



20161023Mv2 - Finance
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Purpose/Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at Spirit Haven and to ensure that the financial statements conform to Generally Accepted Accounting Principles (GAAP); assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All Spirit Haven staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the Spirit Haven Board of Directors (the Board).

*This policy replaces and renders inactive the previous Finance Policy:
20161023M - Finance by membership vote at the 2018 Samhain Great Works Meeting.*

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Policy

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Policy Content

I. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Three members of the board (Executive Director, Director of Finance, and Director of Records) will be authorized signers on the bank accounts.



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- a. All checks, drafts and other orders for payments of money from the funds of the Corporation shall be signed on behalf of the Corporation by any Officer currently serving in the capacity of Fiduciary Officers or agents.
4. Reviews and approves all expenditures over \$1,000.
5. Reviews and advises staff on internal controls and accounting policies and procedures
6. Determines whether the organization should have an audit and, if so, chooses and contracts with the auditor
7. Reviews and approves all contracts
8. Makes bank deposits

Director of Finance

1. Prepares and reviews all financial reports
2. Sees that an appropriate budget is developed annually
3. Approves invoices
4. Processes inter-account bank transfers
5. Approves inter-account bank transfers
6. Reviews bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
7. Approves all program expenditures
8. Monitors program budgets
9. Reviews and manages cash flow
10. Reviews and approves all reimbursements and fund requests
11. Monitors and manages all expenses to ensure most effective use of assets



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12. Oversees expense allocations
13. Reviews, revises, and maintains internal accounting controls and procedures
14. Initiates donor thank you letter acknowledgements
15. Receives donations and receipts daily during festival and prepares bank deposits after festivals consisting of donations, tills, and cash receipts.

Bookkeeper (or Director of Finance in absence of a Bookkeeper)

1. Overall responsibility for data entry into accounting system and integrity of accounting system data
2. Maintains general ledger
3. Prepares monthly and year-end financial reports
4. Reconciles all bank accounts
5. Manages Accounts Receivable

Executive Director

1. Processes inter-account bank transfers
2. Approves inter-account bank transfers
3. Receives and opens all incoming accounting department mail
4. Is the Key Executive Signer and on site signatory on all bank accounts

Transparency Advocate

1. Reviews bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
2. Oversees the adherence to all internal controls
3. Views the general ledger monthly



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Director of Property and Assets

1. Monitors and makes recommendations for asset retirement and replacement
2. Maintains budgets for construction and land projects

Director of Records

1. In the event that the Executive Director is unavailable or unable to perform their duties under this policy, the Director of Records will adopt the responsibilities of the Executive Director.

II. Chart of Accounts and General Ledger

Spirit Haven has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification. The Director of Finance (DoF) is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the DoF or Bookkeeper appointed by the DoF.

The Board and the Transparency Advocate (TA) will review the general ledger on a periodic basis for any unusual transactions.

III. Cash Receipts

Cash receipts generally arise from:

1. Direct donor contributions
2. Fundraising activities
3. Sale of products at festivals

The principal steps in the cash receipts process are:



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For cash, checks, donations received by mail - The Executive Director (ED) receives incoming mail from the Registered Office. The ED enters all checks into a spreadsheet maintained for such purposes on the current online storage system, stamps all checks "for deposit only," and makes an electronic copy of each check. The checks are kept in a locked cabinet until they are processed and deposited. The ED submits the following to the DoF for processing: all records of deposits including deposit slips and images of checks along with the correct account allocation for each deposit. The DoF processes the deposit in the accounting software. Images of checks and deposit slips will be uploaded to the current online storage system and filed accordingly by the DoF.

For cash, checks, donations received at festival - All cash received will be counted, verified, and signed off by the Director of Finance and another available board member. Each department head (Trolls, Carol's, Hafla, ect) will be in charge of counting their receivables and delivering them to the DoF daily. Payments made by credit card at Carol's are processed through a Point of Sale program and will be reconciled at the end of the festival by the DoF. All cash/checks will be kept in a locked, secure location until deposited. The DoF will prepare the cash deposits after each festival. Any other Board member will deposit the funds and return the deposit receipts to the DoF to be filed electronically on the current online storage system.

IV. Inter-Account Bank Transfers

The DoF monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The DoF recommends to the ED when a transfer should be made to maximize the potential for earning interest. The ED approves the transfer to be made by the DoF.

V. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Meeting expenses



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4. Reimbursements to Volunteers
5. Marketing/promotional materials

Checks are processed on an as needed basis. Debit cards are an acceptable form of payment as long as the expense has been previously approved by the DoF and other board members, as required. Departmental Bank cards are loaded from the bank account by DoF with the approval of the ED.

All invoices/receipts must be approved by the DoF prior to payment unless the expense is less than \$200 and is accounted for in the budgeted expenditures.

Every staff reimbursement request must include receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Fuel – Fuel costs are paid only with prior approval by the Board and only to Board Members or staff that perform duties or services that require travel. Fuel reimbursement or allowance is based on the IRS allowed Charitable Mileage Rate. Receipts are required for expenditure or reimbursement along with a detailed description of the reason for travel. Fuel purchased for ranch equipment will be approved according to the budgeted expenses for the ranch. Fuel for equipment will be purchased by the Spirit Haven Ranch Manager (SHR Manager) with a PEX card. Members requesting reimbursement for equipment fuel purchased must provide a receipt and have prior approval of the SHR Manager for purchase. Receipts are required for all equipment fuel purchases.

Meals and Entertainment – Meals and food are never reimbursed unless prior approval by the Board was obtained.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

Spirit Haven uses an “Accountable” Plan for volunteer reimbursement and expenditures. Receipts and/or invoices are REQUIRED on ALL expenses and reimbursements. All staff or board members with the ability to expend finances will be required to turn in a W4 to the DoF. The organization will only reimburse expenses that can be proved to be business related. All receipts and invoices must be turned over to the DoF within 60 days of purchase. If a Board



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Member, staff member, or Volunteer expends the organization's money and cannot produce a receipt, that member or volunteer will either reimburse Spirit Haven for the expense or receive a W2 for the amount.

Approval and Payment of Expenses and Reimbursements:

The DoF verifies the expenditure and amount, approved for payment if in accordance with budget, enters payments/disbursements into the Accounts Payable module, sends invoice/receipt with approval to the ED if payment is needed, and electronically files a copy of the invoice/receipt.

A Fiduciary Officer of the Organization prepares checks according to allocation and payment, mails the check to the appropriate vendor.

Electronic payments are made by ED with Board approval. Documentation will be provided using method for checks.

VI. Credit Card Policy and Charges

All staff members who are authorized to carry an organization credit card, debit card or preloaded credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which Spirit Haven receives funds.

The receipts for all card charges will be given to the DoF within 30 days of the purchase along with proper documentation. The DoF will verify all credit card charges with the monthly statements, all debit card purchases with the monthly bank statements, and all prepaid card purchased through the online application. The DoF will post all charges in the accounting software. A copy of all receipts will be uploaded to the online storage file for the DoF. Prepaid card receipts will be uploaded to the proper online application.

VII. Accruals

To ensure a timely close of the General Ledger, Spirit Haven may book accrual entries. Some accruals will be made as recurring entries.



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VIII. Bank Account Reconciliations

1. The TA reviews the bank statements monthly for unusual balances and transactions.
2. The DoF reviews the bank statements for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The ED will verify that voided checks, if returned, are appropriately defaced and filed in the current online storage system.
4. The DoF will investigate any checks that are outstanding over six months.
5. The DoF will store all completed bank reconciliations in the appropriate online storage system.
6. The reconciliation report will be reviewed by the TA and the ED.
7. All Fiduciary Officers will have viewing access to all bank accounts and the accounting software.

IX. Cash Tills for Festival

1. A cash till of \$300 will be maintained by Carol's during festivals.
2. A Fiduciary Officer will write a check for \$300 to "Cash" and the check will be cashed by any board member that is able to do so.
3. At the end of the festival all money in the cash till is counted and verified by the DoF and a staff member.
4. No checks will be cashed by the cash till.
5. The \$300 will be re-deposited in a separate deposit to the bank by the DoF or any other Board Member appointed to do so by the DoF.



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X. Property and Equipment

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements
5. Land Maintenance Equipment

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand dollars (\$1,000). Items purchased with a value or cost less than one thousand dollars (\$1,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	36 months
Office Equipment	60 months
Office Furniture	60 months
Computer Software	36 months
Land Maintenance Equipment	60 months
Leasehold improvements	Length of lease

1. A Fixed Asset Log is maintained by the Director of Property and Assets(DoPA) including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The Log will be reviewed by the members of the Board.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the previous year's inventory. This inventory shall be performed by the DoPA or by a staff member that they appoint to do so.
4. The Board of Directors shall be informed by the DoPA via email of any significant change in status or condition of any property or equipment.



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5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

XI. End of Month and Fiscal Year-End Close

1. The DoF will sign off on all month- and year-end journal entries. They will be uploaded to the current online storage option used by the board.
2. At the end of each month and fiscal year end, the TA will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended.
4. Once the final monthly and fiscal year-end financial statements are run, reviewed, and approved by the TA and the DoF, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the fiscal year, the DoF will provide the outside CPA with all financial information. The CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Board for review. The ED will sign and file the return with the Internal Revenue Service by the annual deadline.
6. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency by the DoF with approval of the Board.

XII. Financial Reports

The DoF will prepare the monthly and annual financial reports for distribution to the TA and the Board. The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, and any other requested reports.

Periodic and annual financial reports will be submitted to the Board for review and approval.



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XIII. Fiscal Policy Statements

1. All cash accounts owned by Spirit Haven will be held in financial institutions which are insured by the FDIC or NCUA. No bank account will carry a balance over the FDIC or NCUA insured amount.
2. No travel advances will be made except under special conditions and pre-approved by the Board.
3. Reimbursements will be paid upon approval of the DoF or Board of Directors and only after receipt of invoice. Reimbursements to the DoF will be approved by the Board.
4. Any donated item with a value exceeding \$100 will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation upon request.
5. When possible, all transactions will be performed electronically.
6. All members of the Board, Officers and staff that handle finances will be covered under a Directors and Officers Insurance Policy
7. The DoF with approval of the Board may employ the services of a Bookkeeper. This position may be a paid position with approval of the Board.