

Finance Committee

Purpose:

To oversee the financial management, planning, and reporting of the Jim Thorpe Youth Soccer Association, ensuring fiscal responsibility, transparency, and compliance with legal and regulatory requirements, including the maintenance of the Association's 501(c)(3) status.

Scope:

This policy applies to the Finance Committee, its members, and all financial activities undertaken on behalf of the Association.

Policy Statements:

1. Formation and Authority:

1. Establishment:

- a. The Finance Committee is established by the Board of Directors as specified in Article VI, Section 2 of the bylaws.
- b. The committee consists of at least three (3) members, including the Treasurer. The chair is appointed by the Board annually.

2. Reporting:

- a. The Finance Committee reports directly to the Board of Directors.
- b. Collaborates closely with the Treasurer, who may be a Board member or an appointed individual as per Article IV, Section 1 of the bylaws.

2. Membership:

1. Composition:

- a. Treasurer: Serves as a key member, providing financial expertise and officer representation.
- b. Chairperson: Appointed by the Board, may or may not be the Treasurer.
- c. Additional Members: At least two (2) other members with experience or interest in finance, accounting, or related fields.

2. Term Lengths:

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Document ID: P-COM-03

Effective Date: 10/16/2024

Version: V01

- a. Committee members serve for a term of one (1) year, aligned with the Association's fiscal year starting May 1st, and may be reappointed.

3. Responsibilities:

1. Financial Planning and Budgeting:

a. Annual Budget Preparation:

- i. Develop the annual budget in collaboration with the Treasurer and relevant stakeholders.
- ii. Submit the proposed budget to the Board for approval by April 1st each year, as required by the bylaws.
- iii. Ensure the budget aligns with the Association's objectives and strategic plans.

b. Budget Monitoring:

- i. Regularly review actual financial performance against the budget.
- ii. Recommend adjustments as necessary to stay within financial constraints.

2. Financial Oversight and Management:

a. Internal Controls:

- i. Establish and monitor internal control systems to safeguard the Association's assets.
- ii. Ensure proper authorization and documentation of financial transactions.

b. Expenditure Approval:

- i. Review expenditures in accordance with Article V, Section 1 of the bylaws.

c. Financial Policies:

- i. Develop and recommend financial policies and procedures to the Board.
- ii. Ensure policies are in compliance with legal and regulatory requirements.

3. Financial Reporting:

a. Monthly Financial Reports:

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- i. Prepare and present financial statements at each Board meeting, including profit and loss statements, balance sheets, and cash flow statements.
- ii. Highlight significant variances or issues for the Board's attention.

b. Annual Financial Statements:

- i. Oversee the preparation of annual financial reports.
- ii. Ensure transparency and accuracy in reporting.

4. Audit and Compliance:

a. Internal Audits:

- i. Conduct internal audits to assess financial processes and controls.
- ii. Report findings and recommendations to the Board.

b. External Audits:

- i. Facilitate annual financial audits by qualified external auditors if deemed necessary by the Board.
- ii. Implement recommendations from audit reports.

c. Regulatory Compliance:

- i. Ensure timely filing of all tax forms and maintenance of the Association's 501(c)(3) status, as specified in Article V, Section 3.
- ii. Coordinate with a certified public accountant for tax filings and compliance matters.

5. Risk Management:

a. Financial Risk Assessment:

- i. Identify and evaluate financial risks, including cash flow issues, fraud, and compliance risks.
- ii. Develop strategies to mitigate identified risks.

b. Insurance and Liability:

- i. Ensure the Association maintains appropriate insurance coverage.

4. Operations:

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1. Meetings:

a. Frequency:

- i. Hold regular meetings, at least monthly, to fulfill responsibilities.
- ii. Additional meetings may be scheduled during budget preparation or as needed.

b. Agenda and Minutes:

- i. Prepare meeting agendas in advance.
- ii. Record and maintain minutes, documenting decisions and action items.

2. Decision-Making:

- a. Decisions are made by majority vote of committee members present.
- b. Recommendations are submitted to the Board for approval.

3. Coordination with Other Committees and Officers:

a. Treasurer Collaboration:

- i. Work closely with the Treasurer on all financial matters.

b. Other Committees:

- i. Coordinate with other committees regarding financial implications of their activities.
- ii. Provide guidance on budgetary constraints and financial policies.

5. Reporting and Communication:

1. To the Board:

- a. Provide comprehensive financial reports at each Board meeting.
- b. Alert the Board promptly to any significant financial issues.

2. Documentation:

- a. Maintain accurate financial records and documentation in accordance with accounting standards and legal requirements.
- b. Ensure records are accessible for review by authorized individuals.

6. Authority and Decision-Making:

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1. Operational Authority:

- a. The Finance Committee operates within the scope of authority granted by the Board and the bylaws.
- b. Cannot make unilateral decisions that bind the Association without Board approval.

2. Financial Transactions:

- a. All checks require two signatures as per Article V, Section 2:
 - i. Two Board members, or
 - ii. One Board member and the Treasurer if the Treasurer is not a director.

7. Compliance with Bylaws and Policies:

1. Adherence to Bylaws:

- a. All activities must comply with the Association's bylaws, particularly Article V regarding financial oversight.

2. Ethical Standards:

- a. Committee members must act with integrity and in the best interest of the Association.
- b. Avoid conflicts of interest and disclose any potential issues to the Board.

3. Confidentiality:

- a. Maintain confidentiality of sensitive financial information.

8. Training and Development:

1. Skill Enhancement:

- a. Encourage committee members to engage in training related to nonprofit financial management and accounting practices.

2. Updates on Regulations:

- a. Stay informed about changes in laws and regulations affecting nonprofit financial operations.

9. Risk Management:

1. Fraud Prevention:

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- a. Implement procedures to prevent and detect fraud.
- b. Conduct background checks on individuals handling financial transactions if necessary.

2. Financial Stability:

- a. Monitor the financial health of the Association.
- b. Advise the Board on strategies to ensure long-term sustainability.

10. Annual Review and Planning:

1. Budget Revisions:

- a. The Board may reopen an approved budget for modification within 30 days of newly elected Board members taking their seats, as per Article VI, Section 2.
- b. Assist the Board in revising the budget if required.

2. Financial Goals:

- a. Set financial objectives for the coming year in alignment with the Association's strategic goals.

Version	Date	Description of Change	Approved By
1.0	10/16/2024	Initial release	Board of Directors