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| Section: | <b>FB-4 Finance and Business Services</b> | Approval Date:   | <b>7/28/2017</b> |
| Policy:  | <b>FB-4.1 Accounting</b>                  | Latest Revision: | <b>6/4/2021</b>  |

## **FB-4.1 Accounting**

### **4.1.1 Purpose**

This policy sets forth the accounting practices for the Association consistent with accounting standards and best management practices. The Association will use accounting procedures that conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

### **4.1.2 Authorizing Disbursements**

The Controller/Treasurer will cause the appropriate staff to facilitate the prompt processing and payment of the Association's accounts payable, in accordance with established procedures.

### **4.1.3 Check/Financial Account Signing Authority**

The Board will designate by resolution which persons, other than the Controller/Treasurer, may sign for expenditures and have signing authority for the Association's authorized banking and investment institutions.

### **4.1.4 Credit Cards**

The Controller/Treasurer in consultation with the Executive Director will determine who among staff will hold a company credit card and the credit card limits.

Issued credit cards will remain the sole property of the Association and will be issued in the names of both the authorized employee and the Association. Association-issued cards may be used only for approved or budgeted Association business expenditures. Personal charges are not allowed. Should personal and business charges be mixed unavoidably, staff will reimburse the Association for the personal expense(s) upon submittal of the associated expense report.

Each employee will submit a detailed expense report with supporting receipts for manager approval consistent with the procedures and timelines established by the Association. The Executive Director's expense report will be approved by the President and the Finance Committee Chair.

### **4.1.5 Expense Reimbursement for Board Officers**

The Association's Board officers (i.e., President and Vice President) will serve without compensation by the Association. The Association will reimburse the officers for necessary, actual, and reasonable expenses incurred in the performance of his/her duties while on Association business consistent with the Association's approved budget. The Association will reimburse the officers for expenses incurred for attending conferences, meetings, seminars, and workshops or other events and which are mutually

beneficial to the officer and the Association and have been authorized by either the Board or the Executive Director.

The Association will pay for the cost for registration and meals for the attendance of an officer's spouse at any official Association function.

Requests for reimbursement will be submitted together with a detailed expense report and receipts to the Clerk of the Board within ten days after the close of each month. The Executive Director will review the expense report for consistency with this policy prior to approving reimbursement of the expenses.

#### **4.1.6 Fiscal and Dues Year**

The fiscal year and dues year for the Association will be January 1 to December 31.

#### **4.1.7 Fixed Assets**

The Association will record and maintain all fixed asset purchases of \$5,000 or greater in a fixed asset subsidiary ledger. Asset purchases of less than \$5,000 will be expensed.

#### **4.1.8 Loans from Financial Institutions**

The Controller/Treasurer will cause the appropriate staff to prepare an expenditure/acquisition plan for the Finance Committee's approval for any major item in excess of \$500,000 that warrants payment from a source other than operating funds. Following the Finance Committee's approval of the expenditure/acquisition plan, staff will negotiate with banks and financial institutions for a loan package as applicable. Staff will present the loan proposal and any recommended financing packages to the Finance Committee who will make a recommendation to the Board for final review and action.

#### **4.1.9 Petty Cash**

The Finance staff will keep a petty cash box not to exceed \$100. Petty cash will be used primarily to make nominal purchases for items not normally available from vendors with whom the Association has a formal purchasing arrangement or when the use of a vendor is impractical. Petty cash will be replenished by a check made out to the petty cash custodian.

The use of this fund may not be substituted for other appropriate purchasing procedures.

#### **4.1.10 Receiving/Depositing Remittances**

The Controller/Treasurer will cause the appropriate staff to receive and deposit remittances in a timely manner that will ensure accountability.

#### **4.1.11 Reconciling Accounts/Post General Ledger**

The Controller/Treasurer will cause the appropriate staff to reconcile the books on a timely basis.

#### **4.1.12 Sponsorship Requests for External Organizations**

The Association defines sponsorships to external organizations as mutually beneficial and in keeping with the Association's mission. The Association agrees to sponsor and/or support external organizations through in-kind services, products, names, and/or logo usage. The Association may also provide financial

sponsorships for events or other activities. The Association in turn benefits from recognition and affiliation with the external organization.

#### **4.1.12.1 Criteria**

Sponsorship requests from external organizations must meet the following criteria:

- Requests should relate to the water industry in general and benefit a significant segment of the Association's members in particular.
- Requests from members for member-sponsored programs will take precedence over requests from non-members.

#### **4.1.12.2 Approvals**

All sponsorship requests will go through the appropriate approval process.

#### **4.1.12.3 Use of Association Name and/or Logo**

All use of the Association's name and branding will be authorized by appropriate Association staff.

#### **4.1.12.4 Revocation**

The Association reserves the right to refuse or revoke any approved sponsorship that is judged to be unsuitable or inappropriate to the advancement of its mission.

#### **References:**

*Bylaws, Article 11; Previous Board Policy G.2.b, G.3., G.18., J.3.; historical practices.*

**See Administrative Procedure:** *To be determined.*

#### **Revision History:**

| Revision Date | Description of Changes                                                                                                             | Requested By                                                                                                                   |
|---------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 7/28/2017     | Initial Release                                                                                                                    | ACWA Staff and Governance Workgroup                                                                                            |
| 6/4/2021      | Revised Policy 4.1.9 Petty Cash to delete reference to Finance and Business Services Department and replace with updated language. | ACWA Staff based on organizational changes approved by the Executive Committee and Board of Directors, effective January 2021. |
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