

California Native Plant Society – Santa Clara Valley Chapter

Policy on Financial Procedures

Version 1.3

Adopted April 10, 2024

1. PURPOSE AND SCOPE

- 1.1 This document, Policy on Financial Procedures, defines standard practices for managing the finances of the Santa Clara Valley (SCV) chapter of the California Native Plant Society (CNPS), referred to below as the Chapter.
- 1.1 The purpose of this policy is to protect both the treasurer and the chapter by defining rules that ensure chapter funds are handled appropriately.

2. FINANCE COMMITTEE

The Finance Committee is a standing closed committee with at least three members, which will include at least one past treasurer and at least two others who must be CNPS members in good standing.

- 2.1 Members of the Finance Committee will be given read-only access to the Chapter’s online QuickBooks account as well as Chapter bank statements (provided by the treasurer when they become available).
- 2.2 The Committee Members are expected to review QuickBooks entries and bank statements once a quarter and meet with the treasurer and/or bookkeeper once a quarter (end January, end April, end July and end October) to review the financial books and resolve any questions that arise from the review.
- 2.3 One person on the Finance Committee, preferably the past treasurer shall also be an administrator of the QuickBooks account for resilience reasons.
- 2.4 The Finance Committee will provide a written or in-person Board report after each quarterly review, as to the findings of the audit, so that any issues may be resolved either by the Chapter Board or referred to the CNPS State Operations Office for help with resolution.

3. BUDGET MANAGEMENT AND REPORTING

- 3.1 The Chapter treasurer shall prepare an annual budget to guide the use of Chapter funds. This budget, covering the CNPS fiscal year as defined in the chapter guidelines, shall be adopted by the Chapter’s board of directors at a board meeting prior to the beginning of the fiscal year.
- 3.2 Any proposed expenditure of \$1,000 or more that is not identified within the

current, approved annual budget shall be decided upon at a meeting of the Chapter's board of directors or by an email vote of the board of directors.

- 3.3 A financial statement including categorized income and expenses shall be presented at three or more board meetings, covering the fiscal year to date, or the period since the previous meeting, as appropriate. A detailed transaction report shall be presented on request of the president or any member of the Executive Committee.
- 3.4 An annual financial statement shall be prepared in line with guidelines from the CNPS state office.
- 3.5 Sales tax reports (accompanied when appropriate by sales tax remunerations) shall be made to the CNPS state office as required by that office.

4. PURCHASES AND PAYMENTS

- 4.1 All purchases or payments except for routine expenditure require prior approval by the board. (Note: Budgeted items are deemed to have prior approval by the board.)
- 4.2 All expenses, including routine expenditures, must be supported by written invoices, statements or receipts.
- 4.3 Routine expenditure is defined as:
 - 1) Fees associated with operating the Chapter's bank account.
 - 2) Costs associated with producing and distributing the Chapter's newsletter.
 - 3) Recurring fees associated with the Chapter's web site.
 - 4) Recurring fees for previously approved software and services used for Chapter activities, under \$150.
 - 5) Purchase of items sold at Chapter programs and events, such as books and plants.
 - 6) Sales tax payments and memberships to the CNPS state office.
 - 7) Fees or honoraria paid to speakers (under \$600).
 - 8) Nursery expenses:
 - a) Operational expenses (e.g., pots, test kits, disinfectants and other supplies) under \$500.
 - b) Maintenance costs - purchases to replace broken items under \$1,000.
 - c) Renovation expenses under \$2,000, if they are charged to dedicated funds
 - d) Rent and utility payments.
 - 9) Recurring costs for the PCC.
 - 10) Any other expenses deemed by the board to be routine.
- 4.4 Routine expenditures do not include donations or gifts.

5. BANK SIGNATURES

- 5.1 Authorized signatures at the Chapter's bank shall be those of two or more Chapter officers, including the president and the treasurer.
- 5.2 Those with authorized bank signatures shall not include members of an immediate family, and no two should reside in the same household.

6. RECORDS

- 6.1 Copies of the financial statements and bank account statements shall be posted electronically in the chapter's Google docs (or similar cloud storage) for access by the members of the board of directors.
- 6.2 Hard copy or electronic copy records of all receipts, reimbursements and invoices are to be kept for a period of at least seven years.

7. ADOPTION AND AMENDMENTS

- 7.1 These standing rules come into force when approved by the Chapter's board of directors.
- 7.2 These standing rules shall be accessible to Chapter members on the Chapter's web site.
- 7.3 Changes to these standing rules may be approved by a majority vote of the board of directors, including a majority of officers, at any time.

8. OPERATING RESERVE

- 8.1 The Chapter's operating reserve should be maintained at a level equal to the total of the last two years of the Chapter's annual operating expenses.
- 8.2 The operating reserve should be reviewed at either the Budget Meeting or the first meeting of the year.

9. UNALLOCATED FUNDS

- 9.1 At least once a year any unallocated funds should be considered by the Board for allocation to projects at the State or Chapter-level that fulfill the CNPS mission. The goal is to not retain funds in excess of the operating reserve and all other board designated and restricted funds at the Chapter level.

10. CHANGE LOG

Version 1.0: Adopted May 11, 2017
Version 1.1: Adopted October 10, 2019
Version 1.20: Adopted February 22, 2024
Version 1.3: Adopted April 20, 2024