

BRADDOCK ROAD YOUTH CLUB
FINANCIAL POLICY

The purpose of the BRYC financial policy is to set forth specific financial operating procedures in support of BRYC objectives. This policy is in support of, and complementary to, the BRYC By-Laws. Nothing herein may be construed as superseding or overriding the duly approved By-Laws. Where conflicts arise, the By-Laws take precedence in every instance. This policy supersedes all other preceding statements of BRYC Financial Policy.

The financial policy is divided into six major sections:

- 1.0 Budgets
- 2.0 Fund Allocation
- 3.0 Sources of Revenues
- 4.0 Cash Management
- 5.0 Equipment and other Assets
- 6.0 Financial Report

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1.0 BUDGET

1.1 Policy: The Braddock Road Youth Club (BRYC) Board of Directors has a responsibility to the members to ensure that monies are expended in a good and proper manner. To that end, the Club and each sport or activity must operate from and within the constraints of a budget approved by the BRYC Board of Directors.

1.2 Development: Each Sport Commissioner and the BRYC Treasurer shall develop an annual budget based on the following guidelines:

1.2.1 Budget Year: The budget shall cover the period from January 1 to December 31 regardless of the sport's seasons.

1.2.2 Basis for Estimates: The Sport Commissioners and the BRYC Treasurer shall develop the budget using experience gained from previous seasons, expected participation, known financial requirements, anticipated sources of income, and anticipated expenses.

1.2.3 Carry Forward Balance: The budget shall include a carry forward balance from the previous budget year. The Sport Commissioners and the BRYC Treasurer shall estimate the carry forward balance based on the known balance at the time the budget is developed less a reasonable estimate of expenses yet to occur through the end of the previous budget year.

1.2.4 Positive Balance: The budget shall show a positive balance for the sport account at the end of the budget year. In addition, the budget shall either: a) show a neutral or positive balance for annual income less expenses; or b) include an explanation for the reason why the annual expenses exceed annual income.

1.2.5 Contingencies: The budget may include a contingency of up to 5% of gross anticipated income.

1.2.6 Format: The budget shall include the financial categories specified in section 6.1 (revenue) and 6.2 (expenses) and any additional categories or sub-categories as determined by the respective Sport Commissioner.

1.3 Reporting

1.3.1 Annual Budget Submission: Each Sport Commissioner shall present the annual budget for the sport to the BRYC President and Treasurer one month before the meeting at which the Sport Commissioner intends to present the budget to the BRYC Board of Directors for approval.

1.3.2 Annual Budget Presentation: Each Sport Commissioner and the BRYC Treasurer shall present the annual budget for the sport and Club to the BRYC Board of Directors for approval before January 31 of the year to which the budget pertains.

1.3.3 Previous Year Accounting: As part of the budget presentation, each Sport Commissioner and the BRYC Treasurer shall present an accounting of revenue and expenses for the previous year.

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- 1.3.4 Final Budget Report: Within 3 months after the end of the fiscal year, each Sport Commissioner and the BRYC Treasurer shall present to the BRYC Board of Directors a final financial report, which includes the original or amended budget, accounting of actual receipts and expenditures, and any amount remaining or in deficit.
- 1.3.5 Team Reporting: All BRYC teams that maintain individual financial accounts must provide a yearly reporting of all income and expenses to the Sport Commissioner for incorporation into the sport year-end report. Teams must also ensure that they collect W-9s from all individuals or non-corporate entities receiving payments (e.g., coaches, trainers) and report the amounts paid so that the club can issue 1099s at the end of the year, as required.

1.4 Revisions

- 1.4.1 Threshold: The BRYC Board of Directors shall be notified of expenditures that exceed the approved total budgeted expenditures of the sport by 5% or by \$500, whichever is greater.
- 1.4.2 Action: The Board of Directors will either approve or disapprove the expenditure as an amendment to the budget at the next scheduled Board meeting, or if such a meeting is not scheduled within 30 days of the request, by an email vote conducted by the President. In cases where time is of the essence, a Commissioner may request that such action be taken within 7 days of submission, and if no action is taken the expenditure will be considered approved subject to a budget review at the next scheduled Board meeting.

2.0 FUND ALLOCATION

In the interest of good financial management, all BRYC money will be allocated to, and accounted for, by specific accounts. In addition to an account for each sport, there are two special accounts, Administrative and Capital Improvement. The total of the sport accounts and the two special purpose accounts will equal the total BRYC funds.

2.1 Sport Accounts

- 2.1.1 Each current club-sponsored sport has an account that is maintained separately from all other sports or BRYC accounts.
- 2.1.2 Each sport account receives its income from registration fees (less refunds), net fund raising income, donations, and sport sponsorships at the sports program level.
- 2.1.3 Each Sport Commissioner manages the account for his/her sport.

2.2 Administrative (Admin) Account

- 2.2.1 The Admin Account is maintained for the purpose of defraying the costs of a newsletter, website, postage, stationery, printing, telephone, expenses associated with bookkeeping and the annual audit, attorney fees, insurance, and other administrative expenditures that are club-wide and for the benefit of all sports.

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2.2.2 The Admin Account receives its income from the administrative fee set forth in 3.1.2, interest from invested funds, and other miscellaneous income approved by the Board of Directors.

2.2.3 The BRYC Treasurer manages the Admin Account.

2.3 Capital Improvement Account

2.3.1 The Capital Improvement Account is maintained to supplement each sport's expenditures of its funds for the purchase, improvement, or addition to playing fields and facilities.

2.3.2 Expenditure of funds from the Capital Improvement Account must be approved by the Board of Directors prior to each allocation, in order to properly expend the funds.

2.3.3 A portion of the administrative fee shall be allocated to the Capital Improvement Account. (See section 3.1.2.) All other allocations to the Capital Improvement Account will be made by the Board of Directors.

2.3.4 The BRYC Treasurer manages the Capital Improvement Account.

2.4 Reporting: The Board shall provide a report to the Club Members at the annual meeting detailing all income and expenditures from the Admin and Capital Improvement Accounts. Where income and expenditures can be identified from/to one or more sports, those sports will be identified in this report.

3.0 SOURCES OF REVENUE

There are five basic sources of revenue within the Club: admin fees, investment income, registration fees, donations, and fund raising income. All revenue, from whatever source, received by BRYC for the general use of the Club or one of its sport programs is accounted for by the Club Treasurer, except for revenue at the team or similar level that is used for expenses not requiring Sport Commissioner approval.

3.1 Administrative Fees and Investment Income

3.1.1 These monies accrue from the administrative portion of the registration fee and from interest on Club savings/checking accounts.

3.1.2 The Board of Directors shall annually review and determine the amount of the administrative fee and the distribution of the fee between the Admin Account and the Capital Improvement Account to maintain a reasonable balance in both accounts.¹

3.1.3 Should the Board of Directors change the amount of the administrative fee, the Board must make this change no later than 60 days before the Sports Commissioners are required to submit their annual budgets for approval.

¹ For 2007, the administrative fee was \$10, with \$7 allocated to the Admin Account and \$3 allocated to the Capital Improvement Account

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3.1.4 Earned interest from the checking and savings accounts is placed in the Admin Account.

3.2 Registration Fees

3.2.1 Sport programs will assess registration fees to cover basic costs of a program (equipment, uniforms, etc.) as outlined in that program's budget (see Section 1.1), plus a small administrative fee (Section 3.1). The majority of funds raised for the purpose of supporting the sports and activities of BRYC will come from sport registrations/late registration fees.

3.2.2 Sport Commissioners will recommend registration fees and late registration fee for their sport, based on budget requirements. These fees must be approved by the BRYC Board of Directors as part of the individual sport's budget.

3.2.3 No sport shall charge a registration fee for the fourth child and subsequent children of any single family to register for that sport in a single season.

3.2.4 Sports Commissioners have the authority to waive all or part of an individual's registration fee.

3.2.5 Refunds: Individual sports shall have a written registration refund policy. Sport Commissioners will determine the amount of the refund, and must approve all refunds. The Admin Fee will not be refunded. The late fee will only be refunded to the extent the sport's policy provides for refunds and it is approved by the Sport Commissioner.

3.3 Fund Raising: Guidelines in this section have been developed to assure that those youth who wish to participate in a unique event are able to do so without using registration fees or funds designated for other teams or programs; to assure our community that these fund raising activities are BRYC coordinated and sanctioned; to protect BRYC and its members from unscrupulous or illegal fund raising promotions; and to assure that the tax exempt status of BRYC is not inadvertently jeopardized.

3.3.1 Purpose: A sport program or the Club may engage in a fund raising activity to supplement registration fees for covering the costs of a sports program, a particular aspect of a sport program, or a unique event. There are three types of revenues included in Fund Raising: Sponsorships, Donations, and Special Projects

3.3.2 Policy: Any fund raising activity shall be consistent with the guidelines outlined in this Section. Engaging in fund raising shall not be a prerequisite for BRYC membership. No team or program shall be expected to engage in fund raising to support another team or program. Funds earned will be for a use specific to the group conducting the activity. All fund raising will be tied to a particular goal, clearly understood by the participants, the sport program and the club.

3.3.3 Oversight: The BRYC Board of Directors shall provide oversight of all fund raising activities proposed by the Club, a sport program, component of a sport program, or sport team (sport program and team

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fund raising should be reviewed in conjunction with the appropriate Sport Commissioner.

- 3.3.3.1 Sport Program: Prior to commencement of a fund raising activity by a sport program, the Commissioner of the sport involved will submit a letter to the BRYC Board of Directors. The letter should contain: (a) the nature of the fund raising; (b) a statement of anticipated income and expenses; and (c) the intended use of the proceeds.
- 3.3.3.2 Individual Team: Fund raising requests by an individual sport team must be cleared by the particular Sport Commissioner and the BRYC Treasurer who will ensure that (a) the method of fund raising is consistent with the BRYC Financial Policies; (b) is appropriate and will not jeopardize the good name of BRYC; and (c) is not in direct conflict with any previously approved fund raising activity.
- 3.3.3.3 Recurring Fund Raising: Requests for a recurring fund raising event or activity, such as tournament held every year, need to be made only at the first occurrence of the event or activity.
- 3.3.4 Sponsorships: A sponsorship is a provision of funds or equipment in expectation of some public acknowledgement for that sponsorship. Sponsorships for which the sponsor expects to take a charitable contribution deduction should be written to either BRYC or a BRYC sport program. It is BRYC policy that names of sponsors will not be worn on uniforms, or placed on equipment without Board approval. Sponsors may be recognized on sport programs or individual team informational materials (e.g., website, banners, or brochures) to the extent that the recognition thanks the sponsors, as opposed to advertising. Sponsorships may be solicited within each sport program, either for the benefit of the entire sport program or by individual sport teams. When a sponsorship benefits an entire sport program; funds shall be credited directly to that sport's fund and included as part of the budget. Individual team sponsorships are permitted and need not be deposited with the Club Treasurer. However, they are subject to the annual reporting requirements described in section 1.3.5.
- 3.3.5 Donations: Donations are gifts of money or equipment for which the donor is claiming a deductible contribution, and for which no public acknowledgement is expected. They may be accepted from groups or individuals. Donations for which the donor expects to take a charitable contribution deduction should be written to either BRYC or a BRYC sport program. Donations to a sports program will be deposited to the sport fund designated by the donor. Donations to BRYC will be deposited to the Club's General Fund. Donations for the benefit of individual sport teams will be deposited to the sport fund for that team for crediting to the team by the Sport Commissioner. If requested by the donor at the time of the donation, BRYC will provide a receipt of the donation.
- 3.3.6 Special Projects: Special Projects are all other fund raising activities. Income from special projects conducted by the Club or by a particular sport program must be reflected in the budget of the Club or the sport program. Projects starting after the budget is approved shall follow the provisions for budget revisions in section 1.4.

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3.3.7 Special Awards - A special award of up to one thousand dollars (\$1,000) may be allocated to a BRYC team that reaches the Nationals in a sport. This applies to registered organized teams and not BRYC individuals selected for country-wide teams. (An individual in a sport where individuals compete instead of teams, such as bowling or wrestling, is considered a "team" for the purpose of this award.) The Commissioner for the sport involved will present the request to the Board of Directors along with a detailed listing of the team's fund raising to date. A majority vote of the Board of Directors is required for any allocation of funds. A detailed accounting of funds allocated will be presented to the Board of Directors within 30 days of the competition.

4.0 CASH MANAGEMENT

4.1 Cash Receipts: Each individual sport shall deposit all monetary receipts into the individual sport's deposit account within seven (7) days of receiving the funds. This applies to monetary receipts from registration, fund raising, or any special project or event. Checks must be made out to BRYC, BRYC (sport name), or Braddock Road Youth Club. All cash receipts must be deposited with the deposit form for that sport.

4.2 Deposit Form: All cash receipts will be verified by the BRYC receipt form showing how the receipts are to be distributed over the revenue categories (see section 6.1). If deposit includes registration fees, the BRYC receipt form must show the number of individuals being registered. A copy of the deposit form must be stapled to the receipt form. The Sport Commissioner must submit the receipt form to the BRYC bookkeeper within seven (7) days of making the deposit to the individual sport checking account.

4.3 Electronic Transfer of Funds: Should an individual sport receive funds electronically, such as by on-line registration, these funds shall be transferred directly into the BRYC checking account and be identified by the sport name for proper crediting to the account for that sport.

4.4 Signatories: Either the Treasurer, President, Immediate Past President, or President-elect must sign checks or otherwise disperse payments except from petty cash funds. Current signature cards will be maintained by the Treasurer at the bank in which the Club accounts are held.

4.5 Disbursements: No payment or disbursement of any kind will be made without a written authorization of the Sport Commissioner, the Club President, Treasurer, or President-Elect. The Sport Commissioner must approve all expenses for his/her sport. The written authorization must be accompanied by an invoice or receipt--written documentation of the expenditure showing the vendor's name and address, nature of the expenditure, date, and amount. Bills for copies, telephones, and other miscellaneous admin expenses do not need the Commissioner's concurrence for payment unless he/she so desires. Requests for payment or reimbursement should be made within a reasonable period of time from the date of the expenditure.

4.5.1 No funds will be paid to non-corporate entities providing goods or services to BRYC that have not submitted a form W-9. The Club

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Treasurer will file a Form 1099 for those non-corporate entities who receive over six hundred dollars (\$600) annually from BRYC.

- 4.6 Location of Funds: All cash assets of the Club will be maintained in the Club's checking and savings accounts, individual sport petty cash funds, or other interest-bearing accounts approved by the Board of Directors. These accounts shall be located in federally-insured banks, insured savings and loan associations, or other Board approved commercial and government investments. The Club Treasurer shall recommend the amount of monies to be maintained in each of the above accounts. The Club Treasurer shall make periodic reports to the Board of Directors explaining which accounts are being used and why. All accounts, including petty cash, individual sport accounts, etc. will have bank statements sent directly to the Treasurer/bookkeeper. Should individual BRYC teams have a checking account, the BRYC Treasurer must be a co-signor on those accounts.
- 4.7 Petty Cash: Individual sports may maintain a petty cash fund, although the Club discourages these funds. Their expenditures and accounting procedures are the same as those for other Club monies. Sport Commissioners shall request monies for such accounts from the Club Treasurer, and are not to come from any other source. Replenishment of such accounts will occur only when the Sport Commissioner submits proper documentation of the disbursement of said funds to the Treasurer.
- 4.8 Referee Accounts: The Club Treasurer shall examine referee accounts administered by a Director of Referees at the end of the sport season.
- 4.9 Reasonable Costs: Each Sport Commissioner is responsible for obtaining needed services, supplies and equipment at a reasonable cost based on pricing, quality of service/product, and ability of the vendor to meet the required availability/supply/servicing requirements of the sport.
- 4.10 Conflict of Interest: No member of the Board of Directors shall authorize payment to any vendor for which the member has a conflict of interest, unless an independent panel, comprised of BRYC members, has reviewed potential vendors and recommended the payment.
- 4.11 Credit Card Policy: No member of the Board of Directors or any member of BRYC is authorized to procure a credit card in the name of BRYC without Board approval.
- 5.0 EQUIPMENT AND OTHER ASSETS
- 5.1 Each Sport Commissioner shall maintain a complete and detailed inventory of Club equipment valued individually at more than \$500. The inventory shall also identify individual items of equipment valued more than \$500 that is surplus.
- 5.2 Each individual sport shall distribute equipment to coaches and players prior to each season. Receipt cards shall be maintained for each player or team as deemed appropriate by the Sport Commissioner and shall contain a detailed accounting of all uniforms and equipment assigned to the player/coach/team.

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5.3 Upon completion of each sport season, all Club-owned uniforms and equipment shall be returned to the individual sport program, except as designated by the Sport Commissioner to be retained by the coach or player.

6.0 FINANCIAL REPORT

6.1 REVENUES (categories and examples)

Registration - player Sign-up, amount paid per youth
Fund Raising - pizza, candy, car washes
Sales - jacket, T-shirts, socks, balls, uniforms
Sponsors - donations, advertising
Subsidies - photo rebates, CRS umpire/referee subsidy
Late Fees - all reg. fee over standard amount
Interest - banks
Other - returned uncashed checks, special assessments, advertising (newsletter or website)

6.2 EXPENSES (categories and examples)

Admin - stamps, envelopes, copies, printing, advertising, websites, newsletters
Awards - patches, trophies, plaques
BRYC Admin - amount per registration to Admin Fund
Equipment - reuseables, balls, goals, nets, bats
Fees - tournament, league
Field - seed, tractor, winter blankets
Freight - shipment costs
Insurance - liability, excess medical
Referees - private or organization, training
Refunds - to individuals
Storage - equipment storage
Supplies - expendable items, lime, paint, first aid
Uniforms - players' shirts, coaches jackets
Other - coach training, cost of shirts for sale

6.3 Review

6.3.1 The Treasurer shall provide a report of the Club assets and liabilities at each regularly scheduled meeting of the Board of Directors and the annual membership meeting.