

Financial Policy: Internal Controls and Financial Management

Purpose

This section establishes the **internal controls** and **management practices** of the Houston Striders to ensure responsible stewardship of resources, prevent fraud or use of funds, and maintain compliance within nonprofit regulations.

Responsibilities

- **Treasurer:** Oversees day-to-day financial operations, prepares reports, and ensures adherence to financial policies.
- **Officers and Board of Directors:** Holds ultimate fiduciary responsibility and must review financial reports and approve the annual budget.
- **Race Director:** The Race director works with the Treasurer in all thing related to the Houston Half.

Financial Accounts and Access

- All club funds shall be deposited into a **board-authorized checking or savings account** under the club's name and tax ID.
- At least **two board members** (including the Treasurer) shall have access to financial accounts for transparency and continuity.
- **Online banking access** must be restricted to authorized personnel and protected by strong passwords and multi-factor authentication.

Internal Controls

Dual Authorization

- Two authorized officers must approve all payments or reimbursements over \$2,000

Segregation of Duties

- No one person may **authorize, execute and reconcile** the same transaction.
- For example:
 - Treasurer may issue payments, but a second officer must approve them.
 - A non-signing board member should **review bank statements monthly** for irregularities.

Reimbursements

- Reimbursements must be submitted on a **Reimbursement Request Form** with original receipts.
- Must be submitted within **60 days** of the expense. Requests for exceptions will be reviewed.
- Treasurer reviews and the President or VP provides final approval if the Treasurer is the claimant.

Receipts and Invoices

- Receipts, invoices, or contracts must support all expenditures.
- Digital copies shall be stored securely in the club's financial archive.

Budget and Oversight

- An **annual operating budget** for the club and the race shall be prepared by the Treasurer and approved by the Board prior to the start of the fiscal year.
- The budget must reflect the club's **mission, goals, and expected activities**.
- The board may revisit the budget mid-year based on updated income or expense projections.

Financial Reporting

- Treasurer shall prepare and present **monthly or quarterly financial reports** to the board, including:
 - Income and expense statements
 - Account balances
 - Budget vs. actual comparisons
- A **year-end report** shall be prepared and review with the board annually and posted on the club website.

Audits and Reviews

- A **financial review or internal audit** shall be conducted as requested and voted by a majority of the Board by a designated committee or third party.
- Findings must be reported to the Board and corrective actions documented if needed.

Document Retention

- Financial records, including receipts, bank statements, and tax filings, shall be retained for at least **7 years**.
- Records shall be stored securely, either digitally or physically, and accessible to authorized board members

IRS Filings and Compliance

- The Treasurer is responsible for ensuring the **annual IRS Form 990** is filed annually and on time.

Houston Striders
Reimbursement Request Form

Date of Request: _____

Full Name of Requestor: _____

Role/Title (Member, Volunteer, Officer): _____

Email: _____

Phone: _____

Expense Details

- Date of Expense: _____
- Vendor/Payee: _____
- Description: _____
- Purpose (Event, Item, etc.)_ _____

Attach receipt and ensure date is visible