

**Department of Colorado
Veterans of Foreign Wars of the United States**

**Financial Management Policy
2019-2020**

BUDGET

The annual tentative Budget for the financial operations for the ensuing year is prepared under the direction of the State Quartermaster. A Budget and Finance Committee, consisting of the State Quartermaster, State Sr. Vice-Commander, State Jr. Vice-Commander, and pertinent administrative personnel shall meet after the first COA to begin the study of budget trends, cash flows, and other pertinent financial information to begin formulating a budget for the ensuing year. 14 days prior to the ensuing years first COA, a tentative budget will be made available to the new Council of Administration. This budget will then be discussed and voted on at the first COA following the State Convention. The budget shall be in balance. Restricted funds shall be budgeted separately in every instance.

For budget comparisons and review, between prior year's financial records and the new budget, current to-date Financial Records shall be made available(14 days prior) to all Council Members at the first Council of Administration meeting. The Audit Committee will be available at this meeting to present Audit Committee year end findings.

The tentative Budget shall contain a plan for the coordination of resources and expenditures, the amount of money that is available for, required for, or assigned to a particular purpose. The Budget shall also contain a statement of financial position for the Department's ensuing year based on estimates of all expenditures, including Capital Improvements, during this period and proposals for financing them.

Expenditures not in Budget

As a matter of policy, these expenditures shall be pre-approved by the Council of Administration before funds are expended.

Emergency Expenditures

As approved by the Council of Administration, the current Commander, and Quartermaster shall review, approve and authorize those expenditures that exceed two thousand dollars (\$2000). The Council will then be notified immediately by either regular mail or electronic means and said expenditures voted on by the Council.

Financial Reports and Financial Record Keeping

Immediately following the close of each quarter of the Departments fiscal year, the State Quartermaster will prepare in detail, a statement of all monies received and expended during said quarter, together with cash balances at the beginning and end of the period covered, along with a statement of fluids, cash and bank balances, which will be presented to the Council of Administration.

All Quarterly-Financial Reports with a comparison to the annual Budget, shall be prepared under the direction of the State Quartermaster and be immediately ready for review by the Audit committee, and Council of Administration.

Financial Reports and Financial Record Keeping (continued)

Immediately following the close of the fiscal year, prepare a final statement of all monies received and expended during the year together with a statement as to the financial worth of the Department.

Preceding the Department Convention a complete financial report in detail, with a comparison to the annual Budget, covering that portion of the fiscal year which was completed as of the last day of the month preceding that in which the Convention is held.

Quarterly Financial Records shall contain a cash flow report in addition to a year-to-date cash flow report.

Monthly Financial Reconcilements (between the Bank statements received and the Departments bank records) will be completed within the month of receipt.

Financial Reports shall be forwarded to all Council of Administration Members (14 Days) prior to all Council Meetings, (if at all possible).

Check signing authorization is as approved by the Council of Administration. Signatures will be affixed only after the check is completely filled out and at the time of disbursement. All Checks will have the signature of the Quartermaster, and in his absence the Assistant Quartermaster.

Guidelines for Travel, Credit Card usage and Reimbursements are covered under the reimbursement Policy.

All expenses and income will be posted to the proper account on the day of receipt or transaction.

Financial deposits shall be made as needed on an unregulated time frame for security reasons, but shall be deposited at least weekly. Deposits will be secured in a locked area at all times. At no time will there more than five hundred dollars (\$500.00) cash kept at Department Headquarters.

Financial Suspense items will be cleared to the proper account with-in the month they occurred or no less than thirty (30) days of transaction.

New or incoming Commanders expenses for the Fiscal Year they occurred in will be held in a line item on the Balance Sheet until after July 1 of the next year. Accounts Receivable and Accounts Payable will be used at year end to take care of income and expenses that will be posted by check and receipt in the next fiscal year.

Personal Property (furniture and fixtures) shall be depreciated annually (by June 30th of the current calendar year) to actual cash value or to one dollar (\$1.00) and shown on the Personal Property (furniture and fixture) inventory report. These depreciated amounts will be reflected on the financial reports.

Capital Improvement (land and building) and Building Maintenance expenses are authorized by the current Budget, when the expenditures are over two thousand (\$2000), it must be authorized by the **State Commander and Quartermaster**.

Acquisitions and disposal of Departments Capital Property (building and land) shall be approved by the Council of Administration and under the control of the Commander, and Quartermaster and/or approved Committees.

An Audit(s) shall be conducted by the authority of the Council of Administration on all accounts of Department Officers and shall require that records and accounts of the Quartermaster be audited at least once annually.

Investments

All investments (deposits and withdrawals) shall be completed under the direction of the Investment Officer (Quartermaster) with the final transaction approved by the State Commander. Deposits within any financial institution shall not aggregately exceed that amount that is federally insured. A minimum of two authorized signatures are required on all withdrawals (checking, daily or timed deposits).

The Investment Portfolio may not be used to engage in trading or other speculative securities transactions. The Investment Officer (Quartermaster) with final transaction approval of **the State Commander, will** invest surplus funds conservatively by balancing safety, liquidity and yield. (Surplus funds are funds exceeding anticipated fund requirements for daily use.)

The portfolio's maturity distribution is limited to control the risk of loss resulting from increases in the level of interest rates and the forced redemption of certificates or timed deposits.