

EXECUTIVE POLICIES
DEPARTMENT of the SECRETARY-TREASURER

JOB DESCRIPTION -- SECRETARY-TREASURER 8-7-98

The Secretary-Treasurer (S-T) is the Society's chief financial and record keeping officer and shall ensure the Society's finances are managed in a fiscally responsible manner. The S-T is responsible for investing NSS funds, and for delegating signature authority for NSS accounts to agents of the S-T. As a minimum, the NSS President and S-T shall have signature authority on all NSS accounts. The S-T is responsible for establishing the Society's accounting and financial processes and managing their implementation in accordance with policies established by the Board of Governors so as to allow for an independent audit by a certified public accountant or accounting firm. The S-T is responsible for managing the process by which the entire EC assumes responsibility for both the income and expense side of the budget. The S-T is responsible for preparing estimates for dues income and other items which do not fall within a specific department. All such estimates will be provided to the entire EC for peer review with associated backup data. The S-T is responsible for presenting a budget to the Board of Governors for approval based on a consensus of the Executive Committee.

The S-T shall support the other officers and the Board of Governors by providing timely reports of the Society's financial activity and status, certifying corporate documents as Secretary, filing corporate returns including annual reports and tax returns when required, and ensuring original corporate documents are stored in a safe deposit box. The S-T is also responsible for managing committees assigned to the S-T department by the Board of Governors.

1. Committee Charges 9-83, 6-81

In order to simplify Society bookkeeping, no Society committee shall charge another committee for services rendered or goods tendered for the conduct of Society business except for those cases defined below. For each exception the charge shall be accomplished administratively and reported in the respective committee's financial reports. No actual funds shall be transferred.

- A. The NSS Bookstore will charge the NCRC Rescue Seminar for the cost of NCRC Rescue Manuals to be used in the conduct of the seminar.

2. Interest Earned on Restricted Funds 9-83

In order to implement Act 16-349, interest earned on money in restricted funds will be distributed monthly among the Society restricted funds with balances of \$100 or more in proportion to the balance in the fund at the beginning of the month. No interest will be credited to Foundation funds held by the Society or Society funds with a balance under \$100.

3. Donations or Payments Toward Committee Expenses 9-83

Except for advertisements in Society publications, JOURNAL page charges, or awards reimbursed by the Foundation, donations or charges toward committee or office expenses will be credited to the corresponding expense account. Committees which

have a credit balance of \$25 or more at the end of the fiscal year will have a restricted fund set up at that time. Credit balances of less than \$25 will be used to offset other charges in the department. The committee's operating budget will be used to pay committee expenses before using committee restricted funds.

4. Distribution of Donations (Prior to **2-88**)

This policy was an interpretation of Act 63-464. Act 63-464 was repealed 03-16-96. This policy was deleted 8-99.

5. Signature Authority and Approval of NSS Contracts and Agreements 11-98

In the normal course of Society business we enter into a variety of formal and informal contracts and agreements. The following establishes signature authority and our policy for approving them.

- X Acceptance of a proposal to host a NSS Convention with a friendly description of what will be done by whom B To be signed and approved by the convention chairman, AVP & NSS President after BOG acceptance of the bid
- X Acceptance of a proposal to host a NCRC National Rescue Seminar with a friendly description of what will be done by whom B To be signed and approved by the seminar chairman, chairman of the NCRC Board of Regional Coordinators, AVP & NSS President
- X Significant contracts that implement a NSS convention (e.g. contracts for campground, sessions facility, banquet caterer) B Convention chairman may approve them after AVP review
- X Significant contracts that implement a NCRC National Rescue Seminar (e.g. contracts for campground, facility, banquet caterer) B Chairman of NCRC Board of Regional Coordinators or the National Rescue Seminar chairman may approve them after AVP review
- X Contract with Federal Agencies (e.g. contract to restore a section of Mammoth cave) B To be signed by NSS President after BOG approval
- X Agreement with editor of a Speleo Digest - To be signed and approved by SD Coordinator & EVP after BOG approval of capital budget
- X Agreement with author/editor to develop a book (e.g. On Rope) for NSS publication B To be signed and approved by EVP, S-T & NSS President after BOG approval of capital budget
- X Agreement with editor of NSS periodical (e.g. NSS News, JCKS, Members Manual, ACA) B EVP to describe relationship in Section 9 of BOG Manual including what is covered by honorarium
- X Agreement with others receiving a NSS honorarium (e.g. chairman of Conservation Committee) B EVP to describe relationship in Section 9 of BOG Manual including what is covered by honorarium

- X Agreement with person scanning photos or layout a NSS book - To be signed and approved by EVP
- X Agreement with NSS staff employees B To be signed and approved by OVP, S-T & NSS President
- X Loan agreements B To be signed by S-T & NSS President after BOG approval of operating budget
- X Insurance agreements B To be signed by Chairman of NSS Insurance Committee after S-T review
- X Agreements to purchase or accept title to real property - To be signed by AVP & NSS President after BOG approval
- X Memorandum of Understanding with external organizations - To be signed by NSS President after BOG approval
- Commercial agreements such as those associating the NSS with travel agents, credit cards, long distance phone service, car rentals, etc - To be signed and approved by S-T
- X NSS bank accounts - To be signed by the S-T, NSS President, and agents of the S-T
- X Release of NSS copyrights - To be signed and approved by EVP

6. Acknowledging Donations

1-99, 11-98

All donations should be sent to the NSS office. The office staff will acknowledge donations with a written receipt which states the amount of the donation and the value of any benefits provided to the donor in return for the donation. The office staff will record all donations in our accounting ledger and maintain a list of such donations for use in Society tax reports and publication in the NSS Members Manual. The NSS will only acknowledge the value of donations it records as a formal transaction in the Society accounting records and the value will be that recorded in the NSS ledger.

From the perspective of a NSS committee member who incurs an expense. The member may either:

- X itemize his donation in his tax return without any documentation from the NSS
- X bill the NSS for expenses within his budget, receive his reimbursement, and send a donation to the NSS office with all transactions recorded in the NSS accounting system.
- X request a written acknowledgment from a Society officer based upon the officer=s first hand knowledge

The Society does not normally acknowledge expenses many members incur in pursuit of NSS goals such as the survey & study of caves.

All requests for the Society to acknowledge the donation of unreimbursed expenses should be sent to the responsible officer. Requests related to attendance at NSS Executive Committee and Board of Governor meetings should be sent to the Secretary-Treasurer. The responsible NSS officer will respond by reporting his first hand knowledge. The response may also state second hand information provided it is labeled as such. The following is a typical response:

To Whom It May Concern:

The purpose of this letter is to confirm that Joe Caver served as the Administrative Vice President of the National Speleological Society during 1998. In this capacity, Joe Caver incurred non-reimbursed out of pocket costs in voluntarily contributing his time to this organization. The National Speleological Society (NSS) is a non-profit scientific and educational organization under Section 501(c)(3) of the Internal Revenue Code and is dedicated to the scientific study and conservation of caves and cave-related features in the United States.

I acknowledge that Joe Caver carried out the following activities on the dates listed.

Feb 6-10, 1998: Attended Executive Committee budget meeting in Puerto Rico. Presented budget for AVP Department, discussed and worked on NSS Capital and Operating budgets for FY 98/99, discussed other NSS business.

March 21-22, 1998: Attended NSS Board of Governors meeting in Huntsville, AL. Presented and discussed AVP report, presented motions as business items, and carried out NSS business.

June 5-7, 1998: Attended Executive Committee meeting in West Bloomfield, MI. Discussed NSS business with other NSS officers and prepared agenda for next Board of Governors meeting.

August 2-7, 1998: Attended NSS annual convention in Sewanee TN. Attended Board of Governor meetings, held several meetings with committee chairs in the AVP Department, attended meetings of Committees on which he serves, gave two papers, discussed volunteer activities with U.S. Forest Service staff, and carried out NSS business.

Sept. 19-20, 1998: Attended Executive Committee meeting in McDowell, VA. Discussed issues in AVP and other NSS departments and proposed motions for next meeting of the NSS Board of Governors.

Nov. 7-8, 1998: Attended NSS Board of Governors meeting in Pasadena, CA. Presented AVP Department report, made and discussed motions, met with members of Committees in the AVP Department, and carried out NSS business.

The activities carried out by Joe Caver for the NSS took up substantially all of his time while attending the meetings listed above. There was no vacation time or

personal recreation time involved in this work and no goods or services were provided to Joe Caver to reimburse him for his activities.

Sincerely,

Paul Stevens
Secretary/Treasurer
National Speleological Society

The above sample letter should be modified as appropriate by the responsible officer to reflect the committee chairman's activity.

7. NSS Tax Identification Number 11-98

The NSS Federal Identification Number shall be used only for NSS bank accounts.

All transactions associated with the NSS Federal Identification Number must be recorded in NSS ledgers, reflected in NSS financial statements, and reported in NSS federal tax returns. Our Federal Identification Number shall not be provided to anyone for any purpose other than to open an approved NSS bank account or process NSS tax reports. If someone requests our Federal Identification Number or a copy of our IRS determination letter for any other purpose (for example to show they contributed to a 501(c)3 organization), respond by referring them to the IRS listing of all 501(c)3 organizations in IRS Publication 78, the IRS's listing of all 501(c)3 organizations which can be viewed at the IRS Web site, www.irs.ustreas.gov.

8. Reimbursement of Travel Costs 3-99, 11-98

Except as noted below the Society will not reimburse the cost of travel.

The NSS will reimburse travel costs incurred by:

- 1) NSS employees carrying out the duties of their NSS job funded from the OVP Department budget.
 - a) This includes travel costs incurred by their designated agent to transport them or NSS bookstore items to a NSS convention or other sales event.
- 2) specific individuals or groups of individuals who receive a NSS honorarium and the travel expenses are funded from the honorarium. The honorarium includes an allowance for the cost of travel associated with their NSS duties and no travel related expenses will be reimbursed outside of those covered under the honorarium unless explicitly approved in advance by the Board of Governors.
 - a) Conservation Committee Chairman
 - b) Journal of Caves and Karst Studies editor
 - c) staff of a NSS Convention
 - d) instructors for a NCRC rescue training seminar

- 3) individuals based upon a budget approved by the BOG which explicitly approves the expenditure of funds for travel costs.
 - a) NSS NEWS editor
 - b) Conservation Committee Chairman
 - c) NSS National Cave Management Symposium Coordinator
- 4) NSS Operations Vice President, Secretary-Treasurer or their designated agents when required to perform their duties at the NSS office and the travel expenses are funded from the officer=s Department budget.
- 5) NSS officers in order to attend EC meetings (other than those held in association with meetings of the Board of Governors) and the travel expenses are funded from the BOG approved EC Travel Budget.
- 6) individuals invited to attend EC meetings (for example to help prepare the NSS budget) and the travel expenses are funded from an officer=s Department budget.
- 7) individuals who receive an International Speleological Partnership grant and the travel is funded under the grant.
- 8) individuals who are performing work on behalf of the Society under a grant or contract from an external organization which authorizes the reimbursement of travel costs.
 - a) participants under the NSS Mammoth Cave Restoration Project
- 9) individuals who are traveling to special events when approved by the President in advance and funded from the President=s Conference Travel Budget.
 - a) specialists requested to testify at a government hearing
- 10) individuals in extraordinary situations when approved in advance by an officer and reported to the Board of Governors at their next meeting.

9. How the NSS Accounting System Records A Transaction 3/98

The two most common methods of recording transactions are Acash≡ and Aaccrual≡ accounting. Cash accounting records transactions only when cash (or a cash equivalent such as a check) is actually received or disbursed. AAccrual≡ accounting records transactions when they actually happen (when we deliver or receive a product or service) regardless of whether cash actually changes hands at that time. The NSS records some of its financial transactions on a cash basis and others on an accrual basis.

- o Membership dues are recorded on a strictly cash basis. Members are under no obligation to renew their membership and in the past it was difficult to track our liability to provide

a member specific publications beyond those published during the term of his membership.

- o Donations are recorded on a cash basis. Even for those who may pledge a future donation, we account for the donation not when it's pledged, but only when it is received.
- o Interest and miscellaneous income are recorded on a cash basis when received.
- o Bookstore sales income is recorded on an accrual basis. Much of our wholesale book sales are done on credit and our Accounts receivable is normally \$10,000-20,000 at any given time.
- o Bookstore cost of goods sold (COGS) and related expenses are computed on an accrual basis. When we buy items on credit we track the transaction in Accounts payable until we pay the bill. We record the cost of goods sold only once a quarter because our accounting depends on our physical count of inventory.
- o NSS Office staff expenses are recorded on an accrual basis. However we do not accrue the fact that we are paying salaries several weeks after they are earned. For example a paycheck issued on January 2nd is recorded as a January payment even though it may cover days worked within December. We accrue the liabilities for tax withholding in paying salaries. We do not accrue a bonus based on the sales of the previous fiscal year since it would be difficult to accrue the bonus though out the year since currently it is on a sliding scale. We do not accrue the liability that comes from an employee's accumulated vacation time. Our contribution to employee's pension contribution is also not accrued even though it is paid in May based on the salary received the previous fiscal year.
- o Advertising income is recorded strictly on an accrual basis. Most of it is pre-paid.
- o Committee expense are recorded on a cash basis, but we recognize that the committee chairs accumulate a lot of reimbursement liability before they get around to requesting reimbursement or deciding to donate their expenses.
- o Convention and NCRC national rescue seminar income & expenses are currently recorded on a cash basis by the convention and the NCRC. But we record them on an accrual basis in our corporate books (and our Federal Income tax Form 990) based upon when the event was held. For example in our FY96/97 federal tax return, the out-year conventions (1997, 1998, 1999) have their accumulated income and expenses written down as pre-paid income and pre-paid expenses. Only the convention that was actually held within the tax year (in this case 1996) had its income and expense included in our tax return after adjusting for the cumulative pre-paid income and pre-paid expense included in earlier years' returns. As we integrate conventions and NCRC seminars into our accounting system and unify our corporate accounting, we're going to have to start recording their transactions on an accrual basis.
- o Periodical and Non-Periodical NSS publication expenses are recorded on an accrual basis. For example we recorded the entire cost of publishing On Rope when it was published

even though we may have given the authors cash advances in prior fiscal years. However, the back issues of the NSS News, Journal of Cave and Karst Studies (Journal), and the Convention guidebooks are expensed at the time of printing so their accrual basis is zero.

- o Transfers to restricted funds are accrued on a quarterly basis.

10. How the NSS Accounting System Calculates the Acost of goods sold≅ 3/98

The NSS calculates the ACost of Goods≅ (COGS) using the Aaverage cost method≅. The COGS for a particular item is calculated by dividing the sum of all costs incurred to acquire our inventory by how many of the item is in our inventory. Each time we sell an item, the COGS is the average cost of that item in our inventory. This accounting is done separately for each inventory item then aggregated by sales category. We record COGS once each quarter based upon a physical inventory of each item. When calculating the COGS for books we publish ourselves we include all of the costs we incur to make the book available for sale. These include all of the Aadvances≅ required to produce the book plus the cost to print and ship it to the NSS bookstore. We separately account for any recurring royalty fees associated with the book, but consider them when setting the book=s retail price and display them along with the book=s COGS in our fiscal reports.

11. How the NSS Accounting System Records Aadvances≅ 3/98

An "advance" - whether it's a publishing advance to produce Cave Mineral of the World, a postal advance for mailing the News, or money advanced to the Convention for their start-up expenses, is an 'asset', just like cash in our bank or book value in our inventory. When we pay an advance, the check is recorded as a credit on the bank account and a debit on the advance account. Transferring money between two assets does not change the other side of the equation - liabilities plus fund balances. And if it doesn't affect our current fund balance, it is neither income or nor an expense.

12. NSS Account Reconciler 8/99

The NSS Secretary-Treasurer is responsible under BOG Act 15-509 for appointing individuals to reconcile each NSS bank account. A reconciler is an individual who does not have signature authority for the account. Their responsibilities include:

- 1) Review the bank statements for a NSS bank account and the checks issued against it for items that:
 - a) appear to be unusual
 - b) may not comply with Standard Accounting Principles
 - c) may not comply with NSS policies
- 2) Try to balance the bank=s periodic account statements to the monthly fiscal report provided by the person managing the bank account (person with primary signature

authority).

- 3) Ask the person managing the bank account questions in an attempt to resolve any apparent issues. Review the individual receipts and requests for reimbursement behind a questionable transaction in those rare cases when we must get down to that level of detail to resolve whether the transaction was appropriate.
- 4) Report any discrepancies to the NSS Secretary-Treasurer.

Their responsibilities may also include identifying transactions that have not have been attributed to the correct NSS Chart of Accounts item. This will be done in those situations where it is critical that the allocation is correct; for example when the transaction has tax implications.

13. NSS Fiscal Policies 10-99

The NSS Office Manager is responsible for:

1. Receiving NSS revenue, posting it in the NSS accounting system and depositing it in the bank.
2. Paying NSS bills when authorized by the S-T & responsible officer.
3. Maintaining the audit trail for all revenue received and expenses paid.
4. Entering all fiscal transactions in the NSS accounting system.
5. Reconciling accounting & bank records not less than once each month.
6. Preparing fiscal reports defined by S-T.
7. Soliciting SSNs (IRS form W-9) from individuals to whom we pay royalties or more than \$600 in a calendar year for services and distribute IRS form 1099 to them each January.
8. Storing business documents in the NSS bank safety deposit box and maintaining a list of its contents.
9. Taking inventory of the NSS bookstore stock.
10. Maintaining on-line access to NSS accounting records for S-T and designated agents.
11. Providing electronic copies of NSS accounting data to S-T and designated agents.
12. Training NSS office staff to perform financial tasks.
13. Supervising NSS office staff as they perform financial tasks.
14. Developing and maintaining descriptions of NSS office financial policies and processes.
15. Scheduling work loads so as to have time available during peak periods of financial activity.

NSS Bank Accounts:

1. No NSS bank account can be opened without the approval of the NSS Secretary-Treasurer. A NSS bank account is a bank account that uses the NSS Federal Tax Identification Number (FIN) or contains NSS funds. Bank accounts containing NSS funds must use the NSS FIN.
2. The NSS President and NSS Secretary-Treasurer must be signatories on

all NSS bank accounts. Other signatories (for example, a NSS convention or NCRC regional treasurer) may be approved by the NSS Secretary-Treasurer.

3. Banks must be instructed to send the original of their periodic statements for NSS bank accounts to the NSS office (2813 Cave Avenue, Huntsville AL 35810-4431). The NSS office will quickly send copies of these statements to the person managing the account and others (independent account reconcilers, NSS convention treasurer, NCRC Financial Officer, NCRC Regional Coordinator, etc) designated by the NSS Secretary-Treasurer.

4. Persons managing NSS bank accounts must provide a periodic statement of account activity to the person designated by the NSS Secretary-Treasurer to independently reconcile the account. The independent reconciler will compare the activity indicated in the bank statement with that reported by the account manager. If the reconciler has questions, the person managing the account should respond. The independent reconciler will report their findings to the NSS Secretary-Treasurer (inter alios).

(THIS SECTION INTENTIONALLY BLANK)

Purchase Orders for NSS Publications:

1. A purchase order (PO) will be used by NSS publication editors when ordering products or services from a vendor.

A PO is not required for miscellaneous purchases if the publication editor directly

pays the vendor and then provides a detailed list of expenses with a request for reimbursement.

Only our printer & the NSS office will work with the mailer since the printer knows the weight of the publication & the NSS office knows the mailing quantities. The NSS Office Manager is responsible for determining if the mailer's invoice is fair.

2. The editors shall number each of their purchase orders with a unique, sequential number starting with 00001 as PO numbers are used.

For example:

NEWS-00023 Printing the May 1999 NSS News issue

JCKS-00005 Editor honorarium for the January 1999 *JOURNAL* issue

ACA-00003 Domestic postage for the ACA issue published in December 1999

MM-00002 Shipping the July 1999 NSS Member Manual to the NSS office

SD-00004 Printing the 1996 Speleo Digest

A PO number will not be duplicated or skipped.

3. A sample purchase order is provided. However publication editors may design their own purchase order forms as long as it contains the following information:

! The name of the NSS publication.

! Which issue(s) of the NSS publication benefits from PO.

! The name of the person placing the order and the date the order is issued.

! Space to fill in the purchase order number.

! Space to fill in the name of the vendor to supply the product(s) or service(s).

! An area of blank columns and rows in which to describe:

- what products/services (layout, printing, shipping, etc) were ordered.

- a price (or an amount not-to-exceed) for each product/service ordered.

- what NSS budget account (COA) is to be charged for each

product/service ordered.

! A space for the total price (or an amount not-to-exceed) for all items ordered under the PO.

! A note to the vendor providing the product or service to:

- contact (your name, phone number, fax number, email address, etc) in event they have questions concerning what it ordered - include the purchase order number on their invoice when requesting payment .

- send their invoice for payment to the National Speleological Society, 2813 Cave Avenue, Huntsville, AL 35810-4431. Refer questions on payment to Tel: (256) 852-1300, Fax: (256) 851-9241, E-mail: nss@caves.org.

4. The editor will tell their vendor to reference the purchase order on their invoice sent to the NSS office for payment.

5. An electronic copy of each Purchase Order will be provided to the NSS office, the NSS officer in charge, and the NSS Chief Accounting Officer. The editor shall retain a copy for reference.
6. The NSS office will not pay an NSS publication bill without matching it to a purchase order provided by the NSS publication editor. The NSS office will not pay any bill over the amount authorized in the purchase order without further direction from the editor or officer in charge.
7. The NSS office will file a copy of each purchase order with others for that publication, in numerical order. Electronic POs will be printed and filed with a printed copy of the invoice.
8. The NSS office will record the transaction in the NSS accounting system, including the purchase order number, products/services, publication issue, and price paid. The cost of each product/service will be charged against the proper line in the NSS chart of accounts.
9. The NSS office will report the expenses paid for each NSS publication to the editors, NSS officer and the Treasurer at least once each month.
10. The authority and responsibilities of the respective NSS officers remain as specified in the BOG Acts contained in Sections 15 and 16 of the Board of Governors Manual. The NSS office will electronically notify the responsible NSS officer and the Secretary-Treasurer if a request for payment appears to be improper.

14. Policy for Defraying EC Travel Expenses 10-99

This policy describes how Board [Act 16-439](#) will be interpreted by the Executive Committee (EC).

OVERALL PHILOSOPHY

Meetings between the officers are necessary for the efficient operation of the NSS. The Board of Governors, through [Act 16-439](#), recognizes that need and provides for reimbursement of expenses associated with such meetings. The Executive Committee will prudently manage the EC Travel Budget in a manner that permits the efficient conducting of business under reasonable working conditions and in a manner that is both professional and modest.

Transportation

For cost reimbursement purposes, the mode of transportation to and from Executive Committee meetings is commercial air transportation. Expenses for transportation will be reimbursed as follows:

1. The actual cost of the airline ticket including parking for the individual's car while at the EC meeting, or
2. Mileage at the prevailing IRS approved rates, up to the prevailing airfare from the officers home city to the meeting but not higher than the actual expense. The officer will be responsible for supplying the prevailing airfare to the Secretary-Treasurer when seeking reimbursement, or
3. The actual cost of other modes of transportation (train, bus, etc.) up to the

prevailing amount of airfare using the same method described in 2.

Lodging and Food

Lodging and Food costs are not included as a reimbursement expense unless a travel package is used where the inclusion of lodging and food represents a financial benefit to the NSS.

Incidentals

Incidentals such as (but not limited to) phone calls, hygiene articles, etc. are not reimbursement expenses.

Car Rentals

Car rentals are reimbursed. It is expected that officers will car pool when feasible.

Trades

If an officer uses frequent flyer awards (or similar devices); reimbursement will be made for the value of the award or the prevailing cost of the flight, whichever is less. If an officer uses discount coupons to reduce fares the officer is to be congratulated but not reimbursed. Upgrades to higher travel classes are not reimbursable.

Guests

From time to time, an officer may ask the President to invite members of the officer's committees to attend EC meetings. Such invitations should be necessary for the conducting of NSS business. Notwithstanding the provision of [Act 03-141](#), the officer may provide those committee members with reimbursement in accordance with the provisions outlined above from his department budget. Under no circumstances are family members who may attend EC meetings to be reimbursed for expenses, even if the family member attends as a committee member.

Sites

1. The Executive Committee is free to select the meeting sites for EC meetings.
2. It is recognized and accepted that meetings may be held in areas recognized as tourist destinations. When such meetings are held, care must be taken to ensure the NSS does not incur higher expenses than might be incurred if the meeting were held in a location not recognized as a tourist destination. The rule should be one of relative equivalency...is the cost of a meeting at the site roughly equivalent to a meeting held in other areas?
3. While the officers may occasionally elect to meet in the home of an officer, there is no requirement that officers make their homes available for such meetings. The NSS will not reimburse an officer for his personal expenses associated with hosting a meeting in his home.

EMERGENCIES

Rarely, emergencies will happen. The 1996 EC Winter meeting in Huntsville is a

good example (all the EC were snowed-in at the office). In the event of emergencies, it is recognized the officer has family and professional obligations that must be satisfied and these may result in higher than normal travel costs. Reimbursement for items such as food, lodging, and incidental expenses may become acceptable during such a period. Upgrades to higher travel classes may be acceptable (if that is the only way to get seating on a flight). In the event of an emergency that interrupts travel, the officer shall maintain good expense records and seek the lowest cost means of resuming normal travel.

It is recognized that not every officer may experience an emergency at the same time. Connecting flights can be impacted by weather conditions and only one officer can be impacted.

When emergencies occur the President will move to amend the budget if necessary to cover expenses as a result of the emergency.

15. NSS Office Process for Receipts 3-00

1. Receipts by cash or checks

A. Membership dues, donations, and bookstore receipts are received by the office each day. Each transaction is recorded into NSSTrak by the secretary with the payment type and check or cashiercheck number (if applicable) entered in the payment information.

1. At NSSTrak Main Menu go to 3 - Cash Receipts (Process Renewals)

2. At Cash Receipts go to 1 - Process Daily Mail

3. Memberships are processed using either option 1, 2, or 3 by completing the appropriate NSSTrak Template for the selected option.

4. If bookstore orders are combined with membership dues or donations in a single check, the amount is recorded into ABook Sales Amt.≡, the book order is annotated Apaid with membership≡ and check number, and the order is placed in the bookstore tray for later processing (see section #3 - Bookstore receipts).

B. After all membership and donation transactions for the day are entered into NSSTrak, the secretary posts them to the membership records.

1. Post Transactions is #4

2. Post Donations is #5

C. The secretary adds the amount of checks and cash and fills out a deposit slip. The checks are stamped with the Adeposit only≡ stamp.

D. The secretary prints the Daily Audit report (#8) and checks the balance against the amount on the deposit slip. These two amounts should be the same.

E. The Secretary deletes the input records (#7). This clears out the file so that tomorrow=s transactions can be processed.

F. The Secretary prints the membership cards (#9). If the membership cards print correctly, then the secretary deletes the file(#10).

G. The Secretary prints the membership acknowledgment letters (#11 and #12).

H. The Secretary exports the Donation Data to Word (#14). Then (s)he prints the donation letters on NSS letterhead.

I. If one of the transactions is a Life memberships in the renewals, the secretary prints the life member letter, certificate and membership card.

J. The secretary files membership renewal notices by date.

K. The secretary then provides the daily audit report to the Operations Manager to enter into LedgerMaster.

1. From LedgerMaster Main Menu go to #5 - G/L - General Ledger
2. Then #3 - Checkbooks
3. Then #2 - Checkbook Transactions
4. Then #1 - Checkbook Transactions
5. Enter A10≅ in ACheckbook≅ Field
6. ATrans Type≅ = Deposit
7. In ATransaction Description≅ enter ANSSTrak Deposit≅ and total amount of deposit
8. Enter GL account numbers from Daily Audit report
9. The GL amounts will be negative.

L. The Operations Manager then files the daily audit report along with a copy of the deposit slip and the bank deposit confirmation receipt in a notebook.

M. The secretary provides the membership cards and letters to the Mailroom Clerk who then mails them. If there are life member cards, the mailroom clerk laminates the card. The new members are mailed a new members package which includes the convention discount coupon.

2. Receipts by credit cards

A. Membership renewals to be charged against a credit card are given to the Mailroom Clerk who processes the credit card charge through the credit card terminal. If the office receives a credit card transaction that includes a book order, the order is placed in the bookstore order tray for later processing (see section #3- Bookstore Receipts).

B. Each transaction is recorded into NSSTrak by the secretary with the payment type, batch number and reference number entered in the payment information.

1. At NSSTrak Main Menu go to 3 - Cash Receipts (Process Renewals)
2. At Cash Receipts go to 1 - Process Daily Mail
3. Memberships are processed using either option 1, 2 or 3 by completing the appropriate NSSTrak template for the selected options.

C. After all membership and donation transactions for the day are entered into NSSTrak, the secretary posts them to the membership records.

1. Post Transactions is #4
2. Post Donations is #5

D. The secretary prints the Daily Audit Report (#8) and compares this amount with the total on the credit card batch. The credit card batch may include membership dues, donations, book orders and A/V library charges. The book order amount must match that on the LedgerMaster Receipts report

(see section #3 - Bookstore Receipts).

- E. The Secretary deletes the input records (#7). This clears out the file so that tomorrow's transactions can be processed.
- F. The Secretary prints the membership cards (#9). If the membership cards print correctly, then the Secretary deletes the file(#10).
- G. The Secretary prints the membership acknowledgment letters(#11 and #12).
- H. The Secretary exports the Donation Data to Word (#14). Then (s)he prints the donation letters on NSS letterhead.
- I. If one of the transactions is a Life memberships in the renewals, the secretary prints the life member letter, certificate and membership card.
- J. The secretary provides the membership cards and letters to the Mailroom Clerk who then mails them. If there are life member cards, the mailroom clerk laminates the card. The new members are mailed a new members package which includes the convention discount coupon.
- K. The secretary files membership renewal notices (supporting data) by date.

L. The secretary then provides the Daily Audit report along with the LM Receipts report and A/V library receipts to the Operations Manager to enter into LedgerMaster.

- 1. From LedgerMaster Main Menu go to #5 - G/L - General Ledger
- 2. Then #3 - Checkbooks
- 3. Then #2 - Checkbook Transactions
- 4. Then #1 - Checkbook Transactions
- 5. Enter A01 in ACheckbook Field
- 6. ATrans Type = Deposit
- 7. In ATransaction Description enter ANSSTrak Deposit , AGB # and total amount of deposit
- 8. Enter GL account numbers from Daily Audit report
- 9. The GL amounts will be negative.

M. The Operations Manager then files the Daily Audit report and LM receipts report along with a credit card batch detailed report in a notebook.

3. Bookstore Receipts

A. The office staff enters orders into LedgerMaster.

- 1. From the Main Menu go to #1 - O/E - Order Entry
- 2. From Order Entry Menu go to # 2 - Orders

B. The office staff enters the customer number into LedgerMaster..

- 1. The office staff first attempts to locate the customer in the current database by one of the following processes:
 - a. Enter NSS Number in the ANSS field.
 - b. Enter the first two letters of the last name followed by 0 and their NSS number in the ABill To field.
 - c. Enter their first three letters of the last name followed by the NSS number in the ABill To.
 - d. Enter first two letters of last name and a * followed by F10 in the ABill to. Scroll down through the list.

- e. In the ABill To:≡, hit F10 to go into customer file and enter zip code and shift F1 to look at the customers in table form. Once the customer is found, put the cursor on the customer and shift F1.
- 2. If the customer is not in the current database:
 - a. Hit F10, this will go to Customer File
 - b. Fill out the Ledgermaster template
 - 1. Under salesperson enter Ac≡
 - 2. Under terms enter:
 - a. cash - if regular customer
 - b. net 30 - if they have been approved by OM
 - 1. Under Credit ceiling enter credit limit
 - 3. Under Tax, enter Ano≡ unless Alabama resident
- C. If the order is a company order with a Purchase Order, the office staff enters the purchase order number into field named ACust PO#≡.
- D. The office staff enters A10≡ in ACheckbooks≡ field if the customer is paying with a check, money order, or cash or if a company is purchasing the books with a purchase order. The office staff enters an 01 into the ACheckbooks≡ field if the customer is paying with a credit card.
- E. The office staff enter the shipping method into AVia≡. This can be found by hitting Control F10 and selecting the appropriate method. The ADate≡ under AVia≡ is the same as the current date.
- F. The office staff enters the item number and quantity into the template. If the item number is unknown:
 - 1. Look the number up in a bookstore catalog.
 - 2. In the Aitem≡ field, enter the first two letters of the item and A -≡ plus a A*≡ and hit control and F10 keys at the same time. The first two numbers of the item number are categorized in the following manner:
 - a. 01 = non-publications
 - b. 02 = symbolic items
 - c. 04 = non cost item such as convention items
 - d. 05 = SpeleoDigest
 - e. 06 = Other NSS Publications
 - f. 07 = NSS Publications
 - 3. In the Aitem≡ field, hit control F10 to bring up entire item list.
- G. The office invoice freight is determined by the postage scale for domestic orders and actual cost for foreign orders and wholesale orders.
- H. The office staff enters the method of payment under Amethod≡. The options can be found by hitting control F10.
- I. The office staff enters the amount of the money received under the Adeposit≡.
- J. The office staff hit F2 to save the order. This prompts the staff to enter the period and year. Then the staff hits F2 to save the order.
- K. Once the staff is finished entering the book orders, (s)he hit the escape key. This exits order entry and prints the picking ticket.
- L. After the picking ticket is printed, the staff goes back into Orders (#2). On each order, (s)he changes the APost≡ to Ayes≡ and hits F8 to modify the

order (to see the next order hit F3). Once all have been changed, (s)he hits the escape key. The staff member answers Ayes= to the question of A OK to Post orders to A/R?≡ and hit the F2 key. (*****note that once we have a bookstore assistant, I would like to change this process to where the orders are pulled by one person and checked by another person before proceeding to L*****)

M. Once the posting is done, Ledgermaster is at the main Menu. The Office staff goes to #3 A/R Accounts Receivable. Then #2 - Invoices. Then #3 - Post unposted invoices. The computer prompts Aglobal≡ and the staff member hits F2 to Apost and print invoices now≡. Then the staff member hits F2 again to print the invoices.

N. The staff member then attaches the original paperwork, the picking ticket, and the invoice together and puts them in the Mailroom Clerk=s In Box.

O. The Mailroom Clerk pulls the book order and packs it for shipping, On the picking ticket, (s)he marks the date it was shipped and the method of shipment. Most domestic packages are shipped via UPS which automatically insures them for \$100.00 plus provides a means of tracking packages.

Orders that are shipped via the US Postal service are recorded in a log book.

P. Payment for invoices can be made in a number of ways:

1. Credit cards - Charge cards are processed before shipping. The mailroom clerk attaches the yellow copy of the charge slip to the invoice and includes them in the package to be shipped. The top copy of the charge slip is attached to the picking ticket and put in the basket for charge slips.

2. Check or cash - After processing the order, the mailroom clerk places the picking ticket and the payment in the Ashipped≡ box on the Operation Manager=s desk. A copy of the invoice is including in the package to be shipped.

3. Invoice - The mailroom clerk places a copy of the invoice in with the package to be shipped. (S)he places the picking ticket and supporting documentation in the Ashipped≡ basket on the Operations Manager=s desk.

Q. The following morning, the Secretary runs the Audit Unposted Receipts Report.

1. From Main Menu go to # 3 A/R - Accounts Receivable
2. #3 - Receipts
3. #3 - Audit Unposted Receipts

R. The Secretary separates the invoices based on their payment method.

1. The credit card invoices are totaled up and their balance is compared to the balance on the Receipts report. The invoices are filed in a folder for the month.

2. The invoices that are paid for by check or cash are separated from their money. The money is added up and compared to the report. The Secretary then prepares a deposit slip and deposits the money. The invoices are filed in a folder for the month.
3. On the invoiced

invoices, the Operations Manager prints 2 additional copies of the invoice. (S)he mails a copy of the invoice(s) along with a pink return envelope to the customer. The other copy is attached to the picking ticket along with supporting documents. This copy is filed in the A/R file until it is paid.

4. Receipts for Accounts Receivable

A. The Operations Manager pulls the invoice and the supporting documents out of the A/R folder. The receipt of the money is recorded in LedgerMaster.

1. From the Main Menu enter #3 - A/R = Account Receivable
2. Then #3 Receipts
3. Then #1 Receipts
4. Follow the LedgerMaster Template.

a. AReceipt Type = Receipts.

b. To view the APayment Method, Hit Control F10.

c. Under AReceipt Reference, enter the check number.

5. Hit F2 to save the information

B. The check along the invoice and supporting documents are put in the Ashipped box on the Operations Manager's Desk.

C. These receipts will be included in the next day's Receipt Report and be deposited at that time.

5. Miscellaneous Receipts

The Operations Manager from time to time receives moneys that are not Bookstore or Membership receipts. These basic steps are followed to correctly enter them into LedgerMaster:

A. From LedgerMaster Main Menu go to #5 - G/L - General Ledger

B. Then #3 - Checkbooks

C. Then #2 - Checkbook Transactions

D. Then #1 - Checkbook Transactions

E. Enter Checkbook # in ACheckbook Field

1. In ACheckbook field, Hit Control F10 to view all checking account numbers

F. ATrans Type = Deposit

G. In ATransaction Description enter ANSSTrak Deposit and total amount of deposit

H. Enter GL account numbers

I. The GL amounts will be negative.

J. The Operations Manager makes a copy of the check(s) and files this along with the support documentation in the checking account notebook.

16. NSS Office Process for Expenses 3-00

1. NSS Office Expense

A. The Operations Manager enters the regular office bills into LedgerMaster

as a voucher.

1. At the LM Main Menu - #4 A/P - Accounts Payable
 2. #2 Vouchers
 3. #1 Vouchers
- B. To find the Vendor for the AVendor ID≡ field, enter the first 3 letters of the vendor=s name and a A*≡ then hit Control F10.
 - C. In the APeriod≡ field, enter the current period and year.
 - D. Enter the current date in the AExpense Date≡.
 - E. In the AVendor Ref:≡, enter the invoice number or account number. This number will appear on the check.
 - F. Enter the checkbook number in ACheckbook≡. The default is checkbook 10. To look up the checkbook numbers, clear the field by hitting F6, then hit control F10.
 - G. Finish filling out the LedgerMaster template.
 - H. Hit F2 to save the voucher.
 - I. Escape out of the Vouchers.
 - J. Run #2 - Audit Unposted Vouchers and check vouchers against bills
 - K. Run #3 - Post Unposted Vouchers. This will print invoices for each voucher.
 - L. Hit the escape key to go to the Accounts Payable Module Menu
 - M. Go to #3 - Payments
 - N. Go to #4 - Preview Vouchers Selected to Pay
 - O. Check the vouchers to pay against the bills to pay
 - P. Go to #5 - Audit, Print, & Post Checks and follow template directions
 - Q. After printing the checks, attach all documentation to the invoice. Attach the invoices to all the reports and paperwork the computer generates and file in the folder for that month.

2. Inventory Purchase Order

- A. From Main Menu, go to #2 I/C - Inventory Control
- B. Go to #1 - Purchasing
- C. Go to #1 - Purchase Orders
- D. To find the Vendor for the AVendor≡ field, enter the first 3 letters of the vendor=s name and a A*≡ then hit Control F10.
- E. Fill out the LedgerMaster template
- F. If the Vendor requires prepayment prior to shipment, enter the amount of Purchase order in APO Deposit≡ field then enter checkbook that the check will be written on. (Do Step G and then skip to step J (once the merchandise arrives, follow step H through J))
- G. Hit F2 to save Purchase order and hit the escape key to exit and print PO.
- H. When the merchandise arrives, count the items. Go into #4 - Receive Purchase Order Items. Follow the LedgerMaster template steps.
- I. When the invoice arrives, go to #5- Post Purchase Orders. Adjust the cost of goods if needed. Fill in the template. When this post, it creates a voucher.
- J. Go to Vouchers Menu and run #2 - Audit Unposted Vouchers. Then run

#3 - Post Unposted Vouchers.

K. Go to #1 - Vouchers and page down to Page 4. In the AOK to Pay≅ field, change it to Ayes≅. F2 to save it.

L. Hit the escape key to go to the Accounts Payable Module Menu

M. Go to #3 - Payments

N. Go to #4 - Preview Vouchers Selected to Pay

O. Check the vouchers to pay against the bills to pay

P. Go to #5 - Audit, Print, & Post Checks and follow template directions

Q. After printing the checks, attach all documentation to the invoice. Attach the invoices to all the reports and paperwork the computer generates and file in the folder for that month.

3. Publication Purchase Orders

A. Match the purchase orders up with the bill.

B. Contact editor if there is a major difference in the PO and the bill.

C. The Operations Manager enters the bills into LedgerMaster as a voucher.

1. At the LM Main Menu - #4 A/P - Accounts Payable

2. #2 Vouchers

3. #1 Vouchers

D. To find the Vendor for the AVendor ID≅ field, enter the first 3 letters of the vendor=s name and a A*≅ then hit Control F10.

E. In the APeriod≅ field, enter the current period and year.

F. Enter the current date in the AExpense Date≅.

G. In the AVendor Ref:≅, enter the invoice number or account number. This number will appear on the check.

H. Enter the checkbook number in ACheckbook≅. The default is checkbook 10. To look up the checkbook numbers, clear the field by hitting F6, then hit control F10.

I. Finish filling out the LedgerMaster template.

J. Hit F2 to save the voucher.

K. Escape out of the Vouchers.

L. Run #2 - Audit Unposted Vouchers and check vouchers against bills

M. Run #3 - Post Unposted Vouchers. This will print invoices for each voucher.

N. Hit the escape key to go to the Accounts Payable Module Menu

O. Go to #3 - Payments

P. Go to #4 - Preview Vouchers Selected to Pay

Q. Check the vouchers to pay against the bills to pay

R. Go to #5 - Audit, Print, & Post Checks and follow template directions

S. After printing the checks, attach all documentation to the invoice. Attach the invoices to all the reports and paperwork the computer generates and file in the folder for that month.

4. Committee Request for Reimbursement

A. Committee members submit their written request for reimbursement to

the Operations Manager.

B. The Operations Manager forward the request to the appropriate VP for permission to pay.

C. The Operations Manager enters the bills into LedgerMaster as a voucher.

1. At the LM Main Menu - #4 A/P - Accounts Payable

2. #2 Vouchers

3. #1 Vouchers

D. To find the Vendor for the AVendor ID≡ field, enter the first 3 letters of the vendor=s name and a A*≡ then hit Control F10. E. In the APeriod≡ field, enter the current period and year.

F. Enter the current date in the AExpense Date≡.

G. In the AVendor Ref:≡, enter the invoice number or account number. This number will appear on the check.

H. Enter the checkbook number in ACheckbook≡. The default is checkbook 10. To look up the checkbook numbers, clear the field by hitting F6, then hit control F10.

I. Finish filling out the LedgerMaster template.

J. Hit F2 to save the voucher.

K. Escape out of the Vouchers.

L. Run #2 - Audit Unposted Vouchers and check vouchers against bills

M. Run #3 - Post Unposted Vouchers. This will print invoices for each voucher.

N. Hit the escape key to go to the Accounts Payable Module Menu

O. Go to #3 - Payments

P. Go to #4 - Preview Vouchers Selected to Pay

Q. Check the vouchers to pay against the bills to pay

R. Go to #5 - Audit, Print, & Post Checks and follow template directions

S. After printing the checks, attach all documentation to the invoice.

Attach the invoices to all the reports and paperwork the computer generates and file in the folder for that month.

17. NSS Restricted and Trust Funds 3-00

This section deleted and replaced by **Section 19**.

18. NSS Convention Fiscal Policies 3-00

The following defines NSS convention fiscal policies. Through these policies we seek to preserve NSS assets, comply with state and federal laws, and assure complete and accurate

- accounting information. We use the accounting information to file federal Internal Revenue Service reports and allow a professional audit firm to certify that our accounting records conform to generally accepted accounting practices and properly state our finances.
- 1) The convention chairman and the convention treasurer (CT) are both responsible for NSS convention finances.
 - a) The CT is responsible for signing convention checks. The convention chairman, or his agent, is responsible for approving all convention expenses before payment.
 - b) Both are responsible so that two independent people are involved in each fiscal transaction; a standard practice to mitigate the risk of fraud, waste or abuse. The CT should not be related to the convention chairman.
 - 2) The CT is appointed by and reports directly to the Convention Chair.
 - a) The convention chair reports to the NSS Administrative Vice President (AVP).
 - b) The NSS Secretary-Treasurer (ST) is responsible for establishing financial process and reporting requirements for NSS conventions. Authority to handle NSS funds comes from the ST.
 - 3) A proposal to host a NSS convention must include draft financial projections showing major anticipated expenses and income.
 - a) Express the budget based upon the NSS convention chart of accounts.
 - b) Within one year after the Board of Governors accepts the convention proposal, the Convention Chairman must submit a complete convention budget to the NSS Executive Committee for approval. Upon EC approval the AVP will report the budget to the Board of Governors.
 - c) Both the AVP and convention chairman must approve subsequent revisions to the budget exceeding 5%.
 - d) A \$3,000.00 honorarium may be included in the convention budget and may be used in any way deemed appropriate by the convention chairman.
 - e) The Board of Governors must approve capital items costing more than \$500. The AVP may approve the procurement of capital items less than \$500.
 - 4) The CT will establish convention checking and savings accounts.
 - a) The account name will be in the form of A2001 NSS Convention.
 - b) The account must cite the NSS Federal Tax Identification Number (FIN).
 - c) The CT, NSS President and ST must be signatories on all NSS convention bank accounts. The convention chairman may be a signatory.
 - d) Banks must be instructed to send the original of their periodic statements to the NSS office (2813 Cave Avenue, Huntsville AL

- 35810-4431). The NSS office will quickly send copies of these statements to the CT and others (independent account reconcilers, etc) designated by the ST.
- 5) The ST will transfer \$2K to the convention bank account for startup expenses upon request. The \$2K should be considered a loan and not considered when calculating convention gross revenue.
 - 6) The convention chairman may sign contracts that implement a NSS convention (e.g. contracts for campground, sessions facility, banquet caterer) after AVP review.
 - 7) All checks and credit card payments for convention products and services must be payable to the NSS convention.
 - a) Provide receipts for all income.
 - b) Attribute income to the proper revenue account.
 - c) Regular deposits are necessary, particularly during the convention.
 - 8) The CT and his agents may accept Visa and MasterCard credit card payments before and during the convention using the NSS Office credit card account.
 - a) Upon request the NSS Office will provide the equipment and instructions for its use.
 - b) The CT and his agents must process the credit card payments they accept and provide the receipts to the NSS Office. The NSS Office will reimburse the convention for these credit card receipts less the processing fee charged by the NSS's bank.
 - 9) All convention payments must be made by check and backed by payment voucher or invoice.
 - a) No cash payments are permitted.
 - b) Instruct convention staff receiving goods to verify the order correctness, check for damage, count the items, and deliver packing slips and invoices to the CT.
 - c) Attribute payments to the proper expense account.
 - d) Obtain the Social Security Number (SSN) for those individuals which the convention pays more than \$600 for honorariums and services (using a W-9). These people do NOT include those who are simply reimbursed for the expenses they incurred in support of the convention. The NSS Office will report this income to the IRS and provide the individual an IRS 1099 form the following January.
 - e) Travel related expenses (e.g. travel, lodging, meals) incurred by the convention staff are not reimbursable except at the discretion of the convention chairman from the convention honorarium.
 - f) Checks written during the convention should have a "VOID after 90 days" stamped on them.
 - 10) T-shirts, hats, or other similar items may be provided free to convention workers.
 - 11) The tax exempt status of the Society should be used to avoid sales taxes where that is appropriate. The NSS tax identification number should be used where appropriate. Instruct convention vendors to collect and pay any state and local sales taxes directly.

- 12) After the convention the CT should immediately follow up on outstanding matters and strive to close the books within six months following the convention.
 - a) NSS membership dues received during convention should be forwarded to the NSS Office.
 - b) Convention bills should be paid quickly.
 - c) Bad checks and credit card problems should be resolved quickly.
 - d) Funds in excess of anticipated needs should be transferred to the NSS office as soon as possible.
 - e) Contact the AVP as to the disposition of convention supplies, materials, equipment, books, pins, badges, t-shirts, and any other items not sold. The Convention accounting shall show these items are transferred to the NSS at no cost. Shipping charges are to be paid out of convention funds.
 - f) When closing convention bank accounts transfer all funds to the NSS office.
 - g) The CT should retain all financial records for 4 years following the convention.
- 13) The CT will provide monthly fiscal reports beginning one year before convention. Provide quarterly reports before then.
 - a) Provide a statement of account transaction activity to the person designated by the ST to independently reconcile the account. The independent reconciler will compare the activity indicated in the bank statement with that reported by the CT. If the reconciler has questions, the CT should respond. The independent reconciler will report their findings to the ST (inter alios).
 - b) Provide a statement of revenues and expenses compared to budget using the NSS convention chart of accounts to both the NSS convention chairman and agents of the NSS ST.
 - c) Provide to the NSS Office before the end of the CY the SSN and amount paid for those individuals which the convention pays more than \$600 for honorariums and services. The NSS office will use this information to submit 1099s to the individuals by 1 February. Missing that deadline will draw us a penalty.
- 14) The CT=s final report is a valuable planning tool for future convention treasurers. It should include accurate financial reports, an analysis of issues encountered, statistics of the various types of registrations (i.e., early, on site, NSS member, non-member, children), revenue from sales and quantities sold, credit card payments, and other information as requested by the ST.
- 15) The ST will:
 - a) see that bank statements received by the NSS Office are copied and forwarded to the CT in a timely manner.
 - b) coordinate with the CT the transfer of funds to and from the NSS office. This includes the start up loan, credit card reimbursement, and final fund transfer.
 - c) handle Federal tax issues including the production and mailing of 1099-MISC forms, and the reporting of interest from savings

- accounts.
- d) define what financial reports are needed and on what schedule they are to be provided to the ST. The ST will monitor and review the reports.
- e) work with the CT in establishing a budget. This will include reasonableness, accuracy of expense and income figures, and general completeness.
- f) secure bonding for the CT.
- g) secure liability insurance for the convention. This will be paid for out of convention revenue.
- h) provide the CT with a Chart of Accounts (COA) to be used. The CT may add additional categories to the convention COA with ST approval based upon unique convention attributes and the need for consistent NSS convention accounting over the long term.
- i) instruct the NSS Office to supply the equipment and training to the CT for credit card processing when requested.
- j) the ST will arrange for the CT=s final report to be available to future convention treasurers.
- k) add to, modify, and/or delete items in this Policies and Procedures document when appropriate.

19. NSS Funds 05-01

- A) The Society must report our net assets as either unrestricted, temporarily restricted or permanently restricted assets to be in conformance with generally accepted accounting practices (FASB 117). The intent of segregating our funds into these categories is to provide prospective donors, lenders, or suppliers information they can use to determine the extent to which we can use our net assets as a source of cash for payments to creditors or provide particular types of services.

The following defines these terms as they relate to the accounting for NSS funds.

- 1) Permanently restricted B Restricted by donors or by contract. The principal of the fund is retained forever in the restricted fund. The earnings of the fund are temporarily restricted and may be spent for the purposes of the fund.
- 2) Temporary restricted - Restricted by donors or by contract. Both the earnings and the principal of the fund may be spent for the purposes of the fund. Also applied to restrictions with a time limit.
- 3) Designated - Unrestricted, but designated by Board for specific purposes. Restricted only by a Board Act which may be changed by a subsequent Board Act. Both the earnings and the principal of the fund may be spent for the purposes of the fund.

Where donor-restricted funds have been commingled with Board-directed transfers from Society unrestricted funds, the fund has been labelled restricted.

The following describes which NSS restricted funds are designated, temporarily restricted or permanently restricted assets.

NSS Trust Funds (NSF) :

Life Membership Fund - permanently restricted by contract with NSF (Board Act 18-137)

Stone Research Fund - permanently restricted by donors & contract with NSF (Board Act 18-138)

Awards Fund - permanently restricted by donors & contract with NSF (Board Act 18-148)

NSS Headquarters Fund - temporarily restricted by contract with NSF

NSS Library/Museum Building Fund - temporarily restricted by donors & contract with NSF (Board Act 18-623)

Cave Preserve Fund - permanently restricted by donors & contract with NSF (Board Act 18-367)

Vandalism Deterrence Fund - temporarily restricted by donors & contract with NSF (Board Act 18-411)

International Fund - permanently restricted by contract with NSF

NSS News Photographic Fund - permanently restricted by donors & contract with NSF

Stephenson Fund - temporarily restricted by donors & contract with NSF

Sara Corrie Fund - permanently restricted by donors & contract with NSF (Board Act 18-482)

Endowment Fund - temporarily restricted by donors & contract with NSF (Board Act June 00)

Publications Fund - temporarily restricted by contract with NSF

Litigation to Protect Caves Fund - temporarily restricted by donors & contract with NSF (Board Act 18-656)

NSS Restricted Funds:

Audio-Visual Fund - designated (unrestricted, but designated by Board Act 18-524 for specific purposes)

Building Repair Fund - designated (unrestricted, but designated by Board Act 18-270 for specific purposes)

Cave Acquisition Fund - temporarily restricted by donors (Board Act 18-367)

Cave Legal Defense Fund - temporarily restricted by donors (Board Act 18-501)

Cave Restoration Fund - temporarily restricted by donors (Board Act 18-639)

Contemporary Cave Use Study Fund - temporarily restricted by donors (Board Act 18-581)

Convention Surplus Fund - designated (unrestricted, but designated by Board Act 18-598 for specific purposes)
Cave Education Fund - temporarily restricted by donors (Board Act 18-629)
Caves and Karst Education Program Fund - permanently restricted by contract with Mammoth Cave National Park (Board Act November 00)
Fine Arts Salon Fund - temporarily restricted by donors (Board Act 18-642)
Gage Caverns Fund - temporarily restricted by donors (Board Act 18-527)
Guide to Responsible Caving Fund - temporarily restricted by donors (Board Act 18-638)
International Exploration Fund - temporarily restricted by donors (Board Act 18-454)
John Guilday Cave Fund - temporarily restricted by donors (Board Act 18-528)
Junior Speleological Society Fund - temporarily restricted by donors (Board Act November 00)
Journal Restricted Fund - designated (unrestricted, but designated by Board Act 18-605 for specific purposes)
Landowner Assistance Fund - temporarily restricted by donors (Board Act 18-655)
Library Fund - temporarily restricted by donors (Board Act 18-525)
Mammoth Cave Restoration Project Fund - permanently restricted by contract with Mammoth Cave National Park (Board Act November 00)
Membership Committee Fund - temporarily restricted by donors (Board Act 18-640)
Museum Fund - temporarily restricted by donors (Board Act 18-526)
NCRC Operations Fund - designated (unrestricted, but designated by Board Act June 00)
NCRC Insurance Fund - designated (unrestricted, but designated by Board Act June 00)
NCRC Curriculum Fund - designated (unrestricted, but designated by Board Act June 00)
NCRC Certificate Fund - designated (unrestricted, but designated by Board Act June 00)
NCRC Equipment Fund - designated (unrestricted, but designated by Board Act June 00)
News Restricted Fund - designated (unrestricted, but designated by Board Act 18-604 for specific purposes)
Operating Surplus Fund - designated (unrestricted, but designated by Board Act November 00 for specific purposes)
Office Equipment Fund - designated (unrestricted, but designated by Board Act 18-270 for specific purposes)
Peter Gomez Fund - temporarily restricted by donors
Salon Fund - designated (unrestricted, but designated by Board Act 18-530)
Save the Caves Fund - temporarily restricted by donors (Board Act 18-367)
Schoharie Fieldhouse Fund - temporarily restricted by donors (Board Act 18-519)
Springs Hill Cave Fund - temporarily restricted by donors (Board Act 18-649)

20. Procedures for Mammoth Cave Restoration Committee (MCRC) Reimbursements 05-01

Reimbursement checks.

After each field camp, Camp Director sends forms from each participant. He usually sends preaddressed envelopes also.

Enter data from forms to spreadsheet B Mc_field_camps.xls. Mileage is calculated at \$.31 per mile, up to a maximum of 750 miles or \$232.50. Public transport (bus, train, plane) is reimbursed up to the maximum of \$232.50 with a copy of receipt. Bunk house nights are \$4.00 per person/per night, payable to MCNP. Camping and motel nights are \$4.00 per person/per night, payable to person. Food is reimbursed at \$20/per day for weekend camps and \$10 per day for weeklong camps. Food reimbursement applies only to days volunteer works. Max of \$50 for weeklong and \$20 for weekend.

Check all names for NSS numbers. Send membership pamphlet to non-NSS members.

Make copies of voucher sheets, with repetitive information filled in on original B description, date, ref. Fill in one voucher sheet per participant (from spreadsheet data). After vouchers are filled in and checks are written, copy vouchers and send copies to NSS office.

Write up cover letter, sign, and make copies with blanks to personalize for each participant's name and amount sent out. Fill in cover letter for each person.

Write checks as per vouchers, sign forms as paid. Send check and cover letter to participant.

Calculate (spreadsheet) amount owed to NPS for Maple Springs. Write voucher, cover letter and check (made out to Department of the Interior) and send to: Eunice Allen, Mammoth Cave National Park, PO Box 7, Mammoth Cave Kentucky 42259.

Put together copy of voucher, original form, and check stub. Staple and file.

Reports.

Update financial summaries for amount spent on camp.
Send report to S-Treasurer.

Send list of checks (copy of spreadsheet) to reconciler.

Write up report for BOG meeting as requested by AVP.

Write up annual report for NPS. Include net interest if over \$200.

Bank reconciliation.

NSS office sends copy of bank statement. Enter data in spreadsheet from bank statements. Send info to reconciler. Send voucher for interest/fees to NSS office.

21. Procedures for Accounting Associated with Withdrawal from NSS Cave Acquisition Fund 05-01

The following describes the series of financial actions and accounting entries associated with providing another organization a grant (assumed to be \$5000 for example) from the NSS Cave Acquisition Restricted Fund.

1. The NSS Operations Manager writes the \$5000 check and mails it out. This is recorded as a \$5000 debit to Chart Account 03-77202-35, Cave Acquisition Costs, in the AVP's Department expenses. (Entry of this as a check written on Colonial Bank credits the amount to the bank account balance, 03-10022-00.)
2. At the end of the month the NSS Operations Manager will send out the ER report listing the \$5000 check written in that month. The NSS Chief Accountant reviews the ER report and detects this is an expense to be reimbursed by a restricted fund.
3. The NSS Chief Accountant writes up a General Ledger voucher containing a \$5,000 credit to 03-42203-00 and a debit to 03-21003-00. The voucher form is faxed to the NSS Operations Manager to enter into Ledgermaster. The credit indicates a transfer of \$5000 from the Cave Acquisition Fund to the current year

operating income to balance the expense. This will show up on financial statements in the Fund Transfers portion of revenues.

The 03-21xxx-00 accounts are called the "Custodial Funds" accounts. This is where we record any donations received for restricted funds. Normally these accounts have a credit balance indicating that the Operating Fund owes the restricted fund a payment. In this case recording a \$5000 debit to the custodial funds account will swamp the donations received for the Cave Acquisition Fund that month indicating that the fund owes money to the Operating Fund.

4. At the end of the month (or quarter), the NSS Chief Accountant settles up the balances in the 03-21xxx-00. The NSS Chief Accountant sums up the amounts in 03-21001-00 thru 03-21030-00 (the current end of the list) and writes a net check. If the total of the credit balances exceeds the total of the debit balances, the NSS Chief Accountant writes a check from the SouthTrust account (an operating fund account which he has signature authority on) to the Vanguard Money Market account where restricted fund money is kept. If the 21xxx debits exceed the credits (which is likely in October due to the \$5000 expenditure), the check will go the other way, from the Vanguard account. The NSS Chief Accountant will mail the check to the NSS Operations Manager to deposit into Colonial.

Either way the NSS Chief Accountant ends up with two vouchers, one for the check and one for the deposit, to be sent to the NSS Operations Manager for Ledgermaster entry. The voucher for the Operating Fund account (either a check from SouthTrust or a deposit to Colonial) will have all 03- division entries on it. This will include a \$5,000 credit to 03-21003-00 to clear out the debit entry made in step 3, along with entries for all the other restricted funds covered by this transfer. The other voucher (either a check from Vanguard or a deposit to it) will have all division 02-entries. It will have all the same entries as the Operating Fund voucher, to all the same funds, just with all their signs changed, from credit to debit and vice versa. In this case the voucher will include a debit of \$5,000 to 02-79003-00, Cave Acquisition Fund Expenses. (If the net check also included donations to the Cave Acquisition

Fund, they would be recorded as a credit to 02-41303-00, Cave Acquisition Donations.)

5. At the end of the fiscal year, as part of the year-end closing procedures, the NSS Chief Accountant has to manually close each of the restricted funds because Ledgermaster doesn't understand fund accounting (DacEasy didn't understand it either, but the manual steps required for closing DacEasy were more trouble than those for closing Ledgermaster). This would include an entry for the Cave Acquisition Fund made up of:

credit 02-79003-00 \$5,000 to clear out the expenses
debit 02-41303-00 \$x,xxx to clear out the donations
debit 02-41403-00 \$y,yyy to clear out the income earned by the fund
credit 02-30203-00 (\$x,xxx + y,yyy - 5,000) to update the total amount in the fund

This completes the circle of accounting entries to ultimately indicate the expenditure of \$5,000 from the Cave Acquisition Fund for the grant..

Since there was a lot of verbiage in the above procedure, let us summarize this example as if there were no other restricted fund expenses or income.

1. Initial check written by the NSS Operations Manager
debit 03-77202-35 for \$5,000

3. G/L voucher from the NSS Chief Accountant
credit 03-42203-00 for \$5,000
debit 03-21003-00 for \$5,000

4. Check from Vanguard
debit 02-79003-00 for \$5,000
deposit into Colonial
credit 03-21003-00 for \$5,000

5. Year-end fund closing
credit 02-79003-00 for \$5,000
debit 02-30203-00 for \$5,000

If expenses such as this drain the Vanguard account sufficiently, the NSS Chief Accountant ask for funds from the NSF Holding Fund and replenish the Vanguard account. Conversely, if donations pile up in the Vanguard account, the NSS Chief

Accountant will write a check from it and send it to the NSF for deposit into the Holding Fund. These transactions are simply treated as transfers between two asset accounts, and do not involve any specific restricted funds (which are pooled together in the Vanguard and Holding Fund accounts).

22. Sale of NSS Fine Arts Salon Items 05-01

The NSS Fine Arts Salon may sell their art, T-shirts and other items on a continuing basis in a manner that they choose with the proceeds allocated to the NSS Fine Arts Salon restricted fund. If they reach agreement with the NSS Bookstore to sell them on their behalf, fine. If not, that is also fine.

23. Reimbursement of Allowable Travel Expenses Using Personal Car 05-01

If the reimbursement of travel expenses is allowed the costs associated with using one's personal car shall be reimbursed at the most current mileage rate allowed by IRS for deductions for charitable deductions provided it does not exceed the cost of reasonable alternative transportation.

This policy does not apply where the rate of reimbursement is set by contract between the NSS and another organization funding the cost.

24. NSS Chart of Accounts 05-01

Annual Surplus/Loss

COAs 30501 thru 30518 to provide historical data regarding each year's surplus or loss. The 30501 COA is the accumulated surplus from the startup of the NSS up to the 90-91 fiscal year (the first year that Bill Stringfellow computerized the accounting). Starting with FY 90-91, each year we created a new COA and put that year's

surplus (or deficit) in it. If the number is positive, we ran a surplus that year. If the number is negative, we lost money that year. Serves no purpose in the accounting except to have a quick place to look for our supluses and losses and see what the trends are. The abbreviations are:

CF - Current Funds, i.e., the Operating Fund as opposed to the Restricted Funds.

S/L - Surplus or Loss (deficit)

FY - Fiscal Year

The length of the titles were probably determined by the number of characters allowed in DacEasy.

Custodial Funds

The 251xx COAs are Custodial Funds, i.e., money that we collect to pass on to other groups. We have only one CTF in the list, because only one CTF has had donations to it passed through our hands. If you would like to make donations to all the other CTFs, and send the money through the Office and we will add

COAs for

the other CTFs. (Actually we don't create a new COA for single donations, only if there

is likely to be a continuing series of donations for that group. For a one-time donation

we use COA 25199, Miscellaneous Custodial.)

A single large donation from a long-term Pittsburgh Grotto member to the Pittsburgh Foundation was responsible for the creation of COA 25111. Each year the income from that fund is sent to us from the Pittsburgh Foundation, and we send the money on to the Grotto for use in its publications. The grotto has to report back to us on how it was spent, and we in turn report to the Pittsburgh Foundation.

25. Department Personnel - Job Descriptions 07-01

Chief Accounting Manager

The Chief Accounting Manager monitors the accounting activity of the Society.

The NSS Operations Manager, NCRC treasurers, NSS convention treasurers, and other agents of the NSS Secretary-Treasurer pay most bills and do the initial accounting. The Chief Accounting Manager is responsible for integrating the accounting reports of the other agents into the overall financial reports of the Society. The Chief Accounting Manager also submits tax returns.

NSS Budget Support

This member of the NSS Finance Committee prepares the NSS Operating and

Capital Budgets based on priorities established by the entire Executive Committee, and cost estimates provided by individual officers.

NSS Audit Support

This member of the NSS Finance Committee advises the Treasurer on issues related to adapting the Society's accounting to meet Generally Accepted Accounting Practices and obtaining an independent professional audit.

Insurance Committee

The Insurance Committee provides advice and obtains insurance contracts for the Society.

Personal Property Committee

The chair of the Personal Property Committee maintains a data base that tracks personal property owned by the Society.

NSS Bank Account Reconcilers

NSS reconcilers review bank statements for NSS bank accounts and the checks issued against them. They compare bank account statements to fiscal reports provided by agents of the Treasurer with signature authority over the bank account.

NSS Convention Treasurers

NSS convention treasurers pay convention bills and maintain convention accounting records.

NSS Mammoth Cave Restoration Project Treasurer

The NSS Mammoth Cave Restoration Project Treasurer treasurer pays project bills and maintains project accounting records.

NSS Caves & Karst Education Project Treasurer

The NSS Caves & Karst Education Project Treasurer treasurer pays project bills and maintains project accounting records.

NCRC Financial Officer

The NCRC Financial Officer monitors accounting of the regional NCRC treasurers and the national NCRC Cave Rescue Seminar treasurer. She prepares NCRC budgets and fiscal reports based on input from the regional NCRC treasurers.

NSS News Ad Accountant

The NSS News Ad Accountant bills advertisers and maintains the advertising accounting records.

