Finance Committee.

#### **VI. NON-SUFFICIENT FUNDS CHECKS**

It is the policy of the GTCC to include checks returned by the bank due to non-sufficient funds in the returned checks account in the accounting records.

If the checks in question are eligible for redeposit, the subsequent deposit will reduce the returned checks account accordingly. If the checks are prohibited from redeposit, the GTCC Collections Policy will be implemented.

#### **VII. TRADES**

It is the policy of the GTCC to include trades for memberships and programs/events in the accounting records.

Members may “pay” their annual membership dues or event sponsorships by trading products and/or services. All trades must be approved and trade letters signed in advance by the Chief Operating Officer.

In order for the GTCC to have a positive financial benefit from the trade agreement, the amount of products and/or services received by the GTCC from a member as part of a trade must be double the value of the membership or sponsorship. Trades will be recorded in the member’s record in the membership database for historical tracking.



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**CHAPTER 5**

**REIMBURSEMENT POLICIES**

**I. STAFF**

Department supervisors must approve, in advance, all travel arrangements by staff. Employees are encouraged to be frugal when traveling on GTCC business. This includes booking flights for early discounts, carpooling when appropriate and other cost saving measures. While the range of expenditures will understandably vary with geographic locations, choices for lodging, meals and other expenses should be reasonable and not extravagant.

Employees traveling on GTCC business will be reimbursed for the cost of transportation, meals, lodging and incidental expenses. Employees will submit requests for reimbursement of expenditures for GTCC business on an Expense Report Form. Employees must attach all supporting documentation and receipts. All receipts must be originals and include an itemized listing of charges. No photo copies or credit card statements will be accepted. Expenses not properly documented will not be reimbursed.

All reimbursement requests are to be reviewed and approved by the employee's direct supervisor and forwarded to the Finance & Administration Department.

- Automobile Travel: If an employee uses his/her own automobile on GTCC business, the employee will be reimbursed at the IRS mileage rate in effect, based upon actual mileage traveled.
- Air Travel: If traveling by air, an employee will be reimbursed for the cost of the ticket and applicable fees and taxes. Wherever possible, employees should plan in advance for trips involving air travel in order to benefit from the lowest reasonable fare. First class airfare is prohibited.
- Dry cleaning and in-room movies will not be reimbursed.

**II. PRESIDENT & CEO**

The President & CEO will be reimbursed for actual travel and entertainment expenses in connection with GTCC business in the same fashion as GTCC staff. The President & CEO, per

contract, receives a taxable auto allowance for mileage reimbursement and is not reimbursed for mileage separately.

The President & CEO shall submit requests for reimbursement of expenditures for GTCC business on an Expense Report Form. The President & CEO must attach all supporting documentation and receipts. All receipts must be originals and include an itemized listing of charges. No photo copies or credit card statements will be accepted. Expenses not properly documented will not be reimbursed.

All reimbursement requests made by the President & CEO will be reviewed for accuracy and processed by the Chief Financial Officer. The Chief Financial Officer will forward the reimbursement request to the Board Chair for approval each month.

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**FINANCIAL POLICIES AND PROCEDURES MANUAL**

**CHAPTER 6**

**TAXES/IRS FORMS**

The GTCC's independent auditor prepares all applicable tax returns, which are first reviewed by the Chief Financial Officer and the President & CEO. The tax returns and an accompanying cover letter are then sent to the Board of Directors, in an electronic format, at least one week prior to filing the tax returns with the IRS. Board members are given the opportunity to direct any questions or comments to the Chief Financial Officer. The tax returns are signed by the President & CEO and filed with the IRS by the Chief Financial Officer.

**I. PUBLIC EXAMINATION OF RECORDS**

Certain records of not-for-profit organizations are subject to public examination.

It is the policy of the GTCC to comply with the public disclosure requirements of section 6104(d) of the Internal Revenue Code (Code) as amended by the Tax and Trade Relief Act of 1998.

Disclosure requirements include the application for tax exemption and the most recent three years of Form 990. The GTCC will honor all in person and written requests in compliance with the Code.

**II. IRS FORM 1099**

IRS regulations require organizations to complete Form 1099 for individuals who are not employees and who received \$600 or more from the GTCC in a calendar year.

It is the policy of the GTCC to complete IRS Form 1099 for all individuals and vendors providing services (other than corporations) and receiving \$600 or more from the GTCC.

A record of vendor Federal Identification Numbers and independent contractor Social Security Numbers should be maintained for audit purposes. The IRS Form W-9 will be collected prior to issuing any payment for services provided.

**III. IRS FORM 990**

It is the policy of the GTCC to allow public access to IRS Form 990 in accordance with section 6104(d) of the Internal Revenue Service.

The GTCC will make available for inspection, on the day requested, its three most recent IRS Form 990 to any member of the public who requests the information in person at the GTCC office. Copies will be provided free of charge.

The GTCC will provide its three most recent IRS Form 990 tax returns to any member of the public for requests made in writing, whether by mail, electronic mail, fax or delivery service. The GTCC will provide copies of the requested documents, free of charge, within 30 days from the date it receives the requests.

A log of Form 990 inspections and distributions will be maintained. The original Form 990 will remain in the GTCC office without exception.

#### **IV. IRS FORMS 990T/UNRELATED BUSINESS INCOME TAX (UBIT)**

It is the policy of the GTCC to pay UBIT on the excess of revenues over expense on taxable activities.

The GTCC will file IRS Form 990-T and its related Florida Corporate Return Form F1120 to report unrelated activities. IRS Form 990-T and Florida Corporate Form F1120 are considered confidential and are, therefore, not available for public inspection.

#### **V. HILLSBOROUGH COUNTY**

It is the policy of the GTCC to file an annual Tangible Personal Property Tax Return with Hillsborough County.

#### **VI. SALES TAX COLLECTION**

It is the policy of the GTCC to collect sales tax, or accrue use tax as applicable, and pay the retailing business and occupation tax and related city tax on all sales of tangible personal property.

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**CHAPTER 7**

**BUDGETING**

**I. CALENDAR**

*August*

The Finance & Administration Department will release the budget calendar.

*September*

The Finance & Administration Department will prepare and present the budget templates and prior year history to each department head.

*September – November*

Budget planning, workshops and meeting will take place.

*November-December*

The proposed budget will be approved by the Finance Committee, Executive Committee and Board of Directors.

**II. CAPITALIZATION**

Capitalization is the accounting method used to account for items with useful lives greater than one year. The cost of the item is recognized as an asset and subsequently expensed on a periodic basis over its estimated useful life.

Acquisitions made by the organization should be capitalized if the individual or aggregated expenditure is over \$500 and any one of the following criteria is present:

1. Additions that materially improve quantity and life of fixed assets (additional memory is added to a computer, etc.);
2. Improvements that materially improve quality or efficiency of the fixed asset (enhancement of software, etc.); and
3. Extraordinary repairs (if fixed asset life is extended). Routine repairs and maintenance are to be expensed.

The cost of a fixed asset should include all costs necessary to put a fixed asset in place and in working order. This includes:

1. Invoice price less discounts
2. Sales tax
3. Freight-in
4. Significant consulting services
5. Installation charges (including testing, labor and preparation for use)

### **III. UNBUDGETED/OVER BUDGETED EXPENSES**

Occasionally, expenses will arise during the normal course of business that were not budgeted for in the approved annual budget or are over the amount that was included in the approved annual budget. Prior planning can help eliminate or minimize these occurrences.

Unbudgeted expenses are expenses that were not included in the approved budget. An expense can only be classified as “unbudgeted” if it does not have any accompanying revenues to offset the expense.

Over budgeted expenses are those that exceed the amount in the approved budget.

It is the policy of the GTCC to authorize the President & CEO to approve up to \$5,000 in unbudgeted and/or over budgeted expenses. Disclosure of the approval will be made to the Finance Committee, Executive Committee and Board of Directors.

It is the policy of the GTCC to require approval of the Finance Committee for any unbudgeted or over budgeted expenses from \$5,001 - \$25,000. Disclosure of the approval will be made to the Executive Committee and Board of Directors.

It is the policy of the GTCC to require approval of the Executive Committee for any unbudgeted or over budgeted expenses that exceed \$25,000.

All unbudgeted and over budgeted expenses that require approval must be done so **prior** to the expenditure being made.

It is understood that a time may arise when a conference call meeting is convened to approve unbudgeted or over budgeted expenses should immediate action be required between meetings of the Executive Committee.

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**FINANCIAL POLICIES AND PROCEDURES MANUAL**

**CHAPTER 8**

**SARBANES-OXLEY NOT-FOR-PROFIT BEST PRACTICES**

The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act, was signed into law on July 30, 2002. While only two provisions of SOX apply to not-for-profit organizations, Section 802 – Document Retention and Destruction and Section 1107 – Whistle-blower Protection, the GTCC chooses to voluntarily adopt several of the recommended provisions as outlined in this chapter.

**I. WHISTLE-BLOWER PROTECTION**

Not-for-profit organizations must develop, adopt and disclose a formal process to deal with complaints and prevent retaliation.

The GTCC Whistle-blower Protection Policy can be found on page 5 of the Employee Handbook.

**II. FINANCE COMMITTEE**

**A. PURPOSE**

According to Article VIII, Section 1 of the GTCC Bylaws, the Finance Committee shall consist of the Chair, or Co-Chairs, of the Finance Committee, the Chair, the Chair-Elect, the Treasurer and two (2) or three (3) additional Directors appointed by the Chair, or Co-Chairs, of the Finance Committee to serve one-year terms with no limit on the number of consecutive terms as long as the members continue to serve as Directors. The President & CEO and Chief Financial Officer serve on the committee with no vote. No two voting members of the committee shall be from the same firm or employer.

The Finance Committee shall be responsible for overseeing all financial functions and fiscal policies of the Corporation, including preparation of an annual budget for each fiscal year and financial statements and summaries prepared periodically during the year, all of which shall be presented to the Board of Directors.

The Finance Committee shall also ensure an annual audit of the Corporations' financial statements by an independent certified public accountant, with the financial statements and auditors' report being presented to the Board of Directors.

## B. DUTIES & RESPONSIBILITIES

Management is responsible for preparation, presentation and integrity of the GTCC's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the GTCC and for implementing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the GTCC's financial statements.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee will take appropriate actions to set the overall "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal duties and responsibilities of the committee. These are set forth as a guide with the understanding that the committee may supplement them as appropriate.

The committee shall be responsible for recommending, to the Executive Committee, the selection of the independent audit firm, compensation, retention and oversight of the work of the independent auditors (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the GTCC. The independent auditors must report directly to the committee.

The committee shall be responsible for reviewing proposals and making recommendations, to the Executive Committee, on banking institutions to be used by the GTCC.

At least annually, the committee shall obtain and review a written report by the independent auditors. After reviewing the independent auditors' work, the committee shall evaluate the auditors' qualifications, performance and independence. Such evaluation should include the review and evaluation of the lead partner of the independent auditors and take into account the opinions of GTCC management.

The committee shall pre-approve all audit and non-audit services provided by the independent auditors and shall not engage the independent auditors to perform non-audit services where such arrangement would result in the auditors auditing their own work.

The committee shall discuss with the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing, budgeting and compensation.

The committee shall regularly review with the independent auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the



scope of the independent auditors' activities or access to requested information, and management's response. The committee shall review any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm relating to problems or difficulties encountered with respect to significant auditing or accounting issues; and any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the GTCC.

The committee shall review and discuss the annual audited financial statements with management and the independent auditors prior to the issuance of the organization's financial statements. Prior to the issuance of the GTCC's audited financial statements, the committee shall receive a report from the independent auditors on all critical accounting policies and practices of the GTCC; all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditor; and other material written communications between the independent auditors and management.

The committee shall discuss the GTCC's policies with respect to risk assessment and risk management, including the risk of fraud. The committee also shall discuss the GTCC's major financial risk exposures and the steps management has taken to monitor and control such exposures.

### **III. AUDITED FINANCIAL STATEMENTS**

It is the policy of the GTCC to distribute the audited financial statements, upon approval by the Finance Committee, to the Executive Committee and the Board of Directors. The audited financial statements should be published no later than March 31<sup>st</sup> of each year.

### **IV. THE ENGAGEMENT LETTER**

It is the policy of the GTCC to obtain and review the draft of the independent auditor's engagement letter to ensure that it covers matters important to the management. The engagement letter will be reviewed and approved prior to signing by the Finance Committee and after which, will be signed by the President & CEO.

### **V. LOANS PROHIBITED**

It is the policy of the GTCC to prohibit loans and advances to employees and members under all circumstances.

## **VI. VISION/CORE VALUES**

The Greater Tampa Chamber of Commerce envisions an engaged and inclusive community driven by business prosperity.

The GTCC has established Core Values that set an expectation to volunteer leadership, members and staff of how the organization will conduct business: integrity, inclusiveness, agility and accountability.

## **VII. RECORDS RETENTION/DESTRUCTION GUIDELINES**

All business records should be kept no longer than the period necessary for the proper conduct of business. This policy shall cover all business records of the GTCC, including written, printed and recorded matter and electronic forms of records, including e-mail messages in personal folders. Employees should review their electronic files regularly and delete them when appropriate to ensure compliance with this policy. These guidelines should be reviewed annually to ensure consistency with legal requirements of other regulatory bodies.

If a lawsuit, governmental investigation or subpoena is filed, served or appears imminent, this policy may be suspended requiring that documents relating to the lawsuit or potential legal issue(s) or audits be retained. Once an employee receives notification that the policy has been suspended, he/she must retain all of the documents they are instructed to keep rather than destroying them pursuant to the policy.

In an effort to facilitate efficient and effective operations, it is the policy of the GTCC to retain records as required by law and to destroy them when appropriate. As a condition of employment, all employees are required to follow the records retention and destruction guidelines found in Appendix A.

## **Greater Tampa Chamber of Commerce, Inc.**

### **FINANCIAL POLICIES AND PROCEDURES MANUAL**

#### **CHAPTER 9**

#### **OTHER POLICIES**

##### **I. CONTRACT SIGNING AUTHORITY**

It is the policy of the GTCC to grant authority to sign contracts to the President & CEO, or the Chief Operating Officer or Board Chair in the absence of the President & CEO, as long as the financial implications of the contract are provided for in the approved annual budget.

If the financial implications of a contract are not included in the approved annual budget, the following approval limitations will be in place:

- The President & CEO is authorized to sign and execute a contract where the financial obligations are up to \$5,000.
- The President & CEO is authorized to sign and execute a contract where the financial obligations are \$5,001 - \$25,000 upon the approval of the Finance Committee.

The President & CEO is authorized to sign and execute a contract where the financial obligations exceed \$25,000 upon the approval of the Executive Committee.

In the instance where a contract requires a multi-year commitment, approval requirements will be determined by the value of the entire life of the contract. After the value of the multi-year contract is determined, the above listed approval requirements will be in place. If any multi-year contract includes a clause that allows for termination of the contract without cause, the approval requirements will be based on the costs associated with one year of the contract.

All required approvals pertaining to contracts must be obtained **prior** to the President & CEO signing and executing the contract.

##### **II. CORPORATE CREDIT CARD**

It is the policy of the GTCC to issue a physical corporate credit card to employees in positions of event and program responsibility.

All expenses incurred via the corporate credit card must be in compliance with the approved reimbursement policy guidelines and substantiated as to:

- Amount
- Time and place
- Business purpose/relationship
- Attendees and affiliation

Expense receipts must be attached to expense reports and submitted to the employee's supervisors for approval each month.

### **III. INSURANCE**

It is the policy of the GTCC to annually review insurance policies to ensure that insurance coverage is complete and adequate and that coverage limits adequately meet the needs of the GTCC, its members and employees. Insurance policies to be reviewed include, but are not limited to, the following:

- All liability policies (D&O)
- General commercial liability policy
- Liquor Liability Policy
- Office contents policy
- Commercial flood policy
- Worker's compensation policy
- Computer fraud and fund transfer policy
- Event cancellation policies (where necessary)

### **IV. LOBBYING EXPENDITURES**

It is the policy of the GTCC to advise members of the nondeductible portion of their dues payments by annually indicating the nondeductible percentage on the membership renewal statements. The Chief Financial Officer is responsible for monitoring the percentage and re-calculating if necessary. If there are changes to the percentage, management will report it to the Finance Committee.

### **V. SAFE DEPOSIT BOX**

It is the policy of the GTCC to utilize a safe deposit box from the bank to store valuables and important documents.

Access to the safe deposit box will be limited to the President & CEO, Chief Financial Officer and Senior Director, Finance & Administration. The safe deposit box will be periodically inventoried and a log will be maintained.

### **VI. CONFIDENTIALITY OF WAGES**

All salary information is communicated on a one-on-one basis and should not be discussed with other staff members.

It is the policy of the GTCC to treat compensation as confidential information and employees are prohibited from discussing wage and salary information with other staff members. Violations of the policy may subject the employee to disciplinary action, including possible termination.

#### **VII. AUTO ALLOWANCE**

It is the policy of the GTCC to deny mileage reimbursement to employees receiving an auto allowance.

#### **VIII. MAILING LIST SALES**

It is the policy of the GTCC to sell membership mailing labels as long as the product or service is of interest to the membership. A discount will apply if the purchaser is a member of the GTCC.

#### **IX. PAYROLL PROCESSING**

The GTCC processes payroll using a third party vendor.

It is the policy of the GTCC that the Chief Financial Officer and the Senior Director, Finance & Administration will be involved in payroll processing. One person (Senior Director, Finance & Administration) will compute the payroll and the other (Chief Financial Officer) will verify and approve it.

#### **X. SERVER ROOM SECURITY**

It is the policy of the GTCC that the server room will remain secured under lock and key at all times. Any mobile computer or office equipment (unassigned mobile laptops, projectors, video and digital cameras) will be stored in the server room. Access to the server room is available through the Finance & Administration Department or by the President & CEO.

#### **XI. DATA BACKUP**

It is the policy of the GTCC to back up the data on all servers on a hourly basis.

**Greater Tampa Chamber of Commerce, Inc.**

**FINANCIAL POLICIES AND PROCEDURES MANUAL**

**APPENDIX A**

**SUPPLEMENTAL INFORMATION**

# Greater Tampa Chamber of Commerce

## Document Retention & Destruction Policy

It is the policy of The Greater Tampa Chamber of Commerce, Inc. (the "GTCC") to retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. Records covered by this policy include paper, electronic files (including emails) and voice mail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld computers and other wireless devices with text messaging capabilities. Any employee of the GTCC, or any other person who is in possession of records belonging to the GTCC who is uncertain as to what records to retain or destroy, when to do so, or how to destroy them, may seek assistance from the Chief Financial Officer.

All records created and received in transacting GTCC business are the property of the GTCC. Records containing confidential information will be used, disclosed, maintained and disposed in accordance with the GTCC's Confidentiality Policy and applicable Florida and Federal law.

In accordance with law, the GTCC shall not knowingly destroy a document with the intent to obstruct or influence an investigation or proper administration of any matter within the jurisdiction of any department, agency of the United States or any state or local government with jurisdiction over the GTCC. If an official investigation is under way or suspected, document destruction must cease to eliminate accidental or innocent destruction.

The following document retention periods shall be followed: (next page)

TYPE OF RECORD	SPECIFIC RECORD	RETENTION PERIOD
<b>Organizational Records</b>	Articles of Incorporation	Keep original indefinitely in the office
	Bylaws	Keep original indefinitely in the office
	Policy Statements	Keep indefinitely
	Board of Directors/Committee Meeting Minutes	Keep original indefinitely in the office
	Manuals/Standards	Keep indefinitely
<b>Legal/Tax Records</b>	Internal Revenue Service Letter of Determination (1 <sup>st</sup> and final)	Keep originals indefinitely in office
	Forms 990 and other tax records	Keep originals seven years in office  * Copies <u>must</u> be made available immediately to anyone who requests these documents in person. Copies <u>must</u> be mailed to anyone who makes written request. An invoice for charges for postage and copying at a reasonable rate per page will be sent with copies mailed.
	Contracts/Service Agreements/Insurance Policies	Keep originals during contract term plus five years
	Litigation Claims/Court Documents & Records/Deposition Transcripts/Discovery Materials	Keep five years following close of case



TYPE OF RECORD	SPECIFIC RECORD	RETENTION PERIOD
<b>Legal/Tax Records (cont.)</b>	Trademark Registration/ Copyright Registration/Patents	Keep indefinitely
<b>Financial Records</b>	Bank Statements	Keep seven years
	Accounts Payable Ledgers/Paid Invoices/Journal Entries	Keep seven years
	Membership Partner Monthly Reports	Keep seven years
	Audit Reports/990s	Keep indefinitely
	Year End Financial Statements	Keep indefinitely
	Chart of Accounts	Keep indefinitely
<b>Payroll Records</b>	Form 941 (Payroll Tax Returns)	Keep seven years
	Form W-2, W-3	Keep indefinitely
	Payroll Registers/Salary Adjustments/Time Sheets	Keep seven years
	State Unemployment Tax Records	Keep indefinitely
	Computer Accounting Records	Daily Backup to the Cloud
<b>Personnel Records</b>	Employee Resumes & Employment History	Keep five years following termination of employment
	Employee Performance Evaluations	Keep five years following termination of employment
	Employment & Termination Agreements	Keep indefinitely

TYPE OF RECORD	SPECIFIC RECORD	RETENTION PERIOD
<b>Personnel Records (con't.)</b>	Promotions, Raises, Reclassifications & Job Descriptions	Keep five years following termination of employment
	Disciplinary Warnings, Demotion, Lay-off & Discharges	Keep five years following termination of employment
	Beneficiary Information	Keep indefinitely
	Personnel Files (terminated employees)	Keep seven years
	Retirement/Pension Plans	Keep indefinitely
<b>Event/Program Records</b>	Event Budget, Planning Documents/Files	Keep five years
<b>Member Records</b>	Computer Member Files	Daily backup to the Cloud
<b>Correspondence</b>	Correspondence with Board of Directors	Keep seven years
	General Correspondence	Keep seven years
<b>Publications</b>	Inside View	Keep one copy indefinitely; keep current plus four years (samples only) in office
	Eview/Events Electronic Newsletters	Keep one electronic copy indefinitely
	Brochures/Informational Materials	Keep active in office, then discard except for sample; keep inactive samples indefinitely

*Source: This policy was compiled using resources of the National Council of Nonprofit Associations (NCNA) and the American Society of Association Executives (ASAE)*