



## **FINANCIAL POLICIES AND PROCEDURES FOR FRIENDS GROUPS**

A primary mission of the Pennsylvania Parks and Forest Foundations is to assist with the creation of citizen support groups (friends groups). These groups provide a means for the supporters and users of Pennsylvania's state parks and forests to contribute to the conservation and upkeep of our publicly-owned land.

Becoming a chapter of the Pennsylvania Parks and Forests Foundation allows friends groups to solicit donations to be used exclusively for their park or forest without the burden of acquiring tax exempt status, conducting audits, or filing taxes. All the energy of the group can be focused on support of their park or forest. To become a "PPFF Friends Group", a memorandum of understanding and other paperwork must be completed and approved by the PPFF Chair and Secretary. The complete information is available from the PPFF President, Marci Mowery at [mmowery-ppff@pa.net](mailto:mmowery-ppff@pa.net).

Participation as a friends group also requires that the following procedures governing financial matters be followed.

In order for the Foundation to comply with auditing, tax and other legal requirements, it is essential that we have the necessary information for all income received and expenses paid. All income received for the PPFF friends group must be forwarded to the Foundation as soon as possible where it will be kept for the exclusive use of the friends group less the applicable fees. Likewise, any expense requiring payment from the account should be sent to the Foundation for payment.

PPFF financial functions are currently performed by the Foundation office at 1845 Market Street, Suite 202, Camp Hill, PA 17011. The normal Foundation point of contact is Debbie Whitmoyer at [dwhitmoyer@paparksandforests.org](mailto:dwhitmoyer@paparksandforests.org) or 717-236-7644. Jim Grace, the PPFF Treasurer, may be contacted at [jgrace046@gmail.com](mailto:jgrace046@gmail.com).

To minimize confusion, only one person from the chapter, normally the treasurer, along with the park manager or district forester (unless otherwise appointed) should conduct financial transactions with the Foundation. The name and contact information must be kept current with the bookkeeper at the above email address.

## Deposits

Deposits into accounts should be made using the standard PPF Deposit Form found on our website at [www.PAParksAndForests.org](http://www.PAParksAndForests.org) or available from PPF. This is in an Excel spreadsheet format and is available electronically from the website or via email. A paper version can also be provided upon request. We ask that you assign a deposit ID number to each deposit so it will be easier to reference at a later time. **When sending deposits to PPF, send both the hard copy of the deposit form (keep a copy for your records) with the deposit as well as email an electronic version of the spreadsheet.**

1. On the deposit form, indicate the account and a deposit id (such as 02-2007 or FORCSP 01-07, etc.).
2. Complete, in detail, the specific information from each check. This is then forwarded to our database and/or used for thank you letters. This information should be the name and address of who the check is from (not to), check number, amount and type of revenue. Note: Tags are not sales, they are actually donations so please identify as such.
3. In the lower right corner of the form is a deposit summary. Fill this out for every deposit.

Send your deposits to PPF at 1845 Market Street, Suite 202, Camp Hill, PA 17011. All checks should be endorsed with the PPF "For Deposit Only" endorsement stamp that will be provided to the individual responsible for the account. Check with PPF if you have not received your stamp. *NOTE: Checks made payable to "Commonwealth of Pennsylvania" or "Department of Conservation and Natural Resources" cannot be accepted and will be returned to you.*

As noted above, be sure to maintain accurate records for deposit transactions. Deposits should be in the form of checks or money orders made payable to "PA Parks and Forests Foundation" or "PPF" with the chapter name listed in the memo line.

CASH deposits will not be accepted. Please convert cash to a money order payable to PPF.

All donations and payments for chapter memberships amounting to \$100 or more will receive an acknowledgment letter. Your donors want to hear from **you**. We encourage you to acknowledge donations under \$100. A template acknowledgement letter is located in your "Millions of Memories" binder. *Please note that if the money is generated for an advertisement, merchandise or vendor space, etc., the payer will not be getting a letter for tax deduction purposes.*

If a check is returned by the bank for any reason, the amount of the check and any fees will be deducted from the friends account. You will be notified of the returned check and may need to follow through with the individual who gave the money to try to get another check issued. PPF is not responsible for ensuring the replacement of bad checks.

## **Expenses**

Check requests must be submitted using the standard PPF check request form found on our web site at [www.PAParksAndForests.org](http://www.PAParksAndForests.org) or available from PPF. The request must be accompanied by the original invoice or other appropriate documentation such as a musician contract. Checks will be sent to the vendor unless otherwise indicated on the request form. Please allow time for checks to be processed as they must be circulated for two signatures. If special mailing is needed, the cost of the mailing will be billed to the group account. *No checks will be written on an account where the transaction would place the account into a deficit situation.* Please avoid multiple payees on a single request form.

Invoices may also be submitted, with signed check request form, via fax at 717-236-0972 or by email to Debbie Whitmoyer at [dwhitmoyer@paparksandforests.org](mailto:dwhitmoyer@paparksandforests.org). The original copies should be kept in your file to produce upon request.

Checks are written every Thursday and every effort is used to mail signed checks by the following Tuesday, barring holidays and vacations.

If checks are needed in advance for special event, please allow time for the processing such as in the case of a check being needed to pay a musician at an event.

## **Sales Tax Reconciliation**

For those groups who intend to sell items or run a concession as a means of raising funds, the foundation must submit monthly sales tax returns and payment to include all the sales by chapters. Please contact PPF to let us know that you will be conducting sales so we can coordinate the proper reporting to the PA Department of Revenue. Please check with us if you have a question about the taxable status of a particular item you intend to sell.

In order to complete the PA Sales Tax Return, we must know the total amount of sales conducted, total amount of taxable sales, and the amount of tax collected every month. This information should be notated in the Deposit Summary of each deposit form that includes

sales. Funds for any sales made in a particular month should be received by the PPF office for deposit **before** the 15<sup>th</sup> of the next month.

PPFF has sales receipt books available to groups to help track sales tax. Contact the office if you would like sales receipt books. Please check with PPF if you need clarification of any sales tax issue.

### **Imprest Accounts**

Imprest accounts are local checking accounts that function much like a “petty cash” account for friends groups. Eligible groups\* have found them convenient for handling small expenses for which the amount is unknown prior to payment like groceries for an event, or for payments that are due immediately. An amount of the group’s funds, usually \$500 to \$1000, is either deposited into a check card (preferable) or into a local checking account through one of our preferred banks. The group submits a monthly accounting of expenses and is reimbursed for those expenses to bring the Imprest Fund back up to the original amount.

\*Eligible groups have been in operation for at least one year, have a minimum of \$2000 in their PPF account, and are in compliance with all financial procedures including timely submission of annual reports. If you have a question about your eligibility, please contact the PPF President. The only funds deposited to the Imprest Fund would be for the initial advance and subsequent reimbursement checks or fund transfers from PPF. **For proper auditing, all funds received by the group go to PPF and are then dispersed back to the group for approved expenses. Donations and other revenue received by the group must not be deposited into the imprest account.**

An exception to the above would be for groups who accept credit cards where the fees get credited to their imprest fund. In this case, on a monthly basis, all funds must then be sent to PPF for the total sales. These accounts come under extra scrutiny from our auditors who require that all funds are properly recorded. A second exception is the conversion of cash received by the group. In this case, the cash is deposited into the imprest account, and a check in that amount is immediately sent to PPF via a deposit form for deposit into the group’s PPF account.

Groups must request replenishment for any checks written in order to maintain the authorized level. **Requests for replenishment must include a properly executed check request form, a copy of the check, and a copy of the invoice or receipt from the vendor.**

The imprest fund account should be reconciled monthly with the bank statement. PPF must also receive a copy of the monthly bank statement. Additional information may be requested particularly for the end of year audit.

### **Additional Imprest Account Details**

If the group is authorized to open a local account (the imprest account):

- The account will be opened under the name of “PA Parks and Forests Foundation, Group Name.”
  - The account will include the PPF EIN number which will be provided upon approval of the account **and** PPF’s Camp Hill address so the bank may send directly to us a duplicate monthly paper or e-statement.
  - Up to three persons will be designated as authorized users of the account, one of whom **will** be the President of PPF. Once the group has local user information, the paperwork, including the signed contract, should be forwarded to the President of PPF for completion. PPF will then forward the completed forms and, if opening a local checking account, a check for approved amount directly to the bank to the contact supplied. If opening a Visa Check Card Account, a transfer will be made at this point.
1. If a group has an imprest checking account, to issue a check the group must:
    - a. Receive a dated invoice from the vendor with a full description of the service/item to be paid.
    - b. Make copies of all checks written if a copy is not provided with the monthly bank statements.
    - c. Keep a copy of the invoice with the check copy.
  2. Once funds are depleted, submit a reimbursement request to PPF. Reimbursement requests must be submitted with a properly executed check request form to which copies of invoices or receipts and check copies(unless provided with bank statement) have been attached. Accounts must be in good standing according to this procedure in order for reimbursement checks to be processed.
  3. Keep in mind that check transactions should be for invoices requiring **immediate payment and for smaller amounts only**. All other requests for payments, including reimbursements for group members’ expenses, should be sent to PPF for processing. This will allow your account to maintain a balance.

4. All imprest accounts are subject to annual review as part of the PPF audit.
5. **If a group fails to comply with these guidelines, PPF retains the right to close the imprest account.**

### **Visa Low Balance Check Card**

PPFF reserves the right to designate the Low Balance VISA Check Card as the group's imprest account.

PPFF offers groups the ability to avoid some out-of-pocket expenses to local stores with the use of VISA Check Cards. For groups who desire this option, an individual checking account will be opened at Metro Bank in Harrisburg with funds, not to exceed \$500, transferred from the group's PPF account. The group's designated user will receive a VISA Check Card which can be used for small local purchases.

### **Steps to open a VISA Check Card Account:**

1. Submit a request, including the amount of funds desired for the account (not to exceed \$500), in writing.
2. Within 15 days, the group will receive a letter stating the authorized amount for the account and terms of the group's responsibility for the account. Accompanying the letter will be a bank information form to be completed by the group's treasurer and another authorized signer from the group. The president of PPF will also be an authorized signer on all accounts. This allows PPF to easily transfer funds when needed or to access the account in the event of an emergency such as if banking materials become lost or stolen.
3. If the group agrees to the terms listed, the signed agreement should be returned to PPF along with the completed bank information form and clear photocopies of two forms of identification for each signer.
4. When the completed paperwork packet is returned, PPF will open the account. The bank will then generate additional forms to be completed by signers. Once these additional forms are submitted to the bank, one debit card will be issued and mailed directly to the designated group user.
5. PPF and the group will receive a duplicate statement of the account monthly. Groups will be required to keep track of purchases. Any overdraft fees will be the responsibility of the group. The group will reconcile the account monthly.
6. When funds are depleted, submit a reimbursement request to PPF. Reimbursement requests must be submitted with a properly executed check request form and copies of

invoices or receipts. If the group is in good standing according to these procedures, the requested funds will then be transferred from the group's PPF account into the group's VISA Check Card account.

7. All VISA Check Card accounts are subject to annual review as part of the PPF audit.
8. **If a group fails to comply with these guidelines, PPF retains the right to close the Visa Check Card Account.**

### **Steps to open an Imprest Checking Account:**

1. Submit the request, including amount of funds desired, in writing.
2. Within 15 days, the group will receive a letter stating the authorized amount for the account and terms of the group's responsibility for the account. Our preferred method is a check card which we will establish for you. If the group agrees to terms listed, the signed agreement should be returned for processing of the check.
3. If PPF and the group agree to a local checking account, whenever possible, groups should use an affiliate of a bank with which PPF has a relationship. Advantages of this are expedited paperwork to open the account and quicker funds availability when the account is in need of reloading. We have expedited arrangements with the following banks:

Metro Bank – [mymetrobank.com](http://mymetrobank.com)

Citizen's Bank – [citizensbank.com/branchlocator/](http://citizensbank.com/branchlocator/)

PNC Bank – [pncbank.com](http://pncbank.com)

Fulton Bank – [fultonbank.com](http://fultonbank.com)

Please check the websites for local affiliates, and inform us when you make your choice so we may forward the appropriate paperwork to you.

### **Imprest Reporting Requirements:**

#### ***Monthly:***

Monthly statements and supporting documents must be submitted to Debbie by the 20th of the following month. The report must include:

- A clear listing of all checks written including date, check number, payee, purpose, and amount (PPF will supply form upon request).
- A clear listing of all deposits made including date, description and amount, including any taxable sales.
  - Deposits may be made to convert cash to check to be deposited in PPF main account.
  - Deposits may be made for imprest re-load.

- Deposits for any other reason are considered non-compliant and may result in a warning.
- Report should reconcile with bank statement and be signed by Treasurer and Chair.
- If a statement/report is not received in a timely manner, the account will not be reimbursed.
- If three months of reporting are missed, the account will be fined \$50 and the group will receive a warning.
- Warnings may also be issued for: 1) operating from the checking account; 2) working from a petty cash account; 3) misuse of tax exemption forms; 4) maintaining a balance greater than the agreed upon balance in the imprest checking contract; and 5) unauthorized deposits.
- After three warnings, the group's account will be closed and the group will be responsible for paying all costs associated with reconciling the account, including, but not limited to: bookkeeper's time, penalties for late fees related to any overdue taxes, additional audit fees and other IRS related concerns.

***Annually:***

- All board officers must read, sign w9/1099 requirements and have forwarded any w9's to Debbie prior to 12-31.
- If PPF has to reconcile, track down, or otherwise try to reconstruct a 1099/w9 trail, an hourly rate applies.
- No later than January 20 of each year, PPF should receive a copy of your December bank reconciliation so that we can close our books in a timely manner for auditing purposes. If materials are not received, a warning will be issued.

**Solicitation of Funds**

Any time a group is soliciting funds, the following language MUST be included:

***The official registration and financial information of the Pennsylvania Parks and Forests Foundation may be obtained from the PA Department of State by calling toll-free within Pennsylvania 1-800-732-0999. Registration does not imply endorsement. Pennsylvania Parks and Forests Foundation is a 501(c)(3) nonprofit organization - contributions to which are tax deductible to the fullest extent permitted by law.***

A hard copy or electronic memo describing the solicitation effort must be sent to the PPF Camp Hill office so that we can be apprised of donation efforts and be prepared to answer any questions which might be generated.

PPFF, in turn, maintains the annual Charitable Solicitation Registration with the PA Bureau of Charitable Organizations (BCO). If you need copy of any paperwork, or require certain registration numbers sometimes needed in fundraising efforts, contact PPFF and we will provide you with these documents.

According to PA Law, fundraisers hired to assist with raising funds must be registered with the PA Bureau of Charitable Organizations. Be sure to check on this and communicate with the PPFF President regarding the hiring of a professional fundraiser.

### **Account Reports**

Quarterly statements will be forwarded for each account. If you require additional reports, please contact the accounting office and one will be forward it to you. All accounts are audited annually by a certified public accountant.

### **Closing Accounts**

Notify PPFF if you need to close the account for any reason. Please note your recommendation as to how any remaining funds should be dispersed for PPFF purposes. Use of all funds must be consistent with the purposes of the donor/PPFF/DCNR and are subject to the approval by the PPFF President.

### **Supporting PPFF Administrative Costs**

As a nonprofit organization, PPFF must generate operating funds including the funds needed to administer the individual friends' group accounts. To do this, modest fees and interest remain with PPFF as indicated below. Fees will be applied to the friends' group accounts annually at the end of the fiscal year.

### **Fees**

The group shall pay to PPFF a one-time affiliation fee of \$30. All monies collected by the group shall be maintained and disbursed by PPFF, pursuant to the MOU.

The following account fees will be effective July 1, 2014:

- \$2 per check written
- \$2 per deposit
- \$5 per returned check

These fees cover not only the check, but postage and other related costs.

### **Questions and Suggestions**

The financial policies and procedures for PPF will continue to evolve as we strive to make the organization more efficient and effective with the least cost to all concerned. Your questions and suggestions are always welcome and should be addressed to PPF President Marci Mowery at [mmowery-ppff@pa.net](mailto:mmowery-ppff@pa.net).