

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-1

SECTION: Finance

PROCEDURE NO.: F-1-1

TITLE: Treasurer and Controller

PAGE: 1/1

ORIGINAL DATE: September 30, 2002

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to elect a qualified Treasurer, Controller, Assistant Treasurer and Assistant Controller in accordance with the Foundation's stated job requirements.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-1

SECTION: Finance

PROCEDURE NO.: F-1-1

TITLE: Treasurer and Controller

PAGE: 1/1

AMENDED DATE: October 22, 2018

PROCEDURE

1. The nominating committee shall be responsible for ensuring adherence to this policy.
2. While it is preferable that the Treasurer, Controller, Assistant Treasurer and Assistant Controller be Certified Public Accountants, the Board recognizes that it is not always possible to recruit a Kappa CPA to fill these positions.
3. The candidates should be familiar with, or able to learn, the software accounting package used by the Foundation to prepare its monthly financial statements. The candidates should also understand accounting principles and the correct presentation of financial statements.
4. The Treasurer shall ensure that the President is kept up-to-date with all financial matters.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-2

SECTION: Finance

PROCEDURE NO.: F-2-1

TITLE: Finance Committee

PAGE: 1/1

Original Date: September 30, 2002

AMENDED DATE: October 22, 2018

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that there shall be a Finance Committee.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-2

SECTION: Finance

PROCEDURE NO.: F-2-1

TITLE: Finance Committee

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

1. The Finance Committee is chaired by the Treasurer. The composition of the Finance Committee shall consist of the Treasurer, Controller and a third person who is a Board member of the KKG Charitable Foundation of Houston. The committee may also include the Assistant Treasurer and/or Assistant Controller, as needed. Every fourth year, the Foundation Board will not have either the Assistant Treasurer or Assistant Controller due to the rotating schedule of those offices, so that position will not be represented on the Finance Committee in those "off" years.
2. The purpose of the Finance Committee shall be to help or advise the Treasurer as needed.
3. The Finance Committee's duties include recommending to the Board the amount of funds to be retained by the Foundation subsequent to the end of each Pilgrimage, assisting with budgetary recommendations, and preparing grant requests for funds that the Kappa Kappa Gamma Charitable Foundation of Houston is soliciting from other organizations.
4. The Finance Committee should meet to conduct a review of the annual financial statements of the Foundation, after the fiscal year-end, with a specific focus on sources and uses of cash.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-3

SECTION: Finance

PROCEDURE NO.: F-3 -1

TITLE: Bank and Bank Accounts

PAGE: 1/1

POLICY STATEMENT

It is the policy of Kappa Kappa Gamma Charitable Foundation of Houston to maintain one or more interest bearing accounts and one or more checking accounts, all fee free when possible, in accordance with approved accounting policies and procedures.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-3

SECTION: Finance

PROCEDURE NO.: F-3-1

TITLE: Bank and Bank Accounts

PAGE: 1/2

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

1. Choice of Financial Institutions:
 - a. In order to change or add a financial institution with which the Foundation deposits funds, the Finance Committee will gather information from two institutions.
 - b. This information and a recommendation shall be presented to the Board of Trustees for approval before any funds are moved from the current institution.
 - c. Any new accounts shall require the signature of the President of the Foundation.
 - d. The Treasurer and Controller will implement the Board's decision.
 - e. The Treasurer and Controller shall continuously be aware of the safety and soundness of all depository institutions with which the Foundation is doing business and make recommendations to the Foundation Board when a change should be made.
2. The Treasurer and Controller shall each maintain separate bank accounts on behalf of KKGCFH. The Treasurer's account shall be styled as an interest bearing account and used for the deposit of all KKGCFH funds received (the "Depository Account"). The Controller's account shall be styled as a checking account and used for all KKGCFH disbursements (the "Disbursement Account").
3. All Foundation receipts shall be deposited to the Depository Account, including credit card receipts (net of fees).
4. The Treasurer shall transfer funds to the Disbursement Account as requested by the Controller. The Treasurer may not disburse funds to any other recipient.

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5. The Controller shall make all disbursements from the bank account that she controls, ie- the Disbursement Account. This includes disbursements for the fundraising project(s) as well as all Foundation expenses. The Controller should confer with the Treasurer to make sure that all expenses are properly categorized in the Foundation's record keeping system.
6. Signature authority
 - a. All disbursements over \$2,000, whether by check or electronic means, must have two signatures.
 - b. Depository Account: President, Vice President, Treasurer, or Secretary may sign.
 - c. Disbursement Account: President, Vice President, Controller, or Secretary may sign.
7. Receipt and reconciliation of bank statements
 - a. Depository Accounts: Treasurer receives and reviews the bank statements. A copy of the bank statement shall be transmitted to the Controller for reconciliation.
 - b. Disbursement Accounts: The Treasurer receives the bank statement, reviews all disbursements and transmits a copy to the Controller for reconciliation.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-4

SECTION: Finance

PROCEDURE NO.: F-4-1

TITLE: Receipts

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to maintain an appropriate system of financial checks and balances necessary to secure the financial resources of the organization.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-4

SECTION: Finance

PROCEDURE NO.: F-4-1

TITLE: Receipts

PAGE: 1/2

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

1. Collection of receipts mailed to KKG Foundation's P.O. Box:
 - a. The Administrative Assistant collects all mail from the Foundation P.O. Box. She opens the mail and makes a record of all receipts. A copy shall be made of all checks received.
 - b. The Administrative Assistant inputs the receipt and related donor information into the database she maintains which lists all donations received each year.
 - c. The Administrative Assistant then delivers all receipts to the Treasurer, who deposits the checks (retaining the validated deposit slip) or submits the credit card information provided by the donor for their donation.
 - d. The Treasurer also verifies that the receipts have been input into the database maintained by the Administrative Assistant (listing all current year donors) to verify that all deposits are recorded and reconciled.
 - e. Using the above mentioned database, bank deposit slips and credit card totals, the Treasurer prepares journal entries to classify the income into the proper categories. These journal entries are sent to the Controller after month-end, along with copies of the bank statements. The Controller records the journal entries and compiles the monthly financial statements.

2. Collection controls over receipts for Home Tour, Luncheon and related activities:
 - a. No receipt or numbered ticket is given to home tour ticket purchasers. The controls in place involve the fact that two Kappa volunteers sit together and collect the cash and checks for ticket sales at each home. A member of the Finance Committee or Ticket Chairmen collects these receipts and writes a report daily, detailing the income received. This report and the funds are turned over to the Treasurer, who deposits the funds.
 - b. Pilgrimage Chairmen may elect to sell Home Tour tickets at local retail establishments. The number of tickets delivered to and returned from

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the store will be documented. The funds collected by the retail establishment will be reconciled by the Pilgrimage Chairmen or their designee to the number of tickets sold. These funds will be submitted to the Treasurer for deposit or for credit card submission.

- c. Sales can be made using credit card devices. If such a device is not available, the purchaser's credit card information can be hand-written on a sales slip and then entered manually by the Treasurer (or her designee) at the end of the day.
 - d. A "Credit Card Purchase Form" which details all information needed to submit a credit card charge can be found in Exhibit E.
3. Receipts collected on the Kappa Kappa Gamma Houston website:
- a. A report is received by the Treasurer on a monthly basis from the website host company that reflects online donations and underwriting income, along with each payer's name.
 - b. These funds are deposited directly into the Depository account.
 - c. The Treasurer prepares a journal entry for this source of income and sends it to the Controller.
 - d. The Treasurer reconciles her report to the deposits shown on her monthly bank statement.
 - e. The Treasurer notifies the Administrative Assistant of any donations needing an acknowledgement.
4. Acknowledgement of donations to Donors:
- a. The Administrative Assistant sends an official tax receipt to each donor, which also serves as a thank you note (sample of form is Exhibit F in Exhibits Section).
 - b. If the gift is "in honor of" or "in memory of", the Administrative Assistant shall notify the honoree.
 - c. The official tax receipt must be in compliance with current IRS guidelines. A sample letter may be submitted to the Foundation CPA for approval.
5. Announcement of donations to KeyNotes:
- a. For all gifts received, the President notifies the *Keynotes* editor of the donor's name and purpose of gift (if any). For non-Fundraising gifts, the amount is not to be announced. Fundraising Underwriters are included in supplemental pages in *Keynotes* containing other Fundraising information and the Foundation is charged for this expense.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-5

SECTION: Finance

PROCEDURE NO.: F-5-1

TITLE: Disbursements

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston to maintain a fiscally responsible system for the disbursement of funds.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-5

SECTION: Finance

PROCEDURE NO.: F-5-1

TITLE: Disbursements

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

1. The Controller shall prepare all checks based on check requests.
2. Check authorization and check writing process
 - a. The Controller shall provide a form to be used for check requests or reimbursements. See Exhibit G for a copy of the form.
 - b. Each committee chair must approve all committee-related check requests (by signature or email). All other non-Committee related disbursements shall be authorized by an officer approved check request.
 - c. Expenses must be substantiated by attaching the receipts to the reimbursement form.
 - d. Sales tax will not be reimbursed since the Foundation is a tax-exempt organization, and therefore, does not owe sales tax on purchases. Thus, if that expense is incurred, it will not be reimbursed. Tax-exempt forms will be made available to all chairmen.
 - e. A tax-exempt form may be found in Exhibits # H.
3. Number of Signatures required on checks (also see F-4 for approved signers)
 - a. Depository Account
 1. **No checks shall be written on this account.**
 2. The only withdrawals shall be transfers to the Disbursement Account. The Treasurer shall initiate the transfer via online banking or by contacting the bank and requesting the transfer, following whatever bank procedures are required.
 - b. Disbursement Account
 1. The Controller shall prepare and sign all checks based on approved check requests as discussed above.
 2. **All disbursements over \$2,000 must have two signatures**, as listed in Procedure F-3-1 #6.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-6

SECTION: Finance

PROCEDURE NO.: F-6-1

TITLE: Budget & Financial Statements

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that a budget of operating expenses shall be prepared annually and a budget for Fundraising events shall be prepared bi-annually.

It is also the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that financial statements shall be prepared monthly for review by the Board of Trustees.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-6

SECTION: Finance

PROCEDURE NO.: F-6-1

TITLE: Budget & Financial Statements

PAGE: 1/2

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

1. Preparation of Budgets:
 - a. An annual budget for the Foundation operating expenses (as opposed to the budgets for the Fundraising events) will be prepared by the Treasurer in consultation with the Finance Committee for the upcoming fiscal year (beginning May 1 of each year).
 - b. The Treasurer, in consultation with the Finance Committee, shall prepare an initial estimated budget for Fundraising Events to be used as a guide by the Chairs of such events once they are appointed. The Event Chairs (in consultation with the Treasurer) will revise and refine the budget for their respective events, following the Holiday Pilgrimage Budget Procedure HP5-01 #1.
 - c. All proposed budgets shall be discussed with the Foundation President before presentation to the Board.

2. Voting on Budgets:
 - a. Operating Budget: A copy of the proposed operating budget shall be provided to all Trustees at the annual March Board meeting so that it may be studied (and modified if necessary) before the April Board meeting. The Board of Trustees will vote on the annual operating budget at the annual April meeting.
 - b. Pilgrimage Budget: A copy of the proposed Pilgrimage budget shall be provided to all Trustees at the September Board meeting (of the odd numbered year) so that it may be studied (and modified if necessary) before the October Board meeting (of the odd numbered year). The Board of Trustees will vote on the Pilgrimage budget at the October meeting (of the odd-numbered year).
 - c. Luncheon Budget: A copy of the proposed Luncheon budget shall be provided to all Trustees at the November Board meeting (of the even

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numbered year) so that it may be studied (and modified if necessary) before the January Board meeting (of the odd numbered year). The Board of Trustees will vote on the Luncheon budget at the January meeting (of the odd-numbered year).

3. Preparation of Financial Statements and Monthly Review of Budget Variances:
 - a. Using the journal entries provided by the Treasurer (per F-4-1 #1e), the Controller will prepare monthly financial statements. The Fundraising Chairmen should be consulted as needed, particularly in months with high Fundraising activity, for correct categorization of those expenses. The Controller will then send the monthly financials to the Treasurer and President for review. Once the Treasurer, Controller, and President agree that all accounts are in order and are properly categorized, the Controller will forward the financial statements to the Secretary for distribution to all Board Members.
 - b. The Treasurer and the Controller should then compare the Financial Statements to the Budgets on a monthly basis and reasons for material variances (defined as within 10% of the total budget) should be investigated and reported to the Board.
4. Presentation of the Budget and Financial Statements:
 - a. The budget for the annual operating expenses and the bi-annual budgets for the Fundraising Events should be presented each month with the monthly financial statements by the Treasurer to the Board for its monthly review. Since the Board monitors variances which exceed 10% of the total budget, the total budget for each area of interest should be footnoted on the monthly Income Statement (once each budget is approved).
5. After the close of each fiscal year, the accounting records for that year shall be copied onto an external backup device (ie: a USB drive), labeled with the year and software used (including version) as a permanent record to be added to the Treasurer's permanent binder.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-7

SECTION: Finance

PROCEDURE NO.: F-7-1

TITLE: Other Business

PAGE: 1/1

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that other business matters be handled in a fiscally responsible manner.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-7

SECTION: Finance

PROCEDURE NO.: F-7-1

TITLE: Other Business

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURE

Credit Cards: the following types of credit card arrangements may be utilized:

1. A credit card acceptance system so that donors to the Foundation or Fundraising event may charge their donations to their personal credit cards.
 - a. The Treasurer will confirm that this credit arrangement is operational.
 - b. The Treasurer (or her designee) will complete and phone in all credit card transactions for donating or underwriting.

2. A credit card acceptance system for use at all fundraising sales activities so that purchasers of goods can charge these purchases to their personal credit cards.
 - a. The Controller or Treasurer, assisted by the Cashier Chairman or a member of the Finance Committee, shall arrange for this credit and obtain whatever devices are necessary.
 - b. At the discretion of the Treasurer, there will be a Cashier Chairman for fundraising activities who will report to the Treasurer. The Cashier Chairman will be selected by the Fundraising Chairman or Treasurer.
 - c. The Cashiers are responsible for entering all purchase/return transactions.

Foundation Grant requests from other organizations:

1. The Kappa Kappa Gamma Charitable Foundation of Houston periodically submits grant requests to other foundations. The Treasurer or one of the members of the Finance Committee is responsible for completing and submitting these grant requests.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-8

SECTION: Finance

PROCEDURE NO.: F-8-1

TITLE: Grants Awarded

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that the payment of all grants shall be made in one payment per Grant Recipient, in the odd numbered years following the Holiday Pilgrimage.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-8

SECTION: Finance

PROCEDURE NO.: F-8-1

TITLE: Grants Awarded

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURES

1. Upon the final determination of the amounts to be granted and the determination of the Grant Recipients, the actual grant payments shall be made in one payment per Grant Recipient, in the year following the Holiday Pilgrimage.
2. Duly authorized checks, not cashier's checks, shall be the method of payment of grants.
3. The Treasurer shall have checks (for the distribution of funds) prepared by the Controller for presentation to the Grant Recipients.
4. If a Grant Recipient cannot attend the Distribution Event (Kappa Gives a Gift), then the check should be mailed along with a cover letter signed by the President to the Grant Recipient. These letters should be mailed certified, return receipt requested. Copies of this information should be sent to the Philanthropy Chair.
5. Grant payments will be disbursed only upon receipt of documentation from the Philanthropy Chair that the Grant Recipient is in a fiscally responsible position.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018

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MANUAL: Organizational

POLICY: F-9

SECTION: Finance

PROCEDURE NO.: F-9-1

TITLE: Tax Filings

PAGE: 1/1

AMENDED DATE: October 22, 2018

POLICY STATEMENT

It is the policy of the Kappa Kappa Gamma Charitable Foundation of Houston that all required federal and state tax returns be filed.

REVIEWED: January 19, 2009
REVIEWED: October 22, 2018

KAPPA KAPPA GAMMA CHARITABLE FOUNDATION OF HOUSTON

MANUAL: Organizational

POLICY: F-9

SECTION: Finance

PROCEDURE NO.: F-9-1

TITLE: Tax Filings

PAGE: 1/1

AMENDED DATE: March 30, 2009

AMENDED DATE: October 22, 2018

PROCEDURES

1. The Treasurer shall submit all required accounting data to the Foundation's CPA for timely preparation of tax forms to be filed.
2. The Treasurer is responsible for ensuring that all Texas Sales Tax returns are filed in a timely manner.
3. The Foundation federal and state returns (Form 990) shall be signed by the President or Treasurer.

REVIEWED: January 19, 2009

REVIEWED: October 22, 2018