

# **FINANCIAL AND ACCOUNTING OPERATING MANUAL**

**Kalispell Chamber of Commerce, Convention and Visitor Bureau**



Updated December 2016

# TABLE OF CONTENTS

Section	Page #
I. Overview .....	3
II. Introduction .....	3
a. Basic Statement	3
b. Lines of Authority	4
c. Indemnity Policy	4
d. Investment Policy	5
e. Reserve Policy	7
f. Policy for Products and Services Provided by Member Businesses	7
g. Involvement with Community Events	8
h. Criteria for Endorsements and Affinity Programs	8
III. Financial and Operating Controls .....	10
a. Operating Procedures	10
b. Budget	10
c. Separation of Duties	10
d. Conflicts of Interest	11
e. Financial Reporting	11
f. Safeguarding Assets	12
g. Fixes Assets	12
h. Payroll Controls	12
i. Computer Controls	12
j. Disbursement Controls	12
k. Receipts Controls	13
l. Banking Controls	13
IV. Accounting Procedures .....	15
a. Types of Revenue .....	15
b. Accounts Receivables .....	15
c. Accounts Payable .....	16
d. Payroll .....	17

## I. Overview

Since 1904 the Kalispell Chamber of Commerce has been a leading voice in strengthening the Flathead Valley community and the business climate in order to make the area an ideal location to live and work. The Kalispell Chamber consists of 700 businesses and organizations that collectively employ over half of the workforce in Flathead County, Montana.

The Kalispell Chamber continually enhances and leverages the talents and resources of its members to improve economic opportunities and is an advocate to its broad and diverse membership, creating a climate of growth and success. The Kalispell Chamber also provides unique opportunities for individuals and businesses to make a difference by connecting them to important community issues, and helps to build a stronger community by staying focused and involved in top business, civic, and social priorities.

Additionally, although the Kalispell Chamber has been the official tourism marketing agency of the City of Kalispell since 1987, in 2010 the Kalispell Chamber developed its largest brand, the Kalispell Convention and Visitor Bureau (KCVB) after recognizing Kalispell's potential for increasing tourism trade in the area. Now, the (KCVB) is the official brand of the Kalispell Chamber ~~charged-responsible for with~~ promoting Kalispell as a leisure travel and meeting destination. The KCVB is funded exclusively through Kalispell's share of the 4% Lodging Facility Use Tax (Bed Tax), the \$2/room night Tourism Business Improvement District (TBID) fee, and a private event fund sourced by registrations and sponsorships from signature events. The KCVB is governed by the Kalispell Chamber Board of Directors; however there is financial oversight from the Kalispell TBID Board of Directors, in their role as agents of the City of Kalispell.

## II. Introduction

### a. Basic Statement

The Kalispell Chamber of Commerce, Convention & Visitor Bureau is committed to responsible financial management. The entire organization including the Board of Directors, executive staff, and employees will work together to make certain that all financial matters of the Kalispell Chamber are addressed with care, integrity, and in the best interest of the Kalispell Chamber.

The policies and procedures contained in this manual are designed to:

1. Protect the assets of the Kalispell Chamber.
2. Ensure maintenance of accurate records of the Kalispell Chamber's financial activities.
3. Provide a framework of operating standards and behavioral expectations.
4. Ensure compliance with federal, state, and local legal and reporting agencies.

The President/CEO of the Kalispell Chamber has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Exceptions to written policies may only be made with the prior approval of the Executive Committee. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of these policies shall be conducted every year by the Finance Sub-Committee of the Board of Directors.

Every staff member with financial responsibility is expected to be familiar with and operate within the parameters of these policies and guidelines.

## **b. Lines of Authority**

### **Executive Committee**

Has the responsibility for business in the interim between meetings of the Board of Directors. It shall supervise and attend to fiscal matters of the Kalispell Chamber and may refer matters to a proper committee or to the Board of Directors.

### **Board of Directors**

Has the authority to execute any policies it deems to be in the best interest of the organization within the parameters of the organization's articles of incorporation, bylaws, or federal, state, and local law.

### **Treasurer and the Finance Committee**

Have the authority to perform regular, in-depth reviews of the organization's financial activity; oversee the development of the annual budget; determine the allocation of investment deposits.

### **President/CEO**

Has the authority to make spending decisions within the parameters of the approved budget; employ and terminate personnel; determine salary levels; create and amend operating procedures and controls; make decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority; enter into contractual agreements within board designated parameters.

### **Professional Staff**

Has whatever authority as may be designated by the President—such as the authority to make spending decisions within the parameters of the approved departments or program budget.

The President/CEO and/or staff designee is responsible for the ongoing management of invested funds including acting as the primary contact with banks, investors, or any financial institutions.

## **c. Indemnity Policy**

To the full extent that it shall have from time to time under applicable law and in the manner from time to time prescribed or permitted by applicable law, the Kalispell Chamber may indemnify any past, present or future Director, Officer, or employee or his/her agent against all costs, expenses and liabilities, including attorneys' fees, actually and necessarily incurred by or imposed upon them in connections with or resulting from their involvement with the Kalispell Chamber.

No such reimbursement or indemnity shall relate to any expense incurred or settlement made in connection with any matter arising out of their negligence or misconduct as determined either by a court of competent jurisdiction or, in the absence of such a determination, by the Kalispell Chamber acting on the advice of counsel.

The Kalispell Chamber purchases and maintains insurance on behalf of any person who is or was serving at the request of the Kalispell Chamber against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such.

#### d. Investment Policy

The Kalispell Chamber should be a good steward of its members' funds. At the discretion of the Board and the President/CEO, monies may be put into an investment account (money market, high-yield checking account, cash management equivalent product to include repurchase agreements ~~or offshore sweep account~~) or a Certificate of Deposit may be purchased exhibiting sound financial action (favorable rate and terms). All investment accounts shall be placed only with FDIC insured commercial banks that are members of the Kalispell Chamber and support its activities. If a Certificate of Deposit is purchased, then upon maturity, the finance department will contact member FDIC insured banking institutions to determine the most favorable rate of interest and then, only with the approval of the President/CEO and the Treasurer, shall these funds be transferred or rolled over for a period of time typically not exceeding 12 months. Only cash necessary to meet anticipated day-to-day expenditures, plus a reasonable cushion for emergencies shall be kept available.

#### General Investment Guidelines

- The investments objectives of the Kalispell Chamber shall be the safety of principal, liquidity, and a competitive rate of return.
- Incorporate a risk tolerance that provides sufficient financial resources to meet the needs of the Kalispell Chamber.
- Authorize the Kalispell Chamber to invest 10% of Total Net Assets with a third party investment management firm.
- Use a target return based on a portfolio capital market assumption of ~~3.5%~~ 1% to 4.5% to fund an operation reserve.
- Maintain three months reserves of general operating expenses.

#### Delegation of Responsibility

- Shall include internal groups/individuals (i.e. Board of Directors, Treasurer, Finance Committee) and may include staff.
- May also include external groups such as investment managers, bank custodians and investment consultants.

The Finance Sub-Committee shall have primary responsibility for the administration of the investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s). In performing this role, the committee shall:

- Select and recommend an external Investment Manager(s) if deemed necessary
- Select and recommend an external Investment Manager(s) the renewal or continuation of whose appointment shall be subject to formal review and approval of the Finance/Investment Sub-Committee and Board of Directors at least annually.
- Formulate and recommend to the Board of Directors investment policies for the various classes of assets.
- Establish performance objectives against which Investment Manager(s) will be measured.
- Receive and review investment reports and meet, at least quarterly, to monitor the investment performance of external Investment Manager(s).
- Assets under investment management in excess of one hundred thousand dollars shall be subject to established bidding process every three years.
- The Finance/Investment Sub-Committee shall report, at least quarterly, on the status and performance of the Kalispell Chamber's investments to the Board of Directors.

- Review disbursement requests and recommend to the Board of Directors.

The Finance/Investment Committee will meet with the Investment Manager(s) at least semi-annually. The Investment Manager(s) will provide the Finance/Investment Sub-Committee with the monthly statements summarizing:

- Monthly rate of return
- Monthly statements of assets
- Monthly transaction statements

The Finance/Investment Sub-Committee will review the Investment Policy with Investment Manager(s) at least annually. It is imperative that the Investment Manager(s) continuously reviews the investment guidelines and makes recommendations to the Finance/Investment Sub-Committee immediately. All changes to current investment criteria will require the approval of two out of three of the following individuals: the Chairman of the Board, the Treasurer, and the President/CEO. The Finance/Investment Sub-Committee shall bring any request for change of Investment Manager to the Board for approval.

### **Specific Investment Criteria**

#### *Quality*

- The Investment Manager(s) shall recommend investments in conformance with the Kalispell Chamber's current investment policy. Possible investments may include but are not limited to: common stocks, mutual funds, US Government and corporate bonds, short-term fixed income securities (US Treasury Bills, commercial paper, bankers' acceptances, certificates of deposit, bank deposit notes, etc.) as well as cash.
- All securities shall meet the prudent-man investment standard. Fixed-income securities with a rating below Moody's BAA or Standard and Poor's A (or equivalent) shall not be purchased.
- Mutual Fund investments shall not be rated less than three stars using the Morningstar® rating.

#### *Diversification*

- The portfolio requires diversification in order to meet the yield objectives. However, at no time shall more than 10% of the assets be invested in any single security.

#### *Liquidity*

- The Investment Manager(s) shall review on an semi-annual basis with the Finance/Investment Sub-Committee the future cash needs of the Kalispell Chamber. The Investment Manager(s) shall select securities which enable the purchase or sale of such securities without significantly affecting the market price by virtue of such transactions.

### **Performance Objectives**

#### *Time Horizon*

- Short-term income requirements shall be considered for the purpose of regular disbursements. A long-term perspective should be considered for the purpose of achieving reasonable appreciation on the principle investment in addition to income.

#### *Performance Objectives*

- Use a target return based on a portfolio capital market assumption of ~~3.5%~~ 1% to 4.5% to fund an operational reserve.

- Earnings shall be available to the Kalispell Chamber for operational expenses or as recommended by the Finance/Investment Sub-Committee and approved by the Board of Directors.

### **Disbursements**

As the primary purpose of the long-term investment is income generation and principle growth, disbursements shall be made of extraordinary needs only, as approved by the Board of Directors.

### **e. Reserve Policy**

The Kalispell Chamber recognizes it relies on revenue sources which may be variable beyond its control, but provides services that must be consistently delivered. In order to ensure continuity of functions in all departments, the Kalispell Chamber will maintain a board restricted reserve account.

The ~~reserve account~~ shall be reflected on the balance sheet as a ~~long-term current~~ asset and shall be accessible ~~only for extraordinary circumstances~~ upon approval by a majority ~~vote~~ of the Board of Directors or the unanimous concurrence of its Executive Committee. The Board of Directors set the minimum balance of the account at \$100,000; the account is currently housed at Whitefish Credit Union. By majority vote of the Board of Directors the account can be moved to another financial institution member or change the targeted reserve balance.

~~As a target, the Kalispell Chamber will budget at least \$100,000 to be transferred to the board restricted reserve account. Actual transfer will be made after year end by action of the Board of Directors.~~

Based on the potential for emergency needs, the target accumulation for the restricted reserve account will be the average revenue for one calendar quarter.

### **f. Policy for Products and Services Provided by Member Businesses**

The Kalispell Chamber utilizes a broad variety of services and products. Member businesses shall always be given first consideration whenever possible. It is the responsibility of the Kalispell Chamber staff to obtain these products and services at the most effective cost. Bidding a sufficient number of member businesses ensures adequate competition and assures the Kalispell Chamber is obtaining the best possible value.

It is recognized, however, that a formal request for proposal is not always warranted. To accommodate the staff and member business' time, there will be a minimum threshold amount before the Kalispell Chamber must produce a request for proposal for products and services. This amount is \$1000.00 per product/service provided. This amount will be reviewed annually to accommodate additions to the membership network and potential of new providers.

Major products and services provided to the Kalispell Chamber including insurance, banking services, utilities, employee benefits, facilities maintenance and professional services do not require annual bidding. Each contract is reviewed annually for competitiveness in the market. If possible, these contracts will go up for bid every three –five years depending on the possibility of such process. Other needs that arise throughout the year will be evaluated on a case by case basis. If a product or service can be provided by a member business under the set threshold amount, the Kalispell Chamber staff is charged with using best judgement to select a member business to utilize. If at any point, the products and services provided under the threshold amount seem to not be in the best interest of the Kalispell



Chamber, the staff may then submit a request for proposal to all members businesses providing those products or services.

The Kalispell Chamber utilizes a standard request for proposal for all projects. A request for proposal for services does not obligate the Kalispell Chamber to accept responses from eligible businesses. The request for proposal will establish the minimum requirements a bidder must meet in order to be eligible for consideration as well as information to be included in the bid response. The selection of the member business will be made based on the Kalispell Chamber's evaluation and determination of the relative ability of each bidder to deliver quality service and support. The Kalispell Chamber is not obligated to accept the lowest bid and reserves the right to reject any or all bids or amend the scope of the project. The length of time allowed for response to a request for proposal will be based on the nature of the service requested.

### **g. Involvement with Community Events**

The Kalispell Chamber receives numerous requests to support, publicize and help organize a variety of community events. The following will guide the Kalispell Chamber's responses to such requests and are designed to help ensure careful consideration in the face of finite resources and to provide a basis for fairly assessing each request.

- **Priorities:** priority will be given to events that attract the largest economic impact.
- **Financial Support:** assistance provided by the Kalispell Chamber to other organizations ordinarily will be in the form of in-kind services, such as assistance in promoting and publicizing an event rather than donating funds that otherwise would support the mission of the Kalispell Chamber. If such in-kind services are provided, the Kalispell Chamber should be listed as a contributing sponsor of the event.
- **Sponsorship:** given its limited resources to invest in outside events, programs and activities, the Kalispell Chamber must be selective in agreeing to sponsorships. Priorities as indicated above will rule decisions of this type.

### **h. Criteria for Endorsements and Affinity Programs**

The following is a description of criteria for the Kalispell Chamber staff and volunteers to follow when beginning negotiations with vendors before establishing a new affinity program(s).

#### **Mission & Vision**

- Proposed program supports the mission and vision
- Proposed program helps attract and retain members
- Proposed program provides tangible economic benefits for members

#### **Eligibility**

- Applicant is an active member of the Kalispell Chamber and their accounts are in good standing

#### **Revenue Stream**

- Proposal includes a realistic revenue projection against which it can be measured at a later date
- Program provides a positive cash flow of at least \$5,000 annually to the Kalispell Chamber or added value to members that supports a lower revenue marketing potential

#### **Local Competition**



- Without placing the Kalispell Chamber in competition with its member businesses, the program provides a valid opportunity for the Kalispell Chamber and its member businesses
- To the extent that aspects of the program compete with member businesses, the program has unique features that cannot be found in at the local level
- The program fits or compliments current program, products or services and does not overlap current offerings of the Kalispell Chamber

**Sales, Marketing & Customer Service**

- Kalispell Chamber staff is not relied upon for sales, marketing, and customer service activities and/or support
- Method of sales does not negatively impact the Kalispell Chamber’s product sales or reputation among its members and processes and procedures are in place to ensure good customer service relationships that reflect positively on the Kalispell Chamber
- The vendor has a proven business track record and will provide references for Kalispell Chamber staff to contact
- If the vendor is a middleman, the organization providing the product or service has a proven business record and will provide references for Kalispell Chamber staff to contact

**Program Continuance**

- The life cycle of the product or service is adequately described and includes anticipated market behavior
- Specific goals and measurable indicators of program success are defined upon which a continued relationship will be determined
- The program may be terminated for cause at any time for failure to meet projections or for any other cause that is deemed detrimental to the Kalispell Chamber or its members

Each proposed affinity program will be reviewed according to the provided guidelines by Kalispell Chamber staff, a committee of the Board of Directors or a combination of the two. Any affinity program must receive approval from the full Board of Directors, based on a recommendation from the Executive Committee, before being implemented into operations.

### III. Financial and Operating Controls

#### a. Operating Procedures

The President/CEO has primary responsibility for designing and maintaining the accounting system. Support activities may be provided by other staff or outside contractors as designated. The Finance Subcommittee of the Board of Directors (made up of the President/CEO, Treasurer, volunteered Board of Directors, and designated staff) will meet once a year with designated staff/outside contractors to review the *Financial and Accounting Operating Manual* and discuss any changes necessary. Any changes needing action will be presented to the Executive Committee which will provide a recommendation to the full Board of Directors for approval and implementation.

#### Outside Accounting and Bookkeeping Activities

Currently bookkeeping activities are contracted to JK Associates.

An annual audit is conducted each year for the Kalispell Chamber of Commerce, Convention & Visitor Bureau and Kalispell Chamber by an independent, CPA separate from the firm that is handling the bookkeeping activities. It is the responsibility of the staff and any additional outside financial contractors to assist the auditor in an effort to complete this process in a timely fashion. Audit and tax return activities are currently contracted to Junkermier Clark Campanella Stevens PC.

#### b. Budget

Data for annual budget is provided by staff to the bookkeeper who will prepare a proposed budget with the President/CEO. The proposed budget is reviewed by the Executive Committee who will make a recommendation to the Board of Directors for final approval. The fiscal period of the Kalispell Chamber is January 1st through December 31<sup>st</sup>.

#### c. Separation of Duties

Within in the Kalispell Chamber's financial management and reporting system, a number of checks and balances have been established. Given the small size of the staff, there are limitations in providing complete separation of duties. However, through the combination of a sound accounting system, regular oversight by management and outside auditing contractor, the Executive Committee, the Board of Directors and the following policies, sufficient separation of duties can be achieved.

The following are guidelines for separation of duties amongst the staff and any financial contractors:

- Any cash or check(s) received will be counted by two staff members (those that do not enter payments into QuickBooks, prepare deposits or sign checks)
- Deposits will not be made by the one preparing the deposit, the bookkeeper, but will be made by the President/CEO or designated staff person on a weekly or as needed basis
- All bills will be reviewed and coded by the designated manager(s) before being processed for payment
  - The check signer(s) will not be the person(s) who writes checks
  - The check signer(s) will not be the person(s) who performs the regular bookkeeping work
  - Supporting documentation will be attached to disbursements which the President/CEO will review before signing checks

- Duplicate signatures on checks are not required at this time as the Board of Directors review financials on a monthly basis
- Bank statements are reconciled by someone other than the check signer(s) on a monthly basis

#### d. Conflicts of Interest

No employee in a position to recommend or influence purchasing should hold an interest in any company from which the Kalispell Chamber makes purchases when such interest would be sufficient to influence decisions.

#### e. Financial Reporting

In order for employees to effectively manage the operations of the Kalispell Chamber, timely financial information is imperative. The information must be accurate, comparable and timely.

Financial information will be disseminated on a standard closing schedule. The closing schedule will include appropriate reviews and approvals:

- A Chart of Accounts is made available to designated staff members to code bills and disbursements to the proper accounts
- Standard journal entries will be reviewed by the President/CEO for reasonableness and approved for posting to the general ledger
- Non-standard journal entries are to be reviewed and approved for posting by the auditor
- The bookkeeper will be required to provide a detailed budget comparison in monthly financial reports to be provided to the Executive Committee and Board of Directors for approval
  - Monthly financial reports are provided to the President/CEO and Treasurer within 30 days of the close period
  - Detailed financial reports and summaries are provided to the Board of Directors at each Board meeting
  - Reference explanations for any and all budget variances of 10% or more are contained for the above reference reports
- The Board of Directors will be required to secure an independent audit annually
  - Copies of these reports will be made available to the Board of Directors
  - Copies of these reports will be made available to the public upon written request

#### f. Safeguarding Assets

The President/CEO has primary responsibility for ensuring that proper financial management procedures are maintained and that policies of the Board of Directors are carried out. The Executive Committee shall provide fiscal oversight in the safeguarding of assets of the Kalispell Chamber and shall have primary responsibilities for ensuring that all internal and external financial reports fairly represent its financial condition. Actual income and expenditures will be compared to the budget on a monthly basis. A bank balance sufficient for any immediate operating needs will be maintained. Those staff and contractors supporting the financial operations of the Kalispell Chamber will ensure a proper filing system is utilized and that appropriate insurance for assets is in place. All financial documents will be kept together in a fireproof file cabinet for current fiscal year.

### g. Fixed Assets

Asset expenditures of \$1000 or more, either a new purchase or an addition to an existing asset which increases its life, shall be reflected on a schedule of fixed assets and depreciated over an appropriate useful life.

Assets with long-term use will be depreciated using a schedule based on current IRS depreciation regulations and noted in the documentation.

### h. Payroll Controls

Personnel files are housed at the Kalispell Chamber for all employees. Changes in payroll data (i.e. pay changes, commissions, bonuses, etc.) are approved by the President/CEO before implementation. JK Associates is currently contracted to process payroll. Employees will turn in timecards to appropriate manager with the President/CEO having final approval. JK Associates will generate the payroll register, payroll checks and tax deposits. All payroll documents are made available to the President/CEO for review.

### i. Computer Controls

QuickBooks accounting software is currently used for financial records and reporting. Only approved staff or contractors will have access to QuickBooks. Currently they are: President/CEO, Administrative Services Manager, and JK Associates. JK Associates is primarily responsible for inputting data into QuickBooks; the Administrative Services Manager has the authority to review reports (except payroll) and enter invoices. Any sensitive financial information housed on the Kalispell Chamber's server will be located in a password protected folder and designated people will be provided the password.

### j. Disbursement Controls

- The President/CEO has an expenditure approval up to the parameters set by the annual operating budget
- The President/CEO has single signature authority up to \$49,999 and must receive written approval from the Board Chair or Treasurer for any disbursement beyond this threshold
  - The deliberate splitting of vouchers or bills that have the sole purpose or effect of meeting the above parameters are expressly prohibited
- All disbursements, except petty cash, are made by check
- All checks are pre-numbered and accounted for monthly
- Blank checks are kept in two places: the bookkeeper's offsite office and in locked drawer at the Kalispell Chamber
  - Checks kept onsite are only accessed with approval from the President/CEO
- Disbursements will be initiated by a bill or a written request for disbursement
- The Administrative Assistant is responsible for disbursement documentation being filed in the appropriate files
- All voided checks are defaced and retained for reference

### Hand Written Check Control

Hand written checks are avoided to the extent possible. All hand written checks must receive pre-approval from the President/CEO. In the President/CEO's absence, approval must come from the Board Chair or Treasurer. Should the President/CEO need to write a check, Board Chair or Treasurer approval

will be obtained. Disbursement documentation will be provided to the signer prior to check being written. The President/CEO is the primary signer on all checking accounts. In the President/CEO's absence the Convention & Visitor Bureau Director is the primary signer on all CVB accounts and the Administrative Services Manager is the primary signer on all Kalispell Chamber accounts.

## k. Receipts Control

- Any cash or check(s) received will be counted by two staff members (those that do not enter payments into QuickBooks, prepare deposits or sign checks)
  - A reconciliation sheet listing amounts of cash and check(s) received will be completed and signed by both staff
- The bookkeeper will come in once a week to prepare the deposits
- Deposits will not be made by the bookkeeper, but will be made by the President/CEO or designated staff person on a weekly or as needed basis
- The deposit receipt from the bank is attached to the corresponding receipt copies and cash listing

## Credit Card Receipts

The Kalispell Chamber receives credit card payments for membership dues, sponsorship, event registrations and other purposes. Credit card information is collected two ways: online and in person. Neither process at this time retains information for future use and is shredded once processed. Should a process be established where credit card information could be retained through the Kalispell Chamber's payment processing vendor, all procedures will be PCI compliant. The bookkeeper will collect credit card payment confirmations and online payment records to update accounting records in QuickBooks.

## l. Banking Controls

### Bank Account and Signing Authority

Due to the nature of the Kalispell Chamber's work, a variety of bank accounts are utilized. Currently there are six active accounts. The following list provides a brief description of each account and who has authority in the account:

- Wells Fargo: Kalispell Chamber's general operating funds--President/CEO, Administrative Services Manager, Board Chair
- Whitefish Credit Union: Kalispell Chamber's savings account—President/CEO, Administrative Services Manager, Board Chair
- First Interstate Bank: Bed Tax Funds—President/CEO, Administrative Services Manager, Convention & Visitor Bureau Director, Board Chair
- First Interstate Bank: Tourism Business Improvement District Funds—President/CEO, Administrative Services Manager, Convention & Visitor Bureau Director, Board Chair
- First Interstate Bank: Convention & Visitor Bureau Event Private Funds-- President/CEO, Administrative Services Manager, Convention & Visitor Bureau Director, Board Chair
- First Montana Bank—Kalispell Chamber Foundation funds-- President/CEO, Administrative Services Manager, Board Chair

The Administrative Services Manager and Convention & Visitor Bureau Director have signing authority so that in the absence of the President/CEO normal banking operations can be maintained. The Board Chair is on the accounts to have the authority to add additional signers should the President/CEO,

Administrative Services Manager, and Convention & Visitor Bureau Director be absent; the Board Chair does not have the authority to sign checks on behalf of the Kalispell Chamber. A new signer can be added to the bank accounts only upon a Board resolution. The Administrative Services Manager will coordinate paperwork for the incoming Board Chair after the first Board of Directors meeting each year.

### **Bank Reconciliations**

The bookkeeper shall maintain a record of all bank transactions, listing all checks disbursed and all receipts deposited on a daily basis. The “bank book,” QuickBooks, shall show the current bank balance for all bank accounts. The bank statements will be reconciled on a monthly basis. The Administrative Services Manager will be notified of any discrepancies for further investigation and/or follow up. The bookkeeper will adjust QuickBooks as needed and reconcile QuickBooks to the general ledger cash accounts on a monthly basis.

## IV. Accounting Procedures

### a. Types of Revenue

- Membership Dues: recognized over the anniversary year of the member
- Program Income: generated through seminars, luncheons, Leadership Flathead program, Annual Banquet and Auction registrations and sponsorship, advertising, affinity programs and CVB signature events
- Contracts: City of Kalispell for Tourism Business Improvement District and State of Montana for Accommodations Tax Revenue
- Grants and Donations: allocated funds received for special projects
- Miscellaneous: collected administrative fees, rent, interest and in kind donations

### b. Accounts Receivables

#### Membership Billings and Receivables

All membership dues are reviewed and established as the first step in the budgeting process. A new member(s) can pay dues via check or credit card; an online application process allows for immediate receipt of payment. A new member(s) is not recognized and will not receive benefits until payment is received. Membership renewal invoices are generated at the first of the year to support a timely renewal process. Renewal invoices are prepared 45 days out from the anniversary month. The renewal packet is given to President/CEO for review and notations. 30 days out from the anniversary month, the packet is mailed to the member; a few days following the Administrative Services Manager follows up with a letter and invoice via email. On the first day of the anniversary month, the Administrative Services Manager will generate another email with the letter and invoice for any open accounts.

Invoices for delinquent accounts are created the first week of the month following the anniversary month. At 30 days past due, the member will receive a printed invoice and letter; at 60 and 90 days past due the member will receive contact via phone, email and/or in person from the Membership Development Manager; at 120 days past due the member will receive final notice requesting payment and will be dropped if payment is not received within a few weeks' time. If a member requests cancellation it is recognized immediately and the account is taken off the delinquent listings to avoid continued attempt to receive payment. The Membership Development Manager and Administrative Services Manager receive documentation for cancellations to follow up and document accordingly.

Sometimes a member is not able to pay the full dues amount in a single transaction. In these cases, the member is allowed to setup a payment plan in which the amount owed will be broken into three installments. A credit card is kept on file for these cases and will be charge three times for complete payment. When the last payment is received, the credit card information is shredded.

#### All Other Billings and Receivables

Program and event registrations automatically generate invoices when entered into the Kalispell Chamber's databases; the majority of the registrations will be pre-paid and require little follow up. The bookkeeper and Administrative Services Manager create all invoices that are not automatically generated, such as sponsorships, certain advertising services, rent and administrative fees. Any additional requests for invoices are submitted to the Administrative Services Manager for approval and creation. The Administrative Services Manager reviews the open invoices report on a monthly basis with the President/CEO and bookkeeper and initiates collections on delinquent accounts accordingly.



### **Cash and Credit Card Receipts**

Any cash or check(s) received are counted by two staff members (those that do not enter payments into QuickBooks, prepare deposits or sign checks). A reconciliation sheet listing the amounts of cash and check(s) received is completed and signed by both staff. Copies are made of all checks counted and stapled to the reconciliation sheet. The completed reconciliations (including the reconciliation sheet, copies of the checks and all monies) are filed in a locked drawer at the bookkeeper's desk.

The bookkeeper prepares the deposits once a week. Deposits will not be made by the bookkeeper, but will be made by the President/CEO or designated staff person on a weekly or as needed basis. The deposit receipt from the bank is attached to the corresponding cash receipt copies and listing. The bookkeeper pulls the credit card transaction reports on a monthly basis and posts to accounts accordingly. If credit card information is entered online, the Kalispell Chamber's payment processing vendor will handle the processing and security of information. If the information is provided via phone or in person, the staff person receiving the information will immediately enter the data into the Kalispell Chamber's processing account and shred the credit card details.

### **c. Accounts Payables**

Bills are provided to the appropriate staff person for coding and documentation and are passed on to the bookkeeper to create a payable in QuickBooks. All expenses are paid through the Kalispell Chamber's operating account. Standard payment terms are net 30 days unless prior agreement has been made with the President/CEO or Administrative Services Manager. The bookkeeper posts all payments to the accounts payable ledger and reconciles the accounts payable ledger on a monthly basis. Contact information for non-member vendors will be provided to the Membership Development Manager for follow up.

### **Disbursements**

Disbursements are initiated by a bill or a written request. Written requests are approved by the President/CEO before being given to the bookkeeper for payment. Checks are prepared once a week unless there is an immediate need. The unsigned check and supporting documentation is provided to the President/CEO for final review and signature. Each check has three parts: the check, one stub showing remittance details, a second stub which will be kept, stapled to documentation, and filed by vendor information (for all Kalispell Chamber accounts) and check number (for all TBID and Bed Tax accounts). The Administrative Assistant is responsible for disbursement documentation being filed in the appropriate files.

### **Staff Expense Reimbursements**

Requests for reimbursements of allowable expenses are provided to the supervising manager for approval. Request forms are provided when needed, and are also located on the server for easy access and use. Requests must be accompanied by documentation of mileage and/or copies of receipts for purchases. All reimbursements will be reviewed and receive final approval from the President/CEO.

### **Per Diem Requests**

Meals and incidentals when traveling out of the region follow the General Services Administration guidelines and can be found online at: <https://www.gsa.gov/portal/category/100120>. All per diem requests must be submitted to the President/CEO prior to work travel. When possible, a rental car will

be provided for primary mode of travel. If work travel takes the employee outside of the State of Montana, the Kalispell Chamber will cover the airfare expenses. The Kalispell Chamber will cover hotel expenses at a standard room rate for that area.

### **Credit Cards Disbursements**

Credit Cards are issued to certain staff members and at this time include: President/CEO, Administrative Services Manager, Convention & Visitor Bureau Director and Group Sales Manager. This allows for efficient purchases of low dollar products and services. Employees are expected to use good business judgement when making purchases via credit cards. Improper use of company credit cards is grounds for disciplinary action and may result in cancellation of the card. While credit cards eliminate the cost of processing invoices and creating checks, they also create corporate liability. For that reason, credit cards are used only for Kalispell Chamber purposes and are subject to strict purchasing controls:

- In order to keep a minimum number of cards issued, the need for a credit card will be presented to the Board of Directors for approval
- The bank housing the credit cards accounts will accept requests to issue credit cards and set cardholder limits only from an authorized signer
- The person whose name appears on the card is responsible for protecting that card and is accountable for all purchases made using that card
- All receipts are to be turned into the bookkeeper with documentation regarding the purchase
- Routine administrative and operational charges are permitted
  - Recurring charges may be setup to a card with approval from the President/CEO
- Entertainment should be limited to key volunteers, special guests and/or related to a Chamber event or program
- Under no circumstances may cash advances be used on a company card
- Spousal travel on a business trip is not to be charged on a company card
- Excessive expenditures for alcohol at Kalispell Chamber functions or while representing the Kalispell Chamber at outside functions is prohibited

### **Petty Cash Disbursements**

A petty cash bank of \$100 is kept in a locked drawer and is only accessible with permission from the Administrative Services Manager. Expenses paid from petty cash must be supported by receipts and documented into petty cash log maintained by the Administrative Services Manager and bookkeeper. The petty cash bank will be reconciled and documentation provided before the fund is replenished. A check request will be submitted to the President/CEO for approval.

### **Authorized Purchasers**

Only designated staffs are authorized to make purchases on behalf of the Kalispell Chamber. Volunteers should direct requests for such expenditures to the Kalispell Chamber. A staff member will handle all purchases.

### **d. Payroll**

The Kalispell Chamber's recognized work week is Sunday-Saturday. A regular work week is 40 hours; anytime time worked over 40 hours in a work week is considered overtime and will be paid out as such (except for those employees who meet exempt status). Pay periods run from the 1<sup>st</sup> of the month

through the 15<sup>th</sup> and the 16<sup>th</sup> through the last day of the month. Employees will be paid no later than five days following the close of the pay period.

All salaries and wage rates are authorized by the President/CEO. The Administrative Services Manager maintains all personnel records and monitors the use of vacation, personal and sick time. All employees will complete a timecard and submit to their supervisor. Each supervisor will review and turn timecards into the Administrative Services Manager who provides them to the President/CEO for final approval before submitting them to the bookkeeper for processing. The bookkeeper records all payroll expenses in the general ledger. Paychecks are automatically deposited into the employee's bank account and employees receive an email providing the paystub record.

All payroll tax deposits are prepared at the time payroll is prepared. The bookkeeper is responsible for payroll tax deposits and automatically withdraws the appropriate funds from the Kalispell Chamber's operating account as scheduled.

If there are any changes in employee's information, it is the responsibility of the employee to inform the Administrative Services Manager as soon as possible. All payroll information is strictly confidential and not to be discussed. Any questions concerning salary, deductions and/or benefits should be addressed confidentially with the President/CEO.