



USA Boxing, Inc.

Financial Policies and Procedures

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Table of Contents

- A. USA Boxing Fiscal Year
- B. Annual Budget Development
 - 1) Creating the budget
 - 2) Budget variances
- C. Periodic Reporting
 - 1) Monthly budget v. actual income statement
 - 2) Creating the balance sheet
 - 3) Monthly closing
 - 4) Audits
 - 5) USOC grant reports
- D. Banking
 - 1) Bank accounts
 - 2) Check signers
- E. Investments
 - 1) Investment Policy
- F. Accounts Receivable
 - 1) Invoicing
 - 2) Receipt of payment
 - 3) Refunds
- G. Accounts Payable
 - 1) Receipt of invoices
 - 2) Check writing procedures
 - 3) ACH procedures
 - 4) Wire transfers
- H. Expense Reimbursement
 - 1) Credit card procedures
- I. Travel Advances
 - 1) Travel advance policy
 - 2) Requesting an advance
 - 3) Advance reconciliation
- J. Staff Travel
 - 1) Air travel
 - 2) Ground travel
 - 3) Meals/per diem
 - 4) Lodging

- K. Board Travel
 - 1) Air travel
 - 2) Ground travel
 - 3) Hotel accommodations
- L. Donations
 - 1) Value in kind (VIK)
 - 2) Board contributions
- M. Record Retention
- N. Capital Assets
- O. Financial Obligations/Long Term Debt/Leases
- P. Contracts
- Q. Payroll
- R. Inventory
 - 1) Purchase of inventory items
 - 2) Periodic inventory counts
 - 3) Inventory requests
- S. Backup of the accounting system

A. **USA Boxing Fiscal Year**

The USA Boxing fiscal year is from January 1 through December 31.

B. **Annual Budget Development**

a. **Creating the budget**

The proposed budget is divided into nine (9) departments: Membership, Marketing/Communications, Legal, Fund Raising, Corporate Administration, Boxing Operations/National Events, High Performance, Governance, and USAB Foundation Funded Programs. Each department head, with the assistance of the Finance Director, is responsible for creating the initial requested budget amount to present to the Executive Director. The Executive Director and Finance Director are responsible for creating the legal, fund raising, corporate administration, governance, and foundation funded programs budgets.

The proposed budget is then presented to the Board of Directors (BOD). The BOD is to analyze and review the proposed budget from a viewpoint of both tactical and strategic relationships between the budget and the organizational mission. The goal of the BOD shall be to have an approved budget in place by December of each year.

The Executive Director will accept a prioritized list of unbudgeted items from each department so that if additional revenue becomes available, expense items can be strategically added during the year. This process will be initiated by the Executive Director for submission to the BOD with final approval granted by a vote of the BOD.

b. Budget variances-New

The annual budget is approved by the board and any material changes must be reported to the Audit Committee with reasonable modifications following the spirit of a zero-based budget. However, if at any point throughout the year it becomes apparent that a line item in the budget will be over or under budget it must be addressed with the Executive Director and appropriate reallocations will be made so that the overall department budget does not vary from the original budgeted amount.

C. **Periodic Reporting**

a. Monthly budget v. actual income statement

The purpose of the monthly budget v. actual income statement is to show the year-to-date revenue and expenses by department and to explain significant variances to determine if any budget reallocations are necessary. The monthly report will be reviewed by the Executive Director and Finance Director monthly and presented to the BOD quarterly.

b. Creating the balance sheet

The purpose of the balance sheet is to show the financial position of the organization. The balance sheet shows what USAB owns and what USAB owes. The difference between what is owned and owed is the organization's net assets. The balance sheet is reviewed monthly by the Executive Director and Finance Director.

c. Monthly closing

At the end of each month the Finance Director will complete the Monthly Financial Reporting Closing Procedures. The month end close will include the following:

- i. Reconciliation of all cash accounts
- ii. Accounts receivable detail
- iii. Accounts payable detail
- iv. General journal entries
- v. Balance Sheet reconciliation
- vi. Financial statements

To initiate the monthly closing process, monthly bank statements received in the mail are opened by staff. If statements are not mailed for all bank accounts, the statements will be downloaded and printed from the bank website and reviewed with bank reconciliation by the Executive Director or Membership Director for final approval of the monthly close.

d. Audits

Each year a BOD approved independent auditor will perform an audit of the previous year. The purpose of the audit is to express an opinion on the financial statements and the validity of the information presented. The audit will be conducted in accordance with generally accepted audit standards, planning and performing the audit to obtain reasonable assurance of whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

USAB will also permit the USOPC, at its request, to conduct an audit of expenses supported by the given year's Performance Partnership Agreement (PPA).

e. USOPC grant reports

The USOPC requires the submission of bi-annual reports to account for the use of funds granted through the PPA. In order for USAB to receive quarterly grant funding from the USOPC a completed expense report provided by the USOPC that summarizes USOPC funded initiatives must be submitted.

USOPC funding paid to USAB during the year must be accounted for by completing a final report for each project. The final report will provide a brief narrative and financial overview for each project.

D. **Banking**

a. Bank accounts

USAB will seek to maintain accounts with financial institutions that provide online banking capabilities. The Finance Director and staff accountant will have online access to USAB accounts. Online access will be primarily to review account balances for accuracy and control purposes. USAB may also engage in online transactions including transfers between linked USAB accounts and payments to certain vendors. Online payments must comply with additional procedures for payments detailed in section F.

b. Check signers

The Executive Director will designate 2 USAB staff members as approved signers for the bank accounts. None of which will be a member of the finance department or the Executive Director.

E. **Investments**

- a. All USAB investments must adhere to the USAB Investment Policy.

F. **Accounts Receivable**

a. Invoicing

An invoice must be issued when money is owed to USAB. Invoices will be issued by the staff account with a copy of the invoice being mailed or emailed to the customer. When payment is received, the Finance Director will record the invoice as paid in the accounting system. A statement will be issued for invoices that remain outstanding at the end of the month. If an invoice remains outstanding after 60 days, the customer will be contacted to identify an anticipated date of payment.

b. Receipt of payment

Weekly, the designee of the membership department will complete a deposit slip and deposit the funds into the USAB operating account. A copy of the deposit slip and a copy of the associated checks as well as an explanation for cash receipts will be given to the finance department and the deposit will be recorded in the accounting system by the Finance Director or Staff Accountant.

Upon receipt of a credit card payment, the transaction will be recorded in the accounting system by the Finance Director or Staff Accountant and the copies of the credit card settlements filed with the daily deposits.

Payments made through the online membership system are deposited daily directly into the USAB operating account. Deposit reports are generated from the membership system, deposits are entered into the accounting system by the Finance Director, and copies of the daily deposit reports are kept on file.

c. Refunds

i. Credit card refunds

All credit card refunds are processed by the membership department.

ii. Refunds by check

Refunds payable by check must be accompanied by a check request form approved by the Executive Director or Membership Director. Refund payments are processed the same as ordinary payables.

G. Accounts Payable

a. Receipt of invoices

Incoming invoices, both by mail and electronically, will be forwarded to the Staff Accountant to be input into the accounting system. Staff Accountant verifies invoices for accuracy and forwards them to the Executive Director or Membership Director for approval. Upon approval, a copy of the invoice and approval are attached electronically to the bill in the accounting system.

b. Check writing procedures

Checks are written every Thursday and decisions for payment will be based on the aged payables report and current cash flow. The Finance Director will review the aged payable report and verify that bills selected to pay have invoices and approvals attached electronically in the accounting system. Printed checks will be forwarded to the approved check signers for signatures. The check signers will also verify that all invoices paid have the proper approval. Signed checks are then mailed. Signed checks are not returned to the finance department.

c. ACH Procedures

ACH transfer is the current preferred method of payment. ACH's are authorized by the Executive Director or the Membership Director by signing a Check/Reimbursement Request Form, a detailed spreadsheet, an invoice, or a combo of any of these via Adobe Sign. Once the necessary signature has been obtained the ACH transfer will be initiated by the Staff Accountant and the Finance Director will approve release of the transfer.

d. Wire transfers

Wire transfers will be arranged on an as needed basis. Wire disbursement authorization is granted by the Executive Director or the Membership Director by signing an invoice via Adobe Sign. Once the necessary signatures have been obtained the wire transfer will be initiated by the Staff Accountant and the Finance Director will approve release of the wire transfer.

H. Expense Reimbursement

All USAB personnel requesting reimbursement of expenses must submit a completed Check/Reimbursement Request Form along with supporting documentation to the Staff Accountant who sends them on to the Membership Director or Executive Director for approval. Each individual submitting a Check Request Form is responsible for making sure all areas of the form are properly completed before submission. Reimbursements requested by the Executive Director are usually submitted quarterly to the Staff Accountant and are approved by the BOD Treasurer prior to payment.

Check/Reimbursement Requests must be submitted within 30 days of the expense being incurred in order for payment/reimbursement to be issued. Expense reports submitted more than 30 days after the expense was incurred will be reimbursed on a case by case basis at the discretion of the Executive Director.

There are certain expenses that USAB will not reimburse (i.e. traffic/parking violations). Additionally, if an individual incurs an expense for an unbudgeted item for which they did not receive prior authorization from the Executive Director it may not be reimbursable. While USAB does not have an all-inclusive list of non-reimbursable expenses, the Executive Director has the right to deny reimbursement of any unnecessary, excessive, or inappropriate expenses.

Volunteers requesting reimbursement for miscellaneous event/travel expenses (i.e. airline bag fees) may do so by submitting a Check/Reimbursement Request Form to the event director to be submitted the same as an invoice in the accounts payable process in section G.

1. Credit card procedures

Credit cards are issued to employees primarily to facilitate travel. Upon receiving a company credit card the employee is required to submit a signed copy of USA Boxing's Corporate Credit Card Policy. Each credit card holder will receive login information to view and download their credit card transactions from the bank website. It is the responsibility of the cardholder to upload to the bank website receipts for each transaction and enter the expense account number and class/event into the credit card reconciliation system. The cumulative monthly credit card statement will be reviewed and approved by the Executive Director or Membership Director.

The BOD audit committee will review the corporate credit card activity of the Executive Director.

I. Travel Advances

1. Travel advance policy

Travel advances in either U.S. or foreign currency may be granted to staff members who are traveling domestically or internationally. Advances are intended to support expenditures for which credit cards are unacceptable forms of payment. Advances are not preferable, however are sometimes necessary given the criteria of certain vendors with whom the organization conducts business.

2. Requesting an advance

A request for an advance must be submitted, in writing using a Check/Reimbursement Request Form, a minimum of one week before the advance is needed. The request must provide details of what the advance is for and include the program title.

3. Advance reconciliation report

The staff member who requested the travel advance is responsible for reconciliation of the advance: per diem, baggage, and emergency money. Travel advances will be reconciled through the completion of per diem, baggage and emergency money reconciliation form which must be submitted to the Finance Director within ten days of returning from the event. The completed reconciliation report must be accompanied by receipts or other proper documentation that justifies how the advance was expended. Where currency exchanges occur, a receipt documenting the exchange rate must be retained and submitted with the expense report. If the expenses supported by the cash advance do not total the balance of the advance issued, the individual is responsible for returning the remaining funds to USAB.

J. Staff Travel

USAB will provide comfortable, but economical, travel arrangements for employees, volunteer staff, and team members in accordance with the budget line items by which the travel is funded.

1. Air travel

Air travel for coaches and team members will be arranged by the national office staff utilizing a 3rd party. Air travel by other employees will be arranged on a case-by-case basis through the same 3rd party. All air travel will be coach class. Selection of routing and carriers is the responsibility of the national office staff and our 3rd party travel company. Carriers, routing, and layovers will be

utilized to provide the most economical overall trip cost.

If a traveler requests an itinerary that differs from the group, the national office staff may at its discretion purchase for the traveler the desired itinerary; however, that individual will be charged for any extra costs associated with the ticket purchase. Also, should an individual request an itinerary change for personal reasons at any point after the original ticket purchase, that individual is responsible for all associated fees and rate variances. ANY TRAVELER THAT REQUESTS AN ITINERARY DIFFERENT FROM THE GROUP OR REQUESTS A CHANGE FOR PERSONAL REASONS MUST PAY USAB FOR THE INCREASED COST BEFORE THE CHANGES ARE MADE.

2. Ground travel

Team managers are responsible for arranging rental vehicles for transportation of coaches and team members. Ground travel for other employees will be arranged on a case-by-case basis. It is expected that the least expensive car will be booked that is commensurate with the needs of the traveler. When making reservations, the traveler must research various car rental companies and rent from whichever offers the lowest rate.

When personal vehicles are utilized for USAB authorized travel, reimbursements will be issued at a rate determined on an annual basis by the Executive Director, with consideration given to the current IRS mileage rate (see www.irs.gov).

If a staff member or volunteer chooses to use their personal vehicle in lieu of air travel, mileage will be reimbursed up to the cost of air travel.

3. Meals/per diem

Per diem allowance is \$52 per day. For trips on which meals are included in hotel accommodations or otherwise provided, per diem will be granted for days which meals are not provided. The daily rate for per diem must be prorated for partial days as follows: breakfast \$12, lunch \$16, dinner \$24.

The Executive Director may, based on travel destination or other circumstances, adjust the per diem rate paid.

4. Lodging

Hotel accommodations for coaches and team members will be booked by the national office staff. Hotel accommodations for other employees will be arranged on a case-by-case basis. "Middle class" hotels must be used under normal circumstances and rates between hotels must be compared to find the most economical option available.

K. Board Travel

1. Air travel

Board members traveling for official USAB meetings/business will be provided airfare according to the following stipulations:

- a. It is preferred that travel arrangements be made by the national office utilizing a designated 3rd party. National office staff will communicate with BOD members individually or have them work with a designated 3rd party vendor to arrange the most economical travel possible. If a BOD member chooses to make changes after travel plans have been agreed to the BOD member will be responsible for the cost of the changes.
- b. If a BOD member chooses to make their own travel arrangements, they should choose the most economical airfare available. Costs will be reimbursed upon submission of a Check/Reimbursement Request Form with itinerary/receipts attached.

2. Ground travel

Ground travel will generally be provided by USAB. If it is necessary for BOD members to arrange their own transportation, costs will be reimbursed upon submission of a Check/Reimbursement Request Form with receipts attached.

3. Hotel accommodations

USAB national office staff will make lodging arrangements for BOD members. If BOD members choose other lodging, USAB will reimburse the lodging cost up to the amount of the cost of the USAB arranged lodging. Costs will be reimbursed upon submission of a Check/Reimbursement Request Form with receipts attached.

L. Donations

1. Value in kind (VIK)

USAB receives value-in-kind (VIK) donations from several sponsors. VIK donations will be recorded according to the following stipulations:

- a. VIK will only be recorded if it is budget relieving. If a product is received and redistributed to athletes/members but was not important enough for USAB to purchase if not provided, no value will be recorded.
- b. VIK will be recorded at market value.

- c. VIK will be recorded as received in the case of apparel, product, etc. or as utilized in the case of airline VIK. It will be recorded as revenue with a directly offsetting expense.

2. Board Contributions

It is expected that members of the BOD make annual contributions to USAB. Target goals for each year will be established during the board meeting at the USAB annual assembly. It is preferred that donations be made in the form of cash rather than in-kind, however USAB will record as donations applicable non-reclaimed expenditures (ie: purchase of own airline tickets) provided documentation is submitted to the Finance Director within 30 days of expenditure.

M. Record Retention – see record retention policy

N. Capital Assets

All assets with a useful life greater than one year and a cost greater than \$10,000 are recorded as fixed assets. The straight-line method of depreciation over the useful life of the asset is used for all furniture, fixtures, and equipment.

O. Financial Obligations/Long Term Debt/Leases

Incurring any financial obligation and/or execution of any debt instrument must be approved by the BOD. Approved debt instruments may be executed by only the executive director.

P. Contracts

The Executive Director may sign supplier and project contracts that align with the approved annual budget of the organization. Contracts that represent incremental income or expense beyond the approved annual budget require the pre-approval of the BOD.

Q. Payroll

Employees of USA Boxing are classified and paid either hourly or salary based on current law. Salaries for staff positions are determined by the Executive Director with the assistance of a HR Consultant. The salary of the Executive Director is determined by the BOD.

All employees are to complete timecards for approval by their director through a 3rd party (such as ADP). The Staff Accountant logs in and reviews the approved

timecards and makes adjustments for things such as annual wage increases. The Finance Director reviews, and Membership Director approves/submits the payroll for processing each payroll period unless MS is unavailable.

Executive Director reviews quarterly financials (actuals vs Budget) and schedules weekly financial meeting with Finance to go over Revenue/Expenses

R. Inventory

1) No new inventory will be purchased as we have a fulfillment company.

2) Inventory counts

Annual inventory counts are taken off all USAB merchandise held for Gift/giveaways and adjustments are made to the general ledger as determined by the physical inventory. The original is filed with the inventory records and the Finance Director records the adjustment to the general ledger.

S. Backup of the accounting system

USA Boxing moved to a cloud based back up system. QuickBooks online is a secured accounting software that is backed up. The Finance Director maintains possession of the old external hard drive.