



Arizona Soccer Association Financial Policy

PART I. PURPOSE

Section 101. Purpose

It is the purpose of this policy to outline and describe the proper financial controls and guidelines that have been adopted by Arizona Soccer Association to safeguard the assets of the state association while performing the duties and obligations as described in its bylaws, policies, procedures, and rules. All funds raised and dispersed by Arizona Soccer Association will be managed in conformance with all necessary federal and state law requirements to maintain this organization as a qualified tax-exempt, non-profit corporation.

PART II. TAX STATUS

Section 201. Federal Tax Status

(a) Arizona Soccer Association has been granted 501(c)(3) tax-exempt status by the Internal Revenue Service. Contributions and gifts to Arizona Soccer Association are tax-deductible to the extent applicable under current federal law. This tax-exempt status does not extend to other soccer organizations, clubs or leagues playing under the Arizona Soccer Association umbrella. Those organizations must obtain their own tax-exempt status under the applicable federal law.

(b) Arizona Soccer Association must file an annual information return with the IRS and adhere to the established deadlines unless the Board of Directors approves a request for an extension. Failure to file a return can lead to reclassification as a private foundation, loss of tax-exempt status, and/or fines and penalties against Arizona Soccer Association and any responsible party required to file such returns as defined under federal law.

(c) Arizona Soccer Association, having paid employees, must file wage reporting documents no later than the deadlines established by the governing agencies in accordance with federal and state laws. Failure to collect and pay social security and income tax withholding could subject Arizona Soccer Association to penalties and interest. Failure to properly handle wage taxes can lead to personal liability for Arizona directors, officers, and administrators for payments due to the Internal Revenue Service.

(d) Arizona Soccer Association must also report payments in the form of a Form 1099-Misc, to individuals who are independent contractors working on behalf of the organization if payments exceed \$599.99 per year. This includes any individuals (except employees) compensated in any form, including being compensated on an independent contract basis.



Section 202. State Tax Status and Sales Tax

The Arizona Soccer Association sales tax exemption cannot be used by any other organization.

PART III. FINANCIAL REQUIREMENTS AND PROCEDURES

Section 301. Management and Control

(a) Responsibility for All Accounting. The Board of Directors, as defined in the Arizona Soccer Association Constitution and Bylaws, is responsible to maintain all accounts and exercise all corporate powers to manage the affairs of Arizona Soccer Association as required by applicable law.

(b) Financial Performance Information. The President, Treasurer, Chief Executive Officer, and Bookkeeper will be in regular contact concerning the financial performance of Arizona Soccer Association. A financial report, including the balance sheet and program budget reports, will be presented to the Board of Directors at every regularly scheduled meeting for their review and approval.

(c) Finance Committee. Arizona Soccer Association will have a Finance Committee to recommend how to invest available funds of Arizona Soccer Association. The Committee will be composed of the Treasurer, the President, the Chief Executive Officer, and up to four other member(s) as recommended by the President and approved by the Board of Directors.

(d) General Requirements of All Financial Accounts. All revenue will be deposited into, and all expenses will be paid by checks drawn against the established financial accounts:

(1) Types of Financial Accounts. Arizona Soccer Association may have the following financial accounts, as approved by the Board of Directors, that can be but not limited to:

- a. An operating account
- b. One or more money market accounts
- c. Investment accounts as recommended by the Finance Committee as provided by paragraph (3) of this subsection); and
- d. A petty cash account for the state office which may not have a balance of more than \$500 at any time and will be supervised by the Chief Executive Officer.

(2) Funds from the money market account may only be disbursed to the operating or investment accounts of Arizona Soccer Association.

(3) Investment Accounts. Arizona Soccer Association may hold one or more investment accounts.

- a. The Board of Directors will vote on recommendations of the Finance Committee regarding the nature and amount of investments.
- b. The Finance Committee will make its recommendations to the Board for the investment of funds as follows (listed in the order of priority):



- i. Security;
- ii. Liquidity; and
- iii. Rate of return

(4) Audit. All financial accounts are subject to audit at any time to ensure compliance with this policy and generally accepted accounting principles (GAAP) as required by applicable laws. Accounts will be audited as provided by Section 304 of this policy.

(5) Location of Financial Accounts. All financial accounts of Arizona Soccer Association will be maintained by the state office. Operating accounts will be placed in institutions insured by the FDIC, another federally insured institution, or that is otherwise properly insured. Decisions to place assets in an institution that is not insured by the FDIC must first be approved by the Board of Directors.

(6) Name of Financial Accounts. All financial accounts are Arizona Soccer Association accounts and will be held in the name of Arizona Soccer Association.

(7) New Financial Accounts. Any new financial account may be opened only with the approval of the Board of Directors and only by the President, Treasurer and/or Chief Executive Officer. For all new accounts, the Bookkeeper shall be immediately provided with the following: the name of the new account, the name of the financial institution; the account number, the designated signatories on the account, and the original documents opening the account.

(e) Receipts

(1) All income of Arizona Soccer Association will be placed into the appropriate Arizona Soccer Association accounts.

(2) Processing of Funds Received

- a. Employees will be designated by the Chief Executive Officer to open all mail and date stamp documents. All cash and checks will be immediately given to the Bookkeeper.
- b. The Bookkeeper or other individual designated by the Chief Executive Officer will process the cash, checks, and other financial receipts and place all of them in a secure place.
- c. In general, the Bookkeeper designated employee or other individuals will complete and provide a deposit slip and the cash, checks and other financial receipts and make the deposit into the appropriate Arizona Soccer Association financial account on a weekly basis. A copy of the deposit slip will be attached to the copy of the financial receipts making up the deposit. All deposits must be recorded into the internal accounting software as the physical deposit into the banking institution. Unless otherwise approved by the Treasurer, all checks will be deposited within three business days of being entered into the internal software.
- d. Funds received by electronic banking means will be deposited into the appropriate Arizona Soccer Association financial account and will be detailed on both the internal accounting software and the financial institution's monthly statement to Arizona Soccer Association.



(3) Receipts for expenditures less than \$20 do not have to be submitted if a company credit card was used for the expense.

(f) Disbursements

(1) Disbursements will be paid where supported by valid, preapproved documentation supporting the expense. That documentation must include a written contract, invoice, receipt, an Arizona Soccer Association form with the proper attachments or any other document that reasonably verifies an expense made on behalf of Arizona Soccer Association. Exceptions will only be made in rare situations where approved by the Treasurer or Chief Executive Officer.

(2) A copy of any contract requiring consideration must be immediately forwarded to the state office. No payment to carry out any such contract may be made until a copy of the approved contract is so provided.

(3) No disbursements will be made which are not covered by an approved budget account as required by this policy or applicable law. Any requested disbursements above the approved budget amount require approval by the Chief Executive Officer.

(4) The Bookkeeper, with the oversight of Arizona Soccer Association's signatories and Chief Executive Officer, will process and handle the payment of all expenses of Arizona Soccer Association.

(5) Authorized expenses will be paid by check from the operating account or processed on an Arizona Soccer Association credit card when necessary.

(6) Any disbursement, by check, in excess of \$10,000, unless specifically approved as a budget item at the Annual General Meeting requires two signatures by any combination of the President, Treasurer, and/or Chief Executive Officer, after approval from the Board of Directors.

(7) After disbursements are authorized, any necessary transfer of funds to cover the payments will be made from a money market, savings, or investment account into the operating account.

(g) State Expenses

(1) Each check or payment for expenses will be made in accordance with subsection (f) of this section, written by the state office, and signed by any of the following individuals: President, Treasurer, First Vice President, and the Chief Executive Officer.

(2) Invoices and any other necessary materials to support the expense will be provided to authorize payment.

(3) If an employee's salary payment is not disbursed through direct deposit to the employee's bank account and a check or checks are required, the checks will contain imprinted or original manual signatures of any individuals listed in paragraph (1).

(h) Proposals for More Efficient and Effective Management and Control. The President, Treasurer, Board of Directors, or office staff may, from time to time, make proposals to amend this policy that provides



for the more efficient and effective means regarding the management and control of the finances of Arizona Soccer Association. Any such proposal will be presented to and approved by the Board of Directors prior to implementation.

Section 302. Fiscal Year Budget

(a) General Requirements

(1) For each fiscal year, the state office and the Treasurer will establish budget accounts and subaccounts as appropriate. The budget accounts will be compiled into a list which will comprise the budget for each fiscal year for Arizona Soccer Association.

(2) Arizona Soccer Association will prepare, consider, and adopt a fiscal year budget for each fiscal year at the Annual General Meeting unless otherwise approved by the Board of Directors.

(b) Initial Budget Preparation

(1) The first draft of the proposed Arizona Soccer Association budget for the next fiscal year will be initially prepared by the state office based on direction from the Finance Committee and after considering a comparison of the prior fiscal year budgeted amounts against actual income and expenses. The deadline for the submission of proposed changes to this first draft will be no later than thirty (30) days after the release date of the proposed first draft. Any proposed change must contain the following:

- a. The full initial budget for each event, program, office, committee, subaccount, or individual;
- b. The requested change;
- c. The budget totals for each budget account and subaccount as modified; and
- d. A detailed explanation and justification for each requested change.

(2) This second draft with proposed changes will be compiled by the state office and presented as the initial detailed budget to the Finance Committee.

(3) Any failure to timely submit proposed changes will signify agreement by the appropriate program of the amount initially budgeted, subject to review by the Board of Directors.

(c) Finance Committee

(1) The state office will present a complete proposed Arizona Soccer Association budget for the next fiscal year as provided by subsection (b) of this section, including staff recommendations, to the Finance Committee no later than the end of October.

(2) The Finance Committee will review the proposed budget under paragraph (1) of this subsection, including all proposed changes. Upon completion of its review, the Committee will submit to the Board of Directors its proposed budget for the next fiscal year.

(d) Board of Directors



The Board of Directors will review the proposed budget submitted to it by the Finance Committee under subsection (c) of this section, no later than the end of November. Upon completion of its review, the Board will vote to approve the proposed Arizona Soccer Association budget for the next fiscal year at the August Board Meeting.

Section 303. Records and Reporting

(a) Financial Records

All books, records, and accounts of Arizona Soccer Association will be maintained by the state office staff under the supervision of the Chief Executive Officer as required by applicable law.

(b) Chart of Accounts

The Chart of Accounts will be maintained by the Bookkeeper under the supervision of the Chief Executive Officer. Any proposed change to the Chart of Accounts must be presented to the Bookkeeper and approved by the Chief Executive Officer.

(c) Reporting

(1) The state office will create a report detailing current financial activities in comparison to the various Arizona Soccer Association budget accounts, budgeted amounts, and assets and liabilities, and submit each of the reports to the Board of Directors at regularly scheduled Board of Directors meetings.

(2) The Bookkeeper and Chief Executive Officer will provide the Board of Directors with the following about each financial account of Arizona Soccer Association:

- a. For a new financial account, documents and information will be provided as specified in section 301(c)(7) of this policy.
- b. The following is the minimum required financial institution reporting to be submitted to the state office on a monthly basis:
 - i. Electronic access to the account; and
 - ii. A copy of each of the financial institution statements and canceled checks, if not provided electronically, of each account, which may be sent by the financial institution to the Bookkeeper.
- c. By May 31 of each year, all receipts, invoices, canceled checks, statements, deposit slips, or any other documents pertaining to the accounts that have not been provided previously will be forwarded to the state office.

(d) Compensation and Required Information Any service provider providing a service which is compensated by the Arizona Soccer Association, whether by contract or not, must provide to the state office:



(1) The service providers name, address, and social security number, EIN, or other identification number authorized; and

(2) Completed and signed federal and state government forms that are to be filed in accordance with applicable law.

Section 304. Audits

(a) All accounts of Arizona Soccer Association will be audited annually in the fall (October or November) by independent auditing organization approved by the Board of Directors.

(b) The reports of all audits will be provided to the Board of Directors.

Section 305. Physical Assets

(a) The Chief Executive Officer shall direct that inventory be taken and maintained of all physical assets held, owned or operated by Arizona Soccer Association annually, to be conducted no later than June 30 of each year.

Section 306. Expenses and Reimbursement

(a) It is expected that the Boards of Directors, committees, volunteers, employees, and guests will, from time to time, incur expenses on behalf of Arizona Soccer Association. Arizona Soccer Association is responsible for informing all Board members, committees, volunteers, employees, and guests about reimbursement expenses as provided by this section.

(b) Members of the Board of Directors, committees, volunteers, employees, and guests will be reimbursed for actual, reasonable, and proper expenditures incurred in the conduct of approved business. Those Board members, committees, volunteers, employees, and guests of Arizona Soccer Association should not be penalized by adhering to this section with respect to expense reimbursements.

(c) Specific Requirements

(1) The expense reimbursement procedure and requisite form must be used by any person requesting reimbursement.

(2) Any request for reimbursement which relates to someone other than the person requesting reimbursement, such as purchases of meals, or any other item for another person, the person submitting the expense must include the following:

a. The full name or names of the other person or persons; and

b. The business purpose and details of the item or items for which reimbursement is sought.

(3) Expenses will be paid only as a result of documentation supporting the expense with proper attachments, invoices, and other billing.



(4) Upon completion of the form with the date, signature, details, and attached receipts and invoices, the form will be submitted to the state office or the appropriate individual responsible approval.

(5) Receipts are required for all expenditures.

(6) All expenses should be submitted to the state office by the appropriate by the 10th of the month for any expenses incurred in the previous month, especially at fiscal year-end. Any request for reimbursement after 60days of incurring the expense requires the approval of the board of directors for payment to be processed.

(d) Travel Requirements

(1) A person will be reimbursed for reasonable and proper expenses incurred in connection with traveling and living away from home, with exceptions as noted, in the conduct of preapproved business on behalf of Arizona Soccer Association, with prior approval by the President or Chief Executive Officer

(2) The mode of transportation should be dictated by the relatively least expensive way to travel.

(3) Air travel

a. Air travel will be “coach” class. Air travelers expecting reimbursement should make reservations as early as possible to take advantage of the least expensive fares available.

b. Bag fees will not be reimbursed for personal luggage for trips of three days or less. Bag fees incurred and paid on trips of more than three days will be reimbursed if proper receipts are submitted.

(4) Any person requesting reimbursement may elect to drive a personal motor vehicle between home and the airport, bus, or train terminals.

(5) Mileage reimbursement will be for the actual mileage driven at the standard mileage rate as allowed by the Internal Revenue Service, or another rate as approved by the Board of Directors, for the time period involved. As of June 30, 2019 mileage for the Board of Directors will be reimbursed at the rate of \$0.30 per mile. This rate includes the cost of gas, insurance, use, maintenance, and depreciation.

(6) Parking and tolls are additional expenses which will be reimbursed at actual cost.

(7) The amount reimbursed for travel by private motor vehicle will not exceed the value of the least expensive air travel or rental car.

a. Actual mileage includes a round trip to destination and travel between visiting site and temporary housing, if necessary.



b. Use of a private motor vehicle for trips over 50 miles may be reimbursed at the cost of gas for the trip with proper receipts if that amount is less than the mileage reimbursement rate or the least expensive airfare.

c. Exceptions to this policy may be granted by the Chief Executive Officer when it is in the best interest of Arizona Soccer Association.

(8) Prior to renting a motor vehicle, consideration should be given to its required use and other transportation alternatives such as provided by paragraph (10) of this subsection.

(9) Renting Motor Vehicles

a. Arizona Soccer Association provides collision coverage for select motor vehicles rented by persons for conducting its approved business. Coverage does not include cargo vans or luxury vehicles.

b. Rental agreements which include insurance coverage are subject to approval. Check with the appropriate office for direction.

c. In the event of an accident, local rental and law enforcement authorities must be promptly notified.

d. Payment for rental motor vehicles is the responsibility of the individual. No attempt may be made to bill directly unless previously authorized by the Chief Executive Officer

e. The itemized rental receipt, along with the actual payment receipt, are required for reimbursement.

(10) Other Transportation

Often the nature or place of the trip indicates that taking taxis, airport limousines, or hotel courtesy cars is most economical and negates the need for renting motor vehicles. The following must be considered before renting a motor vehicle:

a. Taxis are an alternative to the use of rental motor vehicles and should be used, when appropriate.

b. Most airports offer limousine service as a means of transportation for commuting between the airport and downtown areas. It may be less expensive for groups than taxis and rental motor vehicles and may be used when appropriate.

c. Many metropolitan areas have a variety of public transportation systems. Individuals are encouraged to use these systems, when appropriate.



(11) Lodging

Individuals will be reimbursed for the actual cost of reasonable accommodations for approved travel as provided by the following:

- a. Single room rates should be requested when reservations are placed.
- b. For trips where weekly rates are available and favorable, this must be clearly shown on the expense reimbursement request. Members are expected to seek lodging in the proximity of the visiting location to minimize the cost of local transportation.
- c. The itemized hotel bill is required to be submitted.
- d. As requirements and plans change, it is understood that not all schedules may be met. Only in the most unusual circumstances will the “no-show” reservation expense be considered a proper expense. The traveler has the responsibility to cancel reservations.

(12) Meals

- a. Arizona Soccer Association provides for reimbursement of actual meal expenses, including tips, up to and not exceeding \$50 per day as determined by the Board of Directors for out-of-state and \$25 per day for in-state.
- b. Higher daily meal allowances may be approved by the President, Treasurer or Chief Executive Officer in high-cost areas.
- c. When meals are consumed at home before or after travel, or provided by a business associate or another member, it is expected that the full daily rate will not be needed.
- d. Each meal must be specifically and separately reported on the reimbursement form and include itemized receipts.

(13) Other reasonable and necessary reimbursable expenses related to business activities may include, but not be limited to supplies, tips, postage, shipping, equipment rental, and printing and copying.

(e) Non-Reimbursable Travel Expenses

- (1) Arizona Soccer Association will not reimburse persons for personal expenses, such as traffic citations, cost of clothing, personal medical expenses, entertainment, loss of personal property, personal grooming expenses, movies, or any other personal expense.
- (2) Additional costs incurred when a spouse, friend, or family member accompanies a person on an Arizona Soccer Association business trip are not reimbursable.
- (3) Expenses incurred that are not attributable to Arizona Soccer Association business are not reimbursable and will not be included on a reimbursement form.



(a) Any submitted expense form will be subject to approval by the individual with responsibility for the appropriate budget against which the expense is to be charged. Final approval will be by any one of Arizona Soccer Association's signatories with the right of the person submitting the expense to appeal the signatory's decision to the Board of Directors.

(b) Any individual with approval authority must be fully cognizant that his or her signature on an expense report indicates conformity to stated policy, that legitimate and necessary expenses have been incurred, and that all items on the expense report are properly reimbursable to the person submitting the report. Both the person submitting the report and the individual approving the report have equal responsibility for its correctness and to ensure that all expenditures are commensurate with this section.

(c) The Chief Executive Officer's expenses will be reviewed for approval by the President.

(d) All reports should be submitted to the state office by the appropriate individual by the 10th of the month for expenses incurred in the previous month. Any request for reimbursement after 60 days of incurring the expense requires the approval of the board of directors for payment to be processed. However, if an emergency situation occurs preventing the timely filing of a report, the person has 30 days after the conclusion of the emergency to file the report.

(e) Any deduction or adjustment of an expense will modify the amount of the expense. Any funds received in excess of actual expenses will be returned to the state office along with a corrected copy of the original form.

Section 307. Arizona Soccer Association Credit Cards

(a) The Board of Directors or its delegate may approve credit cards to be issued in Arizona Soccer Association's name to be used by Board members, staff members, and specified individuals conducting activities on behalf of Arizona Soccer Association.

(b) The annual fees for the credit cards will be paid by the state office and charged to the individual Board member's program account, the program account or the staff member, or the specified individual.

(c) Credit card statements must be accessible electronically and mailed directly to the state office, which will send payments to the credit card companies on a timely basis to avoid any interest charges.



(d) Each cardholder will be responsible for submitting receipts to support the individual charges on the monthly card statements to the state office by the 10th of the month for charges incurred the previous month.

(e) If the proper documentation is not received as specified subsection (d) of this section, a subsequent request to the non-reporting person, with a copy to the President or Treasurer, will be made and will include notification that if submission is not received within 2 business days, the issued credit card will be subject to cancellation.

(f) If the proper documentation is still not received within the 2 day period, the state office, after notifying the President or Treasurer, may cancel the credit card and the cardholder may be subject to discipline.

Section 308. Failure to Follow This Policy

(1) If any person or entity fails to comply with this policy, the President or Treasurer will be notified.

(2) The non-complying party will be notified by the state office, President, or the Treasurer either electronically or by notice as decided by Arizona Soccer Association about the non-compliance and will be requested to comply by a specified date providing for a reasonable period of time to comply.

(3) If the non-complying party fails to comply by the specified date, a second notice will be delivered which will verify delivery to that party. The notice will demand compliance within 5 days after the notice is delivered to the non-complying person.

(4) If there is further non-compliance, the non-complying person will be subject to applicable law.

Section 309. Matters Not Provided For

Matters not provided for in this policy will be determined by the Board of Directors. The Board may delegate its authority.

PART IV. REQUEST FOR PROPOSAL

Section 401. Request for Proposal – Request for Proposals (RFP's) are utilized to obtain the best value for goods and services to the Arizona Soccer Association through a process involving several possible sources. An RFP will be required any time the Arizona Soccer Association is procuring either goods or services in excess of \$12,500. The accepted proposal **does not** have to always be the lowest cost proposal.

(1) When an RFP is required, there must be a minimum of three (3) competing proposals/bids.

(2) A time period, not to be less than one week, will be defined for each RFP. If three proposals/bids are not received then

(3) The final decision on any RFP will be done by the Board of Directors