

**NAPERVILLE CENTRAL HIGH SCHOOL  
ATHLETIC BOOSTER CLUB  
FINANCIAL GUIDELINES**

The following list of guidelines is meant to be a blueprint for good financial reporting for the Naperville Central High School Athletic Booster Club (the Club). It is not meant to be an all-inclusive list, but a minimum standard. We should always be mindful that we are trustees of money to be used for the student athletes of NCHS, and as such, we should use every available tool to safeguard assets, ensure that funds are managed wisely and that reporting is transparent.

**Bank Accounts**

- The Club should maintain a checking account that has no fewer than three officers as authorized signers. Two of the authorized signers must be the President and the Treasurer.
- Any online access that is established for an account should be shared with the other authorized signers.
- All expenses that are paid by check or draft (money order, debit, etc) during the month should be submitted and reviewed by the officers at the monthly Executive Board meeting. Most banks do not police dual signatures on a check, so having a two signature “requirement” is not a safeguard. Monthly review by the officers is a better safeguard.
- Appropriate bank balance records should be maintained, and accounts should be reconciled monthly.
- When necessary, excess funds should be invested in some sort of interest-bearing instrument (money market fund, savings account, CD).
- Funds should not be invested in any instrument that carries risk above that which would be incurred with a money market, savings or CD-type account.
- Be mindful of FDIC limits. If possible, make certain all account balances within a bank are under the Federal Depository Insurance Corp (FDIC) limits. Currently (January 2010), the limit is \$250,000, but it is scheduled to return to \$100,000 on January 1, 2014.

**Receipts**

- Money received should be deposited into the bank as soon as possible after receipt, but no later than 1 week after receipt. Ongoing receipts, such as those received by the Spiritwear booth should be deposited no less than weekly.
- If a committee chair is responsible for making a deposit, they must report to the Treasurer the amount deposited, the date, and what the deposit was for as soon as possible after the event. The committee chair should sign their name on the back of each deposit receipt, which should be given to the Treasurer at the next meeting. If a committee chair is not able to make the deposit timely, the committee chair needs to contact the Treasurer to make arrangements to get the deposit to the Treasurer so that they may make the deposit timely.

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- All deposits should have a record of basic information for items comprising the deposit (deposit date, check number, last name, check amount) and some sort of indication as to what the deposit is for. This needs to be created by whoever makes the deposit, whether it is the Treasurer or a committee chair. If created by a committee chair, it needs to be given to the Treasurer as soon as possible, but no later than when the deposit receipt is turned in.
- For website sales, the Treasurer needs to make sure that all funds are “captured” for the Club, and maintain sufficient records to identify the source of all website income.
- It is recommended that the Club **NOT** accept credit card numbers on hand written forms for items such as Yard Signs, Spiritwear or Memberships. Handling credit card numbers in this manner is not secure for the customer, and leaves the Club vulnerable to abuse. Any credit card sales should be directed through the website, or our Point of Sale terminal.
- For all donations, sponsorships and memberships, an appropriate thank you/tax letter must be given.

**Expenses**

- As noted above, all expenses paid within a month should be submitted to the officers at the monthly Executive Board Meeting for review.
- Most expenses incurred by the Club are recurring in nature and do not warrant prior approval by the officers before payment. However, if an expense is unusual in nature, or not anticipated for a particular event, officer approval is mandatory.
- Whenever possible, committee chairs should use businesses providing goods or services **NOT** affiliated with current Club members, to avoid any conflict of interest or impression of impropriety. There may, however be situations where it will be in the best interests of the Club to use such a business. If that is the case, officer approval is mandatory, prior to purchase or engagement. If the business of a Club member wants to donate items or services for an event or the operation of the Club, officer approval is not needed.
- All routine expenses should be approved by the appropriate committee chair, and should reflect their approval in some way (initial, signature, etc). Email approval is acceptable, and should be noted on the bill.
- All expenses submitted for payment should reflect in sufficient detail what they are for.
- The list of Athletic department expenditures, once approved by the members, may be paid, as long as they are within a reasonable variance (less than 10%) of the amount budgeted. Routine items such as state patches, athletic pass printing, etc, may be paid without prior officer approval.

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- When reimbursing a Club member for an expense, a paid receipt must be provided, along with a description of what the expense was for.
- Any advance of money (for concessions, expenses, etc.) must be reconciled or noted as paid back, when deposited.

**Inventories**

- Inventories are assets and there for should be safeguarded the same as you would a bank account.
- Concession & Spiritwear inventories must be locked up when not being sold.
- Committee chairs must remind their volunteers that our reason for selling these items is to fundraise for the Club, so their assistance in safeguarding the assets is crucial.
- A physical inventory must be taken of all concession items, Spiritwear items and any supplies, as close as possible to the year-end (June 30). Those items should be listed, along with the quantities and their most recent cost in spreadsheet form. That listing should be submitted to the Treasurer for reporting on the year-end financial statements. Arrangements should be made to store/safeguard the inventories over the summer.

**Budgeting**

- Budgeting is a useful tool and should be encouraged; however it should not be required for recurring events. Accurate financial summary of past events should suffice as a starting point for future events.
- Budgeting should be required for any new events, and should be submitted to the officers for approval before going forward. That budget should state the overall objective of the event, an overview of its operation, projected income and anticipated expenses.
- Any expense for a recurring event that is new or unusual in nature, utilizing a different vendor than in the past or significantly larger in amount (>10%) should be submitted to the officers for approval prior to purchase or engagement.

**Financial Reporting**

- A full set of financial statements should be prepared for review and presentation at the general meeting monthly, but no less than quarterly. Financial Statements should include, but not be limited to a Balance Sheet, Statement of Income & Expenses, and Statement of Sources & Uses of Cash. The officers of the Club should review the financial statements prior to presentation at the general meeting.

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- At each general meeting a financial “snapshot” should be presented, regardless of whether or not financial statements are being presented. Information to be presented should include, but not be limited to:
  1. Current cash balance for each bank account, along with the total cash
  2. List of outstanding expenses payable
  3. Total of any online sales captured, but not yet included in the cash balances listed
  4. Outstanding deposits to be made
  5. Status of Athletic Department expenditures, including amounts paid, and amounts remaining to be paid
  6. Outstanding unused vendor credits
  7. Balance of any segregated funds, included in the cash balances listed (i.e. Athlete in Need Fund).
  
- The Board may designate special use funds from time to time. It is sufficient to segregate those funds on the books only, rather than opening up a new bank account. If a special use fund becomes active, the officers should consider opening a separate bank account for those funds.
  
- A certified audit is not necessary unless required by a regulatory agency. The board may decide, from time to time, that an audit is advisable. If so, the officers should contact three different accounting firms, obtaining a bid for the job prior to commencing the audit.
  
- If a certified audit is not performed, a review of the books and records should be performed as stated in the by-laws. Doing so ensures each new board that all the books, records and regulatory filings are in order. The committee to review the books and records should be selected at the annual meeting, and need not be someone with an accounting background. Committee chairs may serve on this panel, but they may not sit on the same committee. Current officers may not serve on this committee. The Treasurer should work with the committee to answer any questions they may have. The Review Committee should report their findings to the general membership at the first meeting for the year in September.
  
- Minimum Steps to take when conducting a review of the books and records. The treasurer should be available to answer any questions:
  1. Review procedures with the treasurer, including any changes from the prior year.
  2. Balances should be confirmed directly with the bank, as well as the names of the people authorized to sign on the account. The treasurer should prepare a letter to send to each bank, listing each account located at said bank, requesting that the June 30 balance and authorized signers be confirmed directly to the Review Committee.
  3. The monthly bank reconciliations and statements should be reviewed, watching for unusual reconciling items, tracing cash receipts and disbursements to extemporaneous records.
  4. Cash disbursements should be reviewed for approval and classification, and if available, compared to budget. Check to see that all previously authorized athletic department

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- expenditures have been made, or get an explanation as to why they weren't completed by year-end. Contact the athletic director if necessary.
5. Review any list of accounts payable for approval and classification.
  6. Cash receipts should be reviewed for classification.
  7. A listing of online orders for the year should be reviewed for order number sequence. Voided or cancelled orders should be noted.
  8. The listing of online orders should be compared to a listing of "captured" orders, noting any discrepancies.
  9. The listing of "captured" orders should be traced through to the merchant bank statement (currently, US Bank).
  10. If possible, one of the Review Committee members should observe the physical inventory of Spiritwear and Concession items. The final inventory listing should be reviewed and compared to the previous year. Spot-check a couple of unit costs. Note the adjustment made in the financial statements.
  11. Compare the year-end statement to the prior year's statement, looking for anything out of the ordinary.
  12. Check and see that all of the following were filed, noting when they were filed – Federal form 990, Illinois form AG-990, Illinois Secretary of State Annual Report form C-54.