

Allen Neighborhood Center

Crucial Financial Guidelines for All Staff and All Volunteers

rev. Apr 2011

The Allen Neighborhood Center is funded almost entirely by grants and donations. Our ability to successfully obtain grants and donations hinges on how well we are perceived to manage those funds. It's imperative that our financial integrity and reputation be beyond reproach. Therefore, all ANC staff and volunteers should keep the following in mind:

Guiding Financial Principles

1. **Trust no one.**

Of course we know that this is impossible to carry out, given that we all *do* trust one another within this organization. But to be perceived by the outside world as fully trustworthy, we need to follow financial management systems and provide documentation as if none of us are.

2. **Trust the Bookkeeper least of all.**

In small organizations, the Bookkeeper is the person most likely to have the knowledge and opportunity needed to commit financial fraud. And while that's not the case here, good financial practices require you to please suspend your trust and instead entertain the possibility that s/he is actually scheming to take an ANC-funded trip to Cancun! Do everything you can to thwart this evil plan by following all proper procedures.

3. **And while you're at it, keep your eye on the Director, too.**

Small organizations are most vulnerable to Bookkeepers-gone-bad, but occasionally Directors go bad. Again, even though we all know this is not the case here, we must all follow proper procedures to ensure that even an outsider would not fail to recognize that we are using every penny properly.

4. **Document everything.**

Every transaction needs to be recorded: a receipt for everything in, and a receipt for everything out.

5. **Save everything.**

Every receipt needs to be saved and turned in.

6. **Use the buddy system.**

No monies should be received unilaterally. No expenditures should be made without consulting someone. Anything even remotely related to financial issues needs to be known about by at least two people. Never swim alone!

7. **Voice your concerns.**

If you ever have even the *slightest* concern about ANC's financial practices, or if you would like to recommend a procedure that would strengthen ANC's financial internal controls, speak up immediately. Tell at least two people (for instance, the Director and another staff person; or the Director and a Board member; or two Board members).

Important information continues on the next page →

Page Two: **Crucial Financial Guidelines for All Staff and All Volunteers**

To put the guiding principles from the previous page into action, please use the following procedures:

Receiving Checks and Cash

1. **Volunteers may *not* accept cash or checks on ANC's behalf.** All cash or checks must be received by an ANC staff member.
2. **Every program area must have a duplicate receipt book.** If you do not have a duplicate receipt book for your area, please request one. Maintain the receipt book in a safe place, and retain all completed receipt books.
3. **Log any and all checks or cash received in a duplicate receipt book.**
4. **Give a receipt to the person providing the check or the cash,** no matter how small the amount.
5. **Turn in any and all checks and/or cash to the Director.** The Director will record them and then provide them to the Bookkeeper for deposit.
6. **All financial mail must be given, unopened, to the Director.** Checks and bills will be logged by the Director before they are provided to the Bookkeeper.
7. **Even mail addressed to the Bookkeeper must be given to the Director.** Might be Cancun tickets.

Expenditures

1. **All expenditures must be pre-approved by the Director.**
2. **All use of the ANC credit card must be logged.**
3. **All expenditures must be documented.** For credit cards, complete a green form. For check requests, complete a yellow form.
4. **Save all receipts – every single one! -- and turn them in promptly.**

By understanding and adhering to these guidelines, you will strengthen the Allen Neighborhood Center and contribute to our organization's reputation as a fiscally responsible entity.

But not only that: By expecting these financial stewardship standards at each and every place you work, volunteer, or contribute to financially, you will strengthen the capacity and reputation of the nonprofit sector as a whole! A strong nonprofit sector benefits everyone, including ANC.

Thank you.