Houston Striders Financial Policy
Effective July 14, 2026

Purpose
This policy establishes the accounting controls and financial management practices of Houston Striders, Inc. (the "Club") to ensure responsible stewardship, prevent misuse of funds, and maintain compliance with federal and state regulations and rules applicable to member organizations of the Road Runners Club of America.

Responsibilities
- Board of Directors: Holds ultimate fiduciary responsibility and must review financial reports and approve the annual budget
- Treasurer: Manages financial operations, presents financial reports, proposes an annual budget, coordinates tax fillings, oversees the work of the Bookkeeper, pays bills and reimbursements, and ensures adherence to Club policies
- Bookkeeper: Handles incoming reimbursement requests and bills, issues invoices, categorizes income and expenses, reconciles financial records, and assists the Treasurer in managing the Club's finances
- President: Reviews and signs tax filings, approves large expenditures, and holds access to the accounts and records
- Race Director: Proposes a budget for Houston Half Marathon ("HHM") and works with the Treasurer and Executive Race Director on all race-related financial matters

Accounts and Access
- All funds shall be held in a Board-authorized banking or low-risk investment account under the organization's name and tax ID. All income shall be deposited into the Club checking account.
- These accounts should be linked to a QuickBooks ("QBO") account for online bookkeeping and payment processing.
- The President and the Treasurer shall be signers to the bank accounts and have administrative access to QBO. Access should be protected by strong passwords and multi-factor authentication.
- The Bookkeeper and one other non-signing Board member shall have read-only access to bank accounts and limited access to QBO.
- Only one credit card may be issued, which shall be held by the Treasurer.

Payment Methods

The following are the only approved payment methods for authorized expenses.

- Reimbursement
    - Permitted Club expenses shall ordinarily be paid for by a Club member or Board-authorized representative with their personal payment method, which will later be reimbursed upon submission of sufficient documentation.
- ACH transfer through QBO
    - All HHM and donation expenses shall be paid via ACH, unless this method is not accepted by the vendor.
    - Club expenses shall only be paid via ACH if convenient or relatively large.
- Paper check mailed through QBO
    - Before paper checks are considered, vendors should be contacted about their banking details to receive funds via ACH, which is the preferred method.
    - If a vendor only accepts paper checks, funds may be issued via this method.
- Club credit card
    - The Club credit card may only be used for recurring expenses of predictable amounts suitable for automatic payment, such as subscriptions, memberships, software, website services, PO box, and storage. It shall not be used for any other expense unless approved by the Board.

<u>Reimbursement & Payment Procedure and Authority</u>

- Reimbursement requests shall be made via the online reimbursement request form maintained by the Treasurer. Requests must be submitted with proper documentation and within 60 days of the expense, but exceptions can be permitted.
- Invoices shall be sent via email to the Treasurer or Bookkeeper.
- The Bookkeeper shall monitor the reimbursement queue, communicate with payees regarding proper documentation and payment information, and enter all bills into QBO for approval.
- The Treasurer shall review bills in QBO and approve only if expenses are in line with the Board-approved budget and the Club's financial policies.
    - All payments under $2,000 must be approved by the Treasurer.
    - All payments $2,000 or greater must be approved by the Treasurer and President.
    - The President must approve all payments or reimbursements directed to the Treasurer.
    - No person may approve their own reimbursement or a payment from which they, their family, or their business benefits.

- If approved, payments shall be issued by the Treasurer or Bookkeeper within 10 business days after receipt of complete documentation and payment details.

<u>Expense Documentation</u>

- All non-donation expenses must include receipts, invoices, or contracts.
    - Receipts must include vendor's name, items purchased, line-item amounts, total amount, purchase date, and proof of payment.
    - Invoices must include vendor name, invoice date, due date, invoice number, items purchased, line-item amounts, total amount, "bill-to" party listed as Houston Striders, and sales tax removed as permitted. If the vendor is expected to exceed the IRS reporting threshold, a W-9 should be collected before payment.
    - Receipts and invoices must be from the vendor that provided the goods or services. Bank statements, credit card statements, or payment processor confirmations are NOT sufficient.
- If a reimbursement is requested without a receipt or with an insufficiently detailed receipt, reimbursement is not guaranteed but may be approved as an exception under the following guidelines:
    - For non-lodging expenses under $75, the requester must provide the vendor, date, amount, purpose, payment confirmation, and explanation for missing documentation. This exception will likely be granted if submitted infrequently, but it is not intended for routine use.
    - For lodging expenses or other expenses of $75 or more, the requester must provide a signed affidavit with the vendor, date, amount, purpose, payment confirmation, explanation for missing documentation, and steps taken to obtain documentation. Because the expense lacks normal IRS-preferred substantiation, reimbursement is higher-risk and not guaranteed.
    - The Treasurer, with the agreement of one other officer, reserves the right to decline a reimbursement request on the grounds of insufficient documentation.
- All documentation, including substantiation for exceptions, shall be stored alongside the relevant transaction in QBO.

<u>Budget</u>

- All expenses must be authorized by a Board-approved budget or a motion of the Board.

- An annual operating budget for the Club and HHM, reflecting the Club's mission and expected activities, shall be proposed by the Treasurer and approved by the Board prior to the start of the fiscal year on February 1.
    - The Race Director, under the supervision of the Executive Race Director, shall supply an HHM budget to the Treasurer to include in the budget proposal.
- The Board may amend the budget during the fiscal year.

<u>Reporting</u>

- The Bookkeeper shall categorize income and expense transactions in QBO and reconcile QBO records with monthly bank and credit card statements.
- The Bookkeeper shall prepare for the Treasurer a draft of the monthly Treasurer Report, which shall include
    - Income and expense statements, comparing budgeted and actual amounts
    - Balance sheet, showing account balances for all assets and liabilities
- The Treasurer shall review the report with the Bookkeeper and present to the Board.
- Financial reports shall be available to any Club member upon request. The three most recent filings of IRS Form 990 shall be posted to the Club website.

<u>IRS Filings and Compliance</u>

- The Treasurer is delegated the responsibility of ensuring compliance with IRS regulations. The Board is ultimately responsible and should verify all filings.
- The Treasurer shall, with the assistance of a CPA, prepare and file Form 990 by the IRS deadline. The President shall review and sign the form.
- The Treasurer shall, with the assistance of a CPA, prepare and send IRS Form 1099 to reportable vendors in accordance with current IRS thresholds and deadlines.

<u>Audits and Reviews</u>

- A financial review or internal audit may be conducted upon approval by a majority of the Board and performed by a designated committee or third party.
- Findings must be reported to the Board and corrective actions documented if needed.

<u>Document Retention</u>

- Financial records, including receipts, bank statements, and tax filings, shall be retained for at least seven years. Records shall be securely stored in a shared online location and accessible to authorized Board members.