

VAST TREASURER'S POLICY AND PROCEDURES

Last updated/reviewed 5-19-2020 by Treasurer Carol Rowley

Date Approved by Executive Committee of the Board of Directors: TBD

DATE ADDED TO THE DIRECTORS NOTEBOOK: TBD

SIGNERS ON THE VAST BANKING ACCOUNTS (1):

1. The Visual Arts Society of Texas (VAST) shall have as the signers on the VAST banking accounts: **the currently elected President, the currently elected Treasurer and the currently elected Vice President Exhibits**. Further, such designated signers shall have the sole authority over the VAST banking accounts during their time of service of their respective offices.
2. At a duly designated end of the year Board of Directors meeting, the Treasurer shall make a motion to be recorded in the VAST minutes of the meeting that the PRESIDENT, TREASURER, AND VICE PRESIDENT – EXHIBITS by name shall have sole authority over the VAST banking accounts during their time of service. The Secretary shall prepare as soon as possible a letter to the Bank stating that the signers on the VAST accounts shall be [NAMES AND POSITIONS] beginning upon presentation of the letter to the Bank. [SAMPLE LETTER IS IN SECRETARY'S AND TREASURER'S FOLDER]

SIGNING OF CHECKS (2)

1. All checks are signed by the treasurer and will be accompanied by a printed out invoice or "VAST Request for Reimbursement" form together with store receipts attached; purchasers of goods and services on behalf of VAST are encouraged to fully disclose on the reimbursement form what the item[s] use was so that the expense is assigned to the correct VAST expense account by the treasurer.
2. All persons spending VAST money through the VAST ATM cards must accompany their charges with VAST **Request for Reimbursement** forms.
3. The treasurer is permitted to be the single signer on all checks accompanied by the VAST Reimbursement Form. The check stub is attached to the invoice/reimbursement form and stored for the Auditors.
4. The treasurer may utilize the "Online Bill Payees" feature of the Wells Fargo checking account. The treasurer will pay online and show the online payment paperwork or VAST Reimbursement Form along with notation about the VAST account to which the online payee's expense belongs.
5. Wells Fargo does not require two signatures on a check; however, VAST requires two signatures on checks that are unaccompanied by invoices or reimbursement forms with receipts attached.
6. In the treasurer's absence from the area for an extended time (greater than a week or during a time of anticipated high volume of checks written or received), the Treasurer is expected to make contact with and transfer appropriate treasurer materials to another officer on the bank signature card. The temporary signer and possessor of the VAST checkbook will be expected to follow all of the policies of this Treasurer's document.
7. The treasurer may, at her or his discretion, set up online payee information with the VAST banking website and initiate checks from that site. Those checks will need to have an invoice and/or a Vast Reimbursement Form for the VAST record. The auditors may identify these online payments on the monthly bank statements.

CHECK DEPOSITS (3)

1. Stamp back of each check with VAST “deposit only” stamp showing the VAST account and account number.
2. **Prepare an excel sheet for the checks deposited** and send it by email to any pertinent officer/committee chair needing to know of the deposit contents. Print it out for VAST’s deposit records for Auditors. Every check will show which VAST account the check being deposited applies to (“dues,” “workshop with name of presenter”, “ME donation,” etc.)
3. Staple the VAST copy of the bank’s deposit slip to the excel sheet of the deposit records and file for VAST auditors.
4. There will be a paper trail for the auditors on all check deposits.
5. Deposits by the Treasurer by smart phone are acceptable as long as there is a paper trail for the deposits in the form of an Excel Deposit Sheet. The paper trail may include emails received from the Bank of the smart phone deposit. These emails may be store on the Gmail Account of the Treasurer instead of being printed.

CASH DEPOSITS (4)

1. On the bottom of the excel sheet prepared for the Check Deposits, the Treasurer shall enter the cash deposits individually (**guest fees for general meeting may be entered as one entry**) and mark which VAST account the deposits apply to just as is done with checks.
2. VAST needs to have a written record of cash received. That record should include the name of the person offering the cash, to which VAST income account the cash applies, and the amount of the cash. This record, whether in the form of receipts given for cash purchases or a single sheet the people sign marking the cash they are giving VAST, needs to be attached to the excel sheet showing cash receipts as well.
3. There will be a paper trail for the auditors on all cash deposits.

CREDIT CARD DEPOSITS (5)

1. When someone pays VAST with a credit card the transaction will be passed through PayPal or Square.
2. When credit card payments are made in person, VAST records on paper the paying person’s NAME, the LAST FOUR DIGITS OF THEIR CARD, the amount being charged, and the VAST account to which the credit card payment is to be applied. The treasurer will use the paper to check against the appropriate credit-card-payment account (currently PayPal and Square).
3. The VAST Treasurer must go to PayPal’s website and initiate payment of accumulated funds.
4. Square deposits the amounts automatically into VAST after a lag time of a few days. Caveat: Square does not provide much information about the credit card transaction; the treasurer will use the written record to enter credit card payments into the VAST bookkeeping system and the Excel Deposit Sheet as the method to record details of the credit card transaction.
5. By the end of each month the credit card holding companies should ideally have a zero-balance owed to VAST because the Treasurer will have cleared all credit transactions and transferred them to the checking account.
6. To the best extent possible, there will be a paper trail for the auditors on credit card deposits put in the VAST checking account. This may be a combination of the electronic emails stored on the Treasurer Gmail Account and a printout of the Excel Deposit Sheet.

LOANS (6)

1. VAST WILL NOT MAKE A LOAN OR TAKE A LOAN FROM ANYONE. Should VAST ever need to borrow funds, the full board will have to sign off on this borrowing. See VAST bylaws for more information.

AUDITORS RECORDS AND AUDIT COMMITTEE (7):

1. To the extent possible, the Board of Directors (preferably at its FALL MEETING) shall appoint THREE (3) members of the Audit Committee and record their names in the minutes of the meeting. The Audit Committee must consist of VAST members; ideally at least one board member would be included on the committee.
2. **The Treasurer should ask for appointments to the Audit Committee to be considered a priority for the fall Board meeting.**
3. Remind people that auditing is not about adding and subtracting numbers, but about due diligence in reviewing all the VAST financial treasury's records for the year and making sure that paperwork is accurately reflecting the financial condition of VAST. Also remind people that the work of the Audit Committee will be from mid-June to the first Board meeting of the new fiscal year, so workers should be available in the summer months.
4. By June 15 the treasurer who served for the year that is being audited (i.e., the treasurer for the VAST Fiscal Year which runs from the previous June 1 to May 31, which is also called IRS FISCAL YEAR) will be responsible for assisting with the fiscal year audit when a new Treasurer takes the position. Prior to presenting the materials for the audit to the Audit Committee, all paperwork for the full fiscal year will be prepared and ready for the auditors (by 6/15 as a goal). If audit materials are ready earlier, they may be delivered to the Lead Auditor as early as possible.
5. The Auditors have their own set of instructions to perform the audit. The treasurer will update the set of instructions annually and send the updated instructions to the selected auditors by email as soon as practical.
6. See the bylaws for further information on the Audit.
7. The Treasurer is an ex-officio member of the audit and will be available to the Audit Committee to provide all the records for the audit and for questions and guidance to the audit process. The Treasurer will not sign the Audit Committee's Letter to the Board of Directors.
8. **The AUDIT IS REQUIRED. It cannot be dismissed by the treasurer or the Board.**

TREASURER'S RECORDS OF ALL UIDS AND PWS FOR OUTSIDE VENDOR ACCOUNTS (8):

1. The Treasurer is the responsible party to pay all outside vendor contracts that come due on a periodic basis. **For those accounts that require (or permit) payment through a "Credit Card" or "Debit Card," the Treasurer will use his/her own VAST Debit-card for these vendors.**
2. It is the dual responsibility of the Treasurer and the Director[s] in charge of maintaining VAST projects that require annual payments (website maintenance, emailing software accounts, Directors & Officers insurance premiums, etc.) to meet the deadlines for keeping these accounts in full compliance for payments.
3. The Treasurer will keep a list of all the outside vendor accounts that will include (a) the vendor "payable" name, (b) the vendor website address, (c) the UID that will be used to access VAST's account with the vendor, (d) the Password (PW) that will be used to access VAST's account with the vendor, and (3) the DATE on which the recurring vendor payments, if any occur.
4. This OUTSIDE VENDOR LIST will be updated annually by the Treasurer to be sure that all links, UIDs, PWs are valid and it will be kept on separate paper but filed in the same notebook as this **VAST Treasurer's Policy and Procedures Document.**

TREASURER'S CALENDAR (9):

1. The office of the Treasurer shall keep a “Calendar” specific to the deadlines for payments and/or filings that must be done by the Treasurer’s office.
2. This “Calendar” may be kept on paper in connection with other Treasurer documents OR it may be kept on the Google Calendar within the Treasurer’s Google Mail account.

VAST’S POLICY ON PAYMENT OF BILLS OWED (10):

1. VAST will promptly pay all legitimate bills presented to it BEFORE the due date.
2. **VAST pays bills that have THE APPROPRIATE INVOICE AND REQUEST FOR REIMBURSEMENT FORM attached to the bills. No bill presented by any VAST member without the REQUEST FOR REIMBURSEMENT FORM will be paid.**
3. As stated on the REQUEST FOR REIMBURSEMENT FORM, **VAST will NOT pay sales taxes on items purchased by a VAST member for use by VAST.**
4. The VAST member is expected to get a Texas Sales Tax Exemption Form from the Treasurer and present it to the vendor in order to avoid VAST being charged Texas sales taxes. **IF THE MEMBER PURCHASES WITHOUT THE TAX EXEMPTION FORM, any sales taxes incurred will not be reimbursed.**
5. All VAST members who purchase anything on behalf of VAST are encouraged to use VAST established vendors who already have VAST’s non-profit information (Office Depot, Staples, Best Buy). If another vendor or a NEW vendor is going to be used who does not have a business relationship with VAST, the VAST Member is to check with the vendor PRIOR TO PURCHASE to insure that sales taxes will not be charged on a purchase and what the vendor requires to remove the Texas sales taxes from the purchase.
6. **All Officers of VAST with access to a bank Debit-card and who use the Debit-card in connection with their office for purchases for VAST under the approved budget will provide a REQUEST FOR REIMBURSEMENT FORM for these purchases with the receipt or invoice attached. The same requirement for not paying Texas sales taxes applies to Debit-card purchases. Sales taxes paid will have to be reimbursed to VAST.**
7. There will be a paper trail for the auditors on every VAST expense item.
8. The non-payment of Texas Sales Taxes for a non-profit is an issue with the Internal Revenue Service of the US Department of the Treasury. To verify and keep its non-profit status, VAST must show consistently, if it is ever challenged, that it has acted as a non-profit within the state of Texas.

TRANSMITTAL OF FINANCIAL INFORMATION (11):

1. Detailed data regarding deposits will be transferred electronically by the Treasurer to those Officers and Committee Chairs who need to be kept abreast of deposits received (i.e., workshop deposits, membership deposits, etc.). CURRENTLY THE QUICK TRANSMISSION OF THE DEPOSIT DATA IS DONE ELECTRONICALLY AND AUTOMATICALLY BY THE QUICKBOOKS SOFTWARE TO VARIOUS VAST OFFICERS AND COMMITTEE CHAIRS BY EMAILS ON A REGULAR BASIS. OFFICERS AND COMMITTEE CHAIRS NEED TO BE AWARE OF THIS AND MAKE SURE THEIR PERSONAL EMAIL PROGRAMS ACCEPT THESE IMPORTANT EMAILS.
2. Payments will likewise be transmitted electronically to Officers and Committee Chairs in a timely manner as required. Specifically, payments received for workshops, memberships, exhibit donations, etc. can be prepared on Quickbooks and sent from the software.
3. The Treasurer will ensure that all deposit and payment data for the month is in the online QuickBooks Online program as quickly as possible and entered as accurately as possible into the various “accounts” that VAST has set up for income and expenses.
4. By the 15th of the month, barring any emergencies, the Treasurer will deliver electronically the Financial Report for the previous month to the Executive Committee for their review and

questions. The Secretary will then transmit the Financial Report to all of the Directors for their review and questions.

5. Should VAST utilize a bookkeeping service, such service will be considered an OUTSIDE CONTRACTOR and NOT AN EMPLOYEE OF VAST and WILL RECEIVE A FORM 1099 EACH YEAR FROM VAST for services. AS AN OUTSIDE CONTRACTOR the bookkeeper will be responsible for determining their own workspace and their own schedule of work hours that will meet the deadlines for the Treasurer to utilize the data from the bookkeeping program in a timely manner. Currently VAST does not employ an outside bookkeeper. The Treasurer keeps the books on Quickbooks Online, doing all entries.

PREPARATION OF FORMS 1099 BY THE TREASURER (12):

1. As soon as possible following January 1 each year, the Treasurer will either prepare the IRS FORM 1099s him/herself OR deliver to a chosen accountant the required information for all persons receiving more than \$600 in ONE CALENDAR YEAR (1/1 to 12/31) so that the FORM 1099s can be prepared on a timely basis and mailed to the recipients of 1099s.
2. The Treasurer will determine which vendors must receive a FORM 1099. IT IS THE RESPONSIBILITY OF THE TREASURER TO KEEP A FILE FOR EACH CALENDAR YEAR OF THE FORMS W-9 (Request from Taxpayer for social security number and address) RECEIVED DURING THAT YEAR.
3. **BY 1/31 ALL THE 1099s THAT VAST WILL SEND MUST BE MAILED. This deadline is established by federal law.**
4. **VAST is NOT AN EMPLOYER. VAST WILL NOT PREPARE OR DELIVER ANY W-2 FORMS.**
5. **IRS Form W-9** is a request by VAST to any INDIVIDUAL PERSON vendor (i.e., not a corporation or a person who has “incorporated” his/her business) for their name, US Post Office mailing address, and their tax identification number if VAST makes payments to this person in any CALENDAR YEAR (as opposed to Fiscal Year) of an **amount that is greater than \$600.** VAST must obtain a **signed Form W-9** from this person. VAST keeps all W-9s in its files for preparation of Forms 1099 at year's end. The forms W-9 should be filed with that year's VAST copies of Form 1099 and all related paperwork.

PAYMENT EACH JANUARY OF SALES TAXES OWED BY VAST TO THE STATE OF TEXAS (13):

1. VAST has only two “sales taxes free” days on which it may sell its fund-raising calendars and not pay sales taxes on the sales. In the past, the treasurer designates the top two days of sales as the “tax free days” IF the board of directors does not designate specific sales-tax-free-days. The preferred method to handle tax-free days is #2 in this section.
2. **The Treasurer shall suggest to the Executive Committee and/or the Board of Directors specific sales-taxes-free dates for the sales of VAST's fundraising calendars OR any fundraising project that the Board designates.** Upon approval of these dates, the dates may be used in advertising for the sale of items that VAST designates for fund-raising.
3. VAST will owe the State of Texas sales taxes on all the rest of the sales of VAST items, including calendars not sold on tax-free days. Other things that VAST may sell that will also be considered sales taxable are, for example, equipment, books, magazines, etc.
4. **BY JANUARY 15 ALL VAST SALES TAXES MUST BE PAID ONLINE TO THE STATE OF TEXAS USING A DIRECT DEBIT FROM THE VAST BANK ACCOUNT BY THE TREASURER. THIS IS ONLY DONE ONLINE AND WILL REQUIRE THE TREASURER TO FOLLOW THE ONLINE INSTRUCTIONS.** All the information about the sales taxes owed should be assembled on paper prior to going online.
5. Because VAST does not accumulate huge amounts of money owed the State of Texas for sales taxes revenue, the filing occurs only once a year.

6. There is a UID and PW associated with this online account for VAST in the Treasurer's vendor records.

INFORMATION ABOUT THE TEXAS STATE FRANCHISE TAX FOR CORPORATIONS (14):

1. The State of Texas taxes corporations annually on the calendar year for a FRANCHISE TAX.
2. Because VAST is a not-for-profit 501(c)(3) corporation under Federal tax law, VAST does not have to pay any Texas State Franchise Tax.
3. The State of Texas may (or may not) send out forms periodically to the last address known for VAST for VAST to verify that it is still in existence and still non-profit. For informational purposes, VAST has not received any communication from the Texas Secretary of State's office since 2014. Information requests from the Texas Secretary of State's office will come to the Post Office Box.

VICE PRESIDENT – EXHIBITS' RESPONSIBILITIES REGARDING EXHIBIT FINANCIAL MATTERS (15):

1. The Exhibit chairperson and/or the VP Exhibits will be responsible to **get all check requests for awards checks and reimbursement of expenses of the exhibit to the Treasurer in a timely manner.** The exhibit chairperson will provide the envelope or whatever is chosen to deliver the exhibit award to the winner.
2. If an award winner of a VAST check is not present during awards night, the VAST Exhibit Vice President shall mail the check to the winner as soon as possible. This will be the responsibility of the VP Exhibits or the Exhibit Chair and NOT THE TREASURER.
3. **IT IS THE RESPONSIBILITY OF THE EXHIBIT CHAIR TO COLLECT THE IRS W-9 FORM FROM ANY AWARDEE RECEIVING OVER \$600.** If an awardee has received an award in another VAST exhibit during the same calendar year and the total of the two awards exceeds \$600, a W-9 Form must be collected.

VICE PRESIDENT – PROGRAMS' RESPONSIBILITIES REGARDING FINANCIAL MATTERS (16):

1. The Vice-President Programs is responsible to get the Request for Reimbursement/Payment form to the treasurer in a TIMELY MANNER so that checks for the general membership monthly program can be prepared and ready to deliver to appropriate persons on the night of the meeting. These persons include but are not limited to: (a) GDAC-PAAC for use of the room; (b) the Program Presenter for the evening presentation; and (c) the staff person or independent contractor for the room set-up fee.
2. The Vice-President Programs and/or the Assigned Workshop Coordinator are responsible to get the Request for Payment/Contract form to the Treasurer PRIOR TO THE WORKSHOP'S FIRST DAY for payment for the Workshop Presenter. The form should include **as separate items** (a) the workshop presenter honorarium, (b) the mileage reimbursement, (c) food expenses reimbursed to the presenter, (d) lodging expenses reimbursed to the presenter, and (d) any other expenses reimbursed to the presenter with detailed description.
3. The Vice-President Programs and/OR the Assigned Workshop Coordinator is responsible to get the Request for Payment/Contract form to the Treasurer PRIOR TO THE WORKSHOP'S FIRST DAY for payment a detail of the cost of the facility in which the workshop is held.
4. **THE VICE PRESIDENT – PROGRAMS AND/OR THE ASSIGNED WORKSHOP COORDINATOR IS TO DELIVER TO THE TREASURER PRIOR TO THE START OF THE WORKSHOP AN IRS FORM W-9 FILLED OUT COMPLETELY BY THE WORKSHOP PRESENTER.** It can be scanned by the Presenter and emailed to the Treasurer with a copy to the Workshop Coordinator in advance of the workshop.

MONTHLY FINANCIAL REPORT PRESENTED BY TREASURER (17):

1. The Treasurer will deliver to the Executive Committee (President, Secretary, and all VPs) a monthly Financial Report on a timely basis. THIS IS REQUIRED. The Secretary may choose to forward this report on to the Board of Directors. A FINANCIAL REPORT WILL BE DELIVERED TO ALL DIRECTORS AT THE BOARD OF DIRECTORS SCHEDULED MEETINGS.
2. The Financial Report will show the previous month's INCOME AND EXPENSES, including a comparison to the APPROVED FISCAL YEAR BUDGET.
3. The Financial Report will show the cash assets of VAST, by cash accounts (checking and savings, petty cash, balance of credit card accounts receivable).
4. The treasurer will report to the Executive Committee and the Board of areas where the budget for an expenditure account is more than the budget for that account and how that may affect the total budget of VAST. Additionally, the Treasurer will notify the Executive Committee if it should take steps to correct the overage by correcting the budget or simply recognize the overage exists and is acceptable.

VAST FINANCIAL, BUDGET, AND AUDIT COMMITTEES (18):

1. The Financial Committee will consist of the treasurer, assistant treasurer (if applicable and so appointed by the Board of Directors at a directors' meeting), the Executive Committee (especially during the preparation of the annual VAST budget), and any other VAST members appointed by the Executive Committee to a position on the VAST Financial Committee. The committee will serve as advisors to the treasurer to review financial reports as needed, review budget matters as needed, and to seek more formal financial guidance from within VAST membership or outside of VAST membership as needed.
2. Once annually in the mid-spring (March, April) the Financial Committee will meet to prepare the annual budget for VAST's upcoming fiscal year. This budget should be ready to present to the last Board of Directors' meeting at the end of the Fiscal Year. At this Board meeting the committee will ask for the Board's approval, with or without changes, of the presented budget.
3. **BECAUSE OF THE NATURE OF THE TREASURER'S JOB, there shall be no required Board of Director committee assignments or responsibilities outside those of the Treasurer's participation on the Financial, Budget and Audit Committees. A Treasurer may, of course, volunteer for additional responsibilities for the Board of Directors or VAST.**

VAST POLICY ON EXHIBIT PURCHASE AWARDS (19):

1. The Vice President - Exhibits may wish to encourage PURCHASE AWARDS in connection with a VAST exhibit. A Purchase Award is a cash award offered by art lovers who wish to both buy something for themselves from the exhibit and to have the work chosen by them acknowledged as an award in exhibit publications.
2. Purchase Awards are between the buyer and the awardee. **VAST DOES NOT HANDLE THE FUNDS ON ANY PURCHASE AWARDS.** The purchaser may wish to present the cash award in check form on the night of the awards ceremony or choose another way to transfer the funds to the artists.
3. A Purchase Award is fully recognized as any other award would be during the Exhibit's reception and in the Exhibit's catalog, as applicable.

VAST POLICY ON PAYMENTS TO RECURRING VENDORS (20):

1. To the extent that the funds of VAST will support annual payments, particularly if annual payments offer a discount of some sort, VAST will pay recurring vendors annually rather than monthly.

CHART OF ACCOUNTS ON FINANCIAL SOFTWARE (21):

1. VAST will use a computer-based software system to keep its financial records of income and expense on.
2. Currently VAST uses QuickBooks Online, paid annually at a cost of \$374/year (6/2020).
3. UP TO three persons associated with the finances of VAST may have access to the QuickBooks software under VAST's contract with the company.
4. It is the responsibility of the Treasurer to ensure the accuracy of all transactions entered into the software.
5. NO TRANSACTION WILL BE ENTERED INTO THE SOFTWARE WITHOUT BEING ASSIGNED TO A SPECIFIC CHART OF ACCOUNTS. The treasurer and all persons working with the treasurer will insure to the best of their ability the accurate entry of all income and expense transactions.
6. The Treasurer should periodically, especially prior to budget preparation for the next fiscal year, review all the Chart of Accounts and look for needed changes. These changes should be outlined for the Directors when they are made to the Chart of Accounts.

VAST POLICY ON TEXAS SALES TAXES (22):

1. **NOTE: All SALES of Merging Visions books/catalogs are subject to Texas State sales taxes. VAST has elected NOT to share one of its two sales-taxes-free days with Merging Visions Exhibit.**
2. IN THE EVENT THAT VAST DECIDES TO "SELL" ANY OF ITS INVENTORY OR ANY GIFTS GIVEN TO VAST, for purposes of the Texas Sales Taxes these items must be declared subject to the Texas sales taxes, and sales taxes must be collected on the item (or the item will be sold with "sales taxes included"). Such sales will be recorded as taxable sales for the calendar year in which they are sold.

REGARDING THE REQUESTS OF PROGRAM SPEAKERS FOR RECOGNITION OF CHARITABLE DONATION (23):

1. Should a program speaker desire to make a contribution of their speaker's fee, they should cash the VAST check and then send a personal check of their own to the VAST Treasury so both the expense and income can be properly recorded on VAST's books.
2. In lieu of doing this, they can return the VAST check and announce to the VP Programs that they wish not to be paid. VAST will void the check in its register with the note that the fee was refused. The speaker would receive VAST's thanks, **however no donation letter for tax purposes for the returned fee will be sent to the speaker.** This follows IRS Department of the Treasury rules for charitable donations: specifically, that the personal efforts of anyone cannot be acknowledged by the charity as a monetary charitable deduction .
3. The Vice President Programs will be charged with explaining this policy to speakers wishing to forgo their speaking fee. (Approved and added by the Executive Committee 11/11/2016)

ELECTRONIC DOCUMENTATION, COMMUNICATION, AND RECORD KEEPING (24)

1. Where it is feasible and allows the audit committee to examine the books and record keeping of the VAST Treasury, electronic documentation, communication and record keeping with-in the common folders of the Google Mail and Google Drive of the Treasurer is encouraged.