



## **BLUE STAR MOTHERS OF AMERICA, INC.**

### **2016-2017 FINANCIAL POLICIES**

Blue Star Mothers of America, Inc. (BSMA) strives for transparency for our membership in all of our financial dealings. It is incumbent upon the National Executive Board (NEB), the Department Executive Boards (DEB), the Chapter Executive Boards (CEB) and their respective Finance Committees (NFC, DFC and CFB [if applicable]) to maintain transparency for expenditures and to ensure that funds are used wisely. The NEB shall engage the services of a CPA, annually, for the purpose of reviewing and auditing the financial records. Departments and Chapters are responsible for conducting an internal annual review of their financial records. Departments and Chapters are responsible for filing annual IRS 990 forms with the IRS and submitting the same to National via the national website. Financial policies are written to clarify the roles, authority, and responsibilities for the organization. Departments and chapters can adopt their own policies, but those policies cannot conflict with the Policy of National BSMA.

Below are the policies which form the basis of the financial management of the BSMA.

#### **1.0 Internal Control Policies**

- 1.1.** The President will annually appoint a Finance Committee per the current By-Laws.
- 1.2.** The Convention body will set the annual budget to direct how funds are spent. With the prior review and recommendation by the FC, Executive Board approval is required in order to spend funds or make financial commitments to projects that have not already been incorporated into the approved budget. Financial reports will be submitted to the general membership on not less than a quarterly basis.
- 1.3.** In order to minimize risk and maximize benefit, the BSMA will only utilize federally-insured local banking or savings institutions. An account should be established with a bank that ensures banking is properly conducted, regardless of the physical and/or geographical locations of the

Financial officers. BSMA is to maintain a balance equal to 50% of the proposed budgeted expenses at the end of each Fiscal Year.

**1.4. All checks require two signatures** - the Treasurer and the Financial Secretary - all Chapter checks must contain the Chapter State and Number. The First VP signature shall be added to the account signature card(s) for emergency purposes **ONLY**. *Under no circumstance are checks to be pre-signed.* As part of compliance all Departments and Chapters Presidents are required to submit verification of the names of officers authorized to sign checks.

Repetitive payments to the same vendors are most easily paid through the bank's Bill Pay System. However when using this system, the National Treasurer does not create a check that is normally produced for a second signature. Since this is a beneficial application for BSMA to utilize, the following procedure is to be used:

1. Once the NT receives the approval to pay an item, she will enter the transaction into the bank's Bill Pay System. She will then enter the transaction into QuickBooks.

2. NT will then immediately email the National Financial Secretary with a request to review the Q/B transaction AND the bank's Bill Pay site to ensure the proper amounts were paid out.

3. NFS will then reply to the NT, confirming that all entries are correct. This email will be kept on file with the approvals for payment for audit.

**1.5. Deposits.** All income intended for BSMA will be properly received, deposited, recorded, reconciled and kept under adequate security, by the Financial Secretary, according to the By- Laws.

**1.6. Fixed Assets.** Expenditures for equipment are recorded at cost. Depreciation expenses are calculated using the straight-line method and with a useful life of 3-10 years. Maintenance and repairs, which neither materially add to the value of the property, nor appreciably prolong its life, are charged to expenses as incurred. BSMA capitalizes all fixed assets with a cost greater than or equal to \$1000 and a useful life greater than one year.

**1.7. Disbursements.** The Annual approved budget is the authority for the President to approve payments for services and financial commitments. Funds will be disbursed upon proper documentation and receipts. ***No check may be made out to "Cash"***. When cash is required for a fund-raising event, a check may be issued to a member designated for obtaining the startup funds. A receipted reimbursement request form must be submitted by said member to the NEB, DEB or Chapter (as applicable) for reimbursement of those funds.

**1.8.** Upon approval of the requested expenditures (see Expenditure Policies), the Treasurer will prepare a check for payment, enter the information into the BSMA accounting system, and

forward that check, along with a copy of the invoice, or receipt, to the Financial Secretary, who will again review the invoice, or receipt, and the check. If all is in order, the Financial Secretary will sign the check and mail it to the payee.

**1.9. Reconciliation.** All statements for banking, merchant card and other accounts (i.e. Google) will be mailed to the Financial Secretary who will review, reconcile each statement on a timely basis. Copies of the bank statement and the monthly reconciliation will be distributed by the Financial Secretary to executive board members and the Finance Chair.

## **2.0 Budgetary Policies**

**2.1.** The Finance Committee will prepare an **annual budget** that will be submitted to the NEB for discussion in May so that approval by the NEB will be completed prior to 60 days before Convention. This ensures that the budget will be presented for review and approval to the Convention body at the annual National Convention. The Department's Budget must be presented to the DEB for approval prior to 60 days before Convention for approval for inclusion with Convention documents. The chapter's budget should be prepared and approved by September

**2.2. General Financial Accounting:** In addition to restricted and unrestricted categories, all expenses of the organization must be reported as Program, Management, or Fundraising. This requirement applies to National, Departments, Chapters and any auxiliaries of Blue Star Mothers of America, Inc.

**Program:** Funds used to promote the organization such as participation in ceremonies, brochures, newsletter, VAVS and volunteer activities.

**Management:** Funds used to maintain the organization such as bookkeeping, phone, meetings and oversight.

**Fundraising:** Anything related to raising money for the organization.

## **3.0 Expenditures Policies**

### **3.1. Debit card policy**

**3.1.1.** Upon approval by the Finance Committee and the respective Executive Board, the Financial Secretary will contact the Business Services of the selected bank to obtain a debit card. A requested daily limit, not to exceed \$3,000, shall be requested.

**3.1.2.** The Treasurer and the Financial Secretary will be the sole "holders" of the cards at all times.

**3.1.3.** Card will be used for approved BSMA official travel, accommodations, National Convention related expenses, organization floral expenses for official ceremonies / events, business purchases (for example: postage, ink, paper, equipment [replacement or new]) required to conduct business.

**3.1.4.** Upon prior approval and eligibility (as defined in the Finance Policy/Budget), NEB members traveling on official business may request the Treasurer to make airline reservations and hotel reservations. The Treasurer will inform the NFC and the National President by e-mail upon receipt of a request, with response required within 36 hours.

**3.1.5.** Due to rental car agencies requiring that the debit card be presented at the time of the rental, and because that may not always be possible, the debit card may not be used for renting vehicles.

**3.1.6** The Debit Card is to meet all required transparency criteria. Other use opportunities **included** but not limited to: On-Line Store supplies, yearbook deposit/payment, and other approved expenses.

**3.1.7 *Preapproved Expenditures.*** The following organizational expenses are pre-approved for payment, by the authority of the National President:

Annual Membership Fee for the VA Veterans Day Committee (September)

Chaplain Emergency Fund payments to VA Medical Centers

Restocking merchandise for the on-line store

Conference Line Billing for NEB/committee meetings

Website Maintenance and support

Yearbook

Bank charges and Quick Books

**3.2. *Authorized Expenditures for Reimbursement (if sufficient funds are available).*** These reimbursements are for expenses incurred by the National Executive Board and National Committee Chair members, as a result of fulfilling official Blue Star Mothers of America, Inc. responsibilities.

**3.2.1** The National President shall receive reimbursement in accordance with, but not to exceed, IRS guidelines to assist with expenses associated with official duties, including travel to Department Conventions, to Washington, DC to attend Veterans Day and Memorial Day ceremonies, and other events where the President's attendance has been requested, if appropriate. This includes travel expenses to attend Department Conventions (when possible, the Departments should cover all registration, lodging, meals, and travel). If the President is unable to attend, she will write a formal letter of greeting to the Department President, to be read to Convention delegates. This includes accommodations for up to three nights for each event and up to 4 nights for Memorial Day activities. Other allowable expenses are, but not limited to, postage, post office box, office supplies, and limited telephone usage. **Total reimbursements are not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and**

**receipts for all expenses must be submitted prior to payment.**

**3.2.2** The Vice Presidents, Recording Secretary, Financial Secretary and Treasurer shall receive reimbursement in accordance with, but not to exceed, IRS

guidelines to assist with expenses associated with official duties, including travel to NEB-approved events. Other allowable expenses are, but not limited to, postage, post office box, office supplies, and limited telephone usage. **Total reimbursements are not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and receipts for all expenses must be submitted prior to payment.**

**3.2.3** The National Chaplain, National VAVS Representative, Convention Chair, National Finance Chair, and the Washington, DC Liaison shall receive

reimbursement in accordance with, but not to exceed, IRS guidelines to assist with expenses associated with official duties, including travel to NEB-approved events. Other allowable expenses are, but not limited to, postage, post office box, office supplies, and limited telephone usage. **Total reimbursements are not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and receipts for all expenses must be submitted prior to payment.**

**3.2.4** The National VAVS Representative and Deputy shall receive reimbursement in accordance with, but not to exceed, IRS guidelines to assist with expenses associated with official duties, including travel to NEB-approved events, (4 nights lodging for the annual Advisory Council Voluntary Service Conference.) They shall be reimbursed for travel and registration.

**Total reimbursements are not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and receipts for all expenses must be submitted prior to payment.**

**3.2.5** The National Patriotic Instructor and National Historian shall receive reimbursement in accordance with, but not to exceed, IRS guidelines to assist with expenses associated with official duties, including travel to NEB-approved events, specifically including 2 nights lodging to participate in official Veterans Day and Memorial Day Ceremonies, (Arlington event) in Washington, DC. Lodging reimbursement is based on a minimum of two persons per room. **Total reimbursements are not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and receipts for all expenses must be submitted prior to payment.**

**3.2.6** Expenses of other NEB members must be pre-approved prior to submission of any expenses associated with official duties.

**3.3** Expenditures requiring NEB pre-approval, once it is necessary and budgeted for

- Salary – Executive Director and/or Executive Assistant
- Rental of Office Space
- Office Furnishings and Office Equipment
- Travel and other associated expenses

**3.4 Expenditures not Authorized for Reimbursement to the NEB, from National BSMA**

**3.4.1.** The following expenses are not authorized for reimbursement:

- Travel meals
- Internet fees (hookup, monthly, etc)
- Convention registration fees. (Chapters may pay delegate registration fee)
- Convention meal tickets, unless the meals are included in the convention agenda or as part of registration.
- Travel Insurance

**3.5** The IRS statutory charitable mileage rate is to be used for reimbursement, on all travel by car. Reimbursements are not to exceed the amount that would be paid by common carrier, with 21 days' advanced purchase. Mileage to be validated using an internet mileage map. Rental car fees are not reimbursed.

## **4.0 Special Events Policies**

**4.1** National Convention.

**4.1.1** It shall be the decision of the National President to choose the site for the National Convention. Selection of the city, state and hotel shall be completed no later than March in the year of the Convention.

**4.1.2** The National President shall make arrangements for all hotel expenses to be paid by check. Payment of convention expenses must be paid according to the terms of contract and within 30 days of the closing of convention.

**4.1.3** The National President shall receive accommodations up to 5 nights, complimentary National Convention fees, luncheon and banquet for herself and two guests.

**4.1.4** National Elected Officers, National Parliamentarian, By-Laws Committee Chairman, National Finance Committee Chair, National Chaplain and National Convention Chair shall receive: travel and lodging based on two per room, for up to 5 nights ending with the adjournment of the post-convention meeting. The National Financial Officers, (Financial Secretary and Treasurer), shall receive travel and lodging for up to 6 nights, if necessary,

due to the requirement of setting up “Store” items and registration duties. If lodging with a non-officer, National will pay the proportionate share of the room.

**4.1.5** Complimentary lunch and banquet tickets shall be extended to the Convention speakers and visiting dignitaries. Meal tickets for guests of visiting dignitaries are not complimentary.

**4.1.6** When possible, each Convention will have a “Store” providing merchandise for purchase by the delegates. Outside vendors shall pay \$50 for a table; chapter and/or individual members shall pay \$25 for a table. The National President and the Convention Chair shall have the authority to select and approve vendors and items sold. Selling or taking orders from private rooms is prohibited, unless a vendor fee has been paid. If a member/chapter is found in violation of this rule, a penalty fee of \$50 will be assessed. If the fine is refused and/or the member/Chapter continues to sell the items, the delegates from that Chapter, or the individual involved, will be barred from further Convention activities (see Convention Rules).

## **4.2 Veterans Day/Memorial Day/Gold Star Mother’s Day weekend (as recognized by Congress)**

**4.2.1** The National Treasurer, upon approval from the National President, shall order wreaths (or donations) to be delivered for presentation by the National President at Arlington National Cemetery Tomb of the Unknowns, Vietnam Wall, and Women in Military Service Memorial. Billing to the National Organization is desired; however, if payment is made at time of purchase, receipt is to be submitted for reimbursement.

**4.2.2** Flowers for various other memorials may be purchased from local stores/street vendors. Purchases may not exceed the budgeted amount and reimbursement will be made for hand- written receipts if the amount is less than \$ 25.00.

**4.2.3** The National President, or her representative, shall be reimbursed lodging and travel-related expenses for attending the Gold Star Mother’s Day Weekend events. Flowers for various memorials may be purchased from local stores/street vendors. Purchases may not exceed the budgeted amount and reimbursement will be made for hand-written receipts if the amount is less than \$ 25.00.

## **4.3 Mid-Year NEB Meeting**

**4.3.1** If deemed necessary, the NEB members shall receive travel and lodging (two per room) for not more than three nights, for a mid-year Executive Board Meeting. Presidents travel reimbursement for mid-year will come out of Presidents Travel account.

## **4.4 Other events**

**4.4.1** From time to time unanticipated events may occur requiring attendance by some members of

the NEB. The event must be approved by the NEB and total reimbursement is not to exceed the Convention body-approved budgeted amounts, unless otherwise pre-approved by the FC and NEB, and receipts for all expenses must be submitted prior to payment.

## **5.0 Auxiliary Organizations**

**5.1** Auxiliaries of Blue Star Mothers of America, Inc. are required to maintain their financial records in accordance with the procedures of the parent organization. Failure to comply with proper procedures will result in the revocation of the Charter.

**5.2** Financial reports to include financial policies, approval for payments, roster of members, and a detailed line-item income and expense report, must be sent to the National Finance Committee by December 1<sup>st</sup>. A report of activities and a detailed financial statement shall be presented to the convention body.

## **6.0 Donation**

Convention delegates may approve a donation up to 10% of the annual net income (ytd 6/30), if the organization is financially stable to a National 501©3 Organization supporting our Mission, as the recipient.