

Pacific Association  
Accounting Policies and Procedures Manual

## **Purpose of Manual**

This manual outlines the accounting policies and procedures to be followed by Pacific Association (“the Association”) including its Board of Directors (“the Directors”), Board of Athletics (“the Board”), Executive Director (“the Director”), Association office staff, which includes the Director (“the Staff”), member committees (“the Committees”), member clubs (“the Clubs”) and all individual association members (“the Members”). These procedures are considered binding on the Association and compliance with them is mandated by the Board. Any member or entity within the Association that consistently fails to comply with these procedures will be considered by the Board for disciplinary action by the Association.

The Association was formed for the purpose of facilitating track & field, cross-country, road racing and race walking events in the geographic region of Northern California and Northern Nevada.

## **Accounting Policies and Procedures**

### **1. Chart of Accounts**

**Policy:** To facilitate the record keeping process for accounting, all general ledger accounts will be assigned a descriptive account title and an account identifier appropriate for the accounting software being utilized.

**Purpose:** To provide a method for organizing the assets, income liability and expense accounts of the Association into a format for examination and reconciliation.

**Scope:** This procedure applies to all general ledger accounts used in the accounting method of the Association.

**Definition:** Chart of Accounts – A listing of all the account titles and identifiers being used by an organization is called a chart of accounts.

**Procedures:** 1. Accounts and sub-accounts will have titles and identifiers that indicate their specific nature such as cash, investments, expenses, office equipment, etc.

2. Accounts will be arranged in the same sequence in which they appear in the financial statements, that is, asset and revenue accounts should be identified first, followed by expense and other accounts.

Further, accounts will be identified so that all revenue amounts are recorded by category. Sample revenue categories are; Membership, Officials, Sponsorship Fees, Hotel Commission, Sanctions, Event Income, Interest and Dividend Income, Donations, Equipment Rental and Other Income.

Unassigned identifier sequences should be left open within each group of account types to provide for additional accounts which may be added later.

## 2. Bank Reconciliations

**Policy:** Errors or omissions can be made to the cash records due to the many cash transactions that occur. Therefore, it is necessary to prove periodically the balance shown in the general ledger. Cash on deposit with a bank is not available for count and is therefore proved through the preparation of a reconciliation of the Association's record of cash in the bank and the bank's record of the Association's cash that is on deposit.

**Purpose:** To outline the procedures for preparation of a monthly bank reconciliation and record keeping of any adjustments.

**Scope:** This procedure applies to all bank and 'bank like' accounts maintained by the Association.

**Procedures:** 1. The Association's format for at least quarterly bank reconciliations, is composed of two distinct sections. One section begins with the balance as shown on the bank statement and works to a corrected balance. That is the balance the bank statement would show if all transactions were recorded by the bank (e.g. outstanding checks, deposits in transit, etc.).

The second section starts with the balance shown by the Association records as maintained by the accounting software, and also works to a corrected balance, the balance that should be shown in the Association's records after all transactions are properly recorded (e.g. bank charges, interest, etc.).

2. Upon receipt of the monthly bank statement including cancelled checks, deposit slips and any other transaction notifications, the monthly bank reconciliation will be prepared under the direction of the Director.

3. The first section of the monthly reconciliation will be started with the ending balance per the bank statement.

Next, any deposits in transit that were made by the Association but were not yet recorded by the bank will be listed and added to the bank balance.

Next, any checks that were written on the account prior to month-end but which had not yet cleared the bank, will be listed and deducted from the bank balance.

From these steps, the "corrected" ending balance will be derived for the first section.

4. The second section of the monthly reconciliation will be started with the ending balance per the Association's books.

Any interest and other bank credit items, or any bank charges, transfer fees, etc., will be entered as part of the software reconciliation.

From these steps, the “corrected” ending balance will be derived for the second section and should equal the “corrected” balance for the first section.

5. Any discrepancies between the two balances outside the limits set by the Treasurer, will require research under the direction of the Director to determine the cause, such as recording errors, omissions, mispostings, etc. This can also include recalculation of the bank statement for any possible errors by the bank.

6. Any reconciling items such as interest, bank charges and any recording errors will be summarized and recorded as necessary.

7. Further, any outstanding checks over six months old will be reviewed for disposition with the Treasurer.

8. This process may be automated through the use of computer software, as long as the computer software prepares a reconciliation report substantially equivalent to the report contemplated above.

9. Any unresolved discrepancies greater than \$50 shall be reported to the Directors.

### 3. Petty Cash

**Policy:** To facilitate minor business expenses, a petty cash fund will be available only to the Staff.

**Purpose:** To outline the disbursement and reimbursement of petty cash.

**Scope:** These procedures apply to all Staff of the Association.

**Procedures:** 1. The Director will maintain control of the cash box and all petty cash transactions for the Staff. The petty cash fund will be set up in the amount of \$100.00 for authorized out-of-pocket expenses and advances for minor business expenses.

Advances or reimbursements from petty cash will be limited to amounts of \$40.00 or less. If a staff member requires funds in a greater amount, they should request an Association check (see Check Request Procedure).

2. When a staff member requires a petty cash draw, the staff member will record on a petty cash voucher the amount advanced, date of disbursement, reason for the draw and name of the staff member receiving the advance. This voucher shall be signed by the staff member upon receipt of the draw.

The staff member should by the next business day, provide the receipt(s) and any change to the petty cash drawer and attach receipts to the voucher as appropriate.

3. At the end of each month or whenever the petty cash fund drops below a balance of \$20.00, the Director will complete the reimbursement paperwork of

expenses and attach all vouchers. The Director will then be issued a check in the amount of the reimbursement and will be responsible for obtaining cash from the bank to replenish the cash box.

#### 4. Bad/Not Sufficient Funds Checks

**Policy:** Checks returned by the bank and designated uncollectible are to be processed in a method which attempts to avoid confronting or embarrassing the writers of the checks while ensuring that the funds will be collected.

**Purpose:** To establish guidelines to be followed for bad checks.

**Scope:** This procedure applies to all checks returned to the Association that are designated uncollectible such as “insufficient funds” or “uncollected funds”.

**Procedures:** 1. A returned check for less than \$500 or stamped “uncollected funds”, should be redeposited.

For returned checks in amounts greater than \$500, the bank that the check is drawn against should be telephoned and inquired as to whether or not the check amount will clear the check writer’s account. If sufficient funds exist the check should be deposited again. Note: The check writer’s account number should be the second number series located at the bottom center of the check.

2. When multiple bad checks that sum to more than \$250 are issued by the same party within any three month period, or a redeposited check in amount greater than \$250 is returned, the Director and the Directors shall be notified. These checks shall not be deposited again unless instructed to do so by the Directors.

The Director, in conjunction with whoever received the funds and/or the Treasurer, should contact the issuer of a twice bad check, or of two bad checks in a three month period, by any appropriate means to report the problem and discuss how the matter will be resolved.

After discussion with the issuer and at the Treasurer’s discretion, a check may be redeposited. Whenever a check is returned or redeposited more than once, a handling fee of \$25.00 should be charged to the issuer. In the event that the check continues to be uncollectible the matter should be turned over to the Directors for further collection determination.

#### 5. Unsigned or Partial Payment Checks

**Policy:** To save time in returning and following-up on unsigned checks or checks marked “payment in full”, these checks will be processed as follows and deposited.

**Purpose:** To describe how these types of checks are to be handled before depositing.

**Scope:** This procedure applies to all checks received by the Association.

Procedures: 1. For unsigned checks, the word “over” should be typed or written on the line where the signature would normally appear. On the back, type “Lack of Signature Guaranteed” and then add the Association’s name, your name and title and sign.

This indicates that the Association will take back the check as a charge against its account in the event the check isn’t honored.

2. For payment checks marked “payment in full”, if there is no dispute as to the amount, a check tendered for less than the amount due and marked “payment in full” (or similar wording) can be cashed without prejudicing the right to recover the balance. However, if there’s a bona fide dispute as to the amount owing, the Association runs the risk that payment will be deemed to have settled the disputed claim for the lesser amount. It’s also very easy for a debtor who wants to pay less than the amount for which he’s billed to create a dispute on the basis of quantitative or qualitative deficiencies in the goods or services supplied.

To overcome this potential pitfall, the check should be endorsed with the following statement “Check is accepted without prejudice and with full reservation of all rights under section 1-207 of the Uniform Commercial Code”.

The Director should then work in conjunction with whoever received the funds and the Treasurer to resolve collection of the remaining balance due.

## 6. Cash Drawers

Policy: Proper internal control will be maintained at all times over funds received by Association Staff and Members performing cashier responsibilities at any and all Association or Association Committee sponsored events. This policy is to be administered in conjunction with the association policy on revenues in this manual.

Purpose: To establish the procedures to be adhered to for controlling cash drawers and cash receipts at events, in any form.

Scope: This procedure applies to Staff and all Members involved in the handling of incoming funds.

Procedures: 1. At all Association or Committee sponsored events for which the Association or a Committee is fiscally responsible, there will be assigned at least two members to handle what is essentially the cashier functions. For collection occurring at an event site, the assigned cashier(s) will be provided with cash in a predetermined amount and mix (\$1’s, \$5’s, \$10’s, etc. and coins) by a different cashier. The amount provided will be counted by the first cashier(s) and that cashier(s) will sign for it. Both parties should verify the amount provided. Collection of funds for a future event shall not require the establishment of a cash drawer for the assigned cashier(s).

2. At those events where some form of fee is charged by the association for items such as entrance to the event, participation in the event or parking, the cashier should establish a method to generate receipts for the funds collected. These can be a predetermined quantity of tickets, in the case of admission or parking fees, or a preprinted receipt booklet. As with the cash, the quantity of tickets should be agreed to by all parties under the control of the cashier.

3. Upon arriving at the event, each person under the direction of the cashier(s) will open their assigned station, collect cash, checks, etc., make change for spectators and participants as necessary and provide receipts as applicable.

4. At the end of the event the cashiers will count the cash and prepare a settlement sheet showing the amount of the opening cash fund and cash receipts and checks collected. The settlement sheet will be compared to the receipt copies and any overage/shortage documented. In addition, if tickets were issued, the decrease in the value of the tickets on hand (due to their being issued) should equal the increase in the cash on hand.

5. The cashiers for the event will then prepare a summary of receipts. This summary and all funds shall be delivered to the Director for processing in accordance with the Association Cash receipt policy.

## 7. Cash Receipts

**Policy:** Accurate internal control of cash receipts and deposits will be maintained at all times. Cash deposits will be made within the same business week of receipt.

**Purpose:** To establish the procedures to be adhered to for receiving, applying and depositing cash receipts.

**Scope:** This procedure applies to all cash receipts received by the Association.

**Procedures:** 1. A staff member will open envelopes, remove the contents and separate incoming funds and related items for appropriate processing. This applies to funds received through the mail or directly from association members serving in a cashier function.

2. The assigned staff member will total daily cash receipts and count the number of checks.

3. The assigned staff member will assemble receipts by revenue category for appropriate accounting. The assigned staff member will then endorse all checks with the Association's "For Deposit Only" stamp. No check should be withheld from the deposit unless it is legally imperfect.

4. The assigned staff member will use the category totals of the checks to record the funds received to the proper accounts. For any checks received for which there is no known reason for their receipt, a standard letter of information and/or inquiry is to be mailed, faxed, or emailed to the check issuer.

5. The assigned staff member will prepare a bank deposit slip, will deposit the checks in the Association's authorized bank and keep a copy of said deposit slip for reconciliation purposes.

6. The final net cash deposit must reconcile with the original accounting tape (see procedure 2 above).

## 8. Check Requests

**Policy:** To ensure efficient processing and record keeping, all check requests will be prepared on a written check request or expense form.

**Purpose:** To describe the process for completing a check request form.

**Scope:** This procedure applies to all check requests received within the Association.

**Procedures:** 1. Whenever an Association Member requires a check to be issued for an unbudgeted expense or one not approved by the Committee chair, they must submit a Check Request Form which is should be tendered to the Director. The Check Request Form should be completed with all pertinent information and receive approval or rejection from the Directors if less than \$500 or from the Board if \$500 or more.

2. The Check Request Form should then be forwarded to the Director for check preparation and signature by an authorized check signer. If a check is to be mailed directly to a vendor, any applicable documentation such as order form, invoice, etc. should be attached to the form.

## 9. Check Signing Authority

**Policy:** A limited number of Association staff and Directors will be authorized to sign checks but there shall be no fewer than three individuals at all times.

**Purpose:** To outline "dollar limits" and check signing authority levels.

**Scope:** This procedure applies to all regular bank checking accounts of the Association.

**Procedures:** 1. An authorized check signer must be approved and authorized in writing by the Board. The President, Treasurer and Director will have check signing authority. Additional individuals with or without dollar limitations may be authorized as necessary.

The President may revoke check signing authority. Any person who is no longer entitled to sign Association checks will be notified in writing. The Director will oversee the proper notification of the Association's banks whenever authorized signature changes are made.

2. The following signature levels will be required according to the dollar amount of the check:

Less than \$10,000 – A check for less than \$10,000 requires only one authorized signature.

Greater than \$10,000 but less than \$15,000 – A check issued for an amount between \$10,000 and \$15,000 requires one authorized signature and written approval from a second authorized signature.

Greater than \$15,000 – A check for greater than \$15,000 requires two signatures, one of which must be that of either the Association President, Treasurer, or other authorized board director. The second signature can be that of the Director or the Treasurer.

## 10. Fixed Asset Control

- Policy:** A control procedure will be followed for all capital asset acquisitions, transfers and dispositions in order to provide an internal inventory of capital equipment. Each committee chair and the Director are responsible and accountable for furniture, equipment, machinery and any other capital assets in their committee's possession and will maintain proper control over capital assets. Staff will assist and evaluate any committee's capital asset control procedures.
- Purpose:** To outline the procedures for acquiring, disposing and maintaining control of capital assets.
- Scope:** This procedure applies to all capital equipment with a value of \$300 or more and with a useful life of two years or more.
- Procedures:**
1. All purchase of assets costing more than \$299 and less than \$5,000, will be approved by the appropriate committee chair to reflect an authorized and budgeted expenditure. Assets with a cost of \$5,000 or more will also require the approval of the Directors.
  2. Any internally constructed or donated equipment will be reported to the Director for inclusion in the Association's inventory if the item cost or has value of \$100.00 or more. A complete description of the property, date manufactured or received, number of items, cost or estimated value and a statement that it was internally constructed or donated will be included in the report.
  3. To maintain proper segregation and control upon termination of any employees or independent contractors, any employee or independent contractor owned tools, equipment or furniture brought onto the Association's premises, or used for the Association's benefit, will be reported to the Treasurer. The report should include the employee's or independent contractor's name, a description of items, identification numbers if any and reason for using the asset. This procedure does not apply to independent contractors such as timing companies that bring such assets to an Association event as part of their function as independent contractor.
  4. Capital assets may be sold or traded-in on new equipment. The asset disposition is to be approved by the Treasurer. Any assets with an original value greater than \$1,000 will also require the Directors approval.



Upon approval, the asset may be advertised for sale or submitted to staff for sale and disposition.

After completion of the sale, the Director will delete the item from the asset records and record any gain on the disposition as revenue.

5. Worn-out or obsolete assets with no cash value will be reported to the Director with the description and condition. Staff will inspect all worn-out obsolete property before it is removed from the committee and discarded. With the approval of the Treasurer, the asset will then be removed from the asset records.

6. Any asset that is missing or has been stolen will be reported in writing to the Director and Treasurer as soon as possible. The description, serial number, and other information about the lost item should be included in the report.

The Directors will determine the proper course of action and will notify the Association's insurance carrier and any outside authorities if deemed appropriate. If unrecovered, the asset will then be removed from the asset records.

7. Intercommittee transfers of assets will be reported to the Director in writing including the description, serial number and the name of the committee to receive the property.

The committee chair to which the item was originally assigned will be held accountable until the Director is notified of the transfer. After being notified, the committee chairman acquiring the property assumes responsibility. Staff will then record the committee transfer on the asset records.

8. Records will be maintained on all capital asset acquisitions. Upon acquiring an asset, staff will be responsible for maintaining a detailed listing of each capital asset item and its location along with depreciation records which will include the description, date acquired, vendor, cost and assigned committee.

9. On an annual basis, staff will furnish each committee chair a report showing a listing of assets assigned to that committee and any acquisitions, disposals and transfers during the past year. Any discrepancies noted by the committee chair should be reported to the Director as soon as possible. This report should be filed by the committee chair for reference and later use.

10. Each committee chair will be responsible for locating assets assigned to their committee whenever requested by the Director, Treasurer or the Association's external accountants.

11. Whenever a change in committee chair occurs, all items should be accounted for by the outgoing committee chair. The incoming committee chair will accept responsibility and accountability for the committee asset listing upon assuming the position. Staff can assist with this audit if requested.

## 12. Year End Closing

**Policy:** An orderly, timely and comprehensive closing of all accounts will be performed by the Director by the March meeting of the following year to assure an accurate representation of the Association's financial statements and to provide the necessary documentation for the Association's independent accountants.

**Purpose:** To provide a general overview of the process to be completed for closing the accounting records at year end.

**Scope:** This procedure applies to all staff and covers all accounts.

- Procedures:**
1. Assets – Assets should be stated for reference purposes only.
  2. Cash – Prepare bank reconciliations for each bank account. Show origination dates and description of each reconciling item. Prepare necessary journal entries and adjust the reconciliation.  
  
Prepare a summary of all petty cash and change funds. Totals must agree with general ledger.
  3. Investments – Prepare a list of all securities on hand at year-end by location held such as broker or bank. Use full names and show face amount or number of shares and date of acquisition. Determine cost and market values.
  4. Long-term Debt – Verify recorded accuracy of debt and calculate and record current portion due within one year and any related accrued interest.
  5. Contingent Liabilities and Commitments – Prepare a schedule of any outstanding litigation and possible loss. Prepare a schedule of all long-term rental agreements with amounts due by year for the next five years.
  6. Revenues – Prepare a schedule of all revenues by categories and compare amounts to prior year. Evaluate and comment on any significant differences. Prepare a memorandum on any new revenue accounts.
  7. Expenses – Each expense total should be compared to the prior year and unusual variances reviewed and explained. Several expense items are directly related to asset or liability accounts and the worksheets for related accounts should be prepared at the same time and shown on one schedule.
  8. Payroll – Prepare a schedule of all wages and employer payroll taxes and reconcile to payroll expense. Prepare a schedule of annual wages for each employee or independent contractor of the Association for the independent accountants, if needed.
  9. Legal Fees – Prepare a schedule of all legal invoices with the amount and brief description of services rendered. Reconcile total to legal expense.

10. Bad Debt Expense – Prepare a list of all accounts written off during the year. Note specifically any addition to the allowance for uncollectible accounts.

11. Interest Expense – Prepare a schedule of interest expense by source. Reconcile amounts to short-term borrowings and long-term debt.

### 13. Revenues

**Policy:** All revenues will be collected and recorded in an efficient and organized manner to prevent loss of funds and impairment of assets and ensure accurate management reporting.

**Purpose:** To provide a general overview of the process of recognizing, collecting and recording revenues in all categories.

**Scope:** This procedure applies to all personnel involved in generating and/or collecting any category of revenues.

**Procedures:** The following are the Association's revenue categories and the collection procedures:

1. Membership Dues – Membership in the Association for both individual athletes and member clubs requires the payment of annual dues. Membership dues are set annually by the Board. Membership Dues are a significant source of revenue included in the Association's annual budget. See Appendix A for current dues levels.

Below are the methods by which an individual can pay their annual dues. Regardless of the method, once the funds have been received, the athlete's information is entered into the USATF member's database. Shortly thereafter the athlete will receive their permanent (for that year) membership card from Indianapolis. Collections which result in local receivables to the Association, then the cash receipts procedures described above will be followed.

a. By Mail – Submit a completed membership form for current year, or multiple year, membership along with a check for the appropriate amount made out to "Pacific Association" to:

Pacific Association - USATF  
120 Ponderosa Court  
Folsom, CA 95630

b. On the Pacific Association / USATF Web Site – Complete and submit the on-line membership form along with an authorization to process the membership fee via a credit card.

c. At Specified Events – Certain events, such as meets or clinics, can be identified as locations where athletes, officials or others, can sign up for membership. The individual appears at one of those events with a check for

the current dues amount made out to “Pacific Association”. A receipt will be given to the individual. At predetermined meets, an athlete applying for membership will be issued a receipt along with a temporary card containing their USA Track & Field number.

To ensure compliance with this procedure at those designated meets, a staff or membership committee member will be assigned whose duties will include attending all meets where athletes can apply for membership. This member will have in their possession a predetermined amount of numbers and cards and will therefore be able to provide the athletes with their membership cards as well as collect their payment. This member will remit all payment received along with all cards/numbers not used to the Association office within five business days after the meet.

d. Through a Club – At the start of each year, when the athletes join their clubs, they may pay their Association dues to their club at the same time that they pay club dues. All Association dues must be paid by check made out to the “Pacific Association” and must be remitted by the clubs to the Association within ten business days of receiving the payment from the athletes. Failure to do so may result in disciplinary action by the Association.

In addition to the athlete’s membership dues, all member clubs are required to pay annual dues. A check should be made out to “Pacific Association” and mailed to the Association’s office (see above for address), except as described below. These dues must be received by the Association before the club is eligible to compete. With approval of the chair of the Membership Committee, club dues may be paid before the club competes at an event at which there is a designated person to receive the dues on behalf of the Association.

2. Event Revenues and Expenses – At all Association events and committee functions for which the Association or a Committee is fiscally responsible, such as award banquets or clinics (“Events”), all revenues generated belong to the Association and all expenses incurred are liabilities of the Association. As a result, the Association must perform a proper accounting for each event. Revenue procedures will be addressed first, then expense procedures.

Separate accounting records must be maintained for Events of the Association. The maintenance of these records will be discussed in detail after the expense side is discussed.

***Event Revenues*** – Falling under the category of Event revenues are the following:

- a. Entrance/ registration fees for the meet/event.
- b. Concession fees.
- c. Parking fees.
- d. Merchandise fees.
- e. Sponsorship fees.
- f. Hotel commissions.
- g. Spectator fees.

- h. Donations.
- i. Committee generated fees (Clinic, etc.).

All revenues collected must be accounted for and remitted to the Association within five business days after the meet/event. Prior to an event, all member entities involved in the event will have an initial planning session in which responsibilities will be assigned, future meetings will be determined and in which a preliminary budget for the event will be prepared.

The event budget, approved by the committee responsible for the event and, if the budget is greater than \$2500, by the Board, will attempt to estimate all costs that will be associated with the event and will attempt to estimate all revenues to be generated by the event. As the time for the event draws near, the budget will be reviewed by such committee for continued relevance and will be updated as considered necessary.

a. Entrance/Registration fees – An initial estimate must be made of how many individuals/competitors will attend. Once the entrance/registration/late fee for each competitor is set, an initial calculation of revenues to be generated will be made.

The coming event is advertised in a manner consistent with obtaining the optimum number of attendees. Any prerequisites (qualifying performances) for the event are stated along with the entrance/registration/late fee and the deadlines which may apply.

A database of event participants is prepared. If the event is a competition, the database also contains the events the athlete is entered in and the entrance fees that the athlete will need to pay to compete in that event.

If the entrance/registration/late fees are required to be paid prior to the event, then all checks will be received prior to a designated date. Any participant whose check has not been received by that date will not be allowed to participate in the event. A written list with the names of those who will be participating must be provided to the event director **at least two business days prior the event**. No refunds will be provided. For a competition, no athlete will be allowed to compete in the event unless they are on the list.

If entrance/registration/late fees for a competition are not required to be paid prior to the event, then the athletes will presumably be given the option of paying prior to the event or paying the day of the event. In that case, a database must be maintained showing the athletes entered in the event and whether or not they have paid. Prior to the meet, there must be a determination of which athletes have not paid their entrance fees. At the event, these fees must be collected. A list of all individuals who compete must be prepared at the meet. Any individual on the list who had not paid prior to the meet must provide a check made out to the Association for the entrance fees. The list of all competitors along with the athletes' entrance fees must be remitted to the Association office within five business days following the meet. The Association's office staff will review the

competitors' names and compare them with checks received. Any discrepancies must be investigated. If any athlete competed and did not pay, an attempt will be made to follow up and collect from the athlete the missing entrance fees. **If that avenue does not provide results, the sponsoring event director will be responsible to make up the shortfall.**

b. Concession fees – If the Association is sharing in concession sales, at the initial planning session the types of concessions to be provided will be determined and a pool of vendors will be identified. A fee range will be discussed. Based on the initial meeting, a committee member will be assigned to contact vendors from the already identified pool. The potential vendors will be notified of the fee structure and based on the response, the vendors for the event will be chosen.

Contracts will be drawn up with the vendors describing each side's rights and obligations. Concession fees will be collected by check from the selected vendors prior to the event. All checks will be made payable to "Pacific Association" and will be remitted to the Association office prior to the event in question.

A database will be maintained with the names of the selected vendors. Besides the vendor's names, the database will contain whether or not the vendor has paid, the amount paid and the date the payment was received.

In those instances where the concession fee will consist of an initial fee and then a percentage of the vendor's gross (or net), the vendor will provide an accounting of revenues received, expenses incurred, and the percentage due the Association. A check made payable to the Association will be due to the Association office by five business days after the event. Untimely payment of the percentage due the Association will result in a penalty. Continued intransigence in paying the Association fees due it will result in eliminating the vendor from future events.

The agreements with the vendors will provide the Association with the right to review the accounting records of the vendors for the event to ensure that the percentage calculation is correct.

c. Parking fees – At those events where the owner of the facility allows the Association to collect parking fees the following procedures will be in place.

Once the location of the event has been determined, the committee organizing the event will inquire of the event host about apportioning the revenues generated by parking fees. If the event host claims all revenues for themselves, there will be no further discussion on the topic. It will be noted in the documents maintained for the event that parking revenues were not available to the Association for that particular event.

In those situations where the Association will either, collect and keep all parking revenues, or collect all parking revenues and then remit a percentage to the host, the committee will assign someone from within the committee to be responsible for parking fees. The event committee will determine the parking fee to be charged and in collaboration with the event host, will determine what (if any)

percentage will be remitted to the host. A proper accounting of the Host's percentage must be performed.

Once the parking fee is determined, parking receipts/stickers will need to be prepared (if not available from the host). The committee should prepare an estimate of the number of stickers needed. If the event host will provide parking staff for the event, the committee will need to coordinate with the host as to how parking stickers will be issued and funds will be collected. Someone from the committee will need to be assigned to collect the funds from the host's parking staff the day of the event. A receipt will need to be collected from the host's parking staff for the funds received the day of the event. Arrangements will need to be made for keeping the funds on hand until the first business day after the event when they can be deposited in the bank.

If the event host will collect and maintain the funds and remit a percentage to the Association, the committee will need to coordinate with the host the percentage to be received and when it will be paid to the Association. Also, the committee will need to establish procedures with the host as to how the Association's percentage can be verified. For example, if the host has stated that they will collect the parking fees and will remit to the Association 10% of all parking fees collected the day of the event, the committee will need to verify the actual funds collected by the host the day of the event and then verify that the amount remitted to the Association is indeed equal to 10% of the total collected.

d. Merchandise fees – The procedure for merchandise will be the same as the procedures for Concession as stated above. Internally generated merchandise will be handled as if it were produced by an external vendor.

e. Sponsorship fees – Fees from potential sponsors should be collected, as agreed to with the sponsors, prior to the event. The committee putting on the event will agree on sponsors to be contacted, and rates to be charged/requested. The committee will assign an appropriate member to contact the sponsors. All agreed upon fees from the sponsors will be paid, via check made payable to "Pacific Association", in advance of the event. Sponsors will be issued "permits" for the event and no sponsors will be allowed at the event without the requisite permit.

All fees paid by sponsors will be deposited in the Association's bank account in accordance with the receipt procedures.

f. Hotel commissions – In the case of major events where large numbers of athletes will be participating in the event, agreements can often be reached with local hotels whereby commissions are paid to the Association for event participants staying in certain hotels. Prior to the event, the committee putting on the event will contact local hotels, determine and put into place arrangements for commissions to the Association. The committee will have to review the hotels' calculations of the Association's commission, which means that the agreements will have to make provision for the committee's or event manager's review of the hotels' calculations and the underlying records.

g. Spectator fees – The committee in charge of a given event will need to determine the fees that spectator's will be charged, if any, to attend the event. Once the price has been set, tickets will be printed and committee members will be assigned to sell tickets to the event.

At the event, previously identified committee members will be located at the entrance to the event. They will sell the entrance tickets to the spectators. Prior to the event they will have been given tickets for which they will be required to sign. The tickets will have the event and the price on them. The committee members will be provided with a predetermined amount of change. After the event is over an accounting must be made of the money and the remaining tickets. The committee members should have cash equal to the amount they began the day with plus the sales price of the tickets sold. The tickets left should equal the total given to the committee members at the beginning of the day less the tickets sold. The tickets remaining and the cash should balance. If they do not an investigation must be made to determine the cause.

Arrangements must be made prior to the event for safeguarding the cash between the end of the event and the first business day after the event, when the cash should be deposited in the assigned bank. For small events, the caretaker may send a check to the Association Office in lieu of cash.

In addition, accounting records must be kept regarding the cash so that the proper entries can be made in the Association's books.

***Event Expenses*** – All expenses incurred in putting on an Association event are the liability of the Association, except as contracted out. As stated above, prior to an event a budget for the event is prepared. Included within the budget are all anticipated expense items and their associated dollar amounts. All event budgets greater than \$2500 must be approved by the Board. When the event budget is approved, the committee member assigned to the event may begin incurring the approved expenses. When it appears that an expense item will exceed the approved budget, the committee must notify the Director to obtain permission to exceed the budget. The budget may not be exceeded without the approval specified in procedure 1 of section 8, Check Requests. No expense may be incurred without the Board's approval.

All vendor invoices must be forwarded to the Association's office for approval and payment.

One committee member will be assigned the purchasing function.

Depending on the vendor's own policies, orders can be placed either by telephone, e-mail, fax, mail or in person. When placing orders by telephone or e-mail, the vendor contact and date of order should be noted and a confirming copy of the order sent to the vendor (a copy of any e-mail should be printed out and maintained).



The “purchasing” committee member will be responsible for follow-up on all orders.

All incoming shipments must be inspected for damage and to ensure that the right item was received and in the right quantities. Any problems noted must be documented and immediately brought to the Director’s attention. The vendor must also be notified as soon as possible.

***Accounting for Events*** – Each event must have an accurate accounting. The ultimate responsibility for this accounting lies with the Meet Director. However, in order for the Meet Director to provide an accurate accounting, he must receive accurate and timely information from the committee putting on the event. This **Policies and Procedures Manual** tasks each committee with providing that information. If a committee puts on an event and fails to comply with the provisions of this manual, **those responsible committee members will be subject to disciplinary action.**

To assist with the event accounting, the association staff and the Treasurer will be available to provide assistance to the Meet Director in establishing appropriate procedures.

When an event is planned and its budget is prepared, a copy must be provided to the Director no later than seven days before the event. All vendor invoices must be forwarded to the Association Office as soon as received. All fees collected for events must be forwarded to the Association Office within 5 business days. All fees, except when previously agreed to and as per the agreement with the event host, must be in the form of a check(s) and a summary statement must accompany each check. Spectator and parking fees must be securely transported to the Association Office along with the appropriate documentation.

All invoices received at the Association Office must be handled according to procedures established in this manual.

All checks will be processed according to the Cash Receipts Policy.

The checks along with the accompanying documentation will be used to record the fees earned by the event. An Excel spreadsheet, or other appropriate documentation method, will be maintained for each event by the Meet Director. This spreadsheet will show all revenues earned on each event from each category of revenue. Revenues will be recorded each day they are earned. Copies of the spreadsheets will be submitted to the Association Office and maintained as part of the accounting records for the year.

Any actual cash received should be deposited in the bank that day if possible. If it is received after the bank deposit has been made, then it must be placed in a secure place until the following deposit.

3. Other Income – Except as permitted by the Director, all other income should be paid in a timely fashion directly to the Association office.

## 14. Joint Ventures/Partnerships

- Policy:** An appropriate accounting will be made of all joint ventures/partnerships that the Association enters into.
- Purpose:** To provide the procedures necessary for an accurate accounting of all joint ventures/partnerships that the Association will enter into from time to time.
- Scope:** These procedures apply to all events that the Association co-sponsors with another entity, whether the event is described as a joint venture or a partnership or any other designation, or non-designation.
- Procedures:**
1. Circumstances will arise where the Association will enter into agreements with other organizations to co-sponsor certain events. In those situations, the Association must ensure that a proper accounting of the event occurs in order that both the Association and the co-sponsors receive those monies that are due them.
  2. Prior to the first meeting of the co-sponsors, the Association's Board of Directors should determine what the Association's goals are for the event. Once that has been agreed upon, those members of the Association that will be the Association's representatives to the meetings with the co-sponsors must be prepared to advance the Association's goals.
  3. At the first meeting with the co-sponsors the Association's goals must be made clear. Responsibility for accounting for the event must be assigned. If at all possible, the Association should ensure that it is responsible for receiving and distributing all funds, as well as providing the accounting for the funds.
  4. If for some reason, the other organization is placed in control of the funds and has primary responsibility for the accounting for the event, the Association should attempt to ensure that it has representation on the board that plans the event and receives and distributes the funds. If the Association is unable to gain representation on this decision making board, the Association should consider whether it is in the Association's best interests to continue in the partnership.

## 15. Account Collection Process

- Policy:** All open accounts (with committees, members, organizations etc.) with late or delinquent payment activity will be handled in a timely and effective manner to ensure maximum collections.
- Purpose:** To provide the actions and methods for processing late or delinquent payments.
- Scope:** These procedures apply to the Staff.
- Procedures:**
1. In spite of the promulgation of procedures above, there will be customers (in this section the term "customer" is used for members, committees, and any others who might owe fees to the Association) that will be slow to pay or delinquent in

their accounts from time to time. Once an account becomes past due by even one day, the collection process should commence immediately. In reality, this process will occur no later than 60 days after date of delinquency. Studies have shown that the sooner the collection process starts, the more likely the account will be collected.

Prior to commencing the collection process, the following should be reviewed by the assigned staff personnel:

- Make certain that the Association has not received the payment in question or applied it to the wrong account. Verify that credit for payment has not been granted.
- Review any related documentation for accuracy.
- Review the individual's/entity's past payment history and determine if they are chronically late and what their previous response has been to other overdue notices.

2. Upon review of the above, the staff should then proceed with the collection process by completing the Collection Control Form approved by the Treasurer.

This form will assist in planning and tracking the collection effort. Depending on the amount and the customer situation, the Director can choose to follow up with collection letters, telephone calls, or both. Any action taken (late payment notice, telephone calls, etc.) should be noted. If payment has not reached the Association office by the expected date, immediate follow up actions should be taken with another collection call or letter. The longer an overdue account is avoided, the longer the customer will avoid it too.

3. Telephone communication will often speed up the collection process. A few tips or principles should be observed when speaking with a delinquent account.

- a. Identify yourself and the Association and state the reason for calling. Be direct and use a controlled, confident voice. Concentrate on listening to the customer and don't rush through the call.
- b. Get the facts – the most powerful tool is knowledge. During the phone conversation, try to gain as much insight into the situation as possible. Remember, the goals and objectives are to:
  - Collect the money.
  - Identify reasons for non-payment.
  - Settle on an agreement for clearing the liability, including special payment plans.
- c. Never argue, accuse or be condescending. Verbally fighting or talking down to the customer will only serve to produce negative feelings and may hamper the collection effort. The ultimate purpose is

to secure payment, and this is best accomplished without becoming defensive or irritated.

4. Many people find it difficult to confront customers regarding delinquent payments. Keep in mind that it is the customer, not the caller, who should feel uncomfortable in the situation.

5. When an account becomes more than sixty days past due, the immediate target of securing prompt payment should take on a greater sense of urgency. At this point, the Director should discuss with the Board of Directors other collection options and possible punitive action (in the case of an individual member or club, this may involve expulsion from the Association).

## 16. Banking Policy and Relations

**Policy:** The Director, after consultation with the Treasurer and Finance Committee, can arrange with several banks to provide for the operational requirements of the Association and can invest excess capital funds in certificates of deposit, money market funds and in federal obligations such as Treasury Notes and Bills. Further, the Director will maintain positive relations with all sources of capital and banking service providers.

**Purpose:** To outline operational banking and investing procedures and maintain positive relations with the Association's selected financial institutions.

**Scope:** These procedures apply to all banking activities of the Association.

**Procedures:** 1. The Director will be the Association's primary representative in dealing with financial institutions. The Director will be responsible for reviewing the Association's banking and investment operation on a quarterly basis. The Director will be responsible for promoting a positive working relationship between the Association and the banks and the investment houses.

2. The Director will also perform an ongoing evaluation of the banks' abilities to satisfy the needs of the Association and will make appropriate changes whenever necessary. Criteria to be used in the evaluation of the banks can include:

- a. Bank size (adequate size to meet the Association's needs while being small enough to be responsive).
- b. Financial safety and capital structure.
- c. Reputation.
- d. Location.
- e. Flexibility and lending philosophy/attitudes.

f. Operating efficiency and accuracy (computerization, employee training, etc.).

g. Pricing.

3. The operating account will be used for all deposits and disbursements. The payroll account will be maintained on an imprested basis only. Investment funds should be limited to \$300,000 per institution. Operating account balances over \$25,000 are to be swept into a money market fund at the bank's current rate.

The following are currently authorized by the Association for use: Wells-Fargo, Bank of America, Smith-Barney, Vanguard and Franklin Fund.

#### 17. Bank Loan Applications

Policy: Bank Loans, in order to finance any function within the Association is currently prohibited.

#### 18. Approval for Modifications to this document

Changes in policy or fees approved by either the Board of Directors or the Board of Athletics may be changed in this document without further approval. Significant changes proposed to this document must be approved by one of those two groups before it can become effective. Changes become effective immediately unless the change specifies otherwise.

## Appendix A: Membership Dues

As of January 1, 2004, membership dues are as follows:

Individuals: \$20 annually, with \$0.50 discount (\$19.50) if done online. Of these amounts, \$6.50 is paid to USA Track & Field if the Pacific Association processes the application, \$7.50 if the national office processes the application. Multiple year memberships are available, without discount.

Clubs: \$75 annually, \$25 of which is the property of USA Track & Field.

May 18, 2014