



**Albuquerque
Vipassana
Sangha**
Financial Policies &
Procedures

Board Approved on
August 3, 2008

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Introduction

Albuquerque Vipassana Sangha (AVS), a 501(c)(3) nonprofit organization, was incorporated under the laws of the State of New Mexico in June 1999. The fiscal year of AVS is January 1 through December 31. AVS has tax-exempt status under Section 501(c)(3) of the Internal Revenue code.

AVS is exempt from paying NM state gross receipts tax on revenues. AVS pays gross receipts tax for services purchased, and may file a New Mexico non-taxable transaction certificate to obtain exemption from gross receipts taxes for purchased goods.

AVS adheres to generally accepted accounting principles for nonprofit organizations and the fiscal regulations of its various funding sources.

Each year the Board of Directors approves a new budget for the fiscal year beginning January 1. The Board of Directors approves annual program budgets. The Board of Directors must approve all changes that increase or decrease the overall Sangha budget.

AVS shall maintain and follow a written manual of financial policies and procedures aimed at safeguarding Sangha assets and assuring accuracy of fiscal records maintained. Procedures for safeguarding AVS assets are written to insure a high level of internal control.

AVS uses the cash method of accounting. Under the cash method of accounting, income is not counted until cash (or a check) is actually received, and expenses are not counted until they are actually paid.

AVS assigns financial duties and responsibilities to the Board Treasurer and the Sangha bookkeeper to safeguard assets by means of appropriate internal controls.

AVS prepares quarterly financial statements and presents these statements to the Board of Directors.

SECTION 1		TITLE		POLICY
Purpose & Summary		Board Oversight		101
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Management and oversight of the financial affairs of the Albuquerque Vipassana Sangha (AVS) shall be vested with the Board of Directors. Fiduciary operations shall be carried out by the Board of Directors in collaboration with the finance committee.

- II. **PURPOSE:** To define organizational oversight and financial responsibility.

- III. **SCOPE:** This procedure applies to the financial status of the organization.

- IV. **PROCEDURE:**
The Board of Directors in conjunction with the finance committee is responsible for the following:
 - 1. Implementation of the policies set forth in this manual.
 - 2. Ensuring that this manual reflects policy and practice as they are currently implemented at AVS.
 - 3. Periodic review of each financial policy as needed.

SECTION 2		TITLE		POLICY #
Cash Receipts		In-Person and Mail Receipts		201
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

I. **POLICY:** All receipts totaling \$250 or more must be deposited into the AVS bank account within five business days. Accumulated receipts may be held for a maximum of 30 days.

II. **PURPOSE:** To ensure that all cash receipt deposits are processed in a timely manner, accurately and with appropriate segregation of duties.

III. **SCOPE:** This procedure applies to all cash receipts.

IV. PROCEDURE:

1. Dana (cash receipts) is placed in baskets for the Teacher(s), Sangha and Scholarship Fund.
 - a) Treasurer or designee must verify the amount of money in the Sangha and Scholarship Fund baskets, place in envelope and sign off on the accurate count. (A cash count form will be provided.)
 - b) Teacher Dana is placed in an envelope and handed directly to the teacher.
2. Program fees collected by program coordinators must be given to Treasurer or designee within five (5) business days. Exceptions to this procedure must be communicated to the Treasurer.
3. Deposit process:
 - a) Treasurer restrictively endorses checks, and
 - b) Photocopies each check and indicates the proper account number(s) and program(s) to which it applies, and
 - c) Counts the cash and compares that count to the cash count form(s) that accompanied the cash, and
 - d) Prepares a list that indicates the proper account number(s) and program(s) to which the cash applies, and
 - e) Prepares a deposit slip, and
 - f) Makes bank deposit, and
 - g) Provides deposit receipt, photocopies of checks, and cash list to bookkeeper in a timely manner.
 - h) Bookkeeper reviews deposit receipt and supporting documentation, and
 - g) Enters data into QuickBooks by donor (if applicable).

V. APPENDIX: Dana (cash) count Form.

SECTION 2		TITLE		POLICY #
Cash Receipts		Electronic Receipts		202
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Electronic receipts will be posted in a timely manner.
- II. **PURPOSE:** To ensure that all electronic deposits are processed timely, accurately and with appropriate segregation of duties.
- III. **SCOPE:** This procedure applies to all electronic receipts.
- IV. **PROCEDURE:**
 - 1. The bank statement will be reviewed to ensure that all electronic deposits are captured.
 - 2. The Treasurer will forward any supporting documentation throughout the month to the bookkeeper.
 - 3. The bookkeeper will post the electronic deposits prior to completion of bank reconciliation.

SECTION 3		TITLE:		POLICY #
Accounts Receivable		Invoicing		301
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Proper internal controls will be followed to ensure the accuracy, completeness, and timeliness of accounts receivable invoicing.

- II. **PURPOSE:** To provide procedures for invoicing any person or entity having an outstanding balance.

- III. **PROCEDURE:**
 1. Documentation to support the outstanding balance is either forwarded to the bookkeeper or generated by the bookkeeper within one week of identifying the amount due.
 2. The bookkeeper will generate an invoice via Quickbooks and make one copy.
 3. The original invoice will be mailed and the copy will be retained along with the backup documentation.
 4. The bookkeeper will periodically follow up on unpaid invoices as part of the monthly bookkeeping process.
 5. Any amounts determined to be uncollectible must be approved by the Finance Committee prior to being written off. Any such write-off will be reported to the Board.

SECTION 4		TITLE		POLICY #
Cash Disbursements		Disbursements		401
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

I. POLICY: Proper internal control will be followed to ensure that only valid and authorized payable expenses are recorded and paid.

II. PURPOSE: To explain the procedures for documenting, recording, and issuing payments for accounts payable transactions.

III. SCOPE: This procedure applies to all AVS purchases and reimbursable expenses.

IV. PROCEDURE:

1. Treasurer
 - a) Marks invoice or check requests with date received and insures that approval signature is provided by Committee Chair (if program related) or an officer of the Board (if administrative related).
 - b) Reviews for reasonableness and proper supporting documentation.
 - c) Issues check.
 - d) Obtains second signature if check is \$250 or above.
 - e) Codes account number, date paid and notes any additional information on invoice.
 - f) Disburses check.
 - g) Attaches check copy to paid invoice or check request and gives to bookkeeper.

2. Bookkeeper
 - a) Reviews invoices for mathematical accuracy, proper approval and correct account numbers.
 - b) Records disbursement in Quickbooks.

IV. APPENDIX: Check request form.

SECTION 4		TITLE		POLICY #
Cash Disbursements		Mileage Reimbursement		402
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** AVS will reimburse out-of-town teachers for mileage expense.
- II. **PURPOSE:** To set forth guidelines for proper reimbursement of mileage expenses.
- III. **SCOPE:** AVS related mileage incurred by out-of-town teachers.
- IV. **PROCEDURE:**
 - 1. Reimbursement is made for the use of personal automobiles for teachers to travel to AVS retreats, workshops, residencies and weekly sits.
 - 2. A mileage reimbursement form must be completed by the teacher or, preferably, a member of the scheduling committee, finance committee, or board. The form will include date of travel, location traveling to and from and purpose.
 - 3. Requests should be submitted within 30 days.
 - 4. Authorized mileage is reimbursed at the rate determined by the IRS for business travel.
- V. **APPENDIX:** Mileage Reimbursement Form.

SECTION 4		TITLE		POLICY #
Cash Disbursements		Signature Authority		403
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Only the Officers of the Board of Directors will be authorized to sign checks.

- II. **PURPOSE:** To define which individuals have authorization to sign checks on behalf of AVS.

- III. **SCOPE:** This procedure applies to all bank accounts.

- IV. **PROCEDURE:**
 - 1. Dual signatures required on all checks \$250 and above.
 - 2. Single signature required on all checks below \$250.
 - 3. No person has authorization to sign a check for which he/she is also the payee.

- V. **Authorized Check Signers**
 - President of the Board of Directors
 - Vice President of the Board
 - Secretary of the Board
 - Treasurer of the Board

SECTION 4		TITLE		POLICY #
Cash Disbursements		Voided Checks		404
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Proper internal control will be followed to ensure that voided checks are properly processed when necessary.
- II. **PURPOSE:** To ensure that all voided checks are properly accounted for and recorded.
- III. **SCOPE:** This procedure applies to all AVS bank accounts.
- IV. **PROCEDURE:**
 1. Any accounts payable checks outstanding after six months from date of check will be voided.
 2. Bookkeeper
 - a. Voids checks in the current month and not the month in which they were issued.
 - b. Defaces voided checks and places in "Voided Check" file.
 - c. Issues stop payment if the voided check is not in AVS custody.
 - d. Enters all voided checks in Quickbooks.

SECTION 4		TITLE		POLICY #
Cash Disbursements		Purchasing		405
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** AVS will procure quality goods and services at the best obtainable price.
- II. **PURPOSE:** To ensure that all purchases are obtained in a cost effective manner.
- III. **SCOPE:** This procedure applies to all AVS purchases.
- IV. **PROCEDURE:**
 - 1. Committee chairpersons can approve/authorize program and/or committee budgeted expenditures.
 - 2. All expenses in excess of a program and/or committee overall budget require approval by the Board.
 - 3. The Treasurer can approve/authorize budgeted general and administrative expenses.
 - 4. Unbudgeted expenses require approval of the Board.

SECTION 4		TITLE		POLICY #
Cash Disbursements		Tax Exempt Status		406
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** AVS has a tax exempt status whereby certificates of exemption should be utilized where practical in the purchasing of goods, supplies, and materials.
- II. **PURPOSE:** To avoid paying unnecessary gross receipts tax.
- III. **SCOPE:** This procedure applies to all who make purchases on behalf of AVS.
- IV. **PROCEDURE:**
 1. Individuals purchasing supplies, goods, or materials for AVS should obtain a non-taxable transaction certificate (NTTC) from the Bookkeeper.
 2. If a NTTC is not on file the bookkeeper will obtain one if it is practical.

SECTION 5		TITLE		POLICY #
General Accounting		Chart of Accounts		501
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** All general ledger accounts will be assigned a descriptive account title and account number.

- II. **PURPOSE:** To provide the method for assignment and maintenance of the AVS chart of accounts.

- III. **SCOPE:** This procedure applies to all AVS general ledger accounts.

- IV. **PROCEDURE:**
 1. The chart of accounts will be reviewed and updated on an as needed basis by the finance committee and produce a new chart of accounts for the Board.
 2. The following account numbers, comprised of four digits, will be used: 1000 numbers represent Asset accounts; 2000 numbers represent Liability accounts; 3000 numbers represent Equity accounts; 4000 numbers represent Income accounts; 5000 – 9000 numbers represent Expense accounts.
 3. The bookkeeper can make minor changes to the chart of accounts on an ongoing basis.

- V. **APPENDIX:** Chart of Accounts.

SECTION 5		TITLE:		POLICY #
General Accounting		Capitalization and Depreciation of Fixed Assets		502
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Proper internal control procedures will be followed to ensure accurate recording of depreciation and capitalization of Sangha assets.
- II. **PURPOSE:** To set forth guidelines for the use of depreciation methods and the recording of depreciation expense.
- III. **SCOPE:** This procedure applies to all AVS capital assets requiring depreciation and capitalization.
- IV. **PROCEDURE:**
 - 1. All assets greater than \$1,000 with the useful life of more than one year will be capitalized as follows:
 - a. Furniture and fixtures – 7 years
 - b. Computers and software – 3 years.
 - 2. The straight-line method of depreciation will be used.
 - 3. Depreciation will be recorded on a quarterly basis.

SECTION 5		TITLE		POLICY #
General Accounting		Bank Account Reconciliation		503
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** All accounts will be reconciled and reviewed on at least a quarterly basis.

- II. **PURPOSE:** To ensure that all cash receipts and disbursements are accurately recorded and reconciled.

- III. **SCOPE:** This procedure applies to all AVS bank accounts.

- IV. **PROCEDURE:**
 1. Bookkeeper
 - a. Receives monthly bank statement, marks "received", and dates the bank statement.
 - b. Makes a copy for reconciliation.
 - c. Completes the bank reconciliation.

 2. Treasurer
 - a. Reviews bank statement reconciliations on at least a quarterly basis.

SECTION 5		TITLE		POLICY #
General Accounting		Quarter End Process		504
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Generate accurate financial statements on a quarterly basis.
- II. **PURPOSE:** To ensure that all account balances are properly stated.
- III. **SCOPE:** This procedure applies to all general ledger accounts.
- IV. **PROCEDURE:**
 1. The bookkeeper will review income statement and balance sheet.
 2. All journal entries will have proper supporting documentation.
 3. The treasurer will review journal entries on a quarterly basis.
 4. Financial reports will be distributed to the Board on a quarterly basis.

SECTION 5		TITLE		POLICY #
General Accounting		Balance Sheet Account Reconciliation		505
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Balance sheet account reconciliation will be done at year-end.
- II. **PURPOSE:** To ensure that all balance sheet accounts, including cash, are accurately recorded and reconciled.
- III. **SCOPE:** This procedure applies to all AVS balance sheet accounts.
- IV. **PROCEDURE:**
 - 1. The bookkeeper will prepare reconciliation for all balance sheet accounts with proper supporting documentation.
 - 2. The treasurer will review reconciliation, and initial and date before filing.

SECTION VI		TITLE		POLICY #
General Accounting		Backup and Storage		506
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Quickbooks will be backed up on a regular basis and financial records will be maintained.

- II. **PURPOSE:** To ensure that all financial data is secure and recoverable in the event of a computer failure, fire, or similar event.

- III. **SCOPE:** This procedure applies to all AVS financial records.

- IV. **PROCEDURE:**
 1. Bookkeeper creates a backup file of QuickBooks on a regular basis (as he/she works in it) and emails a copy to the Treasurer.
 2. The bookkeeper will maintain the financial records by fiscal year.

SECTION 509		TITLE		POLICY #
General Accounting		Gifts of Securities		507
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** Gifts of stock or other securities intended for operations should be sold and proceeds remitted to AVS.
- II. **PURPOSE:** To insure that gifts from donors intended for operational use are available for that purpose.
- III. **SCOPE:** This policy applies to all securities donated to AVS.
- IV. **PROCEDURE:**
 - 1. Board President or Treasurer
 - a. Receives information from donor regarding the gift including type of security and expected date of gift.
 - b. Will work with the donor or donor representative to complete transaction.

SECTION 6		TITLE		POLICY #
Budget		Budget Preparation		601
DATE IMPLEMENTED	DATE REVIEWED	DATE REVISED	BY/INITIALS	
8-3-08				

- I. **POLICY:** A budget will be prepared annually and approved by the Board prior to the start of the fiscal year.
- II. **PURPOSE:** To ensure that there is financial planning and oversight.
- III. **SCOPE:** This policy applies to all AVS committees and programs.
- IV. **PROCEDURE:**
 1. The Board in conjunction with the finance committee will draft a budget.
 2. The budget will be done by program and/or committee.
 3. The finance committee will review and present to the Board.
 4. Once approved, the budget will be entered into Quickbooks.
 5. Any revisions to the budget require board approval.

Chart of Accounts

August 3, 2008

<u>Account</u>	<u>Type</u>
1000 . CASH	Bank
1010 . Operating - NMEFCU	Bank
1020 . Savings - NMEFCU	Bank
1030 . Money market - NMEFCU	Bank
1090 . Petty Cash	Bank
1100 . ACCOUNTS RECEIVABLE	Other Current Asset
1120 . A/R - Pledges	Other Current Asset
1190 . A/R - Other	Other Current Asset
1300 . PREPAID ASSETS	Other Current Asset
1320 . Retreat - Deposits	Other Current Asset
1340 . Retreat - Other	Other Current Asset
1390 . Prepaid - Other	Other Current Asset
1400 . INVESTMENTS	Other Current Asset
1499 . Undeposited Funds	Other Current Asset
1800 . FIXED ASSETS	Fixed Asset
2010 . Accounts Payable	Accounts Payable
2200 . OTHER CURRENT LIABILITIES	Other Current Liability
2220 . Accrued Payables	Other Current Liability
2240 . Deferred Revenue - Scholarships	Other Current Liability
2260 . Deferred Revenue - Other	Other Current Liability
2280 . Retreat Deposits - Members	Other Current Liability
2290 . Special Contribution Owed	Other Current Liability
2300 . Teacher Dana Owed	Other Current Liability
3000 . Opening Bal Equity	Equity
3900 . Retained Earnings	Equity
4100 . RETREAT INCOME	Income
4110 . Fees - Day of Practice	Income
4120 . Fees - Residential	Income
4130 . Forfeited Deposits	Income
4140 . Recordings	Income
4150 . Scholarships	Income
4190 . Retreat Income - Other	Income
4200 . RESIDENCY INCOME	Income
4210 . Fees - Day of Practice	Income
4240 . Recordings	Income
4250 . Scholarships	Income
4290 . Residency Income - Other	Income

4300 . CONTRIBUTIONS	Income
4320 . General Contributions	Income
4340 . Retreat Contributions	Income
4360 . Scholarship Contributions	Income
4380 . Teacher Dana	Income
4500 . FUNDRAISING	Income
4520 . Appeal	Income
4540 . Events	Income
4800 . OTHER INCOME	Income
4820 . Interest Income	Income
4840 . Recordings	Income
4890 . Miscellaneous Income	Income
5000 . PROGRAM/EVENT COSTS	Expense
5100 . DANA EXPENSES	Expense
5120 . Dana to Other Sanghas	Expense
5140 . Dana to Teachers	Expense
5160 . Dana to Wat	Expense
5200 . RESIDENCY EXPENSES	Expense
5220 . Teacher Travel	Expense
5230 . Teacher Housing	Expense
5240 . Teacher Expenses - Other	Expense
5250 . Facilities	Expense
5280 . Other Residency Expenses	Expense
5300 . RETREAT EXPENSES	Expense
5320 . Advertising (Retreats)	Expense
5340 . Day of Practice	Expense
5360 . Facilities	Expense
5380 . Food	Expense
5400 . Recordings	Expense
5420 . Travel	Expense
5440 . Other Retreat Expenses	Expense
5500 . Scholarships Granted	Expense
5600 . Special Events	Expense
5700 . TEACHER EXPENSES GENERAL	Expense
5720 . Travel	Expense
5740 . Teacher Expenses - Other	Expense
7000 . ADMINISTRATIVE EXPENSES	Expense
7100 . PAYROLL	Expense
7200 . Advertising (General)	Expense
7210 . Bank/Credit Card Fees	Expense
7220 . Cash Over/Short	Expense
7230 . Communications	Expense
7240 . Community Relations	Expense
7250 . Dues/Subscription/Licenses/Fees	Expense

7260 . Equipment	Expense
7270 . Fundraising	Expense
7280 . Insurance	Expense
7290 . Interest	Expense
7300 . Meals and Entertainment	Expense
7310 . Meetings	Expense
7320 . Outside Services - Accounting	Expense
7330 . Outside Services - Legal	Expense
7340 . Outside Services - Other	Expense
7350 . Postage and Delivery	Expense
7360 . Printing and Publications	Expense
7370 . Rents and Leases	Expense
7380 . Repairs and Maintenance	Expense
7390 . Supplies	Expense
7400 . Web Site	Expense
7410 . Other General Admin Costs	Expense

Check Request Form

August 3, 2008

Albuquerque Vipassana Sangha

Check Request Form

Please attach receipts and/or other supporting documentation.

Date of Request: _____
Date of Expense: _____
Requested By: _____
Approved By: _____
Amount: _____
Payable To: _____
Address: _____

Sangha Activity: _____
Description: _____

For Accounting Use Only:

Amount Paid: _____
Date Paid: _____
Check Number: _____
Account Number: _____

Mileage Reimbursement Form

August 3, 2008

Albuquerque Vipassana Sangha

Mileage Reimbursement Form

Date of Request: _____
Requested By: _____
Approved By: _____
Sangha Activity: _____
Date(s) of Travel: _____
Travel From: _____
Travel To: _____
Round Trip? Yes No
Total Miles Driven: _____
Payable To: _____

For Accounting Use Only:

Rate Per Mile: \$.505
Amount Paid: _____
Date Paid: _____
Check Number: _____
Account Number: _____

Dana (cash) count Form

August 3, 2008

Albuquerque Vipassana Sangha

Dana Count Form

Date: _____

Activity: _____

Counted By: _____

	Cash:	Checks:
Sangha Dana:	_____	_____
Scholarship Dana:	_____	_____
Teacher Dana:*	<i>not applicable</i>	_____

* For teacher dana, cash and checks made payable to the teacher are handed directly to the teacher without being counted. For this form, count only checks made payable to *Albuquerque Vipassana Sangha*. List below **only** those checks made payable to *Albuquerque Vipassana Sangha* for which you paid the teacher cash taken out of sangha dana:

Payee:	Amount:	Teacher Name:
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____