



# **NEVADA ASSOCIATION OF SCHOOL BOARDS**

## **ACCOUNTING PROCEDURES MANUAL**

**Originally Adopted March 29, 2014  
Most Recent Revision August 5, 2017**

## **INTRODUCTION**

The Nevada Association of School Boards was duly organized under provisions of the Nevada Revised Statutes and incorporated by the Secretary of State on February 14, 1963, for the purpose of advocating civic activities and coordination of programs and procedures pertaining to policy, organization, and administration of the several school districts in the State of Nevada.

The objective of this manual is to establish fiscal policy and accounting procedures that safeguard the assets of the Association. The accounting system is designed to assure fiscal compliance with accepted accounting principles and requirements found in Nevada Revised Statutes. All information processed shall follow a document flow process thus allowing for two directional tracing of financial data.

The procedures have been written to provide a general overview of delegated duties, but are not limited to them nor include them entirely.

The fiscal control system has been prepared in categories and new pages may be inserted as needed in order to accommodate changes in procedures, control, policies and responsibilities.

It is intended that this manual be updated regularly as needed. The manual will be reviewed annually by the Executive Committee and/or Board of Directors. Changes in the manual will be identified with a revision date.

The financial accounting system provides for:

- Internal control procedures to ensure funds are used appropriately;
- Records capable of identifying the source and application of funds;
- Procedures for assurance expenses have been determined to be reasonable, allowable, and have been properly approved;
- Procedures for documenting the completeness, accuracy and assurance that all transactions are recorded in the Association's records;
- Procedures for disclosing and reporting the financial transactions made by the Association;
- Procedures for ensuring timely receipt of income and timely payment of authorized expenses;
- Procedures for analyzing expenditures in relation to approved budgets; and
- Procedures for auditing the performance of the Association and resolving any deficiencies, which may be noted as the result an audit.

This manual defines the financial and accounting policies, procedures, authority, and responsibility in relation to the financial system. It provides guidance in the implementation and use of forms, records, and procedures to record, analyze, interpret, and report the financial transactions of the Association.

## **Fund Accounting**

The accounts of the Nevada Association of School Boards are organized and accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, income, and expenses.

## **Basis of Accounting**

Basis of accounting refers to when income and expenses are recognized in the accounts and reported in the financial statements.

The accounting records are maintained on the cash basis of accounting. Under this method, income is recognized at the time it is received, and expenses are recognized when the liabilities are paid. Expenses charged to the Association's credit card are expensed when they are incurred. Some expenses are shown on the balance sheet when they are prepaid for events or activities that will take place in the next fiscal year.

## **FISCAL OPERATING PROCEDURES**

The initial operating procedures of the Association were established by the Board of Directors on February 14, 1963, and have been subsequently revised periodically by the Executive Committee and/or Board of Directors which oversee all fiscal operations.

The policies included in this "accounting procedures manual" have been established by the Association to specify minimum policies and standard operating procedures over fiscal responsibilities.

In the event the Association's Executive Committee and/or Board of Directors elect to create other line items, additional accounting procedures may be needed for these areas and approved as determined by the Association.

## **GENERAL INTERNAL CONTROL**

Internal controls are the policies and procedures developed and adopted by the Association to safeguard assets and to assure reliability of the financial data. This is accomplished by establishing a system of controls designed to assign responsibility of the approval and execution of transactions.

The objectives of an internal control system are to provide the Association's Executive Committee and Board of Directors with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with appropriate authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The following are basic guidelines to assist in this process:

- To the extent possible, there shall be appropriate segregation of duties of the Executive Director and Business Manager. Internal control policies should be designed and monitored to limit the ability of one single individual from

initiating, executing, recording, and approving all aspects of a financial transaction.

- An up-to-date chart of accounts shall be maintained which provides for meaningful and consistent classifications to transactions. Moreover, accounting controls shall be strictly followed to ensure the reliability, completeness, and accuracy of financial data.
- Financial transactions and record keeping shall be in accordance with Article XXII of the Association's Bylaws as adopted by the General Membership on November 16, 2012.
- When each check is prepared, the Executive Director shall designate the purpose for the check and initial the bottom of the check voucher to be retained with the financial records.
- Upon receipt of each monthly savings and checking bank statement, the Executive Director shall review the statement and initial that he/she has done so on the front page of the statement.
- Financial reports shall be presented during each meeting of the Executive Committee and Board of Directors and shall include sufficient information to assist them with reliable data for analysis of current financial position, results of operations, and budgetary comparison.
- Income and expense reports comparing actual and budgetary performances shall be prepared and reviewed by the Executive Committee and Board of Directors.
- Each financial report shall include the comparative balance sheet for the current year and prior two years. In addition, the financial report shall include actual, budgeted, and prior year income and expenditures for the most recent period.
- The most recent savings and checking bank statements, a QuickBooks bank reconciliation, numerical listing of checks issued since the prior meeting (excluding teleconferences), and other documents as requested shall be included in the financial report presentation, with the opportunity for the Executive Committee and Board of Directors to review them.
- Investments and certificates of deposit shall be made in accordance with Article XXI, Investment Policy, adopted by the General Membership of the Association on November 18, 2011. Upon purchase of a new or renewed certificate of deposit, the documentation will be presented to the Executive Committee and Board of Directors for their review.
- The Executive Committee and Board of Directors are responsible for the continual assessment and monitoring of adherence to the internal control system.

## **INCOME**

Upon determination of annual membership dues, the Business Manager will issue invoices to each member board in accordance with Article XVII, "Dues," as adopted by the General Membership on November 16, 2012.

In addition, the Business Manager shall periodically invoice school districts participating in the Board Books program.

The Executive Director shall invoice all corporate sponsors and provide a tracking sheet that specifies cash and in-kind donations.

Upon request, the Executive Director shall invoice individual boards for their registration at the annual conference, periodic professional development workshops, or other training programs.

As needed, the Executive Director shall invoice individual boards for the purchase of books or other materials.

Upon maturity of investments, the interest shall be deposited into the Association's checking account.

All income received shall be deposited in a timely fashion and in accordance with accepted accounting practices.

## **EXPENSE DISBURSEMENT**

Expense disbursement processing has been assigned as a responsibility of the Business Manager. Expense disbursements will be made in a timely fashion to prevent service charges and late fees from being assessed. All disbursements shall be made in accordance with Article XXII, "Financial Transactions and Record Keeping," as adopted by the General Membership on November 16, 2012.

Expenses to be reimbursed for travel authorized by the Association shall be handled in accordance with Article XIII, "Travel," as adopted by the General Membership on November 22, 2013. The GSA per diem rates as updated annually will be used for reimbursement.

The Business Manager shall provide appropriate documents to the Nevada Department of Taxation to ensure that the Association retains its tax-exempt status.

## **AUDIT PROCEDURES**

In accordance with the Association's Bylaws, the NASB Audit Committee shall perform a "mini" or "spot" audit each year after the end of the fiscal year. The Audit Committee shall review documentation and backup for both income and expenditure transactions.

An external evaluation of the financial records, including testing the balance sheet and income and expenditure general ledger accounts, as well as other work deemed necessary by the Association, shall be performed by a Certified Public Accountant after each odd-numbered fiscal year unless, by joint action, the Executive Committee and Board of Directors determine that an audit shall be conducted more frequently.

## **BUDGET DEVELOPMENT**

The Association's Executive Committee and Board of Directors shall annually develop and authorize the budget for each fiscal year.

## **RETENTION OF ACCOUNTING RECORDS**

Financial records shall be retained in accordance with Article XX, "Document Retention Policy," as adopted by the General Membership, November 18, 2011.

## **REPORTING REQUIREMENTS**

The fiscal year for the Association shall be July 1 to June 30.

At the end of each fiscal year, the Business Manager shall provide an annual financial report to the Executive Committee and Board of Directors.

Throughout the year, the Business Manager shall obtain Federal Form W-9 from any individual who is paid more than \$600.

Annually in January, the Business Manager will provide calendar year payments required for Federal Form 1099s and Annual Summary Form 1096.

Annually in May, the Business Manager shall submit the List of Officers, Directors, and Agent of Non-Profit with the Nevada Secretary of State and include any payment required.

Annually in September, the Business Manager shall take all necessary financial records to the Certified Public Accountant who will prepare the Federal Form 990 due on November 15.

Annually after the Federal Form 990 is returned by the Certified Public Accountant, the document will be provided to the Executive Committee and Board of Directors for their review.