

April 14th, 2013

CHINESE CULTURE CENTER

FINANCIAL MANAGEMENT POLICY AND PROCEDURE

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I. FINANCE COMMITTEE

Finance Committee shall be formed by the Board of Directors. The Treasurer of the Board will be the Chairperson of this committee and at least two other board directors shall be on the Committee appointed by the Board. The Finance Committee will be responsible for revising, publishing and administering this Financial Management Policy and Procedure.

The policies and procedures described in this document shall apply to all CCC related functions and activities, including the Connecticut Chinese Language Academy (CCLA), CCC's Chinese language education program. The Treasurer shall oversee all financial activities within CCC, including CCLA.

II. BUDEGT ACCOUNTABILITY FOR EXPENDITURES

The Chinese Culture Center's fiscal year shall be from July 1 to June 30 of the following year.

An annual budget of Chinese Culture Center, including Connecticut Chinese Language Academy (CCLA) - with any tuition and teachers' salary increases - as a specific category, shall be prepared by the Financial Committee when the new board is formed in March each year and approved by the Board no later than June each year.

Financial Report from School:

School annual budget shall be approved by board before the beginning of the school year. A budget vs. actual expenses report shall be reported to the board quarterly (consider as three quarters per year).

The expenditure of Chinese Culture Center should not exceed, without approval, total amount budgeted under the major expenses categories (see Attachment I).

The expenditure of specific items may exceed the amount listed on the budget as sub-categories under any of the above major categories, as long as the total does not exceed *10%* of the amount approved for the corresponding major expense category.

Approval to exceed the total budget in any of the major expense categories shall be sought from the Board of Directors at the Board meetings.

Any purchase of assets such as computers, copy machines, etc. and/or inventories, such as costumes, equipment, TV, DVD players, microphones, etc. should be part of the normal CCC budget process (or event budget process). Any of these items purchased and paid by CCC shall become CCC's assets and inventory; and a list will be maintained and updated annually by CCC (see Section IX).

Activities that are outside the budgeted expenditure will be dealt with on a case by case basis. For expenditure that is below \$200 (not for multiple similar items), CCC treasurer, president and CCLA principal (for school related matters only) have the authority to approve the request. For expenditure above \$200, the request will require review and approval by CCC board. The CCC treasurer has the responsibility to ensure that the aggregate amount of such expenditure should not exceed the total budgeted category amount. Such unbudgeted spending should be reported to the CCC board at each board meeting.

III. BUDEGT ACCOUNTABILITY FOR INCOME, DONATION AND GRANTS:

- A. When appropriate, the Board shall be authorized to establish restrictions on unrestricted donations that Chinese Culture Center may receive.
- B. Specifically designated Donations or Grants received by Chinese Culture Center that are not in budget of current year, may be spent, with Board approval for the purpose defined by the donor regardless the impact of the expenditures on the major expense categories outlined above.
- C. All designated income and expenditures shall be recorded for each income, grant or donation.

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- D. CCLA Tuitions and any fund donated specifically to CCLA shall be considered as specifically designated fund for the school's functions and activities, but subject to the same policies in this document.
- E. Chinese Culture Center will not pay for contributions to charitable, municipal or political organizations, and no board members are authorized to commit the organization to such contributions.

IV. HIRING TEMPORARY HELP AND OUTSIDE PROFESSIONAL

Besides hiring teachers for Connecticut Chinese Language Academy (CCLA), which will follow the rules set by the CCLA Officer Team, there are instances that Chinese Culture Center may need to hire temporary teachers/assistants for summer camp, summer camp directors, babysitters for CCC's functions/activities, and other temporary helps or outside professionals to support some of the activities and administration. In such instances, the Board will follow the principles and guidelines outlined below:

- A. Equal opportunities shall be given to all qualified candidates when hiring teachers and temporary helps through written posting/communication and/or Chinese Culture Center Website. Compensation standard for the currently engaged professionals will be established based on market going rate and given the not-for-profit event nature when hiring professionals to support Chinese Culture Center's events or activities.
- B. Expenses and Reimbursement Policy in Section VI will be followed for the out of pocket expenses related to these events and activities.
- C. Chinese Culture Center Board members are volunteers to serve this organization and community as stated in the original Certificate of Incorporation. Board Directors are not compensated for their time serving on the board and for the community. The exception of this policy is when Board members may be hired as temporary help for CCC events/programs such as Summer Camp and/or as CCLA teachers, as long as an open and equal opportunity process described in Section IV. A. above is followed.
- D. In all cases, however, the board shall avoid any potential conflict of interest issues that may be perceived by any member of Chinese Culture Center. A good example of such practice is that when two members of Chinese Culture Center or their relatives are qualified for one open position, the non-board member or his/her relative should be hired for the job. The guiding principle for all these policies is commensurate with the organization's non-for-profit status, its mission and the organization's goal to live up to and retain the public's trust.

V. GUIDELINE FOR FINANCIAL SUPPORT OF CULTURE ACTIVITIES

CCC shall continue to support CCC affiliated cultural and/or recreational groups that help promote Chinese cultures and other sports/recreational activities on behalf of CCC in the area, or directly participate in the events or activities organized and/or sponsored by CCC.

Specifically, whenever these groups perform or compete on behalf of CCC or at CCC organized events, CCC will provide promotion/communication support through its membership network and/or other means, as well as necessary monetary support within CCC's affordability and fairness to all similar groups. The financial support may include reimbursement of cost of costumes, team uniform (t-shirt), trophies, paying professionals who accompany the performances directly involved in the CCC's events or on behalf of CCC as approved by the CCC Board of Directors. A budget for such sponsorship will be established annually and approved by the CCC Board. The budgetary control and reimbursement process are subject to the same policies and procedures described in this document.

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VI. BUSINESS EXPENSES AND REIBURSEMENT:

Board members, CCLA's teachers and members of Chinese Culture Center may be required on occasions to participate in events, conference or trainings outside Chinese Culture Center. For these business related activities and out of pocket expenses, the Chinese Culture Center expense reimbursement policies and procedures are detailed below.

Reimbursement policies:

- A. Neither friends nor relatives may accompany the said individuals on business meals or trips without the prior written approval of the board, nor will the organization pay for their meals or trips.
- B. Reasonable expenses for functions beneficial to the organization held by other not-for-profit agencies such as the United Way must first be approved by the board of directors
- C. These policies are not all-inclusive. Board Directors should therefore make every effort to adhere to both the letter and the intent of the goals and policies stated or implied in the By-Law and the Certificate of Incorporation. Board Directors who have questions on any policy or procedure should bring forward their questions to the board for discussion.

VII. REIMBURSEMENT ALLOWARNCES:

To attend board approved business meetings, events or training that require travel well over and above reasonable distance Chinese Culture Center will reimburse individual member and hired professionals for the following expenses:

- A. CCC will reimburse 100% out of pocket expenses to support Chinese Culture Center functions and activities approved by the Board.
- B. For approved travel, the following allowance will be applied but with a cap at \$50 per day for all out of pocket expenses:
 1. 100% of individual costs for overnight lodgings
 2. 100% round-trip transportation to-and-from the meeting via the most economical and efficient means, the mode of transportation to be approved by the board of directors
 3. IRS published mileage rate will be applied if the said individuals use their own personal vehicle when travel distance exceeding **75 miles**. However, when two or more persons are traveling the same destination at the same time, Chinese Culture Center requires them to travel together, and each is responsible for reporting his/hr own expenses with only the person driving responsible for reporting auto-related expenses
- C. Expense Reports and Receipts

Using the Chinese Culture Center expense form, individuals requiring reimbursement will provide required information, attach all receipts, and submit expenses reports and receipts at the end of each month.

Expenses Reporting Forms:

The following forms for expense reimbursement are available from Chinese Culture Center:

1. Expenses Report (see Attachment II)
 2. Travel and Mileage Expense Form
- D. Expense Report needs to be approved and signed by CCC Treasurer, CCC President or designee, Principal of CCLA or designee.

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- E. Co-signature shall be required for all the reimbursement requests. For CCC activities, the signatures from the treasure and the president, for CCLA activities, either the signatures from the treasure or the president and the principle shall be required.**
- F. For work meal, all attendants' names shall be listed in the receipt.**
- G. The person who requests the reimbursement shall not sign the reimbursement form, and the signature from other authorized persons shall be required.**

VIII. CHECK SIGNING, FINANCIAL CONTROLS AND REPORTING

CCC has retained an outside bookkeeping service, Innovated Financial Service LLC (IFS), to help bookkeeping and financial reporting as of January 1, 2008.

IFS will,

1. On a bi-weekly basis, enter all accounting transactions for Chinese Cultural Center into its QuickBooks company file.
2. Set up new customers and vendors on an as needed basis.
3. On a bi-weekly basis, enter bills, expense reimbursements, prepare check runs, collate provided by CCC and send back to CCC for signature, and record deposits, and other transactions affecting the checking account.
4. Perform the bank reconciliation for the three checking accounts.
5. Prepare payroll for organization (teachers at Connecticut Chinese Language Academy) every 6 months and prepare quarterly returns, and year end W2
6. Prepare monthly reports TBD (Balance Sheet, Income Statement, Budget vs. Actual) for the CCC board meetings.
7. Enter adjusting journal entries as necessary supplied by the accounting firm, including depreciation.
8. Prepare 1099's and turn over the information to your accountant at year end
9. Maintain all CCC records confidentiality
10. Provide guidance and consultation as needed

All the expense documents will be reviewed by the Treasurer and forwarded to IFC. Once bookkeeping is completed, IFC will prepare checks (#3), the CCC Treasurer or President will sign off the checks.

The monthly report prepared by IFC will be available for the CCC Board to review. CCC Finance Committee shall provide financial report to the Board on quarterly basis and the report shall be published on the newsletter or CCC website to the members. Financial Reports shall include the detailed financial statement on any major activities/events that have total expenses exceeding \$3,000. An annual financial report with both balance sheet and income statement details shall be also provided once a year.

It is the responsibility of the President of Chinese Culture Center to make sure the Treasurer to annually file, prior to the due date, all required Federal and State tax return forms, including the Federal Form 990. The President shall document the filing to the Treasurer and Board of Directors. Prior to April 15 of each subsequent year, it is the responsibility of the Treasurer to verify that all appropriate forms have been filed for the previous year. The Board of Directors must approve any exceptions to this policy, in advance.

Accounting and financial records including operating statements and all supporting documentation must be maintained for seven years.

Beside the Treasurer, the President and CCLA principal will have signing authority to all CCC accounts as a backup to the Treasurer for any emergency situation whenever the Treasurer is not accessible or available. Any

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check writing for reimbursement or payment by the President must require the approval of the expense by the Principal or visa versa. The board must be informed whenever this emergency situation needs to occur. The president and Principal shall be added to the accounts when the new board is formed in March each year.

Addendum to Contract, Effective as of April 1, 2010

These additional fees will be charged for all hours spent on services that go beyond the terms of our current agreement and are to include:

- 11. Additional hours outside of our agreed upon contract hours that are spent on Bookkeeping Services will be billed at the rate of \$55/hr. This will include additional services such as; all phone calls and email responses concerning specific bookkeeping questions regarding billing & payments, invoicing that goes beyond monthly, unscheduled check runs & bill pay requests, generating payroll, and any other miscellaneous bookkeeping services performed.**
- 12. Additional Controller Services will be billed at the rate of \$95/hr. This will include additional services provided for; budgeting, cash flow projections, specialized additional reporting beyond regular monthly financials and specialized spreadsheets, management meetings, and controller related phone calls/email.**

IX. ASSET AND INVENTORY MANAGEMENT

The board shall maintain a list of inventory and assets (purchase value exceeds \$300) through IFS. The locations and name of individuals who are responsible for the inventory and assets need to maintain as well. The updated inventory list will be posted on the CCC Web.

Anyone outside the organization may borrow equipment belonging to CCC. A fee for such activities may apply.

X. REJECTION OF UNSOLICITED DONATIONS

- A. Should the Chinese Culture Center receive a donation, the acceptance of which the board feels would seriously harm the organization's reputation or standing in the community, the President will consult with the Board of Directors regarding the acceptance of the donation. The Board of Directors shall determine if the donation is to be accepted or rejected.
- B. Should the Chinese Culture Center receive, or be asked to solicit or accept, a restricted donation whose restrictions the Board of Directors feels are inappropriate to the mission, the service or the policies of the organization, or which might seriously jeopardize the organization's reputation or standing the community, the President will consult with the Board of Directors regarding acceptance of the donation. The Board of Directors shall determine if the donation is to be accepted or rejected.

XI. REQUEST FROM INDIVIDUAL OR GROUP TO USE THE CHINESE CULTURE CENTER'S NAME FOR FUND RAISING OR MARKETING PURPOSES:

It is not unusual for Chinese Culture Center to be approached by individuals or groups who wish to market legitimate product, service or event by using the name and endorsement of the Chinese Culture Center, in exchange for a percentage of proceeds to be donated to Chinese Culture Center for fair market value of its name. In such instances, the Board of Directors shall review any requests to use the organization's name, logo, endorsement, or resources to market a product, service or event. The decision to accept, or reject, such a proposal shall be made by the Board of Directors.

XII. FINANCIAL MANAGEMENT POLICY AND PROCEDURE COMMUNICAITON

All board members of Chinese Culture Center shall receive a copy of the organization's Financial Management Policy and Procedure, and shall verify, upon being elected and annually thereafter, in writing, that they have received, reviewed, and understand and will abide by the Financial Management Policy and Procedure of Chinese Culture Center. The Financial Management Policy and Procedure shall also be distributed to other CCLA officers and the members of Chinese Culture Center who have responsibilities of purchasing, event/program planning and administration, as well as non board member committee chairs and the leaders of the CCC affiliated groups as described in Section V. The distribution list shall be defined by the Board of Directors.

FINDOC08.DOC

Revision History		
Date	Change Description	Section
4/4/2004	Created	
1/6/2008	Modified and Approved by CCC Board	
5/30/2009	Modified and Approved by CCC Board	
10/9/2010	Revised with the updated check request form	
04/14/2013.	Added requesting CCLA budge vs. actual report quarterly and budget per year;	Section II
04/14/2013.	Added back co-signature requirement limit	Section VII, E
04/14/2013.	Added work meal attendants' name required	Section VII, F
04/14/2013.	Added the person who request the reimbursement shall not sign the form	Section VII, G

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ATTACHMENT I

Chinese Culture Center Budgetary Planning Categories
Chart of Accounts

Contact CCC Finance Committee for Accounts Chart.

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ATTACHMENT II

**Chinese Culture Center
Expense Report (Payment Requisition)**

Payment Due Date, if any:

Requested By: _____ **Request Date:** _____
Payee Phone: _____ **Check Payable To:** _____
Payee Address: _____

Date	Description	Code*	CCC / CCLA**	Amount
			Total	

* For CCLA expenses use the Code at the bottom of the form;
For CCC expenses, leave it blank. Will be filled by the Finance Committee
** Please select ONLY one, CCC for CCC expenses, CCLA for the school expenses.

Requester Signature: _____ **Date:** _____

Requester Email Address: _____

Approval: _____ **Date:** _____

CCC President or CCLA Principal

(Approver: Please print your name and sign above)

Make sure the form is complete with all required information and write/type legibly.
Provide a description of expense as precise as possible to assist the review and approval.

Have this expense request signed by CCC president for CCC expenses, by the Principal for CCLA expenses, and submit:

- this original signed form
- a copy of the signed form (will help expedite the process)
- along with original invoices/receipts, or a copy of original receipts (with original receipts submitted later), or both to one of the following contacts through physical delivery, email, fax or mail, based on the type of the related expenses:

CCLA: School Service Manager: Yetong Li or Amina Weiland Email: yetong.li@ccla-ct.org a.weiland@ccla-ct.org	CCC: Expense Manager: Ms. Xuemei Xu Email: mxz58@hotmail.com	Others: Ning Lin P.O. Box 116, East Glastonbury, CT 06025-9992 Email: Lin.glastonbury@gmail.com
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Make sure to keep a copy of the signed form and a copy of original receipts for your own record.
Inquiries should be directed via email to the contacts above.

Code for CCLA Expenses

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| • 6000.3
Education Supplies - Teacher | • 6000.5 Textbooks | • 6000.11 I can speak Chinese |
| • 6000.4
Education Supplies -Student | • 6000.6 Report Cards | • 6000.13 Teacher Training |
| | • 6000.7 Yearbooks | • 6000.14 Summer Camp |
| | • 6000.10 School Fair | • 6000.15 School Mid-Autumn Festival |
| | | • 6200.2 Conference, Convention, Meeting |