

# **Accounting and Finance Policy and Procedure Manual**

## **Ronin Institute for Independent Study**

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## **1. Introduction**

### ***1.1 Purpose***

The purpose of this manual is to provide a clear framework for the financial and accounting management of the Ronin Institute for Independent Study (The Organization). This manual outlines policies and procedures that ensure the Organization's financial operations are conducted with transparency, accountability, and in alignment with the Organization's mission and goals.

### ***1.2 Scope***

This policy applies to all employees, board members, volunteers, and members of the Ronin Institute for Independent Study involved in financial operations or decision-making processes.

### ***1.3 Review and Approval***

The policy and procedure manual will be reviewed annually by the Finance Working Group, and any significant updates will be approved by the Board of Directors.

## **2. Financial Management Structure**

### ***2.1 Roles and Responsibilities***

- Board of Directors: Has ultimate responsibility for financial oversight, approves budgets, and reviews financial reports.
- Treasurer: Oversees day-to-day financial operations, ensures compliance with financial policies, and presents financial statements to the board.

- Finance Working Group: Provides guidance on financial strategy, reviews financial policies, and monitors budget performance.
- External Auditor: Conducts an independent audit of financial statements to ensure accuracy and compliance with accounting standards.

## ***2.2 Governance and Oversight***

The governance structure of the Organization supports the separation of duties to ensure checks and balances. Financial decisions require approval from multiple levels of the Organization (Board, Finance Working Group) for accountability.

## **3. Accounting Policies**

### ***3.1 Financial Statements***

The Organization will prepare the following financial statements on a regular basis:

- Statement of Financial Position (Balance Sheet)
- Statement of Activities (Income Statement)
- Statement of Cash Flows

These reports will be prepared quarterly and annually and shared with the board and Finance Working Group. These reports will also be made available to members electronically.

### ***3.2 Accounting Principles***

The Organization follows Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), ensuring that all financial records are maintained in accordance with these guidelines.

### ***3.3 Chart of Accounts***

The Organization maintains a Chart of Accounts that categorizes all revenues, expenses, assets, liabilities, and net assets to support consistent financial tracking and reporting.

### ***3.4 Internal Controls***

Internal controls will be implemented to safeguard the Organization's assets, ensure accurate financial reporting, and prevent fraud. This includes segregation of duties, reconciliations, and approval processes for expenditures.

### ***3.5 Financial Year***

The financial year for the Ronin Institute for Independent Study will be from July 1 to June 30.

## **4. Revenue Recognition**

### ***4.1 Membership Dues***

Membership dues (if any) will be recorded as revenue in the period in which they are earned. Deferred revenue may be recognized for dues received in advance of the membership period.

### ***4.2 Donations and Grants***

Donations and grants will be recognized as revenue in the period they are received or when all conditions for recognition have been met, as per donor or grant agreements.

### ***4.3 Event Income***

Revenue from events, such as conferences or workshops, will be recognized when the event occurs. If funds are received in advance, they will be recorded as deferred income until the event is held.

### ***4.4 Other Income***

Other sources of income, such as interest from investments, will be recognized as they are earned.

## **5. Expense Management**

### ***5.1 Authorization of Expenditures***

All expenditures must be authorized by the (or Treasurer in their absence) and approved according to the Organization's approval hierarchy. Major expenditures must receive board approval.

### ***5.2 Expense Reimbursement***

Employees, volunteers, and board members may be reimbursed for expenses incurred on behalf of the Organization. All reimbursement requests must be submitted with proper documentation within 30 days of the expense.

### ***5.3 Payment Processing***

All payments will be made by check, electronic transfer, or credit card, as authorized by the Treasurer. Supporting documentation (invoices, receipts) must accompany all payments.

#### ***5.4 Procurement Procedures***

Purchases over \$1000.00 (one thousand dollars) require at least three bids or quotes to ensure competitive pricing. All vendors must be approved by the Finance Working Group before a contract is signed.

### **6. Budgeting and Forecasting**

#### ***6.1 Budget Preparation***

The annual budget is prepared by the Treasurer in consultation with department heads and reviewed by the Finance Working Group. The budget is approved by the Board of Directors.

#### ***6.2 Budget Monitoring***

The budget is reviewed quarterly to compare actual results against projections. Variances must be explained, and corrective actions should be taken if necessary.

#### ***6.3 Variance Analysis***

Significant variances ( $\pm 10\%$ ) between actual results and budgeted figures will be investigated, and a report will be provided to the board with recommendations for adjustments or corrective actions.

### **7. Cash and Asset Management**

#### ***7.1 Bank Accounts***

All funds will be deposited into the Organization's primary bank account. Separate accounts may be maintained for specific projects, as approved by the Finance Working Group.

#### ***7.2 Cash Handling Procedures***

Cash received will be counted, recorded, and deposited by two individuals. Cash disbursements are discouraged and should be minimized.

#### ***7.3 Investment Policies***

Excess funds will be invested according to the investment policy approved by the Finance Working Group. The primary goal is capital preservation with secondary consideration given to earning a reasonable return.

#### ***7.4 Asset Management and Depreciation***

All physical assets purchased by the Organization will be recorded and depreciated according to GAAP or IFRS. A fixed asset register will be maintained for tracking purposes.

### **8. Reporting Requirements**

#### ***8.1 Internal Financial Reporting***

The Treasurer will provide quarterly financial reports to the Finance Working Group and board, including budget-to-actual comparisons, cash flow statements, and fund balances.

#### ***8.2 External Financial Reporting***

The Organization will submit an annual financial report to members during the annual general meeting. Additionally, financial reports will be made available upon request to donors and grantors.

#### ***8.3 Tax Reporting***

The Organization will file its annual IRS Form 990 and state tax filings (if applicable) on time. The Treasurer is responsible for ensuring compliance with all tax reporting requirements.

### **9. Audit and Compliance**

#### ***9.1 Internal Audits***

The Finance Working Group will conduct periodic internal audits to assess the adequacy of internal controls, compliance with financial policies, and overall financial health of the Organization.

#### ***9.2 External Audits***

An external audit of financial statements will be conducted annually by an independent auditing firm. Audit findings and recommendations will be presented to the board.

#### ***9.3 Compliance with Legal and Regulatory Requirements***

The Organization will comply with all applicable federal, state, and local laws and regulations regarding financial management, reporting, and governance.

## **10. Policy Amendments**

### ***10.1 Review Cycle***

This policy will be reviewed every three years or as needed due to changes in regulations or operational needs.

### ***10.2 Approval Process***

Amendments to this policy require approval from the Finance Working Group and the Board of Directors before implementation.

Last Review Date: [Insert Date]

Next Review Date: [Insert Date]