

FIRST UNITARIAN SOCIETY IN NEWTON

FUSN Issuance 2010-09

Policy **Information**

From: Pat Rohan
Chair, Operations Council

Date: July 6, 2010

Subject: **Independent Checking Account Policies**

Purpose: To establish a policy for the management and reporting of FUSN checking accounts (“Independent Checking Accounts”) other than the primary FUSN checking account whose entries are reconciled to Quick Books monthly by the Administrator and the Treasurer.

Background: For a number of years FUSN has had separate checking accounts apart from the primary checking account used for the Operating Budget and certain restricted accounts. Unlike the primary checking account, checks written from the Independent Checking Accounts are not automatically generated from the FUSN accounting system in QuickBooks which records each check in the operating accounts when it is generated.

These accounts were set up separately for a variety of reasons including the need to deposit daily cash collections from the Holiday Tree sales after hours or to write reimbursement checks on site at Sandy Island and Ferry Beach. The activities of these two accounts are seasonal. Certain other Independent Accounts are used to manage larger amounts of funds for designated purposes such as the Capital Campaign and the Endowment. Currently these accounts include:

- The Fidelity Board of Investment account
- The Capital Campaign accounts at Citizens Bank
- The Minister’s Discretionary Account and Memorial Fund at Sovereign Bank [combined in one account]
- The Holiday Tree account at Sovereign Bank
- The Extended Programs (Sandy Island and Ferry Beach) account at Sovereign Bank

The above accounts are the only ones currently authorized by the Board of Trustees in the Operating Budget Financial Policies.

Current Situation: Carla Erb on behalf of the Operations Council and Finance Committee has assessed the status of each account, including:

- Estimated average daily balance
- Name of institution and account type
- Account name, address on checks and bank statement
- Who takes in/counts cash and checks
- Who prepares and makes bank deposits
- Who is authorized to sign checks
- Who reconciles bank statement with cash & check counts
- Activity lead or committee chair associated with each

The Finance Committee at the request of the Operations Council has reviewed and discussed Carla's report in order to recommend a policy regarding these accounts. In doing so, the Finance Committee seeks to accomplish the following objectives:

- Continue to meet the needs for flexibility and responsiveness of each activity for which an independent account currently exists including the ability to conveniently make daily night deposits and, to the extent necessary, issue reimbursement checks at Sandy Island and Ferry Beach
- Balance the workload of the FUSN Activities/Committees using the Independent Accounts with that of the FUSN Administrator
- Insure that, consistent with FUSN Operating Budget Financial Policies, responsibilities for the handling of cash and accounting for the transactions associated with the cash are separately assigned to at least two people consistent with accepted principles of financial control
- That the activity in each account is reported on at least every six months.

After considering each of the above objectives, the Finance Committee therefore recommends adoption of the policy attached below for the Independent Checking Accounts

Policy: FUSN Independent Checking Account Policy is attached below

Effective Date: July 6, 2010

Independent Checking Account Policies

1. The Independent Checking accounts listed above except as noted in (2) below are the only checking accounts that can be maintained as FUSN checking accounts other than the main account used by the Administrator and for which only the Treasurer or an Assistant Treasurer can sign checks
2. The existing Capital Campaign accounts should be finally reconciled as of May 31, 2010 as described in (7) below and the accounts closed
3. Each Independent Checking Account will reflect the FUSN tax exempt identification number, and will have a designated check signer(s) and person(s) responsible for reconciling the account who must not be the same person
4. Changes in designated check signer(s) shall be made only with the written authorization of the Board of Trustees and the approval of at least one of the existing designated signer(s). A copy of the written authorization must be provided to the financial institution in which the Independent Checking Account is resident
5. Monthly statements for each account will be sent to FUSN and can be obtained by the person responsible for reconciliation from the FUSN Administrator
6. Personal Information that includes a name in combination with a bank account number or credit card number obtained through administration of the Independent Accounts shall not be maintained or communicated and should be given only to the FUSN Administrator
7. A reconciliation of each Independent Checking Account shall be provided to the Treasurer as of November 30th and May 31st of each year within a reasonable period following each date that includes the bank statement as of that date and the prior bank statement from six months prior, a reconciliation of the prior balance to the current one showing additions of deposits and other credits and deductions of checks written and other debits
8. Separate reports of the May 31st Independent Checking Account reconciliations may, at the discretion of the Operations Council, be provided in the FUSN Annual Report if time permits
9. Reconciliations described in (7) also shall be provided upon request of the Treasurer with the approval of the Operations Council at dates other than November 30th and May 31st
10. Independent Checking Accounts that are no longer deemed necessary or which have been inactive for more than one year will be closed at the request of the Operations

Council and a final reconciliation provided as of that date in comparison to the most recent prior reconciliation. Once closed an Independent Checking Account will not be reopened without authorization of the Board of Trustees

11. Compliance with this Policy shall be reviewed at least annually by the FUSN Operations Council with the Treasurer or whenever deemed necessary by the Operations Council due to a material change in business practices or other reason.