Financial Policies and Procedures
2026/2027

General

The United States Fencing Association, dba USA Fencing, intends this manual to be used as a set guideline for day-to-day business operations. USA Fencing's Board of Directors must approve this manual annually and will serve as the sole authority for financial policies and procedures in USA Fencing. Interpretation of the policies and procedures will be at the reasonable discretion of the Chief Executive Officer (CEO) and director of finance. USA Fencing reserves the right to modify any or all of the material contained in this manual with or without notice, but only with the approval of the board of directors.

Financial Planning and Reporting

USA Fencing's fiscal year officially coincides with the USA Fencing membership year (August 1 to July 31).

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Organizations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted and permanently restricted.

Internal Controls

The internal controls of USA Fencing are designed to ensure that the financial transactions of the Association are recorded in accordance with generally accepted accounting principles and represent actions desired by USA Fencing's Board of Directors.

The objective of internal controls is to provide reasonable assurance that assets are protected and that reliable financial records are maintained in order to prepare accurate financial statements in a timely manner.

USA Fencing is dedicated to ensuring that all financial operations are conducted under the highest standards of integrity and ethics in compliance with strict internal controls. It is the responsibility of all members of USA Fencing to follow established policies and procedures and to be alert to opportunities for improvements in internal controls.

Lines of Authority

While the ultimate responsibility rests with the board of directors, the day-to-day supervision of the controls is the responsibility of the Chief Financial Officer (CFO), reporting to the Chief Executive Officer.

- The board of directors are required to approve the annual budget.
- The audit committee is responsible for selecting the auditors annually. The board of directors are required to approve the selected auditors annually.
- All contracts must be reviewed and redlined by General Counsel (GC), or their designee, prior to execution to ensure appropriate legal protections, risk mitigation, and consistency with USA Fencing policies. See below for more details on contracts.
- The chief executive officer or chief finance officer must sign contracts. See below for more details on contracts.
- All expenses require prior approval from the applicable Department Director or the Chief Financial Officer (CFO).
    - Unbudgeted expenses up to $500 must be approved by the Department Director or CFO.
    - Unbudgeted expenses between $500 and $700 must be approved by the CFO.
    - Unbudgeted expenses exceeding $700 require approval from the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO).
- Unbudgeted expenses that create a variance of $50,000, in which case board of directors' notification is required.
- The Chief Executive Officer (CEO) is responsible for all hiring, firing and compensation adjustments.
- The Financial Policies and Procedures should be reviewed annually, and any changes must be approved by the board of directors.
- The Operations Manual should be reviewed annually and approved by the Chief Executive Officer (CEO).
- The Employee Handbook and Athlete Handbook should be reviewed annually, and any changes must be approved by the Chief Executive Officer (CEO).

Contracts

Contracts Policy

1. Board Approval Requirements

Contracts must be reviewed and approved by the Board of Directors prior to execution if any of the following conditions are met:

- The contract, by its terms, imposes requirements on the individual members of USA Fencing;
- The total financial obligation exceeds $100,000 (aggregate over the full term);
- The contract is not within the approved budget or Board-approved strategic or long-range financial plan;
- The contract term exceeds five (5) years and does not meet the criteria for CEO delegated authority;
- The contract term exceeds one (1) year and:
    - Would cause a variance to the approved budget of more than $25,000; or
    - Exceeds ten percent (10%) of the relevant budgetary line item; or
    - Is not supported by a specific budgetary allocation and exceeds the greater of

$50,000 or ten percent (10%) of the applicable budget line.

2. Delegation of Authority – Chief Executive Officer (CEO)

The Chief Executive Officer (CEO) is authorized to review, approve, and execute contracts without prior Board approval, provided that all of the following conditions are met:

- The total contract value does not exceed $100,000 (aggregate over the full term);
- The contract is within the approved annual budget or Board-approved strategic or long-range financial plan.
- The contract does not impose obligations on individual members.
- The contract does not create an unbudgeted financial commitment exceeding Board approval threshold.

The CEO is further authorized to execute contracts with terms exceeding five (5) years, provided the above conditions are met.

All contracts executed with a term exceeding five (5) years must be reported to the Board of Directors at the next meeting scheduled.

3. Contract Signing Authority

Total Contract Value (Aggregate Obligation)	**Authorized Signatory**
Up to $25,000	CEO or CFO
$25,001 – $100,000	CEO
Over $100,000	CEO, with prior Board approval

4. Authorized Signatories

Only the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) (CFO) are authorized to execute contracts on behalf of USA Fencing. In the absence of both the CEO and CFO, the General Counsel (GC) is authorized to execute contracts.

No other employee, contractor, or representative of USA Fencing is authorized to sign contracts or otherwise legally bind the organization unless expressly authorized by formal resolution of the Board of Directors.

This authority may not be further delegated without explicit approval of the Board of Directors.

Any contract executed by an unauthorized individual may be deemed invalid and may result in disciplinary action.

5. Legal Review Requirement

All contracts must be reviewed and redlined by General Counsel (GC), or their designee, prior to execution to ensure appropriate legal protections, risk mitigation, and consistency with USA Fencing policies.

6. Exemptions

Contracts for which provisions are otherwise specifically provided by resolution of the Board of Directors (including provisions of the Operations Manual, contracts related to venue rentals

and tournament operations, and existing policies for reimbursement or payment of volunteers) are exempt from these requirements.

7. Definitions

- **Total Contract Value:** The total financial obligation of the contract over its full term, including all renewals, extensions, and contingent payments.
- **Approved Budget:** The annual budget approved by the Board of Directors.
- **Unbudgeted Commitment:** Any financial obligation not explicitly included in the approved budget.

Conflict of Interest Policy

- To ensure decisions are made in the best interest of the organization, USA Fencing maintains a comprehensive **Conflict of Interest Policy** applicable to all board members, key employees, committee members, and staff.
- Key components include:
- **Biennial Disclosure**: All covered individuals must complete a Conflict-of-Interest disclosure form every two years.
- **Recusal Requirement**: Individuals with a disclosed conflict must abstain from deliberation and voting on related matters.
- **Documentation**: Any conflict and subsequent recusal must be documented in the meeting minutes.
- **Oversight**: The Ethics Committee will oversee conflict of interest compliance.
- This policy aligns with requirements under **IRS Form 990 Schedule L** and **Colorado Revised Statutes § 7-128-501**.

Segregation of Duties

The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

- All mail is opened daily by a non-finance department employee and date stamped. Checks are immediately endorsed "for deposit only", currency receipts are marked "CASH" on accompanying documentation. Copies of checks from membership are made prior to turning the checks in to the finance department, all other checks are copied prior to making the deposit.
- Checks are signed by an authorized check signer with the ability to review documentation attached to the invoice in the online accounting system. It is not permissible that any member of the finance department to be an authorized signer on any account. For check payments in excess of $5,000, two authorized check signers are required to sign. Payments are not returned to the check preparer and are immediately mailed.
- The same person is not permitted to initiate and approve any wire or ACH transaction. Requesting party of wire or ACH transaction cannot approval their own payment in the bank.

- Deposits are completed and recorded in the accounting system by the finance manager. Supporting documentation is reviewed and reconciled with the deposit by the Chief Financial Officer (CFO) (CFO).

Whistleblower Policy:

- USA Fencing prohibits retaliation against employees who report suspected fraud or unethical behavior.
- Reports may be made confidentially to the Audit Committee Chair or designated compliance officer.
- This policy complies with protections under the **Sarbanes-Oxley Act**.

Check Signing and ACH/Online Bill Pay Authority levels are:

Amount	Signors
Under $5,000	One Signer
Over $5,000	2 staff signors or CEO and one staff signor
All ACH and Wires Approvals	Finance Manager initiates payment/Chief Financial Officer (CFO) approves, or one signer must approve. Documentation of requested must be approved by department director and attached to request.

Computer Security

The organization maintains physical and cyber security of its assets and information to ensure that only people who are authorized have physical or indirect access to money, securities, real estate, personal information, member data and data systems.

- Personal access passwords must be kept secured and protected and should be changed every three months. Passwords, usernames, safe combinations, and access procedures for any system should not be left on desks, posted on computer monitors or otherwise left unsecured.
- The finance department will exit from the accounting system at the end of each day. The accounting system is not to be left open when unattended.
- Anti-virus software firewalls and other IT security will be kept updated.
- Sensitive information must be encrypted prior to being emailed.
- Unsecured internet works should be avoided whenever possible.
- Receiving personal information must be received in designated format, current software is SharePoint or another approved format by the IT manager.

Budgeting Process

The organization's annual budget is prepared and approved by the board of directors annually for all departments. The budget is prepared by the Chief Financial Officer (CFO) in conjunction with the department directors, Chief Executive Officer (CEO), and treasurer. A draft budget is submitted to the

Budget Committee for review, edit, comments and approval prior to being presented to the board. The budget is to be approved by the board of directors prior to the start of each fiscal year. Budget revisions during the year, internally known as the "Working Budget," do not require board approval as long as the net income target is not affected. If the budget is revised during the year and this affects the target net income the board of directors' approval is required.

- The board of directors are required to approve the annual budget.
- The Chief Financial Officer (CFO) will work together with the Chief Executive Officer (CEO), department directors and treasurer to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- Operating reserve goals should be considered in drafting the budget.
- The Chief Financial Officer (CFO) will present a draft budget to the Budget Committee at least 90 days prior to the end of the fiscal year and at least 30 days prior to its submission to the full board of directors.
- The Budget Committee shall review and approve the recommended fiscal year budget and submit it for approval to the board of directors. The budget shall contain a report of all of the sub budget's income and expense totals, as well as a comparison of prior years and a narrative for each sub budget.
- The board of directors will review and approve the budget no later than the last meeting prior to the start of the fiscal year.
- A 4-year rolling quad budget will be maintained and updated annually.

Internal Financial Reports

The organization prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month with exception of the fiscal year end.

- The Chief Financial Officer (CFO) is responsible for producing the year-to-date reports within 30 days of the end of each month.
- In addition to the year-to-date reports, the Chief Financial Officer (CFO) prepares a narrative report that summarizes the organization's current financial position and includes explanations for budget variance.
- Budget variances over $10,000 to date and 5% annual budget by department discrepancies are explained. Directors of each department will provide reasons for variances.
- The department directors, Chief Executive Officer (CEO) and treasurer review financial reports each month, and the Chief Financial Officer (CFO) and Chief Executive Officer (CEO) presents reports to the full board of directors on a monthly basis.
- All directors and senior managers are provided with limited access to the online accounting system. This provides real time reports with the ability to drill down to account detail.

Audit

To ensure that correct accounting and financial practices are being implemented, USA Fencing will appoint an Auditor to perform a general audit annually. This auditor will be chosen by USA Fencing's Audit Committee with the approval of the board of directors on an annual basis. This is in addition to

any audits conducted on behalf of the United States Olympic Committee (USOPC) or other grant provider.

- The Audit Committee is responsible for recommending the selected auditors, reviewing and overseeing the financial procedures, controls, reports and regulatory filings of USA Fencing, and reporting on the foregoing to the board of directors.
- The board of directors approves the selection of the auditor.
- The Chief Financial Officer (CFO) works directly with the auditors and oversees the audit until its completion. Additional finance and non-finance department staff may be asked to assist with obtaining information needed by the auditor.
- The draft audit report is presented to the audit committee and treasurer for review and approval.
- The annual audit report will be presented to the board of directors for approval and posted on the USA Fencing website.

Tax Compliance

Exempt organization returns

Form 990

- Form 990 is due to the IRS on the 15th day of the 5th month following the end of the organization's taxable year or December 15th. Extensions may be allowed if the 990 Form is not completed by that date.
- The same audit company selected for the annual audit should be used to prepare the 990. The Chief Financial Officer (CFO) works directly with the tax preparer and oversees the 990 reports until its completion.
- The Draft 990 Form report is presented to the Chief Financial Officer (CFO) and treasurer for review and approval and signed by the Chief Executive Officer (CEO).
- The 990 Form Report will be presented to the board of directors and posted on the USA Fencing website.

The Colorado Charities and Fundraiser Electronic Registration, State of Colorado personal Property Tax Exemption and other state reports are to be completed in a timely manner by the director of finance.

- The USA Fencing's Colorado Charities and Fundraisers Electronic Registration number is: 20043011244. The Chief Financial Officer (CFO) is responsible for the registration renewal on the 15th day of the 5th month following the end of the organization's taxable year or December 15th, and if needed, submitting a request for an extension. Registration is completed online.
- State of Colorado personal property declaration paper form is due annually on April 15th.
- Copies of completed returns are saved on the SharePoint in Finance Documents\990 Taxes and filed.
- Additional registrations may become necessary in future years and the Chief Financial Officer (CFO) is responsible for completing all registrations in a timely manner.

The 1042 Annual Withholding Tax Return

USA Fencing is required to withhold taxes for non-resident alien independent contractors. This applies to non-resident alien contractors that are selected and employed by USA Fencing. This does not include non-resident alien independent contractors that are hired by the Federation Internationale d'Escrime (FIE). Documentation of the interpretation of the requirements under this tax law is on the QuickBooks drive in Taxes\1042 Filing.

- The finance department calculates the required tax withholding on a monthly basis. This expense is entered into the accounting system.
- The Chief Financial Officer (CFO) reviews the calculation and approves payment by means of EFTPS.
- Annual returns listed below are prepared by the Chief Financial Officer (CFO) and are due by March 15th.
- Copies of completed returns are saved on the SharePoint drive in Taxes\1042 Filing and filed.
- Annual returns due March 15th:
    1. Form 1042 Annual Withholding Tax Return – This form is used to report the liability, if any, and serves as a reconciliation of liability to payments made for the year.
    2. Form 1042-T – Annual Summary and Transmittal of Forms 1042-S – This form serves as the cover sheet that summarizes the 1042-S forms.
    3. Form 1042-S – Foreign Person's U.S. Source Income Subject to Withholding – This form reports the income and withholding information for each individual payee. At then end of each year these forms will be mailed or emailed by secure email to individuals.
- Extensions:
    1. Form 7004 – Application for Automatic Extension of Time – This extends the time to file form 1042 (#1) above) six months. Note that this is only an extension of time to file the report and not an extension of the time to pay.
    2. Form 8809 – Application for Extension of Time to File Information Returns – This automatically extends the time to file Forms 1042-T and 1042-S (#2 and #3 above) for 30 days. If USA Fencing requires additional time, the form may be submitted again before April 14th to request an additional 30 days but the second extension is not automatic and only granted in extreme circumstances.

- Payments
    - All deposits are required to be paid via EFTPS. The frequency the deposits are required depends on the amount of withholding.
- See Form 1042 instructions.

1099 Forms

USA Fencing is required to provide independent contractors with 1099 forms no later than January 31. In February, copies of the IRS Forms 1099 will be forwarded to the IRS with the appropriate summary report.

- The finance department is responsible for setting up 1099 vendors in the AP system. Finance will assist each department in collecting any new W-9.

- The finance manager is responsible for sending out the 1099 forms and forwarding them along with Form 1096 to the IRS.
- The finance department will prepare form 1099 and mail to the individual's last known address, for each individual who was paid $2000 or more in the calendar year.
- These procedures will be revised automatically to comply with any statutory or regulatory changes.

Quarterly/Annual Payroll Reports

USA Fencing currently utilizes PEO to handle payroll and all applicable tax withholding and payments. Employees will receive a W-2 directly from the PEO. In February, copies of the IRS Forms W-2 will be forwarded to the IRS with the appropriate summary report from the PEO.

Accounting Procedures

Basis of Accounting

USA Fencing follows the accrual basis of accounting. Accrual accounting is an accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received). This method allows the current cash inflows/outflows to be combined with future expected cash inflows /outflows to give a more accurate picture of a company's current financial condition.

- Throughout the fiscal year, expenses are accrued in the month in which they are incurred*. The books are closed no later than fifteen (15) days after the close of the month. Invoices received after closing the books will be counted as the current month's expense.
- At the close of the fiscal and calendar years, this rule is not enforced. All expenses that should be accrued in the prior fiscal year or calendar year are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal and calendar years. Year-end books are closed no later than ninety (90) days after the end of the fiscal year. All bills and AR invoices belonging to the prior fiscal year must be submitted by August 28th. Submissions after this date will be recorded in the next fiscal year.
- Revenue is always recorded in the month in which it was earned or pledged.

*As noted above, immediate recognition of sport performance expense and revenue is acceptable for management ease of use of financial data as long as the calendar and fiscal year end of accrual cut offs are strictly followed.

Journal Entries

Journal entries are made for transactions that do not hit the accounts receivable (AR) or accounts payable (AP) ledgers. All expenses and revenue should be entered by use of the AR and AP ledgers whenever feasible. Journal entries are used for transactions that do not hit the AP and AR ledgers, reclassifying of accounts or dimensions, accruing for expenses, recognizing deferred income or expenses and other accounting corrections.

- The finance department may only make journal entries.
- All journal entries are reviewed by the Chief Financial Officer (CFO) and/or Chief Executive Officer (CEO) on a monthly basis.

Bank and Credit Card Reconciliations

All bank and credit card statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within fifteen (15) days of the close of the month.

- Bank statements and cleared checks are reviewed monthly by the director of finance.
- Once reviewed the finance manager reconciles the accounts.
- Any adjustments resulting from the reconciliations will be entered into the accounting system immediately.
- The Chief Financial Officer (CFO) will review and approve reconciliation reports by signing and dating the report in the upper right-hand corner.
- In the case that the Chief Financial Officer (CFO) completes the reconciliations, or the credit card charges are from the director of finance's business credit card, the Chief Executive Officer (CEO) will review and approve reconciliation reports by signing and dating the report in the upper right-hand corner.

Monthly Close

The books are closed no later than fifteen (15) days after the closing of the month. Invoices received after closing the books will be counted as the current month's expense. At the close of the fiscal and calendar years, this rule is not enforced.

- All credit card charges, bills, receivables and deposits are entered by the finance manager or finance coordinator. Finance manager will review all entries made by the finance coordinator.
- Monthly journal entries are completed by the finance department.
- The Chief Financial Officer (CFO) monitors and assists with the monthly close where needed.
- Bank and credit card reconciliations are completed and reviewed monthly.
- Monthly financials are reviewed by the Chief Financial Officer (CFO) and treasurer for variances and unusual transactions or balances.

Revenue & Accounts Receivable

Invoice Preparation

All services not available for purchase directly from the online portals should be invoiced within one week of purchase to ensure all revenues are captured and to maintain a regular healthy cash flow for the organization.

- The USA Fencing staff that takes the order is responsible for providing all relevant expense documentation to the finance department within seven (7) days of the date the order was placed.
- The finance department will enter the receivable and send out the invoice immediately upon receipt.

- As part of the monthly closing process the Chief Financial Officer (CFO) will send out A/R aging report to all department directors for review. Each department director is responsible for reviewing any accounts over 60 days past due.
- The Chief Financial Officer (CFO) will notify department heads and Chief Executive Officer (CEO) of all accounts that will be blocked after 90 days past due.
- The Chief Executive Officer (CEO) is also notified of any receivables that are more than 120 days outstanding and/or more than $5,000.
- Unpaid balances will be periodically reviewed for uncollectable items. Uncollectable balances will be written off as bad debt at least annually.
- Bad debt allowance will be reviewed at least annually.

Revenue Recognition

All revenues and contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116 and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's chart of accounts.

- The finance manager records the deposits and revenue. The Chief Financial Officer (CFO) reviews the deposits monthly as part of the monthly close to ensure the proper period, account and dimensions are utilized.
- Revenues from membership-related transactions are recognized in the fiscal year it relates. National and international* event revenue is recognized in the month of the event. Contributions are recorded as pledged or received in accordance with FASB 116.
  *For non-championship international events immediate recognition of sport performance expense and revenue is acceptable for management ease of use of financial data as long as the calendar and fiscal year end accrual cut offs are strictly followed.

Receipts

Check Receipts

- Checks are immediately endorsed "for deposit only" and currency receipts are marked "CASH" on accompanying documentation by employee opening the mail.
- Checks/money orders, and all documentation is date stamped and provided to the finance department. Copies of checks from membership are made prior to turning the checks in to the finance department, all other checks are copied prior to making the deposit.
- Miscellaneous funds (contributions, accounts receivable and non-membership) are processed by the finance department.
- Contributions/donations are acknowledged via a standard letter prepared by the development department and signed by the Chief Executive Officer (CEO).
- The finance department marks accounts receivable as paid at the time of entry into the accounting system by applying the deposit to the receivable.
- Returned checks will be charged a $25.00 fee in addition to the amount of the returned check.

Amounts are invoiced and payment is expected in the form of a money order or cashier's check.

- Membership applications/renewals are forwarded to a member servicesrepresentative. The processed checks are turned in daily to the finance manager, who pulls the report and balances the deposit.
- Tournament entries for national events are processed as received by the finance department.

Credit Card Receipts

- Payments made by credit card, received either via mail that are not membership dues or a national tournament entry, are forwarded to the finance department for processing through the online virtual terminal.
- The virtual terminal company closes and deposits daily. Virtual terminal company (Versapay) inputs into the accounting system daily once it runs batch closing at the end of each night. The Chief Financial Officer (CFO) will review batch closing with batch report to confirm accuracy.
- Memberships are processed by the member services department through the USA Fencing database.
- National event and international events entries are processed by the national events and sports performance department through the USA Fencingdatabase.

Cash Receipts

At times it may be necessary for staff members to handle cash at events. The following procedures will be used to limit the possibility of loss.

- At the point of receipt, cash is placed in a secure receptacle.
- The staff member that is responsible for the cash and a second party will open the receptacle and count currency onsite. The amount collected should be recorded on the daily register report and initialed by both individuals that counted the cash.
- Once the cash has been counted, secure it in a location that can only be accessed by authorized individuals.
- Cash payments made at tournaments are delivered to the office by the events staff member that is responsible for the money with the accounting sheet and documentation for processing. The finance department reconciles the cash receipts using the account sheet and prepares the deposit.
- It is preferable that a finance department staff member attend international events hosted by USA Fencing, when a large amount of cash is expected to be collected, to collect and track all cash that is received and disbursed per event requirements.
- It is preferable that a finance department staff member attend national events, when a large amount of cash is expected to be disbursed to tournament staff.

Deposits

- Check deposits are processed through First Interstate Check scanner by the finance

department. Chief Financial Officer (CFO) will verify deposit information, then finance manager will process deposit user scanner.

- Receipts not deposited on the day of receipt are kept in a locked fireproof file cabinet or safe. UNDER NO CIRCUMSTANCES IT IS A DEPOSIT TO BE LEFT UNSECURED.
- Deposits will be made whenever funds exceed $10,000. However, deposits are to be made a minimum of once a week regardless of the amount and deposits should never be left over a weekend or when the office will be closed longer than one full day.

Grants

USOPC Grants

The USOPC provides grant funding for specific projects and purposes. It is the responsibility of the director of sports performance and the Chief Financial Officer (CFO) to ensure USOPC grant funds are properly accounted for and properly expended.

- USOPC grant fund payments will be recognized as revenue when received. The use of funds will be reviewed against qualifying expenses at the fiscal year end. If revenues do not match up with qualified expenses, an adjustment for the remaining revenue balance will be recorded as "deferred USOPC revenue" until qualifying expenses can support the recognition of the revenue.
- All USOPC supported projects will have separate budgets and/or be accounted for with accounting system dimensions that can be isolated to the funded activity.
- The Chief Financial Officer (CFO) and director of sports performance will collaborate to complete semiannual reports. The director of sports performance has the ultimate responsibility to review reports for accuracy and complete the narrative for the annual USOPC report.
- The USOPC report will be reviewed and signed by the Chief Executive Officer (CEO).

Other Grants

Accounting for grants from sources other than the USOPC shall be in accordance with the requirements of the grant provider.

- Grants will have separate budgets and/or be accounted for with the accounting system dimensions that can be isolated to the funded activity.

Expense and Accounts Payable

Payroll

The employees of USA Fencing pay will be commensurate with position duties, experience and specific skills sets as determined by the human resources manager and Chief Executive Officer (CEO). All employees are paid on a bi-weekly basis. Regular full-time exempt employees are paid through the end of each pay period. Non-exempt employees are paid one week in arrears.

- Salary must be authorized by the director of finance, Chief Executive Officer (CEO), and should be documented by an offer letter or salary increase form. Acceptance of the offer, the signed offer letter, should be kept in the employee's personnel file. All merit increase forms should be signed by the employee's direct supervisor, Chief Financial Officer (CFO) or Chief Executive Officer (CEO) and human resources manager.

- The Chief Financial Officer (CFO) assembles timecards and personnel data changes.
- The data is entered online to an outside payroll service for processing. The payroll reports are available online after processing from the outside payroll service. Final approval of payroll will be completed by the finance manager, Chief Executive Officer (CEO) or department director.
- The Chief Financial Officer (CFO)/Administrator will reconcile payroll entries into the accounting system.
- Most employees are paid by direct deposit; however, any physical checks and hard copy earnings statements are shipped to the national office overnight by the payroll service. All payroll information (direct deposit) is available to each employee online.
- The finance department prepares a journal entry of the payroll transactions.
- Employees must submit any changes to withholding to the payroll processing company by entering the changes in the manner specified by that company or by working through the finance department.
- The Chief Executive Officer (CEO), Chief Financial Officer (CFO)/ human resources officer are responsible for choosing a payroll processing company (PEO). If such a company is not utilized, the finance department will be responsible for the following activities:
    - Issuing payroll checks
    - Setting aside into accounts payable the sums withheld for such items as FICA and federal and state withholding taxes.
    - Paying federal and state government the amounts due as noted in the accounts payable dependent on the reporting requirements (weekly, monthly or quarterly)
    - Keeping payroll records for each employee showing the total earnings, amounts withheld, and the amount of withholding paid to government agencies.
    - In January, issuing IRS Form W-2 for each employee to keep with payroll files.
- Payroll advances are not provided for any employee.
- Loans to employees and volunteers are prohibited.
- All employee compensation is to be paid through payroll, with the proper taxes withheld and remitted.

Timesheet Preparation & Approval

- All non-exempt and part-time employees must complete timesheets by Friday preceding the week of payroll.
- The employee's direct supervisor, department director and Chief Financial Officer (CFO) approves the timesheet.

Pay Upon Termination

- When an employee leaves employment due to voluntary or involuntary circumstances the final payroll is provided by check or direct deposit for days worked and accumulated vacation.
- PEO Company will work with the finance department to process the final payment.
- Access to all accounting systems, membership databases, websites, email and other platforms will be removed no later than the end of the workday on the final day of employment.
- Notification of available coverage with COBRA will be provided by the PEO along with

additional notifications. The notifications will be documented by the PEO.

Purchase & Procurement

Any expenditure in excess of $5,000 for the purchase of a single item or service should have bids from three (3) suppliers if possible. These bids will be reviewed by the department director, Chief Financial Officer (CFO) and Chief Executive Officer (CEO).

Purchase Orders

Purchase requisitions (PRs) and purchase orders (POs) are used for purchases that will be invoiced to ensure purchases are reviewed, approved and in line with the budget prior to making financial commitment.

- Purchase requests (PR) are entered electronically in the accounting system. National Events staff person will enter the PR data including the vendor's name, cost per item, total cost including taxes and shipping, accounting dimensions, description of goods or services and attach all documentation electronically pertaining to the estimated costs and comparative bids received.
- While the vendor with the lowest bid will generally be the most desirable, other factors such as the reputation of the vendor, financial history of the vendor and the vendor's relationship with USA Fencing should also be considered.
- Attachments should be saved to the company shared folders in the folder designated by the finance department.
- The PR is then routed by the accounting system to the department director and then finance manager to ensure coding is accurate then forwarded to Chief Financial Officer (CFO) for approval. If PR is entered by the department director, it will be routed directly to the director of finance.
- If approved the PR will be converted into a PO. POs will be converted to an invoice once the invoice has been received.
- The staff entering the PR will receive an email notification from the accounting system notifying them of approval or denial.
- If PR is denied comments from the director should be addressed and a new PR should be submitted prior to moving forward with the purchase.

Independent Contractors

USA Fencing periodically hires **non-employee** personnel to perform work as independent contractors. These contractors will be paid. In accordance with the **agreement** between themselves and USA Fencing.

- All contractors must pass the 20-factor test used by the IRS to be considered for employment by USA Fencing as a contractor.
- All independent contractor agreements should be documented in writing and a copy of those agreements maintained by USA Fencing in Design Sensory.
- All independent contractors must submit an IRS form W-9 **before** any payments are made. All W-9's will be retained for all individuals receiving payments, other than reimbursements

and per diem. W-9's do not expire.

- Certificates of insurance should be obtained from all independent contractors that are not USA Fencing members and thus not covered by the USA Fencing secondary insurance.
- Contractors will receive a form 1099 if they were paid $2000 or more for qualified payments in the calendar year. See Tax Compliance, Form 1099.
- For contractors that are eligible for expense reimbursement the following applies:
    - Expense reports and reimbursement requests are forwarded to the appropriate department director for review and approval.
    - An email is sent to the submitter, confirming receipt of the item.
    - The approved documents are then submitted to the finance department for entry into the accounting system.
    - Eligible expenses and per diem rates are listed on the USA Fencingwebsite.
    - Requests submitted more than **30 days** after the date the expenses were incurred will not be paid. The Chief Financial Officer (CFO) may take into consideration extenuating circumstances and extend this deadline.

Invoice Approval & Accounts Payable

Invoice

All invoices must be approved by the director or senior manager of the department for which the expense was incurred. Approved invoices will be paid within 30 days of receipt.

- Invoices for administrative services are date stamped and forwarded by paper or electronically to the finance department for approval. The Chief Financial Officer (CFO) will be notified immediately of any unexpected or unauthorized expenses.
- Non-administrative vendor invoices are date stamped and forwarded to the appropriate director for approval. If the invoice is in line with a previously approved purchase requisite, the invoice will be forwarded to the finance department for entry. If the invoices are not connected to a purchase requisite or has a variance from the approved purchase requisite, a new purchase requisite must be entered for the difference in the invoiced amount with the invoice attached.
- All copies of invoices are attached electronically to the accounting system to keep track of invoices. Paper invoices can be shredded after 30 days.

Cash Disbursement

To ensure accounts are kept in good status and bills are paid bi-weekly.

- The Chief Financial Officer (CFO) or designee will pull the vendor aging report from the accounting system and select the bills to be paid. Each bill will be reviewed to ensure proper accounts, accounting dimensions, amounts and all supporting documentation is attached.
- Bills approved for payment will be marked on the vendor aging report and provided to the check signer and finance manager or designee to cutchecks.
- Check signers should ensure that the related invoice has been either marked for payment or approved for payment by email as supporting documentation is electronically maintained and not accompanying the check. If in doubt the check signer should log into the accounting system

to ensure that supporting documentation supports payment.

- Checks are not returned to the check preparer and are immediately mailed.
- It is not permissible that any member of the finance department be an authorized signer on any account.
- For check payments in excess of $5,000 two authorized check signer's signatures are required.
- All pre-printed blank checks are to be secured in a locked cabinet.
- Venmo, PayPal, and similar peer-to-peer payment platforms are not approved methods for making payments on behalf of the organization.

Payment Requests

Payment requests are used for all cash disbursements.

- The requestor will provide a payment request via email and forward it to the appropriate department director for approval. Once approved the request is submitted to the finance department. The request should include documentation of the expenses.
- Payment requests that are made to reimburse athletes or Independent Contractors must include an expense form and copies of receipts with proper coding. Without proper information provided, requests will be sent back to the requestor.
- Payment requests should be submitted at least 10 days prior to the due date for vendor payments.
- Finance has **30 days** to process expenses reimbursement once finance receives completed expense requests.
- The finance department will review for completeness and accuracy and enter the request into the accounting system.
- Expenses forms submitted by athletes more than **30 days** after the date the expenses were incurred will not be paid. The Chief Financial Officer (CFO) may take into consideration extenuating circumstances and extend this deadline.

Wire Requests

In some instances, it may be necessary to wire funds.

- Outgoing wire transfers must be documented on a wire request form or by email.
- Wire requests should be submitted at least 10 days prior to the day that the wire is needed with supervisors' approval.
- Wire transfers are performed online and require two parties to process. Wire transfers are initiated by the finance department and released by the director of finance, or Chief Executive Officer (CEO). Upon completion the wire transfer is recorded in the accounting system, and the transaction confirmation is sent to the requestor.
- Wire transfers will be sent out through preferred money exchange company (MoneyCorp).

*In extenuating circumstances if the Chief Financial Officer (CFO) or finance manager is unavailable authorized signer may release wire transfer through First Interstate Bank.

Cash Expense Advances

Due to the nature of USA Fencing's business, it is often necessary to furnish funds in advance of their use. In some cases, trips to major competitions often require staff members to have funds available in the local currency, to pay entry fees or to cover unexpected contingencies.

- Where there is a need for such an advance the staff member in need of the advance will submit a request for the funds to their supervisor for approval then will be forwarded to the finance department.
- Cash advance requests should be submitted at least 10 business days prior to the day that the funds areneeded.
- Foreign currency requests will be sent to the bank by email. The bank representative will require a signer's approval before ordering the currency and will send a confirmation email with amount owed. Once the currency is received by the bank, a check made out to the bank, will be cut and the requestor will go to the bank to pick up the currency.
- A check in the amount of US currency requested will be made out to the staff member making the request. The staff member will cash the check at the USA Fencing bank.
- The person receiving the advance has the responsibility of accounting fully for the use of these funds, as well as returning any unused portion.
- The staff member must submit an expense report as outlined above, and account for all funds. Original receipts and adequate documentation are required for all advanced funds.
- All unspent funds must be returned to USA Fencing finance manager with the original expense report.
- Failure to adhere to these procedures will result in disciplinary action. Disciplinary action may include, among other things, verbal and/or written warning, suspension of employment without pay or termination of employment. Funds not paid back to USA Fencing will be deducted from the staff member's income from future paychecks. Non- employee members will receive a 1099-MISC subject to federal and state taxes.

Rebate of Share Dues to Division and Clubs

Rebate checks will only be issued to those divisions that have filed the required financial reports and division report indicating current officers.

- The amount of rebate will be determined annually with budget approval. Divisions earn $3 per eligible member in their division per fiscal year.
- Divisions are eligible to receive rebates for the current fiscal year when required reports have been received.
- Divisions that have met the requirements will receive payment from USA Fencing twice per year.
- Rebates will not be paid, and amounts reserved for that purpose will be returned to USA Fencing's general funds if reports are not received in the current year from the end of the

quarter.

- Rebate checks will only be issued to those divisions that have filed the required financial reports, are compliant with bylaws and division operating guide, and provide an annual division report indicating current division officers.
- All Division Officers must be current USA Fencing Members, have a current passed background screen, and have completed the annual SafeSport training.

Petty Cash

USA Fencing does not keep petty cash in the office. All funds received should be deposited per the above instructions.

Employee Expense Reimbursement

Employees are eligible to receive reimbursement for expenses incurred while on USA Fencing business.

- Reimbursable business expenses for employees include food, mileage baggage fees, ground transportation and lodging while on company approved business travel. Mileage will be reimbursed at the current IRS rate.
- Employee expenses for alcohol are not reimbursable.
- Employees are not eligible to receive per diem.
- Expense reports are to be submitted with detailed receipts attached.
- Employee reimbursement forms must be approved by their direct supervisor and finance department. The Chief Executive Officer (CEO)'s reimbursement forms should be reviewed monthly by the treasurer.
- Reimbursement forms and receipts need to be turned into the finance department within seven (7) days of the date of purchase or return from travel.

Expense Reimbursement Policy for Board and Board Chair

Board of directors Expense Reimbursement Policy:

Who: USA Fencing's current board of directors/athlete representatives

USA Fencing business travel, other than board meetings, must be approved by the treasurer* prior to scheduling.

Meals: Meals will be provided by USA Fencing. Meals not provided by USA Fencing will be reimbursed with valid receipts $20/$25/$35 for breakfast, lunch and dinner respectively. USA Fencing does not reimburse alcoholic beverages.

Entertainment: All entertainment must be approved by the treasurer* prior to the occasion. If approved, all expenses must be accompanied with receipts and must include description of the business purpose and individuals present.

Airfare: **USA Fencing will cover only coach or economy class fares** for official USA Fencing business travel. If travel start and ends, locations are anywhere but at the nearest home residence airport only the cost of the travel from the nearest home residence airport to the event location will be covered, unless prior approval is obtained from the treasurer*. **Flights must be booked at least 3 weeks prior to**

travel, unless circumstances do not allow. Higher flight costs due to not booking in time will not be covered. Travel certificates may be used at USA Fencing's discretion. **USA Fencing does not reimburse for flight cost when frequent flyer rewards are used**. For international air travel, there is an allowed variance of $150 from the cheapest airfare available to take into account airline status, bag fees etc. For domestic air travel there is an allowed variance of $50 from the cheapest airfare available to take into account airline status, bag fees etc.

Baggage Fees: Baggage fees will be reimbursed upon submission of receipts. Max of one bag each way.

Hotel: Hotel arrangements will be coordinated and paid for directly by USA Fencing for all USA Fencing organized events. For all other USA Fencing business travel hotel costs will be covered for standard room accommodation only. Directors must obtain approval prior to USA Fencing business travel. Submission of receipts are required.

Ground Transportation and Parking: Travel by personal vehicle will be reimbursed at the published IRS standard business mileage rate in effect on August 1 of the current fiscal year. Only one person per vehicle will be reimbursed. Mileage will be confirmed using an internet source with a 50 mile tolerance. Mileage reimbursement will be limited to the lesser of the cost of one airfare to the destination city or $400. Google or Mapquest must be submitted with this expense form to receive mileage. If the director has driven, parking at the USA Fencing designated hotel will be covered only for the days related to the USA Fencing business. USA Fencing will reimburse reasonably priced public transportation (Uber/Lyft) costs for travel between home and airport/airport to home. Alternatively, in no case will reimbursement for both parking and public transportation be paid on the same trip. Directors must use free shuttle service between airport/hotel/venue when provided. If free shuttle service is not available, reasonably priced public transportation for travel between airport/hotel/venue will be reimbursed with valid receipts. Reimbursement will be made for reasonably priced (long term) parking for a period not to exceed service days plus travel days. Car rental will not be reimbursed without prior written approval from the treasurer*. When rental car use is approved only gas will be reimbursed with the submission of receipts.

Expenses not mentioned above such as phone charges, conferences, continuing education, internet, clothing will not be reimbursed.

*Treasurer's USA Fencing business travel and entertainment must be approved by the board president.

Chair's Expense Reimbursement Policy:

Who: USA Fencing's current Chair

USA Fencing Business travel, other than Board Meetings, must be approved by the Treasurer prior to scheduling.

Per Diem: A per diem of $100 will be provided per day in which the Chair is away on official business. For USA Fencing business that is less than a full day a $50 per diem will be provided.

When per diem is received no additional expenses will be covered for meals, alcohol, local transportation, parking or miscellaneous expenses.

Entertainment: All entertainment of non-Board members, such as dining, must either be covered by the per diem amount or approved by the Treasurer prior to the occasion. If approved all expenses must be accompanied with receipts and must include business purpose description and individuals present.

Airfare: **Travel should be arranged and purchased by the USA Fencing National Office.** USA Fencing will cover only economy class fares for official USA Fencing business travel. If travel starts and end locations are anywhere but at the nearest home residence airport only the cost of the travel from the nearest home residence airport to the event location will be covered, unless prior approval is obtained from the Treasurer. Flights must be booked at least 3 weeks prior to travel, unless circumstances do not allow. Higher flight costs due to not booking in time will not be covered. Travel certificates may be used at USA Fencing's discretion. USA Fencing does not reimburse for flight cost when frequent flyer rewards are used. For international air travel, there is an allowed variance of $150 round trip from the cheapest airfare available to take into

account airline status, bag fees etc. For domestic air travel, there is an allowed variance of $50 round trip from the cheapest airfare available to take into account airline status, bag fees etc.

Baggage Fees: Baggage fees will be reimbursed upon submission of receipts. Max of one checked bag and one carry on each way.

Hotel: Hotel arrangements will be coordinated and paid directly by USA Fencing for all USA Fencing events organized. For all other USA Fencing business travel hotel costs will be covered for standard room accommodation only.

Ground Transportation and Parking: Travel by personal vehicle will be reimbursed at the published IRS standard business mileage rate in effect on August 1 of the current fiscal year. Only one person per vehicle will be reimbursed. Mileage reimbursement will be limited to the lesser of the cost of one airfare to the destination city or $400. Google or MapQuest must be submitted with this Expense Form to receive mileage. If the director has driven, parking at the USA Fencing designated hotel of the will be covered only for the days related to the USA Fencing Business. USA Fencing will reimburse reasonably priced public transportation (Uber/Lyft) costs for travel between home and airport/airport to home. In no case will reimbursement for both parking and public transportation be paid on the same trip segment. Directors must use free shuttle service between airport/hotel/venue when provided. If free shuttle service is not available, reasonably priced public transportation for travel between airport/hotel/venue will be reimbursed with valid receipts. Reimbursement will be made for reasonably priced (long term) airport parking for a period not to exceed service days plus travel days. Mileage to and from the airport will be reimbursed with Google or MapQuest verification. Car rental will not be reimbursed without prior written approval from the Treasurer. When rental car use is approved gas will be reimbursed with submission ofreceipts. Expenses not mentioned above such as phone charges, conferences, continuing education, internet, clothing will not be reimbursed.

Credit Cards

USA Fencing ("Company") will issue company credit cards to certain employees for use in their jobs. This policy sets out the acceptable and unacceptable uses of such credit cards.

- All credit card transactions must be properly coded and submitted with supporting documentation and approved by the designated supervisor no later than the 7th day of the following month.

  Any credit card with outstanding transactions that are not coded and approved by this deadline will be temporarily suspended until all required coding and approvals are completed.

  This policy applies to all organizational credit cards, including those assigned to specific departments. If required coding or receipts are not submitted, the card associated with that department may be suspended, and the department's supervisor will be responsible for ensuring compliance before reinstatement.

- The Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) have the authority to adjust the available line of credit with credit card companies to meet the needs of the organization.
- Use of company issued credit cards is a privilege that the company may withdraw at any time, with or without cause. Upon an employee's termination of employment at the company, all cards must be returned to the Company's finance department.
- The employee in possession of the company credit card is solely responsible for all purchases on the card and for ensuring that the card is not used by unauthorized personnel. Card numbers may not be distributed.
- Any credit card USA Fencing issued to an employee must be used for business purposes only, and for purposes in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any non-business purpose. Non-business purchases are considered any purchases that are not for the benefit of the company.
- Business related expenses, such as food, baggage fees, ground transportation and lodging while on company approved business travel, may be purchased on the company credit card as long as these purchases are consistent with the company's travel and expense reimbursement policy. No alcoholic beverages may be purchased with the Company credit card unless approved by the Chief Financial Officer (CFO) or Chief Executive Officer (CEO).
- Employees' **personal meal allowance is $80 a day**, this includes breakfast, lunch, dinner and any snacks and beverages. If meals that will be over daily limit an approval from the Chief Financial Officer (CFO) or Chief Executive Officer (CEO) must be obtained.
- Meals that are above daily limits are reserved for relationship building meetings. This is for approved staff members; outside approved staff prior approval is needed.
- Any purchases other than airfare and hotel accommodation in the amount of $500 or above must be approved prior to purchase. The employee must submit the purchase request in writing to their immediate supervisor or Chief Financial Officer (CFO) and receive approval in writing before making the purchase. The employee should attach a copy of the purchase approval to the receipt and submit them together when submitting the receipt to the finance department.
- The employee in possession of the credit card is responsible for receiving, printing and retaining all receipts related to purchases made on the company credit card. If a receipt is lost, a "No receipt explanation form" must be maintained and submitted in the same manner in which a receipt would be maintained and submitted.

- Receipts need to be coded and submitted via the Visa Expensify system within **14 days** of the date of purchase, return from travel and within **7 days** of the end of the statement period. All receipts must show an **itemized description** of what the purchase is to ensure proper accounting of the purchase. Meals or entertainment purchases must indicate the names of all persons attending the meal or entertainment and the business purpose of such event.
- If any employee uses a company credit card for a personal purchase in violation of this policy, the cost of such purchases(s) must be repaid to USA Fencing as soon as possible. An invoice will be created for employees to make payments. If the cost of such purchase(s) is not repaid to USA Fencing by the time the employees leave the amount will be taken from their paycheck.
- If any employee uses a company credit card for a non-personal purchase that is not within the scope of the employee's duties or the employee's authorization to make business related purchases, the cost of such purchases will be the financial responsibility of that employee unless otherwise expressed in writing by the Chief Executive Officer (CEO). The employee will be expected to reimburse the company via an invoice being created and payments must be made until the unauthorized amount is fully repaid.
- In addition to financial responsibility and liability for wage deductions, any purchases an employee makes with a company credit card in violation of this policy will result in disciplinary action, up to and including termination of employment.
- The policy will remain in effect as long as the employee has a company credit card or until a new policy has been issued and which clearly indicates that it is intended to be a replacement of this policy.
- Credit card rewards points earned on credit cards paid by USA Fencing, including airline miles and gift cards, will be used at the Chief Executive Officer (CEO)'s discretion.

Expense Allocations

Certain costs are allocated across multiple accounts, departments, locations or projects.

- Costs that can be directly allocated to the accounts, departments, locations or projects will be recorded as such.
- Costs that cannot be directly allocated to an account, department, location or project will be allocated by the discretion of the department and Chief Financial Officer (CFO)s.
- Allocations should be reviewed annually during the budgeting process and adjustments made and documented as needed.

Asset Management

Responsibility

While the ultimate responsibility rests with the board of directors, the day-to-day maintenance of funds is the responsibility of the director of finance.

Cash Management and Investments

Bank Account

- With the approval of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) shall open and supervise such bank accounts as are needed for the transaction of business.
- The Chief Executive Officer (CEO), director of finance, finance manager and treasurer should all have online access to allow for proper oversight.
- The number of accounts shall be kept to a minimum, but no account or institution balance should exceed the federally insured maximum.
- Wherever appropriate, the accounts shall be interest bearing. The finance department is responsible for reconciling the monthly statements.
- The Chief Financial Officer (CFO) or the Chief Executive Officer (CEO) are responsible for reviewing all monthly account reconciliations.

Investments and Cash Management

- When the cash position in the bank permits, the Chief Executive Officer (CEO) or Chief Financial Officer (CFO) shall place such funds in a reasonably liquid and safe interest-bearing money market.
- No loan shall be contracted by USA Fencing, not any of its assets pledged as collateral for any indebtedness, and no evidence of indebtedness or security instrument shall be issued, endorsed or accepted in the name of USA Fencing unless the same has been authorized by the board of directors or a committee designated by the board of directors to so act.
- Such authority may be general or confined to specific instances or amounts. The officer, officers, employee or employees upon whom such authority has been conferred may, within the scope of that authority, effect loans at any time from any bank or other entity, and for such loans may execute and deliver promissory notes and other evidences of indebtedness of USA Fencing; to the extent authorized, may mortgage, pledge or otherwise encumber any real or personal property, or any interest therein, owned or held by USA Fencing as security for the payment of any and all USA Fencing loans (and obligations incident thereof); and to these ends may execute and deliver such instruments as may be necessary or proper.

Capital Equipment

Fixed Assets

Unless otherwise provided by IRS regulation, all assets with a useful life greater than one year and a cost greater than $2,000 shall be recorded as fixed assets. The useful life of each asset will be assigned on a case-by-case basis, but in general, the following schedule should be followed:

Furniture and fixture – 5 years
Computers and electronic equipment – 3 years All
other assets – 5-7 years

- The Chief Financial Officer (CFO) is responsible for managing the schedule of capital assets and assigns numbered tags to assets when feasible.
- All fixed assets will be physically inventoried annually, and a depreciation schedule reconciled with the balance sheet.
- In some cases, assets that are individually less than $2,000 but purchased in multiple quantities can be classified as assets.

- At minimum an annual adjustment to record depreciation expense will be made to the financial statements at year-end.
- A straight-line method of depreciation is used.

Employee Retirement Accounts

USA Fencing provides retirement saving options to full-time employees. The employee directs their investment selection as well as the amount of their retirement contributions, only restricted by the IRS determined annual limits. See employee handbook for details.

- All retirement contribution elections will be made by the employee through the payroll company.
- The payroll company is responsible for depositing the employee and employer retirement contributions to the investment company in a timely manner and never to exceed 10 days after funds were withheld from the employee.

Operating Reserve

The purpose of the operating reserves policy for USA Fencing is to ensure the stability of the mission, programs, employment and ongoing operations of the organization. The operating reserve is intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, and unanticipated loss in funding or uninsured losses.

Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of USA Fencing that the operating reserves have an established range which will be replenished in the next budget cycle when used. The operating reserve policy will be implemented in concert with the other governance and financial policies of USA Fencing and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

Definitions and Goals

The operating reserve fund is defined as the designated fund set aside by action of the board of directors. The minimum amount to be designated as operating reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The operating reserve serves a dynamic role and will be reviewed and adjusted to internal and external changes.

The initial target minimum operating reserve fund is equal to three months of average operating costs (25% of budgeted annual operating expenses).

The amount of the operating reserve fund target minimum will be calculated and an optimal schedule for meeting this target will be created and adopted by the budget committee. Each year the operating reserve fund target minimum will be reviewed in conjunction with the approval of the annual budget, reported to the finance committee/board of directors and included in the regular financial reports.

Accounting for Reserves

The operating reserve fund will be recorded in the financial records as board designated operating reserve.

The fund will be funded by and available in cash or marketable securities. Operating reserves will be maintained in an account with the United Sates Olympic Endowment, in accordance with investment policies.

Funding Reserves

The operating reserves fund will be funded with surplus unrestricted operating funds. The board of directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants or special appeals.

Use of Reserves

Use of the operating reserve requires three steps:

1. Identification of appropriate use of reserve funds.
   The Chief Executive Officer (CEO) and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason for the shortfall, the availability of any other source of funds and evaluation of the time period that the funds will be required and replenished.
2. Authority to use operating reserves.
   Authority for use of operating reserve is delegated to the Chief Executive Officer (CEO) in consultation with the treasurer. The use of operating reserves will be reported to the board of directors at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the operating reserve fund to the level it was at before the use. The Chief Executive Officer (CEO) must receive prior approval from the board of directors to take funds from the reserve if the replenishment will take longer than 12 months.
3. Reporting and monitoring
   The Chief Executive Officer (CEO) is responsible for ensuring that the operating reserve fund is maintained and used only as described in this policy. Upon approval for the use of operating reserve funds, the Chief Executive Officer (CEO) will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the budget committee/board of directors of progress to restore the fund to the target minimum amount.

Review of Policy

This policy will be reviewed annually by the budget committee, or sooner if warranted by internal or external events or changes. Any changes to the policy will be recommended by the budget committee to the board of directors.

Operation Processes and Procedures

Lists & Labels

Fees for list and label generation will be set by the national office or, in special situations, by the board of directors (e.g. for elections).

Problem Files

Occasionally membership forms are submitted without proper payment. These problem applications are to be dealt with on the day the problem is discovered.

If there is an issue with an individual or group application, the applicant is contacted via email explaining the problem. The application is placed in a problem file at the front desk. The problem file is kept in a locked cabinet to maintain the security of the payment information.
The problem file is reviewed weekly for resolution or further contact via phone or email.

National Events

Occasionally tournament entry forms are submitted without proper payment. These problem applications are to be dealt with on the day the problem is discovered.

All entry forms are to be processed regardless of payment issues. Improper payment will be noted in the tournament database, and the athlete will pay at check in at the tournament.
Tournament files are downloaded, and an accounting sheet is made prior to the tournament. The national events personnel will take this information to the tournament. All entrants who have not resolved their payment issues prior to the tournament will do so before they are allowed to compete. The national events personnel will forward all payments received to the finance department with a reconciliation accounting sheet upon return.

- If an athlete is registered and does appear at the event a no-show fee of $250 will be asset. Once the event has been completed the National Events team will provide the finance department with a no-show sheet and invoices will be sent to athletes. Membership accounts will also have a block placed. The national events director will approve any exceptions to wave no show penalties.

Recordkeeping

Complete and detailed records will be maintained of all financial transactions as well as select national event documentation. Records will be retained in a secured location until the period which the document must be maintained has expired. The guidelines in the tables below indicate the number of years a record is to be kept after the close of the fiscal year in which the transaction took place.

- Paper documentation for any fiscal year financial transactions should be maintained and secured in office filing cabinets until both the annual and USOPC audits are complete.
- Once the audits are complete, paper documentation should be boxed and stored in a secure location. Boxes of records for storage are to be clearly marked as to their contents. Permanent records shall not be boxed with non-permanent records, and each box of non-permanent records is to have a destroy date indicated.
- Electronic documents should be kept on the company shared drive or alternative secured drive that is maintained and backed up until the required period has expired.

Permanent Records	**Location**		
Item	Current	1st Year	Remaining
Articles of Incorporation	Office	Office	Office

Bylaws and Minutes	Office	Office	Office
Licenses, Franchise Agreements and Deeds	Office	Office	Archive
IRS exemption determination letter	Office	Office	Archive
State tax exemptions	Office	Office	Archive
Tax Returns	Office	Office	Archive
Audited Financial Statements	Office	Office	Archive
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Office	Office	Archive
Litigation (all documentation and communication)	Office	Office	Archive
Disciplinary Matters (complaints, panels Etc)	Office	Office	Archive
Trademark registrations and copyrights	Office	Office	Archive
Important checks (tax/property/etc.)	Office	Office	Office
Fixed assets and depreciation records	Office	Office	Archive
Magazines (digital and/or print copies)	Office	Office	Archive
Tournament results (top 32)	Office	Office	Digital
Disciplinary Issues	Office	Office	Digital

Non-Permanent Records		**Location**		
Item	Years	Current	1st Year	2nd & 3rd Year
Bank Statements	7	Office	Office	Archive
Deposit batch reports & duplicate slips	7	Office	Office	Archive
Journals	7	Office	Office	Archive
General Ledgers	7	Office	Office	Archive
Canceled checks	7	Office	Office	Office
Expense analyses/expense distribution schedules	7	Office	Office	Archive
Monthly financial reports and statements	7	Office	Office	Archive
End of the year financial statements	7	Office	Office	Archive
Audit report of accountants	Perm	Office	Office	Archive
Employment applications	7	Office	Office	Archive
Employee records (after termination)	7	Office	Office	Office

Payroll records (timesheets)	7	Office	Office	Archive
Payroll tax returns (W-2 & 1099)	7	Office	Office	Office
Contracts, mortgages, notes and leases (expired)	7	Office	Office	Archive
Service contracts and agreements (after termination)	7	Office	Office	Archive
Donor contributions (after donor restrictions are met)	7	Office	Office	Archive
Invoices and expense reports (after payment)	7	Office	Office	Archive
Accounts payable and receivable ledgers and schedules	7	Office	Office	Archive
Inventory counts and merchandise records	7	Office	Office	Office
Tournament Entry Forms	4	Office	Archive	Destroy
Tournament results (other than Top 32)	4	Office	Office	Destroy
Membership applications	7	Office	Office	Archive
Membership Lists	7	Office	Archive	Archive
Correspondence	7	Office	Archive	Destroy
Club memberships	7	Office	Office	Archive
Media records	7	Office	Office	Office

Privacy Policy

Collection, Storage and Use of Personal Data

Members of USA Fencing and any foreign athlete who has utilized the services of USA Fencing (fencers, and tournament officials, hereinafter referred to as the "licensees"):

I understand and freely acknowledge, as per included detailed explanations, that

- ⇨ my national federation, USA Fencing, all approved event organizers, WADA and all other authorized anti-doping organizations
- ⇨ may process, collect, store, use and delete my personal data
- ⇨ For the purpose of
    - managing my affiliation as licensee with USA Fencing
    - participating in fencing events and keeping and publishing my sporting history and biography
    - implementing and complying with all anti-doping requirements and rules.

I. GENERAL PERSONAL DATA

1. I HEREBY FULLY AND FREELY UNDERSTAND AND ACKNOWLEDGE that USA Fencing, the national fencing federation with which I am affiliated ("NF") and any third parties contracted by

USA Fencing, may collect, store, process, use and disclose to third parties any personal information including, but not limited to my name, date of birth, contact details and image as well as historical and statistical data related to my affiliation as licensee with USA Fencing, as well as to my participation, in any capacity, in any national and international fencing event ("events") organized by my NF, by USA Fencing, by any NF member of USA Fencing or by any USA Fencing approved contractual partners ("event organizers") (hereinafter referred to as the "personal data"), to the extent that such personal data are necessary or helpful to the management of my affiliation as licensee to USA Fencing, as well as to the organization of such event and to my participation thereto, and to the promotion of the sport of fencing by USA Fencing. USA Fencing may create and update my personal data in any other way in which I have provided or will provide my express consent or as may be required by law.

II. PERSONAL DATA RELATED TO ANTI-DOPING

2. I confirm that I accept to be bound to all the provisions of the World Anti-Doping Code (WADC).

I **HEREBY UNDERSTAND AND ACKNOWLEDGE** that I am subject to the provisions of the WADC implemented by any anti-doping organization in charge of any anti-doping activities, in that they may, where applicable, in particular, collect, store and use:

- urine and blood samples to establish possible anti-doping rule violations,
- whereabouts information,
- any information and material necessary for the implementation of the biological passport,
- any information and material to conduct testing and perform results management, in order to determine whether the use of a prohibited substance or prohibited method is strictly limited to legitimate and documented therapeutic purposes,
- any information and material for the purpose of educating athletes and other persons of their rights and responsibilities,
- any information and material to conduct investigations into anti-doping rule violations and to initiate legal proceedings against those who are alleged to have committed such violations.

3. **I UNDERSTAND** that the term "anti-doping organizations" shall include, but not limited to, any signatory of the WADC that is responsible for adopting rules for initiating, implementing or enforcing any part of the doping control process. This includes, but is not limited to, the International Olympic Committee, the International Paralympic Committee, other major events organizations that conduct testing at their events, WADA, FIE and national fencing federations and national anti-doping agencies.

4. I **FURTHER UNDERSTAND AND ACKNOWLEDGE** that I am submitted to WADA International Standard for Protection of Privacy and Personal Information (hereinafter referred to as "WADA ISPPPI") and I confirm that I am aware of the content of article 2.0 WADC ISPPPI relating to the confidentiality of personal information set forth in article 14.6 WADC which provides that:

Anti-Doping Organizations may collect, store, process or disclose personal information relating to Athletes and other Persons where necessary and appropriate to conduct their anti-doping activities under the Code and International Standards (including specifically the International Standard for the Protection of Privacy and Personal Information), and in compliance with applicable law.

5. I **UNDERSTAND** that, under article 3.2 of the WADA ISPPPI, the notion of personal information includes "sensitive personal information" and is defined as follows:

- **Personal Information** including, but not limited to, athlete's name, date of birth, contact details and sporting affiliations, whereabouts, designated therapeutic use exemptions (if any), anti-doping test results, results management (including disciplinary hearings, appeals and

sanctions), personal details and contact information relating to other persons, such as medical professionals and other persons working with, treating or assisting an athlete in the context of anti-doping activities.

- **Sensitive Personal Information** relating to athlete's or other person's racial or ethnic origin, commission of offenses (criminal or otherwise), health (including information derived from analyzing an athlete's samples or specimens) and genetic information.

6. I **FURTHER UNDERSTAND AND CONSENT** that, pursuant to article 8.2 of the WADC ISPPPI, anti-doping organizations may disclose my personal information to other anti-doping organizations **where such disclosures are necessary to allow the anti-doping organizations receiving the personal information to fulfil obligations under the code and in accordance with applicable privacy and data protection laws**.

7. I am finally aware of the content of Annex A to the WADC ISPPPI regarding the **retention time** of my general personal information, but also including whereabouts, Therapeutic Use Exemption, testing, A and B samples, test results and results management (forms/documentation), disciplinary ruling (ADRV) and athlete biological passport (ABP).

III. ACCESS / RECTIFICATION / DISCLOSURE / WITHDRAWAL OF CONSENT / ERASURE (RIGHT TO BE FORGOTTEN)

8. I am aware that I can ask to have **ACCESS** to any of my personal data and that I am entitled to request their **RECTIFICATION** to correspond to the truth.

9. Besides, I have been duly informed and I understand that USA Fencing, national federations, the event organizers and the anti-doping organizations may **DISCLOSE** personal information to third parties where such disclosures (i) are required by law, sports regulations or compulsory legal process or by the implementation of a contract to which I am a party; or (b) is published on USA Fencing website as general and public sporting information (name, date of birth, nationality, sporting profile and biography; statistical data); or (c) are made to recipients located in countries ensuring an adequate level of protection; or (d) are necessary to assist law enforcement or governmental or other authorities in the detection, investigation or prosecution of a criminal offense, or breach of the WADC, provided that the personal information is reasonably relevant to the offense in question and cannot be otherwise reasonably obtained by the authorities.

10. I am aware that I am entitled to **OBJECT AND REFUSE** at any time the processing of my personal data as described above, by written and signed communication sent to my NF and to USA Fencing. I further understand that my participation in any fencing activity may, from time to time, depend on my consent that the above-mentioned personal data be processed for legitimate and regulatory purposes and, in particular, that my participation is contingent upon my voluntary compliance with anti-doping procedures set forth in the WADC. Accordingly, I am fully aware that in case of objection, refusal or opposition to the processing of my personal data, I **COULD NO LONGER BE ALLOWED TO PARTICIPATE** in a specific event or in any sporting international fencing activity.

11. I am also informed of my right to request that all my personal data collected by the NF, USA Fencing, any event organizer or by any anti-doping organization, **BE ERASED, notably if and when such personal information is no longer relevant to my NF, USA Fencing, event organizers, or any other anti-doping organizations,** respectively, for the purpose of the organization of any other competitions organized under the auspices of my NF, USA Fencing or any event organizer, or for the promotion of the sport, including for public or scientific interests, for historical research and statistical purposes.

IV. LITIGATION

I agree that any dispute, controversy or claim arising out of, or in connection with the above- referenced matters, and not resolved after the exhaustion of the legal remedies set forth by USA Fencing, my national federation, and/or the event organizer, any arbitration shall administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the laws of the State of Colorado and the United States, and it shall be conducted in Colorado Springs, Colorado. The arbitrator(s) will have no authority or jurisdiction to award consequential, punitive or exemplary damages, and any demand for such damages shall be a nullity. Except as may be required by law or as reasonably required to enforce or appeal from an arbitration award or as noted above, arbitration proceedings shall be kept confidential, and neither a party, an attorney for a party, a witness, nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder to a non-party without the prior written consent of all parties.

*Approved USA FENCING Board 5/30/2026