



Finance and Audit Manual

June 2022

Introduction

Purpose

The purpose of this manual is to guide and assist the treasurer/secretary, the finance committees, the investment committees and the finance department at headquarters in discharging their responsibilities.

Audience

This manual should be read and followed by the treasurer/secretary, the finance committees, the investment committees, the international Board¹ members, the risk manager, the international committee chairs, the outsourced accounting firm, the executive director and the headquarters staff.

Contents and Use

The manual describes the procedures which Zonta International and the Zonta Foundation for Women use to process membership fees and contributions, the approval process for contracts and expenses, invoice processing as well as reimbursement guidelines for all types of expenses incurred by the leadership.

Unconditional requirements are those that must be followed in cases if the circumstances apply to the requirement. Use of the word *must* within this manual indicates an unconditional requirement. Sections with *must* are highlighted within a bold box.



The manual is not a substitute for the *Bylaws of Zonta International*, the *Bylaws of Zonta Foundation for Women* or the *Rules of Procedure of Zonta International*, which are the primary rules that govern the operations of Zonta and which should be read in conjunction with this manual.

Update

This manual should be reviewed and, if required, updated once per biennium, unless relevant legal and policy requirements necessitate additional editions.²

Style

The Associated Press Stylebook: 2022-2024 and the *Publication Manual of the American Psychological Association* are style guides utilized in this manual.

¹ Throughout this manual, *Board* signifies Zonta International Board and *manual* signifies this manual, except where expressly stated otherwise. Any reference to *governor* refers also to regional representative, and any reference to *Zonta club(s)* or *club(s)* also include e-club(s).

² All ► references are to the Zonta International website, unless stated otherwise.

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SECTION ONE - Overview

Corporate Structure

Zonta International. Zonta International is a corporation qualified under the United States Internal Revenue Code as a 501 (c)(4) – a nonprofit organization that is exempt from paying federal income tax. As a 501(c)(4) organization Zonta International operates exclusively for the promotion of social welfare. Zonta International receives its funding from annual dues. 501(c)(4) organizations are not prohibited from lobbying activities.

Zonta Foundation for Women. The Zonta Foundation for Women serves as the fundraising arm of Zonta International. Board members consist of the same members as the Zonta International Board. It is a corporation qualified under the United States Internal Revenue Code as a 501(c)(3) – a nonprofit organization that is exempt from paying federal income tax. As a 501(c)(3) organization, the Zonta Foundation for Women is also exempt from state sales taxes under the Illinois Attorney General's ruling, and is restricted to charitable, educational, and scientific purposes, receiving its funding from donations. These donations are deductible as charitable donations to those donors who are subject to the federal tax requirements of the United States. Donations are the funds that provide for our service projects and educational programs. 501(c)(3) organizations are prohibited from lobbying activities exceeding ten percent of their activity.

Zonta International by law is permitted to transfer funds to the Foundation.

The Zonta Foundation for Women by law is prohibited from transferring funds to Zonta International except for the payment of services provided.

Finance Team

The finance team ensures integrity in Zonta's financial reporting. In addition to financial reporting, responsibilities encompass accounting, payroll, accounts payable and expense reports, budget management, cash management, investments, audit, tax reporting and compliance, human resources, technology, document retention, insurance and office space management. The finance team is defined as follows:

Treasurer/Secretary/CFO. The treasurer/secretary serves as chief financial officer (CFO) of Zonta International and the Zonta Foundation for Women and as secretary to certify resolutions and other documents of the organizations.

Finance Department. The finance director coordinates the financial and operational activity with the team members. The finance department includes the finance director and staff, CFO and executive director.

Outsourced Accounting Firm. Zonta International and the Foundation use an outsourced accounting firm to process accounting transactions and general ledger and compile the monthly and annual financial statements. The responsibilities of the outsourced accounting firm are closely linked to those of the finance department.

Finance Committees. The Zonta International and Zonta Foundation for Women Finance Committees include, but are not necessarily limited to, the Finance Committee chair, two members,

the president, president-elect, treasurer/secretary, risk manager and the designated committee chair for the next biennium, once appointed.

Investment Committees. The Zonta International Investment Committee is a non-standing committee and includes, but is not necessarily limited to, the committee chair, two members, the president, president-elect, treasurer/secretary and risk manager.

The Zonta Foundation for Women Investment Committee includes, but is not necessarily limited to, the committee chair, two members, the president, president-elect, vice president, treasurer/secretary and risk manager.

Investment Advisers. The investment advisers work with the investment committees and manage the investment portfolios in accordance with the investment policy statements.

Bank Representatives. The headquarters finance department and outsourced accounting firm work with the bank representatives in managing the Zonta and Foundation bank accounts.

Technology Consultants. Zonta outsources technology services to technology consultants to manage the network and electronic document storage, database customization and system troubleshooting.

Legal Advisers. Zonta consults with legal advisers to review contracts, corporate structure and bylaws, comply with laws and regulations including human resources and nonprofit tax status.

Tax Consultants. Tax consultants prepare Zonta's annual information reports and provide tax advice related to not-for-profit information reporting, unrelated business income and compliance.

Payroll and Retirement Services. Zonta outsources payroll and retirement services to process payroll and payroll taxes and provide pension (401K) administration.

Insurance Brokers. Zonta works with insurance brokers to contract with insurance carriers that cover, health benefits, directors and officers, property, general liability, automobile, crime, workers compensation, umbrella, cyber liability and foreign liability insurance.

Human Resources Advisers. Zonta consults with outsourced human resources advisers as needed.

Backup Arrangements on Financial Matters

Position	Back up
Treasurer/secretary	Zonta International Finance Committee chair
Executive director	Treasurer/secretary
Finance department	Executive director, and outsourced accounting for accounting processing
Zonta International or Zonta Foundation for Women Finance Committee chair	Treasurer/secretary
Zonta International or Zonta Foundation for Women Investment Committee chair	Investment Committee

SECTION TWO - Reporting and Accounting

Fund Accounting

Fund accounting is used to keep track of financial resources whose use has been limited by the donor or governing board.

Contributions received Zonta International or the Foundation from individuals, businesses or organizations with restrictions must be used for that purpose.

Other revenues may be designated by the governing board for a specific purpose. The board has the authority to add or remove a designation.

The following funds are maintained in the accounting records and reported on in the monthly compilation financial statements.

The following funds are active 1 June 2021:

Name	Primary Source	Uses	Fund Type
Zonta International			
Eva Mowbray	Contributions	Hostess clubs or Zonta International expenses for visiting members of Zonta from another country and special international events	With donor restrictions
Convention	Registration fees	Convention expenses	Board designated
Operations	Membership dues	Membership services and administration	Without donor restrictions

SECTION TWO – REPORTING AND ACCOUNTING

Name	Primary Source	Uses	Fund Type
Zonta Foundation for Women			
International Service	Contributions	United Nations and other recognized non-governmental agencies (NGO) projects	With donor restrictions
Amelia Earhart Fellowship	Contributions	Aerospace engineering and space sciences fellowships	With donor restrictions
Young Women in Public Affairs Awards	Contributions	Leadership skills and commitment to public service and civic causes awards	With donor restrictions
Jane M. Klausman Women in Business Scholarships	Contributions	Women in business scholarships	With donor restrictions
Rose	Contributions	International projects and educational awards Available in accordance with reserve policy	Board designated
Operations	Investment earnings and sale of building	Foundation administration Available in accordance with spending policy	Without donor restrictions
Endowment Principal	Contributions	Preserve perpetuity	With donor restrictions

Name	Primary Source	Uses	Fund Type
Endowment Income	Investment earnings	Projects and educational programs Available in accordance with spending policy	With donor restrictions
Amelia Earhart Fellowship Endowment Principal	Contributions	Preserve perpetuity	With donor restrictions
Amelia Earhart Fellowship Endowment Income	Investment earnings	Amelia Earhart fellowships Available in accordance with spending policy	With donor restrictions

Endowment

Endowment contributions are held in perpetuity. Investment earnings are available based on a formula described in the Zonta Foundation for Women Spending Policy. The amount available may be built into the next biennium budget, reinvested or a combination of both.

A gift instrument may be (i) a gift agreement between the donor and Zonta Foundation for Women creating or contributing to an endowment fund; (ii) the Foundation's solicitation materials in which the Foundation represents that funds raised pursuant to solicitation will be endowed funds; (iii) minutes of a Board meeting at which a donor's gift of endowed funds is announced; or (iv) any other record under which a fund is granted, transferred or conveyed to the Foundation containing a directive from the donor that makes the fund an endowment.

Funds that are not restricted as to expenditure under the terms of a gift instrument but have been so restricted by action of the Board are not endowment funds. An endowment fund comprises restricted assets, regardless of the accounting treatment of any endowment fund.

- *Spending Policy (Foundation)* under My Zonta/Governance/Policies and Guidelines on the website.

Reserves

Reserves have the same definition as net assets and fund balance and these terms may be used interchangeably. The terms are used to describe the difference between a fund's assets (own) and liabilities (owe).

A portion of reserves are held in long-term investments. The terms reserves and investments are not interchangeable.

Reserve policies have been established for the use of Zonta International operating reserves and Zonta Foundation for Women program reserves.

- ▶ *Operating Reserve Policy* under My Zonta/Governance/Policies and Guidelines on the website.
- ▶ *Program Reserves Policy (Foundation)* under My Zonta/Governance/Policies and Guidelines on the website.

Transfers

The board has discretion to transfer moneys from funds that are designated or without donor restrictions to other funds, if it is in the best interest of Zonta.

Donors provide contributions to the Rose Fund without restrictions to enable the Foundation to carry out international service projects and educational programs established at convention. At the end of each fiscal year transfers are made from the Rose Fund to program funds to bring negative fund balances to zero.

Basis of Accounting

The accrual basis of accounting is used to recognize and record accounting transactions or events in the financial statements regardless of cash flow. Expenses are recognized when they are incurred rather than the period they are paid. Revenues, except for contributions follow the same accounting principles for revenue recognition as business entities. Contributions are voluntary and recognized at the point in time they become unconditional.

Membership Dues

Zonta International revenues are mainly membership dues.

Dues are collected as described in the Rules of Procedure by the membership department. Detailed membership information is maintained in a database. Clubs are encouraged to use the database to update member records and pay dues. If circumstances prevent a club from electronically updating their membership records, they should liaise with the membership team at headquarters.

Revenue. Dues are classified as revenue in the fiscal year that they apply.

U.S. and Canadian liability insurance. The general liability insurance policy protects Zonta International from claims that stem from bodily injury or property damage during a Zonta activity or event and is required for clubs and districts within the USA, Puerto Rico, and Canada. Coverage is automatic for North American clubs in good standing. An additional fee is added to the annual dues billing of these clubs only.

Deferred. Dues collected before the start of the fiscal year are classified as deferred and reclassified as revenue at the beginning of the fiscal year that they apply.

Prepaid. Dues paid online by credit cards and PayPal are automatically matched to specific club members. Dues paid outside of the on line system by checks and wires are classified as prepaid until they are matched to club members. In addition, excess dues that are not refunded are held as prepaid by club. Clubs are notified of balances and encouraged to use as first source when paying dues.

Database reconciliation. Monthly, the membership database activity is reconciled to cash activity. Adjustments may be necessary for currency translations or bank fees.

Contributions

Zonta Foundation for Women revenues primarily include contributions.

Contributions. Processed and acknowledged by the Development Department. Detailed donor information is maintained in a database. At the end of each month the database activity is reconciled to the accounting records. Reconciling items may include and not be limited to a donor changing the use of the contribution, refunding a duplicate contribution and differences that may occur between the data base and accounting requirements. There are specialized accounting requirements for handling multiple year pledges and charitable remainder trusts.

Stock contributions. Transferred by donors to the Foundation long-term investment account held at Charles Schwab. Revenue is recorded at fair market value when the donation is received in the appropriate fund based on donor request.

Multiple year pledges. Pledges ie. promises to give, are recognized as revenue in the month that they are made. As payments are made, the pledge receivable balance is decreased. The Development Department monitors the terms of the pledges and collections. At the end of each fiscal year a review is made of the collectability of each outstanding pledge. Pledges that are deemed uncollectible due to changes in donor circumstances are written off. An allowance for uncollectible pledges is maintained for the remaining pledges. It is calculated based on 50% of the pledge receivable balance, except for pledges that are paid monthly or payments have been made during the next fiscal year.

Trusts. Trusts, ie. split-interest agreements, are used as planned giving tools to make a significant philanthropic commitment. Two types are charitable remainder trusts and charitable lead trusts. When the Foundation is beneficiary of a trust with an unconditional right (irrevocable) to all or a portion of the cashflows, a contribution is recognized at the inception of the trust. An initial estimate is measured as the fair value of the assets taking into account life expectancies and interest rates and remeasured annually at the end of each fiscal year until the terms of the trust are met.

Mary E. Jenkins 1919 Society. The society was established to recognize a contribution that is planned in the present and allocated at a later date.

Bequests. Another planned giving tool is bequests in a will or living trust. Since the beneficiaries in these documents may be changed (revocable), revenue is not recognized until the date of death.

Life insurance policies. These may be used as a legacy gift naming Zonta Foundation for Women as the beneficiary. Revenue is recognized when the proceeds are irrevocable. This takes place when either policy ownership is transferred to the Foundation or upon death of the owner of the policy.

Revenue Processing

Handling of receipts, credit card payments and wire transfers is documented in the Zonta Foundation for Women Manual.

Database Reconciliation.

Monthly, the donor database activity is reconciled to cash activity. Reconciling items may include payments for Zonta International dues, contribution receivables and pledge payments.

Monthly Contribution Reports.

The reports prepared by the development department focus on actual contributions to goals. The biennium to date totals match what has been posted to the donor database, but may be different than contributions reported in the financial statements. Timing differences may occur when a donor changes their fund allocation or requests a return of a duplicate payment. There are also accounting differences for annual valuation of beneficial interest in trusts, write off of pledges and adjustments to the allowance for doubtful collection of pledges account.

Grant Commitments

Grants are contributions made to others, including *Memorandum of Understanding* (MOU) made to Zonta's UN partners, and are recorded in the period the commitment is made. Accordingly, a grant that covers both years of a biennium are recorded in the first year.

Investment Income

Investment return includes dividends, interest, realized and unrealized gains and losses net of internal and external investment expenses. Investment advisor fees are presented as a contra revenue account when sources of investment income are detailed.

Currency Translation

Financial statements are presented in U.S. dollars. Bank accounts are held in both U.S. dollars and euros. Monthly euros are converted to U.S. dollars. The fluctuation (gain or loss) in exchange rates is recognized in the currency translation account.

► Foreign Currency Handling, page 34 of this manual.

Financial Statements

The outsourced accounting firm provides compilation services each month preparing monthly financial statements for Zonta International and the Foundation and identifying activity by fund.

The monthly financial statements do not include a statement of cashflows or disclosures required by U.S. generally accepted accounting principles (GAAP). The outsourced accounting firm is not independent from Zonta International or the Foundation. They are part of the internal control structure and segregation of duties.

The financial statements should provide enough detail to explain any significant difference between budgeted and actual receipts and expenditures and should at the minimum include:

- Statement of financial position.
- Statement of activities with budget comparisons.

- Appropriate narrative to facilitate understanding of the financial information.
- Bank account balances.

Fiscal Year-End Financial Statements. The books of both organizations close on 31 May each year.

Preliminary May financial statements will be distributed in draft form before audit adjustments and a final version will be made available as soon as reasonably possible after the audited financial statements are ready to issue. This will also allow time to make any additional fund transfers that are approved by the board.

Distribution. Once financial statements are approved by treasurer/secretary and director of finance, they are made available to the Board, Finance Committees, executive director, and assistant executive director.

The monthly financial reports should be provided by the outsourced accounting firm and distributed by the 25th of the following month, except for the month of May, when receipt from the outsourced accounting firm is extended to 25 July.

The reports are distributed directly from the outsourced accounting firm to the Accounting Month End Reports Dropbox folder. The director of finance then files the statements in Board Effect and the Finance Committee Dropbox folders. A notification email is sent when they are available.

Any questions from the Board or finance committee members should be directed to the treasurer/secretary or committee chair for further clarification.

Financial Statements for Convention

Report at convention of the financial position of Zonta International shall include, but not be limited to, an unaudited *Statement of Financial Position* as of the end of the month not more than two months prior to Convention and a *Statement of Activities and Changes in Net Assets* to reflect the audited first year of the biennium and the unaudited second year of the biennium as of the end of the month mentioned.

Annual Audit

The financial statements of Zonta International and the Zonta Foundation for Women will be audited annually for the fiscal year ended 31 May and should be completed by 1 November each year.

The annual audit will be presented in a consolidated format in accordance with the U.S. Generally Accepted Accounting Principles and must be performed by chartered or certified public accountants. The audit will include separate supplemental schedules for Zonta International and the Zonta Foundation for Women.

The audit firm is selected through a bid process to take place every sixth year in odd years between conventions, unless postponed by board decision. This selection process is administered by the headquarters Accounting Department under instructions by the

treasurer/secretary. A draft letter is attached under Appendix F of this manual to be sent out to prospective auditors.

Review and Acceptance. The treasurer/secretary and director of finance will review the draft audited financial statements, auditor's report, governance letter and management letter and provide approval. The treasurer/secretary, with the assistance of headquarters staff will develop an action plan to respond to any findings or management comments.

The Finance Committees will review the audited financial statements, auditor's report, governance letter and management letter with the auditors prior to the board presentation and make a recommendation to accept to the Board.

The audited financial statements, auditor's report, governance letter and management letter must be presented to the Board for review and filing at the first board meeting after completion of the audit.

The annual audited financial statements will be posted on the website and availability will be announced in the leadership report.

Schedule for Financial Reporting

TASK	DUE DATE	ZI	Foundation
Receive draft monthly financial reports from outsourced accounting firm	Day 20 of next month.	HQ	HQ
Receive monthly financial reports from outsourced accounting firm	Day 25 of next month.	FC	FC
Review and compare monthly actual to budget and comment, if required	Day 30 of next month	FC	FC
Receive and review draft annual financial reports for 31 May	25 July.	FC	FC
Receive and review draft audited financial statements, auditor's report, governance letter, management letter	1 November	HQ	HQ
Prepare action plan, if applicable	15 December	HQ	HQ
Presentation of audit results by audit firm to the Finance Committee and Board	15 December	B	B
Distribute and post audit report on the website	31 December	HQ	HQ

General Ledger

The general ledger is generated using an accounting software package. The general ledger lists assets and liabilities as well as net assets deriving from expenditures and revenues.

The general ledger is managed by the outsourced accounting firm.

Chart of Accounts

The chart of accounts is used as a tool to break down financial transactions to support financial and tax reporting in a specific accounting period. It is also used in the budget process.

The list of each account is typically shown in the order the accounts appear in the financial statements. Each account is assigned a number in the format XXXX-XX. The last two digits represent the fund.

All transactions must be assigned a fund number.

Monthly financial statements are presented by fund. This is enabled using a report writer.

Accounting software has limited functionality with funds. Account totals and subtotals have been designed to match monthly financial statement reporting with accounting software balance sheet and profit & loss reports. Accounting software has a feature that will separate funds using classes. This feature is not currently used. There is a workaround to separate accounts by funds to calculate period activity starting with accounting software Trial Balance. Create new worksheet exporting the trial balance to Excel. Separate account and fund number from account description using the Text to Columns command. Sort by fund number and use Subtotal command.

The chart of accounts uses the following parameters for Zonta International and the Foundation.

ZONTA INTERNATIONAL	
Funds	XXXX- XX
Operations	XXXX- 0X
Operations	XXXX- 00
Operations – odd (membership only)	XXXX- 01
Operations – even (membership only)	XXXX- 02
Convention	XXXX- 2X
Convention	XXXX- 20
Restricted	XXXX- 30 – XXXX- 50
Eva Mowbray	XXXX- 30
Assets	1 XXX-XX
Cash	10 XX-XX
Accounts receivable	11 XX-XX
Intercompany receivable	12 XX-XX
Prepaid expense	14 XX-XX
Investments	16 XX-XX
Fixed assets & accumulated depreciation	18 XX-XX
Liabilities	2 XXX-XX – 26 XX-XX
Accounts payable & other liabilities	20 XX-XX
Accrued expenses	21 XX-XX
Deferred revenue	23 XX-XX
Deferred rent	25 XX-XX

SECTION TWO – REPORTING AND ACCOUNTING

Net assets	27XX-XX
Revenue	3XXX-XX
Membership income	3000-XX – 3059-XX
Membership/reinstatement fees	306X-XX
US & Canadian liability premiums	31XX-XX
Z-Club dues	33XX-XX
Merchandise royalties	3400-XX – 3429-XX
Zontian subscription	3430-XX – 3439-XX
Other income sources	37XX-XX
Expense	4XXX-XX – 64XX-XX
Personnel	40XX-XX
Membership services	42XX-XX
International leadership	51XX-XX – 55XX-XX
Technology & equipment	60XX-XX
Administrative	61XX-XX
Other income (expense)	65XX-XX – 74XX-XX
Income (<i>nonoperating</i>)	65XX-XX – 69XX-XX
Expense (<i>nonoperating</i>)	70XX-XX – 74XX-XX

FOUNDATION	
Funds	XXXX-XX
Operations	XXXX-1X
Operations/Pooled	XXXX-10
Operations/Pooled	XXXX-11
WHIPPI (<i>closed</i>)	XXXX-15
Programs	XXXX-2X – XXXX-7X
Programs - Designated	XXXX-2X
Rose	XXXX-20
International Service - Restricted	XXXX-3X
International Service	XXXX-30
ZISVAW (<i>closed</i>)	XXXX-35
Education - Restricted	XXXX-4X – XXXX-7X
Amelia Earhart Fellowship	XXXX-40
open	XXXX-50
YWPA Award	XXXX-60
JMK Scholarship	XXXX-70
Endowment	XXXX-8X – XXXX-9X
Endowment (pooled)	XXXX-80
Endowment principal	XXXX-81
Endowment income	XXXX-82
AE Endowment (pooled)	XXXX-90
AE Endowment principal	XXXX-91
AE Endowment income	XXXX-92
Assets	1XXX-XX
Checking/savings	10XX-XX
	11XX-XX – 124X-XX

Prepaid & other current assets	125X-XX
Contribution receivables	130X-XX – 134X-XX
Pledge receivables	136X-XX
Beneficial Interest CRUT	16XX-XX
Investments	
Liabilities	2XXX-XX – 25XX-XX
Accrued and other liabilities	20XX-XX – 22XX-XX
Intercompany payable	23XX-XX
Awards payable	25XX-XX
Net assets	27XX-XX
Revenue	3XXX-XX
Contributions	30XX-XX
Investment income (<i>dividends & interest</i>)	33XX-XX
Investment gains (losses)	35XX-XX – 364X-XX
Brokerage fees	365X-XX
Grant revenue	37XX-XX
Expense	4XXX-XX – 7XXX-XX
Awards	40XX-XX
Management services	41XX-XX
Donor development	42XX-XX
Administrative	7XXX-XX

Biennial Budget

A biennial budget is used to allocate expenses and predict revenues. The budget helps plan for the future and stay fiscally responsible.

The biennial budget is used through the biennium to monitor both revenues and expenses.

Additional spending not considered in the budget requires approval from the board.

If it is determined that Zonta International operating revenues will not be achieved through monthly monitoring or the mid biennium forecast, the Finance Committee along with headquarters executive director and finance director will review options and present a recommendation to the Board for approval. Options may include, additional revenue sources, reducing expenses or funding the shortfall through reserves. The use of Zonta International operating reserves is established in the Zonta International Operating Reserve Policy.

Budget Preparation. The biennial budget process starts towards the end of the first fiscal year of the previous biennium for both organizations.

The Zonta Foundation for Women Finance Committee determines tentative spending limits for Foundation programs and operations in August of the second year of the biennium based on the Foundation Spending Policy and Program Reserve Policy to be used in preparation of the following biennium budget. Limits will be reevaluated after the audit is complete with notification made to the president-elect and board.

Endowment distributions. The treasurer/secretary must maintain the calculation of endowment distribution limits. Schedules are maintained as separate tabs in the Ten-Year Financial Forecast. The treasurer/secretary and Zonta Foundation for Women Finance Committee must prepare a summary of detailed factors identified in the Foundation Spending Policy. The committee will review the factors during August of the second year of each biennium for the following biennium. After the review, the committee will provide the board and president-elect a maximum distribution and/or reinvestment of funds available for distribution.

In collaboration with headquarters management, the Zonta International Finance Committee prepares an operating and capital budget proposal for the next biennium, including a recommendation for membership dues and fees.

In collaboration with headquarters management, the Zonta Foundation for Women Finance Committee prepares a budget proposal. The budget will be in three sections, including programs, operations and endowments.

The programs budget will consist of the fundraising goals, endowment distributions and international service project and education program funding commitments. The funding commitments will follow the Program Reserve Policy and Endowments Spending Policy and align with programs presented by the president-elect.

Operation expenses will be determined based on need and limited by the Operations Spending Policy.

The endowments budget will be prepared after consideration of factors outlined in the Endowment Spending Policy.

The Finance Committees recommend proposed budgets to the board for approval. The Zonta International operating and Foundation programs and operations budget are presented to the full membership for information only via the club mailing before convention. The convention voting members do not vote on the budget.

The Zonta International Finance Committee recommends per capita dues and fees to the Board to approve. Then changes in dues and fees are voted upon at the convention; adoption of a change in dues requires a two-thirds vote.

When the budgets are approved by the Board, they will be made available to the membership in the Call to Convention and posted on the website as soon as practical and as soon as the dates and location of the convention are determined. The written notice of the place, day and hour of official business meetings and the purpose or purposes shall be issued to voting members not less than 5 nor more than 60 days before the convention.

► *Operating Reserve Policy* under My Zonta/Governance/Policies and Guidelines.

- ▶ *Program Reserves Policy (Foundation)* under My Zonta/Governance/Policies and Guidelines.
- ▶ *Spending Policy* under My Zonta/Governance/Policies and Guidelines..

Mid Biennium Forecast

The treasurer/secretary and headquarters staff shall prepare a mid-biennium forecast to ascertain that the budget is achievable and acknowledge changes in strategy and the financial environment. The mid biennium forecast is presented to the board.

10-Year Financial Forecast

A financial forecast is a tool to predict future financial outcomes. It is designed as a living document to help Zonta and the Foundation to respond and adapt to near-term and longer-term financial challenges. Assumptions will change over time as a result of board strategic plan decisions, operational changes and the economic environment. It may also be used to make financial projections based on various scenarios.

The 10-year financial forecast must be updated when the audit at the end of the biennium is complete (actual XX-XX), the budget is adopted (forecast X1 -X2), and the mid biennium forecast is available (forecast X1-X2). Additional updates will be made when significant assumptions are known to change.

SECTION THREE - Roles of Treasurer, Finance and Investment Committees

Treasurer/Secretary

The treasurer/secretary is elected by the membership at the Zonta convention and serves as the chief financial officer of Zonta International and the Zonta Foundation for Women. The treasurer/secretary, who should have a professional background in accounting and preferably be from the United States, is responsible for the maintenance of adequate books and records and oversight of all financial transactions, including investments. The treasurer/secretary authorizes expenditures in accordance with Appendix A – *Signature Authority* – of this manual.

The treasurer/secretary is a member of the Zonta International Executive, Finance and Investment Committees, and of the Zonta Foundation for Women Executive, Finance and Investment Committees.

The responsibilities of the treasurer/secretary include, but are not limited to the following:

- Has the authority to certify resolutions and other documents and contracts of Zonta International and Zonta Foundation for Women.
- Has responsibility for all funds and securities of Zonta International and Zonta Foundation for Women and for receipts and disbursement thereof.
- Reviews trial balances and the monthly finance and ensures that the Board established policy regarding expenditure control is being followed in accordance with Appendix A of this manual.
- Is responsible for cash management and ensures that headquarters regularly invests funds not immediately required in financial instruments consistent with *Investment Policy Statements*.
- Reviews the investment reports monthly and ensures that all investments comply with the *Investment Policy Statements*.
- Reviews financial reports, statements and audits and presents a report at each Board meeting.
- Ensures that expenditures are within established standard limits before payment.
- Approves payments in accordance with Appendix A of this manual.
- Assists the Zonta International Finance Committee with the convention report on the financial position of Zonta International and the Zonta Foundation for Women.
- Prepares on an annual basis the financial section of the Annual Report.
- Ensures on an annual basis that the Zonta Foundation for Women maintains its charitable status.
- Ensures smooth transition to the successor and hands over all properties belonging to the official position to the incoming treasurer/secretary within 30 days of the incoming treasurer/secretary taking office.

SECTION THREE – ROLES OF TREASURER, FINANCE AND INVESTMENT COMMITTEES

- ▶ *Zonta International Manual SECTION TWO*, International Treasurer/secretary
- ▶ *Bylaws of Zonta International*, Article VII, Section 1(e)(4)
- ▶ *Bylaws of the Zonta Foundation for Women*, Article V, Section 5

Zonta and Zonta Foundation for Women Finance Committees

The president-elect appoints a Zonta International Finance Committee and a Zonta Foundation for Women Finance Committee for the upcoming biennium. Both committees should have at least three members, including the committee chair.

At least one of the members must have significant financial knowledge and should preferably be a United States accounting professional.

It is advisable that one member have knowledge and experience in banking and foreign exchange.

The committees also include the president, the president-elect, the treasurer/secretary, the risk manager and the Zonta International Finance Committee chair and the Zonta Foundation for Women Finance Committee chair for the following biennium, once appointed.

The purpose of the Finance Committee is to assist the Board in the discharge of its fiduciary / stewardship responsibilities. The committee reports at convention on the financial position of Zonta International and Zonta Foundation for Women. Such report should include, but not be limited to, an unaudited *Statement of Financial Position* as of the end of the month not more than two months prior to convention and a *Statement of Activities and Changes in Net Assets* to reflect the audited first year of the biennium and the unaudited second year of the biennium.

The responsibilities of the Zonta International and Foundation for Women Finance Committees include, but are not limited to the following:

- Reviews the monthly financial reports of Zonta International.
- Provides for the annual audit of the financial records of Zonta International by certified or chartered public accountants and arranges for a copy of the annual audit approved by the International Board to be sent to district board members and club presidents. For purposes of the audit, the books are to be closed on 31 May.
- Provides oversight for financial risk management.
- Prepares and submits to the Board for the next biennium a budget proposal including a recommendation on whether to change per capita dues.
- Reports at the convention on the financial position of Zonta International. The report must include, but not be limited to, an unaudited Statement of Financial Position as of the end of the month no more than two months prior to the convention and a Statement of Activities and Changes in Net Assets to reflect the audited first year of the biennium and the unaudited second year of the biennium as of the end of the month mentioned.

SECTION THREE – ROLES OF TREASURER, FINANCE AND INVESTMENT COMMITTEES

Liaison to District Treasurers

The Zonta International Finance Committee including International Treasurer/Secretary will act as liaison to and work with district treasurers. The committee will provide training and support to treasurers at all levels as determined.

Finance Committees Calendar

TASK	DUE DATE	ZI	Foundation
Chair to make a written report for each board meeting	As per board meeting schedule	FCC	FCC
Review financial statements (Available Drop Box)	Monthly	FC	FC
Finance Committee - meetings	Quarterly	FC	FC
Committee orientation	First quarter first year of biennium	FC	FC
Meet with auditors	Late October/early November both years of biennium	FC	FC
Joint meeting with Investment Committees and Investment Advisers	Third quarter first year of biennium	FC/IC	FC/IC
Determine tentative spending limits for Foundation program operations	First quarter second biennium	N/A	FC
Determine available endowment distributions	First quarter second biennium	N/A	FC
In collaboration with headquarters prepare budget – See Budget Timeline, Appendix G of this Manual	September through January second biennium	HQ FC	HQ FC
Submit proposed budget and membership dues and fees to Board for approval	Available for February board meeting second year of the biennium	FC	FC
Send out Request for Proposal to auditors	Every sixth odd year	HQ	HQ

- ▶ *Budget Timeline*, Appendix G of this manual
- ▶ Zonta International Operating Reserve Policy
- ▶ Zonta Foundation for Women Program Reserves Policy
- ▶ Zonta Foundation for Women Spending Policy
- ▶ *Bylaws of Zonta International*, Article XIII, Section 5
- ▶ *Zonta International Manual*, SECTION EIGHT, Finance Committee
- ▶ *Bylaws of Zonta Foundation for Women*, Article VIII, Section 1
- ▶ *Zonta Foundation for Women Manual*, Section 4, Finance Committee

Zonta Foundation for Women Investment Committees

The president-elect appoints a non-standing Investment Committee for the Zonta International and standing Investment Committee for Zonta Foundation for Women for the upcoming biennium. The committees should include the chair and two members, the treasurer/secretary and risk manager. The president and president-elect are ex-officio

SECTION THREE – ROLES OF TREASURER, FINANCE AND INVESTMENT COMMITTEES

members. The members should have significant investment knowledge and experience, from both the United States and other markets.

The Investment Committees are responsible for the oversight of the long-term and endowments investments. Zonta International and the Foundation have engaged a registered investment adviser to provide investment advice and to manage the day-to-day investment activities. The investments are approved and managed in accordance with the *Zonta International and Zonta Foundation for Women Investment Policy Statements*.

The members of the investment committees should follow the development of global financial markets in general and Zonta International and the Foundation's investments specifically.

The members of the investment committees should at all times adhere to all legal requirements for confidentiality and fiduciary duties.

The responsibilities of the Zonta International and Foundation for Women Investment Committees include, but are not limited to the following:

- General oversight of Foundation investments.
- Evaluate and recommend revisions to the Investment Policy Statement to the Board, including the investment strategy.
- Evaluate and recommend investment professionals for appointment as advisor(s) at least every six years, unless postponed by Board decision.
- Review the investments strategic asset allocation and risk tolerance at least annually and report the results to the Board, including any recommended changes.
- Inform advisor(s) of risk posture for investment accounts.
- Monitor compliance with the Investment Policy Statement and relevant policies and guidelines.
- Review investment statements monthly and performance reviews quarterly to evaluate performance and report to the Board.
- Review investment expenses.
- Meet quarterly with the investment advisers to review performance and market conditions.
- Biennial review and update of the *Investment Policy Statement (IPS)*.

Investment Committees Calendar

TASK	DUE DATE	ZI	Foundation
Chair to make a written report for each board meeting	As per board meeting schedule	ICC	ICC
Report negative investment portfolio changes of >10% to the Board	Immediately	ICC	ICC
Review investment statements	Day 15 of next month	IC	IC
Review Performance Reports prepared by advisers	Day 30 of month following the end of the quarter	IC	IC

SECTION THREE – ROLES OF TREASURER, FINANCE AND INVESTMENT COMMITTEES

Investment Committee meetings – meet with investment advisors to review performance and market conditions	Quarterly	IC	IC
Committee orientation	First quarter first year of biennium	IC	IC
Joint meeting with Finance Committees and Investment Advisers	Third quarter first year of biennium	IC/FC	IC/FC
Review strategic asset allocation, risk tolerance and target rate of return	At least annually	IC	IC
Evaluate investment policy statements	At least biannually	IC	IC
Send out Request for Proposal to investment advisers	Every sixth odd year	HQ	HQ

- ▶ *Zonta International Investment Policy Statement*
- ▶ *Zonta Foundation for Women Investment Policy Statement*
- ▶ *Zonta International Manual, SECTION NINE, Investment Committee*
- ▶ *Bylaws of Zonta Foundation for Women, Article VIII, Section 3*
- ▶ *Zonta Foundation for Women Manual, Section 4, Investment Committee*

SECTION FOUR - Cash Management

The treasurer/secretary is responsible for and monitors the cash position of Zonta International and the Foundation, including both euro (€) and US\$ accounts to ensure that there is enough cash available for operational expenses and required payments for projects and awards. Any surplus funds not immediately needed should be invested, as appropriate, into liquid short, temporary or long-term instruments.

Petty Cash

A small sum of petty cash is maintained in a secure location and managed by the Finance department or the assistant executive director. The fund is reconciled periodically and is replenished only when needed, typically in amounts of US\$300 or less.

Petty cash requests are typically limited to no more than US\$100 per request. If a request exceeds US\$100, a manager or the executive director must approve it. All requests must be accompanied by a receipt, account allocation and proper approval.

No reimbursement will be made without a receipt. It is the responsibility of the employee requesting reimbursement to provide proper documentation.

If an advance is requested, the employee will sign an IOU, and an IOU will remain until a receipt is submitted. Any IOUs not cleared in one week will be brought to the attention of the executive director.

Any exceptions to the above will require approval from the executive director.

New Bank Accounts

Bank accounts can be closed or opened with approval of the board. A board resolution should be made to confirm the action and passed to the bank(s).

Bank Instructions

Instructions to open or close bank accounts, based on Board decisions, to make changes to the way a bank account is being managed and maintained or to sign bank service contracts and agreements can only be made by the international president and the international treasurer/secretary for Zonta International and the Foundation.

Authorized Representatives

It is imperative that all authorized representative rights and access to bank and investment accounts are withdrawn immediately when an officer, committee member or a staff person leaves their position.

Authorized representatives must be updated for all bank and investment accounts when there is a change in authorized representative. The finance director will coordinate this activity.

Only individuals who have completed the required documentation are authorized representatives. Authorized bank representatives are the president, treasurer/ secretary, executive director and the assistant executive director. Authorized investment representatives are selected by the Investment Committee and are preferably the treasurer/secretary and Investment Committee chair. When the Investment Committee chair is unable to assume the position, the president is named.

Cash Pro-Entitlements

For administration purposes, certain staff positions at headquarters require viewing access to the bank accounts but have no editing or signatory rights.

Payments and transfers are limited to US\$500,000 in Cash Pro. There may be times when transactions are split into multiple payments, i.e., cash transfers to investment accounts and international service projects.

The entitlements must be updated by the finance director in a timely fashion as needed in light of changes to staff and Board membership. User entitlement roles are described in Appendix B.

Foreign Currency Handling

Money held other than in US\$ should be kept in separate currency accounts. If possible, it is preferred that the balances in these accounts are used for paying expenses in this currency such as board and committee expenses, staff expenses, convention costs or any other expense in foreign currency. Currently, only euro accounts are held.

An official exchange rate is published on the Zonta website each month for use when calculating the equivalent in US\$ for revenue in foreign exchange. Currently, only a euro to US\$ exchange rate is published. The treasurer/secretary will decide if additional currencies needed to be published.

The rate for the month is calculated by the treasurer/secretary by taking the average of the Ask price for the last week of the previous month on the website

<https://www.oanda.com/currency-converter/>.

The monthly official Zonta exchange rate will be used for conversions from a foreign currency to US\$ for member fees and donations.

Travel expenses where reimbursements may be made by SEPA or International ACH will be reimbursed at the rate the expenses were incurred. In instances where SEPA or iACH are

not available, reimbursement will be paid by wire. The reimbursement amount is calculated using the exchange rate the day of payment.

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- ▶ SECTION ELEVEN of this manual
- ▶ Membership Dues Tools under Tools on the Zonta International website.
- ▶ Your Support/Donation Forms on the Zonta Foundation for Women website.

Euro Accounts

Single euro payments area (SEPA) establishes a single set of standards for cross-border payments allowing for reduced transaction fees for members. SEPA covers the European Union, Andorra, Iceland, Norway, Switzerland, Liechtenstein, Monaco, San Marino and Vatican City State. There are two euro accounts, one in the name of Zonta International and one in the name of the Foundation, both held with Bank of America in London. The Bank rechartered to Ireland to ascertain that the outcome of Brexit would not impact London-based euro accounts.

Pooled Cash

The Foundation cash is pooled and allocated between funds in the monthly financial statements.

Endowment contributions are invested in separate investment accounts to generate investment income. General endowment and Amelia Earhart endowment cash reported in the monthly financial statements represents contributions that have been deposited to one of the cash accounts or investments that have been transferred to the Foundation long-term investment account. The cash balances should be transferred to the endowment accounts at least quarterly. When the general endowment cash pooled cash exceeds \$100,000 or Amelia Earhart endowment exceeds \$10,000 transfers should be made more frequently. An exception may be made when a distribution is due to be made.

Temporary Investments

Temporary investments are invested with the objective of preserving its assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet ongoing program and operational needs. The assets may be invested in savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, US Government and US agency obligations, investment-grade corporate bonds and other investment-grade securities that are relatively easy to liquidate.

To meet the requirement of the monthly costs of the operation, money (membership dues) may be invested into laddered Certificates of Deposit maturing with a frequency to meet the requirements and transferred into the operating account.

Insurance Protection

Consideration should be given to insurance protection for cash and temporary investments held.

Federal Deposit Insurance Corporation (FDIC) Insurance is available in the event of bank failure in the United States. It covers checking accounts, savings accounts, money market deposit accounts, time deposits such as certificates of deposits and accrued interest. The limit is US\$250,000 for the total of all accounts held by an entity at one financial institution.

In Europe bank Deposit Guarantee Scheme (DGS) guarantees Europe bank deposits up to 100,000EUR€ (85,000GBP£) in the case of bank failure.

Long-Term Investments

Long-term investments must be invested, in accordance with *Zonta International and Zonta Foundation for Women Investment Policy Statements*.

Endowment investments must be kept in two separate financial institution accounts, one for the general endowment and one for Amelia Earhart endowment.

Gifts of stock are liquidated upon receipt to minimize the risk associated with the stock market. The appropriate fund will be given credit for the contribution and the proceeds will be reinvested.

Should the overall market value of a long-term investment account decline by ten percent or more, the Investment Committee chair shall promptly report to the Board and the Committee shall consult with the adviser to determine an appropriate course of action, which may include rebalancing the portfolio.

Each biennium, notify the investment advisers of the names and positions of two individuals from whom the advisers may take instructions. These two individuals should preferably be the treasurer/secretary and the Investment Committee chair.

Notify the investment advisers of any change in liquidity needs whether near-term or long-term.

Review the advisers through a proposal process a minimum of every six years, unless postponed by the Board. The proposal will be reviewed by the Investment Committee, who will then make a recommendation to the Board.

Intercompany Transfers

Zonta International has a general ledger account on its statement of financial position for items received by Zonta International that are intended for the Zonta Foundation for Women or for items paid for fully by Zonta International, a portion of which needs to be charged to the Zonta Foundation for Women. The Foundation has an identical general ledger account on its statement of financial position.

During each month-end close, reports of all activity recorded in both Zonta International's and the Zonta Foundation for Women's Intercompany receivable/payable accounts are pulled from the general ledger. The accounts are reviewed to note the full amount owed by each organization for that month which will be in balance. A cash transfer is made periodically for

SECTION FOUR – CASH MANAGEMENT

the outstanding balances. The treasurer/secretary initiates the internal transfer request to the finance director. Once the transfer is set up, the treasurer/secretary approves the transfer in Cash Pro.

SECTION FIVE - Functions of Headquarters Finance Department and Outsourced Accounting Firm

Executive Director

The executive director is the operations manager of Zonta International and the Zonta Foundation for Women and as such is ultimately responsible for financial and administrative management of the corporations in pursuit of the strategic plan and in accordance with the biennial goals and budget that have been adopted by the Board.

► *Zonta International Manual*, SECTION THREE, Executive Director

Finance Department Staff

The finance department is responsible for the day-to-day accounting processes together with the outsourced accounting firm. The tasks of the finance department include, but are not limited to:

- Accounts payable – review and code invoices, travel reimbursements and other expenses.
- USD Checks/E-Payments
 - Upload invoices/expense reports to Bank of America Bill Pay for review and approval by outsourced accounting firm.
 - Manually enter additional approver in Bill Pay for invoices over \$15,000.
 - Approval/authorization of payment of invoices made on the Bill Pay portal by executive director.
 - Outsourced accounting firm prepares manual checks for signature by the executive director.
 - Mail paper checks to vendors.
- Foreign Wire Transfers/International ACH.
 - Upload invoices/expense reports to outsourced accounting firm portal.
 - Notify treasurer/secretary and outsourced accounting firm by email of approvals and processing required.
 - Outsourced accounting firm enters payments in Global Payment portal.
 - Outsourced accounting firm notifies executive director/treasurer/secretary of payments to approve in Global Payment portal.
 - Executive director approves payments under US\$15,000 and Treasurer/secretary approves the payments US\$15,000 and over in the Global Payment portal.
- Review balances in bank and investment accounts for cash flow purposes.

Bi-weekly

- Prepare staff payroll and related benefit tracking.
- Review electronic timesheets.
- Maintain employee leave records and accrual balances.
- Prepare and report paid time off accrual balances to outsourced accounting firm for entry into accounting program.

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

- Review payroll processing reports for accuracy.

Monthly

- Coordinate and attend accounting team meeting with treasurer/secretary and outsourced accounting firm.
- Provide investment statements to outsourced accounting firm.
- Review and post the monthly investment statements to Investment Committee Dropbox folder.
- Notify Investment Committee and outsourced accountants when the monthly investment statements are posted to the committee Dropbox folder.
- Prepare spreadsheet of credit card charges with account codes and explanation of charges. Review and save copies of invoices paid by credit card. Submit credit card monthly spreadsheet to ED and International treasurer/secretary for approval and outsourced accounting firm for entry into accounting software.
- Review monthly accounting transactions in accounting software prior to preparation of draft monthly financial statements.
- Review and report on monthly financial statements prepared by outsourced accounting firm.
- Post monthly financial statements on Board Effect and in the Accounting Monthly Reports, ZI Finance and Zonta Foundation for Women Finance Committee Dropbox folders.
- Run postage meter report and file in Accounting Monthly Reports Dropbox folder.
- Scan automatically paid invoices/debit memos and file in Accounting Monthly Reports Dropbox folder.
- Scan ZI remote deposit reports and file in Accounting Monthly Reports Dropbox folder.

Quarterly

- Review and post quarterly performance reports to Investment Committee Dropbox folder.
- Work with International Treasurer to monitor Intercompany account activity.
- Work with International Treasurer to transfer endowment contributions from cash to long-term investments.
- Notify Investment Committees when the quarterly performance reports are posted to the committee Dropbox folder.
- Attend meetings with the registered investment adviser and the Investment Committees.
- Attend meetings with the Zonta International and Zonta Foundation for Women Finance Committees.

Annually

- Work with auditors, including preparing audit documentation, responding to audit inquiries and *Form 990* documentation.
- Work with International Treasurer/Secretary on financial information for Annual Report.
- Work with *Workers' Compensation* insurance auditor.
- Complete 5500 annual returns for 401(k) plan.

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

- Conduct compliance testing for 401(k) plan.
- Complete Form 8955-SSA - *Annual Registration Statement*.
- Work with Zonta International Finance Committee chair, district treasurers, club treasurers and Membership Department to obtain information to complete the IRS Group subordination list and report to Internal Revenue Service by the end of February.
- Complete various state reporting requirements including *IL Annual Report*.
- Work with third-party State Registration Service to coordinate state solicitation reporting for Zonta Foundation for Women.
- Review annual insurance renewals for property and casualty insurance and employee benefits insurance.
- Update schedule of vendor contracts and maintain files of documents.
- Review renewal dates of vendor contracts and extend as required.
- Review yearend close items with executive director.
- Prepare and file 1042s annual withholding tax forms for scholarship and award recipients.
- Work with tax consultants with preparation of FBAR reporting.
- Coordinate documents and signatures for US and International Accounts' Know Your Client (KYC), including covering documents, beneficial ownership information and list of directors and their identification documents.
- Archive documents and instruct on documents for destruction as per Appendix E – *Retention of Documents and Gift Guidelines* of this manual.

Biennially

- Assist with budget preparation.
- Work with international treasurer/secretary on financial information for Club mailing.
- Assist with biannual financial statements for convention.
- Assist with financial needs for convention.
- Arrange for credit card replacement to the new president, president-elect, treasurer/secretary and Convention Committee chair(s).
- Ensure that *Credit Card Receipt Form* is signed by new credit card holders.
- Ensure that new Investment Committee chair and members sign the *Conflict of Interest Form*.
- Check and arrange amendments to the CashPro online user Audit based on instructions from the executive director.
- Remove and add outgoing and incoming board and committee chair and committee members from Dropbox folders.
- Arrange amendments to the outsourced accounting firm portal users.
- Arrange update of authorized representatives for WCMA account with Merrill Lynch.
- Arrange update of *Banking Resolution and Certificate of Incumbency Forms* for bank accounts.
- Complete *Change of Authorized Individuals* documents for Charles Schwab accounts and add new authorized viewers to accounts.

Ongoing

- Manage office space needs (phones, office key cards, postage meter, copy machine).
- Recruit, interview, hire and onboard new staff.
- Manage outsourced technology, (laptop asset management, Dropbox entitlements, service tickets etc.)

Outsourced Accounting Firm

The responsibilities of the outsourced accounting firm include, but are not limited to, the following tasks:

USD Paper Checks

- Review invoices/expense reports supporting documentation uploaded in outsourced accounting portal (Vendor Name, Invoice number, Date, Amount, Description and Account to which the bill is being coded.)
- Create bill in accounting software and print paper check.
- Mail paper checks to Zonta finance department.
- Enter the manual checks into CashPro's Positive Pay feature.
- Record the payment in accounting software when payment clears bank.

Bank checks and E-Payments

- Review approved invoices and expense reports entered in Bill Pay.
- Sync BillPay transactions between CashPro and Accounting software weekly.

Wire Transfers/International ACH

- Review invoices/expense reports to be paid by wire, international ACH, and SEPA using documentation uploaded by Zonta Finance team to the outsourced accounting firm portal.
- Record payment information in the bank global payments site and notify International Treasurer to approve the payment.
- Enter bills for invoices and expense reports in the accounting database general ledger
- Record payment of bill in accounting software once the payment clears.
- Payments returned are recorded in the Suspense liability account until the payment is reissued.

Payroll

- Record journal entry for bi-weekly payroll into accounting software using the payroll register.
- Reconcile cash cleared on bank statement to payroll journal entry.

Month End

Operating Cash Activity & Reconciliation. Once a month, Outsourced accounting imports the cash activity from CashPro into Accounting software for the operating cash accounts for both Zonta International and Foundation. Once the transactions are imported, Outsourced accounting matches them to existing transactions or adds new transactions as necessary. Review and record ZI Membership revenue in accounting

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

software via an upload from the membership database. Once all activity is entered for the month, Outsourced accounting uses the Bank Account statement to reconcile the month-end balance. Ascertain Deposit in transit (DIT) clear timely the following month and follow up disbursements outstanding over 60 days. Any outstanding transactions are investigated as necessary.

Euro Cash Activity & Reconciliation. The Euro reconciliations for both Zonta International and Zonta Foundation for Women are prepared in Excel. Conversion rates are per the website: www.oanda.com to record the bank fees. The transfers out of the Euro bank accounts are recorded in accounting software with the US dollar amount when they are paid. For ZI, the deposits into the Euro account are recorded in membership database in US dollars, (amounts are already converted to US dollars when membership database journal entry is uploaded to Accounting software each month). In the Foundation, the deposits into the Euro account are recorded in Black Baud and already converted to US dollars by Zonta personnel.

Investments. Each month brokerage statements are uploaded to Dropbox by Zonta finance director. Outsourced accounting prepares monthly investment workpapers that generate the journal entry needed to reflect all investment activity. In addition to monthly workpapers, an Endowment and AE roll forward are updated each month. These workpapers prove out the cash balances that are reported for each of the endowment accounts.

Pledges Receivable (Foundation). Zonta staff sends outsourced accounting the Endowment CAEC reports which are used to prepare the Pledges Receivable workpaper. The difference between the Net Present Value of Pledges Receivable for the month and the current Pledges Receivable difference is recorded.

Contributions Receivable (Foundation). Zonta staff send Outsourced accounting the Monthly Reconciliation Report for Black Baud contributions that includes the receivable amounts.

Prepays. At month-end, Outsourced accounting reviews all expenses to determine if any are for service periods and amounts requiring classification as a prepaid expense. Typically, Zonta pays Insurance and Rent a month in advance. The bill is entered in CashPro and coded to the proper prepaid account. All prepaid expenses are maintained in a spreadsheet by Outsourced accounting, which calculates the monthly expense to be amortized over the entire service period. Each month, Outsourced accounting records a journal entry to amortize the proper prepaid balance for the period.

Fixed Assets. The Fixed Asset schedule is maintained by Outsourced accounting. The schedule includes the Fixed Assets, original cost, placed in-service date, useful life, calculated monthly depreciation expense, and subsequent accumulated depreciation and net book value. Each month, new assets are added and any assets disposed of are removed from the list. Depreciation expense for the fixed assets is recorded at month-end.

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

Outsourced accounting agrees the ending Net Book Value per the Fixed Asset schedule to the accounting software balances.

Intercompany Accounts. Zonta Foundation for Women pays a portion for various Zonta International expenses including salaries, benefits, and postage. There may be other expenses between the two entities that need to be reconciled each month. Outsourced accounting verifies that the Intercompany accounts for ZI and Foundation match at month-end.

Accruals. At month-end, Outsourced accounting reviews all expenses to determine what (if any) accruals are necessary at month-end. Recurring accrued expenses include accruals for gross wages and paid time off. The accrued gross wages are a calculation performed by Outsourced accounting based on the salaries incurred but not paid for the end of each month for which the period crosses over from one month to the next. The paid time off accrual is a calculation performed by Outsourced accounting based on the paid time off balance and hourly rate.

Credit Card Activity & Reconciliation. Once a month, Zonta provides Outsourced accounting with a list of all credit card charges for the month. The list includes the date of the charge, merchant name, account number, amount, and memo / description. Outsourced accounting enters the transactions through the Back Enter Transactions feature in accounting software. Outsourced accounting reviews the information to ensure it is recorded properly. Once all activity is entered for the month, Outsourced accounting uses the Credit Card statement to reconcile the month-end balance. Any outstanding credit card activity is investigated as necessary.

Deferred Dues (ZI). Dues are collected starting in March/April for the next fiscal year. These dues are differentiated by year with either a GL code of .01 for odd years or .02 for even years. The dues that are received for the next fiscal year are reclassified from revenue to the Deferred Dues liability account until the start of the next fiscal year.

Awards Payable (Foundation). These are recorded when the MOU (Memo of Understanding) is signed.

Net Assets. At fiscal yearend, re-allocate QuickBooks generated closing entry to net assets to respective funds.

Revenue. For Zonta International, revenue is recorded in accounting software via an upload from membership database. For Zonta Foundation for Women, revenue is recorded in development database and that Excel reconciliation is sent to outsourced accounting and reviewed then recorded in accounting software.

Unallocated Contributions (Foundation). All Foundation deposits for the month are coded to Contributions-Unallocated in the bank feeds. Zonta personnel send the development database reconciliation every month to reclass the contributions to the

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

correct fund revenue account. The Contributions-Unallocated account should be zero at the end of the month after the reclass journal entry.

Financial Statements. Notify Zonta director of finance that the general ledger activity is ready to review.

Once, general ledger is approved by director of finance, produce monthly financial statements.

Read financial statements for accuracy and provide compilation report.

Annual Reporting.

- Provide supporting work papers for annual audit.
- Provide Form 1099 and 1096, if applicable.
- Provide review of 1042 tax forms.

Reporting Deadlines

The finance department will comply with annual and regulatory reporting requirements in a timely manner.

Required reports are to be compiled according to requirements and filed by respective deadlines. Requests for necessary extensions are to be filed according to the report-specific guidelines.

Headquarters finance staff is responsible for preparation of all reports listed below, with the exception of the federal and state 990 forms and Form 114a FBARs prepared by the audit firm, payroll regulatory forms which are prepared by the payroll service and 1099-MISC and 1096 which are prepared by the outsourced accounting firm.

Report	Due Date	ZI	Foundation
Group Subordinate Exemption Filing	28 February	X	
1042 Annual Withholding Tax Return for U.S.	15 March		X
1042-S Foreign Person's U.S. Source Income	15 March		X
1042-T Annual Summary and Transmittal of Forms 1042-S	15 March		X
990 Return of Organization Exempt from Income	Day 15 of fifth month after fiscal year end i.e., 15 October	X	X
990T Exempt Organization Business Income Tax Form	Same	X	
IL 990AG Return of Organization Exempt from Income	Six months after close of fiscal year i.e., 30 November		X

SECTION FIVE – FUNCTIONS OF HEADQUARTERS FINANCE DEPARTMENT AND OUTSOURCED ACCOUNTING FIRM

Report	Due Date	ZI	Foundation
5500 Annual Return / Report of Employee Benefit	Last day of the seventh calendar month after end of plan year i.e., 31 December	X	
Illinois Form NFP114.05 Domestic/Foreign Corporation Annual Report	ZI – 1 September Foundation – 1 October	X	X
1099 – Miscellaneous Income (Recipient)	31 January	X	X
1099 – Miscellaneous Income (IRS)	28 February	X	X
W-2s (Employee)	31 January	X	
State Solicitation Reporting	Dates and requirements maintained at headquarters		X
FBAR Reporting	April 15	X	X
Any other payroll related regulatory requirements will be filed by payroll service	As applicable	X	

► *Finance department Six Months Plan* - Appendix I of this manual

SECTION SIX - Revenue Processing

The Membership and Development Departments at headquarters are responsible for month-end database and revenue reconciliation of respective accounts.

Membership and development department staff send all month-end information directly to the outsourced accounting firm.

All cash receipts are to be deposited without delay.

Lockbox Receipts

Revenues are received through checks, wires and other ACH – automated clearing house payments - and deposited to the lockbox. All membership transaction information is saved electronically in the respective Zonta club's folder for the corresponding year.

Once membership details matching the payment are received, staff enters the payment into the membership database.

A *prepay* occurs when funds from a club have been identified but cannot be processed for reasons such as a missing member list or insufficient funds being paid. If there is a *prepay* situation, the funds are placed on the club's account.

Checks and wire donations are received into the Zonta Foundation for Women's lockbox account and checked daily by development staff, who will download payment and donor details and enter same into the donor database.

An acknowledgment letter is created manually by the Development Department and should be sent electronically to the donor within 48 hours.

Credit Card Payments

Membership dues paid by credit card through PayPal are processed through the membership database. In special circumstances, the membership department will create an invoice through PayPal for transfer of payment for dues.

Donations may be made by credit cards into the lockbox account. The bank returns the donation forms to headquarters and the development department processes the donation. All documentation is destroyed immediately after the information is recorded per PCI compliance.

The handling of credit card details must always be PCI DSS – Payment Card Industry Data Security Standards – compliant. Emails containing credit card details should be discouraged and avoided. If they still exist, all such documentation should be destroyed immediately after use.

Incoming Wire Transfers

The majority of Zonta International incoming wire transfers are membership dues

The majority of Zonta Foundation for Women incoming wire transfers are contributions.

If a wire transfer is sent to the other organization account, an inter-company entry is made to ensure that the funds are recorded by the applicable entity.

Funds Received at Zonta Headquarters

The mail is opened by the assistant executive director and, in the assistant executive director's absence, by the program senior coordinator.

All checks are stamped for deposit. Checks for membership dues are registered in a log and mailed to the ZI Membership Lockbox. All other checks are deposited into the ZI or Foundation operations account by the assistant executive director by remote deposit. After the deposit is made, "remote deposit" is written across the face of the check to note the check was deposited. A Deposit Items Detail Report is printed from CashPro. Scans of the checks, back up documentation and Detail Report are sent to the appropriate manager and director of finance. The originals are filed with the director of finance. After the financial statements for the month are finalized, the finance department will destroy the checks.

Currency is registered in a log. The assistant executive director deposits all cash within three business days. A copy of the deposit ticket and backup documentation is scanned and sent to the appropriate manager and director of finance. The originals are filed with the director of finance.

The ZI deposit tickets (cash) and ZI Deposit Items Detail Report (checks) are scanned and filed in the Accounting Month End Dropbox folder. The Foundation checks are scanned and filed in the Foundation folder by the development manager.

If payments or contributions are received by email containing credit card instructions, the message must be delivered immediately to the relevant manager. All efforts must be made to discourage credit card payments by fax or email. In such cases, staff should contact the payor and provide instruction on how to pay online or by wire transfer. The membership and development managers are responsible for implementing a secure procedure for destroying credit card information immediately after processing.

Unidentified Funds

Each department is responsible for tracing any unidentified funds without delay.

Funds are transferred to the proper account once the funds are identified and confirmed.

Undesignated Contributions

Contributions paid to Zonta Foundation for Women without designation to a special fund will be placed in the unrestricted Rose Fund. Receipts sent to the donor will indicate this.

Undesignated Membership Dues

At the end of each month, the Membership Department runs a database report of all Prepaid Dues. The balances are compared to the accounting records. Significant differences are investigated. Funds not allocated to dues through the following year's dues cycle will be returned to the club or recorded as revenue.

Insufficient Fund Checks

The Finance department will receive notice from the bank of a check returned due to insufficient funds. The finance department will determine and inform which department should take the responsibility for tracing the receipt associated with the check and communicate with the sender.

Foreign Currency

If funds are received in a currency other than US\$ into the US\$ account at Bank of America, the funds will be converted into US\$ by the bank.

European clubs paying membership dues in euros should make these payments directly to the euro account with Bank of America in London. The clubs should use the euro fee published on the website on the first of each month converting the US\$ membership fee into euro.

- *Zonta Foundation for Women Manual*, Section 3 - Development Department for detailed information on revenue processing for Zonta Foundation for Women.

SECTION SEVEN - Payroll

Payroll Processing

The finance department is responsible for processing payroll bi-weekly based on the approved electronic timesheets submitted by employees. The calculation and processing of 401(k) contributions are completed automatically through the payroll reporting system.

The electronic timesheets are reviewed and approved by department managers. The Finance department verifies that paid time off has been properly approved and recorded. *Leave Request E-Mails*, with approvals, are provided to the finance department on an ongoing basis by managers.

All worked time, paid time off and any status changes are entered into the payroll reporting system by the Finance department on biweekly Mondays when payroll is prepared. The reports and registers are reviewed for accuracy by both the director of finance and the executive director.

All employees receive payroll through direct deposit. Employees can access their paystub on the payroll provider's portal on the first Wednesday after the end of the payroll period.

The PTO accrual spreadsheets are updated each payroll and submitted to the outsourced accounting firm.

401(k) Plan Processing

The 401(k) plan consists of voluntary employee contributions made every payroll period and an annual contribution by Zonta International and the Zonta Foundation for Women of a specified percentage of the employee's salary every payroll period, whether or not the employee is contributing. A professional benefits firm manages the plan. Updates to plan participants and plan contributions are processed through the firm's secure website.

All employees will be enrolled by the Director of Finance after they meet the eligibility requirements. Zonta International and Zonta Foundation for Women currently contributes five percent of employees' bi-weekly salary. However, the plan percentage may be subject to change based on Zonta International's and the Zonta Foundation for Women's annual budgetary constraints.

Once enrolled, employees can make voluntary contributions in accordance with the plan.

Enrollment is completed on the benefits firm portal by each employee. Retirement plan beneficiary designation forms are also completed on the retirement plan portal.

SECTION EIGHT - Payment Processing

Routine Payments

Payment of the following approved routine items must be approved by signature on the invoice or through the Bank Bill Pay portal approval process. In the absence of an invoice, an email confirmation is acceptable.

Zonta International Routine Payments

- Office supplies
- Payroll
- Payroll taxes
- Rent
- Building maintenance/management
- Postage
- Health insurance premiums
- Other insurance premiums
- Printing billings
- Utilities such as telephone, internet, electricity,
- Equipment and software maintenance
- Technology outsourcing charges

Zonta Foundation for Women Routine Payments

- International service projects
- Fellowships
- Scholarships
- Awards
- Donor pins

Travel Expenses

Expense reimbursement requests from Board members, executive director, parliamentarian and risk manager must be reviewed and approved by the treasurer/secretary. The executive director approves staff expense reimbursement. International committee members' expenses must be approved by the committee chair and the treasurer/secretary. The treasurer/secretary's expenses are approved by the executive director.

- ▶ Appendix A - *Signature Authority*
- ▶ Appendix C – *Travel Reimbursement Guidelines*
- ▶ Appendix D – *Convention Reimbursement Guidelines*

Payments

The president, treasurer/secretary, executive director or assistant executive director sign payments up to US\$15,000. All payments over US\$15,000 require two signatures. The

executive director and assistant director will both sign checks US\$15,000 and over and the treasurer/secretary must be one of the signers on all other payments.

Invoices will be paid with proper approvals in accordance with Section 12 - Purchasing, Competitive Bids, Contracts and Agreements.

Payments within budget are made after approval and signed in accordance with Appendix A to this manual. Board approval is required to pay items not in the budgets or items which exceed budget allowances.

Check Register. Separate check registers are maintained for Zonta International and the Zonta Foundation for Women.

Check requests. Check requests and invoices are entered routinely. The Finance department reviews all check requests and invoices for proper approval and coding. If the check requests and invoices include proper approvals and coding, they are entered into the bank Bill Pay system. If proper approval and/or coding are missing, the request will go back for completion and re-submission.

Bill Pay. The outsourced accounting firm reviews all approved invoices entered into the bank portal. Once all the approvals are recorded, a bank computerized check will be issued, or funds will be transferred electronically. After the payment is processed, the information is downloaded from the bank portal to the general ledger through a network interface.

Auto Payments through Vendor Portal. The Finance department sets up Auto Payments with approvals per Appendix A. The Finance department reviews all auto-pay invoices for proper approval and coding. The invoices and coding are submitted to the outsourced accounting firm through the accounting month-end reports Dropbox folder for entry into the accounting software.

Paper Checks. The outsourced accounting firm generates paper checks through the general ledger software. After the checks are printed, they are distributed to the finance department. The Finance department reviews all checks issued before they are released for signature.

Signatures on checks must be original.

The finance department prepares the checks for mailing.

Payment Systems

Zonta International and the Zonta Foundation for Women currently use Bank of America and its products, including CashPro Global Pay, Bill Pay and Positive Pay. The outsourced accounting firm uses the Positive Pay system to notify the bank which payments have been authorized for payment the next day.

The outsourced accounting firm monitors Positive Pay every day for both Zonta International and Zonta Foundation for Women bank accounts

Wire Transfers

The approval process for expenditures paid by wire transfer is identical to payment by check. Outgoing wire transfers for approved expenditures are executed by the outsourced accounting firm.

To make a payable by wire, the person requesting the wire completes a *Wire Transfer Requisition Form* and obtains the appropriate approval.

For payments for Zonta International service projects, a *Wire Transfer Requisition Form* is completed and signed by the assistant executive director. The form is signed by the executive director and passed to the Finance department. After review, the form is sent to the treasury/secretary for review and entered in CashPro Global Pay by the outsourced accounting firm. The payment is approved in CashPro Global Pay by the treasurer/secretary.

The outsourced accounting firm records the payment in the general ledger.

Wire transfers, SEPA, international ACHs in foreign currency for payables other than project funding are issued through Global Pay. The invoices/expense reports are entered into the outsourced accounting portal for review by the treasurer/secretary. Once approved, the outsourced accounting firm enters the payment into the Global Pay portal. The treasurer/secretary approves the payment directly on the portals for the payment to be processed. SEPA payments are wired directly from the euro account with Bank of America in London.

The outsourced accounting firm records the payment in the general ledger.

Payment by Credit Cards

At the end of each month, the finance department receives the credit card statement. The Finance department reviews all receipts/invoices against the statement and completes a summary of the charges per person, including the proper general ledger coding.

The credit card statement and summary are sent to the treasurer/secretary for review and approval. If there are credit card transactions from the treasurer/secretary, the executive director must also approve the statement.

The monthly credit card statement and summary are sent to the outsourced accounting firm for review and to record the transactions in the monthly financial statements.

Payment of the credit card statement balance is automatically deducted from Zonta International's operating account monthly.

Expense Reimbursement

Reimbursement will be made in accordance with Appendix C and D of this manual. The reimbursement should be made without unnecessary delay and, if possible, in the currency requested by the individual.

Any request for travel expense reimbursement must be sent to the Finance department, with authorization in place, within 45 days of completion of the trip.

Reimbursements of amounts under US\$250 will be accumulated until the fiscal year end, unless the expense is donated to Zonta Foundation for Women, in which case this will be booked immediately upon receipt of the expense report.

At fiscal year-end, all reimbursement requests, regardless of amount, must be submitted latest by **5 June** so they can be included in the 31 May financial statements.

Submission of documentation by email is preferred, providing that supporting receipts are submitted with the email within the stipulated time limit.

Personal items charged to a hotel bill are the responsibility of the individual incurring the charge. If the traveler does not pay these charges before checking out of the hotel, headquarters will charge these expenses to the traveler. No personal charges should be charged to the credit card.

Method of Reimbursement. The payment should be made in the most cost-effective way at the discretion of the treasurer/secretary.

Reimbursement to a traveler residing in the United States will be made in US\$ by regular bank check or electronic payment. Reimbursement to a traveler residing outside the United States will be made by International ACH or by wire transfer.

The timing of the reimbursement is at the discretion of headquarters, but headquarters must explain any substantial delay.

Expenses incurred in currency other than US\$ or euro, will be reimbursed in US\$ or euro unless otherwise indicated on the expense form. Wire transfers will be made at the exchange rate of the day of the wire.

SECTION NINE - Corporate Credit Card Issuance and Use

The president, president-elect, treasurer/secretary, the executive director, the assistant executive director, and the current Convention Committee chair are provided a Zonta International credit card during their tenure for payment of costs arising when doing Zonta International or Zonta Foundation for Women business, such as routine purchases and travel arrangements in accordance with reimbursement guidelines.

At the end of each term of office or termination of employment credit card accounts must be immediately cancelled. The holder must either return the card to headquarters or provide the Finance department with proof that it has been destroyed.

Following approval by the executive director, the finance department requests new credit card accounts and specific credit card lines of credit for the incoming officers, convention chair, and staff holders. Cards are sent to officers overseas by express/courier mail and tracked. Recipients are notified of the tracking numbers, where applicable, and asked to confirm receipt.

The cards will be provided together with a *Credit Card Receipt Form* outlining the permitted use of the cards and the present credit limit. This document must be signed by the cardholder, returned to the finance department and filed by the finance department.

The finance department keeps an updated record of all credit card holders, account numbers, expiration dates and credit limits.

The credit limit for the president and the executive director is presently US\$25,000 and for other cardholders US\$10,000. This may change based on Zonta International's credit limit.

Purchases of up to US\$250 can be approved by department managers. Purchases of more than US\$250 but no more than US\$14,999 must be approved by the executive director. Purchases US\$15,000 and over must follow the purchasing and competitive bid guidelines.

Credit card purchases in excess of \$5,000 must be preapproved by the finance director to manage the credit card limits. A mid-month payment of the credit card balance will be made if necessary.

Staff can request the use one of the cards provided at headquarters to make online purchases or preapproved circumstances for Zonta business. Staff requesting the use of a Zonta credit card must obtain approval from their department manager or the executive director. The request for approval must include the credit card being used, vendor, purpose, account code, account name and dollar amount. Email approvals are acceptable. Copies of the invoices and approvals are sent to the finance department.

SECTION NINE – CORPORATE CREDIT CARD ISSUANCE AND USE

A receipt must be provided for each transaction to the finance department as the expenses occur or promptly after the cardholder receives the statement.

At fiscal year-end, all credit card transaction receipts must be submitted latest by **5 June** so they can be included in the 31 May financial statements.

- ▶ *Request to Charge Corporate Credit Card Form* in the *Employment Manual*
- ▶ *Credit card Receipt Form* available with the finance department

SECTION TEN – Purchasing, Competitive Bids, Contracts and Agreements

Travel reimbursement guidelines are included in Appendix C. Convention reimbursement guidelines are included in Appendix D.

Purchasing

Purchases for goods and services outside of the budget require approval by the Board.

Purchases up to \$250 may be approved by department managers as delegated by the executive director

Purchases of US\$251 to US\$14,999 must be reasonable and approved by the executive director.

Purchases of US\$15,000 to US\$24,999 must obtain a written price or rate quotations from at least two qualified vendors, and approved by the treasurer/secretary. Example documentation includes catalog price, online price, email or written quote.

Competitive Bids

Purchases with an actual or estimated cost of more than US\$25,000 require a competitive bid. Documentation will be maintained for bids. Any bid resulting in a purchase must be approved by the treasurer/secretary.

When it is not possible to obtain competitive bids, justification must be documented and a price analysis performed.

Competitive bids are not needed for continuing contracts that were previously established through the bid process since the competitive bid process has already been satisfied. Except that, contracts with auditors and the registered investment adviser will be considered and competitive bids requested every six years unless postponed by Board decision in accordance with this Manual.

Contracts and Agreements

Written contracts or agreements for leases, services or purchases must be approved and signed in accordance with Appendix A – *Signature Authority*.

SECTION TEN – PURCHASING, COMPETITIVE BIDS, CONTRACTS AND AGREEMENTS

Negotiations intended to result in a contract or agreement obligating Zonta International or the Zonta Foundation for Women for a budgeted amount exceeding US\$25,000 must be reviewed by the president, treasurer/secretary or another Board member designated by the president, and the executive director. The executive director, president, or treasurer/secretary may request that the risk manager also review the contract. Review by Zonta International's attorney may also be appropriate in some cases.

All contracts covering purchases of unbudgeted items, regardless of value, must be approved by the Board or the international president, before any negotiations are initiated. Once approved by the Board or the president, the above review procedure must be followed.

Agreements pursuant to which Zonta International and/or the Zonta Foundation for Women would receive a benefit or money, e.g. sponsor agreements, should be provided to the auditing firm to ascertain proper accounting treatment.

► SECTION ELEVEN - Convention Revenue and Expense for additional convention contracts and agreements guidelines information.

The finance department will maintain all vendor contracts and other pertinent contracts, such as the building lease agreement, insurance policies, employment contract/offers and employee benefits arrangements. All vendor contracts will be entered into a spreadsheet indicating expiration date and notice period. This spreadsheet is to be regularly updated.

SECTION ELEVEN - Convention Revenue and Expense

Zonta International holds a biennial convention in even-numbered years.

Convention Revenue and Expenses Accounting

A convention fund is used to track convention revenues and expenses not covered by the Zonta International and Foundation budgets. Revenue and expenses relating to a particular convention are included in the statement of activities for the fiscal year in which the convention occurs. Receipts and disbursements relating to future conventions are deferred and reflected in the present statements of financial position as deferred revenue and prepaid expenses until the fiscal year in which the convention occurs.

The International Board pre- and post-convention board meeting and the costs incurred by board members and guests at the board meetings, convention expenses are recorded to the Zonta International operating budget. The Zonta Foundation for Women's donor reception expenses are recorded to the Foundation operating budget.

Headquarters will send the Board members, parliamentarian, risk manager, international committee chair, Convention Committee chair and treasurer, guests, speakers, the president and president-elect support persons and every other volunteer with a function on an international level a written confirmation of which expenses will be reimbursed, if any, for each convention. This confirmation is distributed immediately after the budget is approved in July of odd years. Volunteers who have not received such written confirmation will not be reimbursed from the international convention budget but may have other arrangements with their district or club.

Expenses such as personnel and personnel-related costs which would be incurred without regard to the timing of the convention, as well as convention site selection expenses, and promotional videos for future conventions are expensed in the year they occurred and are not deferred.

Site visits by the executive director, president and/or president-elect will be expensed in the fiscal year of the convention.

For convention purchasing of goods and services, must follow Section Ten - Purchasing, Competitive Bid, Contract and Agreements.

The president may designate the convention committee chair to approve purchases up to US\$14,999.

The president may designate a member of the convention committee to negotiate such contracts, providing the executive director's review is completed before the contracts are signed. The president or executive director may also request the risk manager to review the

SECTION ELEVEN – CONVENTION REVENUE AND EXPENSE ALLOCATION

contracts before signing. Convention contracts should also be reviewed either by local counsel in the country of the convention or by Zonta International's corporate counsel.

Once the review has been completed, contracts or agreements must be signed by the treasurer/secretary and the president, president-elect or the executive director in accordance with Appendix A to this manual. Convention contracts and any other agreements for services to be provided during the next biennium must always be signed by the president-elect.

Convention management company contracts are to be itemized and reviewed, and decisions taken with respect to which expenses are to be recorded in the year of the convention and which must be recorded in the year the expense is incurred.

Convention Budget

A convention budget is prepared to control costs and determine registration fees. The budget is approved by the international board upon recommendation of the convention committee.

In order to monitor convention activity, a budget to actual convention report will be available. The convention budget will be added to the general ledger software. Convention account codes will be identified at the point of transaction and recorded as individual transactions under revenue and expense accounts during the month of convention.

Convention reserves have been designated by Board to be used in the event registration revenues are not met. This may include budgeted expenses and room block commitments. The Board may, at its discretion approve outside of the convention budget-specific expenses to be covered by surplus revenue or convention reserves.

- ▶ Appendix D - *Convention Reimbursement Guidelines*
- ▶ *Convention Manual, SECTION FOUR*

Convention Foreign Currency Account

The Convention Committee may open an account for financial transactions in the currency of the country where the convention is to be held. If Zonta International has an existing account in the foreign currency, this account should be used.

If the convention currency is Euros, the revenue will be booked using the official Zonta exchange rate as published on the website on the first of each month. If Zonta International and the Zonta Foundation for Women do not publish an exchange rate in the currency of the convention, the exchange rate of the date the revenue is received will be used.

Expenses will be booked using the exchange rate on the date the expense is incurred.

The final convention revenue account should use the average of the official Zonta exchange rate over the months of activity. If Zonta does not have an official exchange rate in the currency of the convention, the average exchange rate over the months of activity will be

SECTION ELEVEN – CONVENTION REVENUE AND EXPENSE ALLOCATION

used, unless a foreign exchange contract has been entered into with a bank to hedge the currency, in which case this exchange rate should be used.

An income statement line should exist for the cumulative currency translation, showing the possible gain or loss for the fiscal year.

SECTION TWELVE - Policies and Procedures for Headquarters Operations

Fixed Assets

All fixed and intangible assets with a useful life of greater than one year and costing US\$1,000 or more per item will be capitalized and, except for land, be depreciated over the estimated useful life. Any asset that does not meet the above criteria will be expensed, such as small tools and equipment or repairs and maintenance.

Building costs and/or renovation costs should include all expenditures related directly to their acquisition or construction, such as materials, labor and overhead incurred during construction, and professional fees, such as for attorneys or architects, and building permits.

Leasehold improvements are to be capitalized if they are related to the occupancy of a new office or a major renovation of an existing office. Expenditures incurred in connection with maintaining an existing facility in good working condition should be expensed as a repair.

The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges, and installation, if applicable.

Software and website costs are allocated between capitalization and expense. The following are general guidelines.

Step	Capitalize or Expense
Plan (decisions, including selecting software & consultants)	Expense
Obtain third-party software	Capitalize
Develop the applications and infrastructure (design, code, install hardware & test, including parallel processing)	Capitalize
Develop graphics (design & layout)	Capitalize
Develop content (input content & data conversion)	Expense
Operate the site (training, administration & maintenance)	Expense
Upgrades & enhancements	Similar to above, but only capitalize if there is additional functionality of the software.
Maintenance costs and unspecified upgrades and enhancements	Expense over contract period
Hosting arrangement	Expense over period benefitted

Depreciation

The following depreciation methods should be used for the following assets classifications for reporting purposes:

Asset Class	Useful Life	Method
Buildings	25-40 Years	Straight Line
Leasehold Improvements	Remaining life of term including options renewals	Straight Line
Furniture and Machinery	Seven Years	Straight Line
Office Electronic Equipment	Three Years	Straight Line
Computer Software	Three Years	Straight Line

Archiving

All documentation generated at Zonta headquarters should be archived in an orderly manner by each individual responsible for the documents, in accordance with *Appendix E – Retention of Documents and Gift Guidelines* of this manual. Archiving and destruction of out-of-date archived documents should be done on a yearly basis, after the completion of each Zonta financial year audit, or more frequently, if necessary.

Board minutes may be archived electronically or in hard copies.

Boxes Held Offsite Storage

An archiving database should be used to record contents of each archive paper box held in storage and to generate lists of box numbers and their contents.

Each staff member is responsible for archiving documents in boxes provided for the purpose and to fill in a detailed contents list.

Headquarters staff responsible for archiving should provide a box number for each box and make sure the details are entered into the database, and the box sent for storage.

Items to be archived and the person responsible for each item, can be found in *Appendix E – Retention of Documents and Gift Guidelines*. The person responsible should also give appropriate instructions for the destruction of boxes.

Electronic Files

Scanning of historical documents is done in accordance with management instructions.

► **Appendix E - Retention of Documents and Gift Guidelines**

Sales Inventory

The sale of Zonta products is managed by an outsourced company that manages the store sales and owns the inventory. Zonta International receives a monthly royalty on all sales.

APPENDIX A – Signature Authority – Signatures and Approvals

A = approval S = main signature for payment or contract S+ = additional alternative signatures. Number of signatures, see manual text.	Treasurer/ Secretary	Executive Director	President	President- Elect	Board	Other
APPROVAL (A) OF AN ACTION AND SIGN OFF A PAYMENT (S)						
Expense Reimbursement Reports and Credit Card transactions						* Approval is required from the president before traveling. All travel expenses must be within budget.
- President	A					*
- Treasurer/Secretary		A				*
- Other Board members, ICC, parliamentarian, risk manager and executive director	A					*
- International committee members	A					* A = Committee chair
- Headquarters' staff		A				
- Special assignments	A					*
- Board member advance per manual	A					*
- Credit card statements	A					*
Purchasing						
- Budgeted Expense <US\$ 250		A				A = May be delegated by ED A = May be delegated to convention chair by president
- Budgeted expense US\$251-\$14,999		A				A = May be delegated to convention chair by President
- Budgeted expense US\$15,000-\$24,999	A					See Section Ten - Purchasing A= May be delegated to convention chair by President
- Budgeted expense >US\$25,000	A					See Section Ten - Competitive Bids
- Unbudgeted expense					A	
- Legal counsel		A	A			
- Paid consultant					A	
- Unpaid consultant			A			
- Convention management company					A	
- Advance payment to convention management company	A					

APPENDIX A – SIGNATURE AUTHORITY: SIGNATURES AND APPROVALS

A = approval S = main signature for payment or contract S+ = additional alternative signatures. Number of signatures, see manual text.	Treasurer/ Secretary	Executive Director	President	President- Elect	Board	Other
- Engage company to assist with convention site selection		A				
- Select convention city and venue					A	
- Investment advisers					A	Recommended by Investment Committee
Insurance		A				
- Auditors					A	Recommended by Finance Committee
- Engage real estate agent		A				
- Personnel and related taxes and benefits		A				A = Board outside of budget
Payments						
- <\$15,000		S				S = assistant executive director
- \$15,000 and over	S	S				2 signatures required S = assistant executive director
CONTRACTS AND AGREEMENTS - APPROVALS AND SIGNATURES						Agreements over \$25,000 may be reviewed by legal counsel and/or risk manager
- Extend office lease		S			A	
- New office lease	S	S+	S+		A	
- Hotel arrangements	A	S				
- MOUs with UN agencies	S		S			A = assistant executive director
- Convention management company	S	S+	S+		A	
- Other convention contracts >US\$15,000	A/S		S+	S+		
- Other convention contracts <US\$15,000		S				A/S = Convention Committee chair, S+ convention treasurer
- Banking Services	S	S+	S	S+	A	Two signatures required
- insurance policies		A/S				
- Other office service providers		A/S				
- Consultants	A/S	S+	S+			
- Consultants for future biennium	A/ S+	S+		S		
- Employment contracts, executive director	S		S+		A	

APPENDIX A – SIGNATURE AUTHORITY: SIGNATURES AND APPROVALS

A = approval S = main signature for payment or contract S+ = additional alternative signatures. Number of signatures, see manual text.	Treasurer/ Secretary	Executive Director	President	President- Elect	Board	Other
- Any other office contract, not mentioned above	S+	A/S				
- Any other contract	S		S+			A = Executive Committee

APPENDIX B – Bank Portal Entitlements

Finance, membership and development team members are assigned entitlements to bank applications. Each user is assigned a role that has been created in the bank portal. The roles are named for each position title. Applications are added to the role based on the user's job responsibility and internal controls.

The following entitlements may be assigned to each role:

Reporting

- Previous day
- Current day
- Statements

Payments

- ACH
- Global payments (iACH, SEPA and wire)
- BillPay (bank check and e-payment)

Check Management

- Inquiry
- Positive pay
- Reconciliation
- Stop pay

Receivables

- Remote deposit

The following roles have been created:

- International Treasurer
- Executive Director
- Assistant Executive Director
- Outsourced Accounting Lead Manager
- Outsourced Accountant
- Accounting Manager
- Membership Manager/Coordinator
- Development Manager
- Development Coordinator

New employees and outsourced accountants in the above roles are given secure access to the bank portal. Access to the bank portal must be removed immediately for terminated employees and outsourced accountants or treasurer/secretary no longer providing services.

Due to the rise in cyber-attacks and fraudulent transactions in the banking environment, the international treasurer and finance director will review the roles and entitlements at least annually. The review will include evaluating limits, access and services provided by the bank.

APPENDIX C – Travel Reimbursement Guidelines

General

These Travel Reimbursement Guidelines apply to the Zonta International and Zonta Foundation for Women board members, parliamentarian, risk manager, international committee members, executive director, headquarters staff and any other member traveling on the instructions and with the approval of the Zonta International president, unless otherwise agreed.

Approval is required by the president before traveling and all expenses must be within budget.

► Appendix A – *Signature Authority*.

The treasurer/secretary will review and approve the expense reports, including credit card statements, for propriety and budget conformity. Documents must be supplied to support the expense reports and to comply with any United States Internal Revenue Service requirements. The treasurer/secretary expense report will be reviewed and approved by the executive director.

Expenses exceeding budget or without supporting documentation will not be reimbursed.

Cash Advance

Officers, board members and committee members may request advances for travel needs. The advance must be accounted for by submitting an expense report within 45 days of completion of the trip.

Arrangements may be made for advance funds as follows:

President	US\$2,000*
President-elect	US\$1,000*
Vice president	US\$1,000*
Treasurer/secretary	US\$1,000*
Directors	US\$1,000*
Committee members	Documented airfare

*or documented airfare for a formal meeting or trip authorized in advance

Travel expenses

International Board. The following expenses will be reimbursed against an approved *Request for Expense Reimbursement Form*, supported by receipts covering the costs.

Means of Travel. Always using the most time and cost-efficient means of transport.

By Air. Best available economy/coach class rate. If other class is booked, only economy class will be reimbursed against proper proof of economy cost on the day of travel.

By Train. Second class, direct route including reservation fees.

By Bus/Coach. Direct route (including reservation fees).

By Private Car. Mileage will be reimbursed in accordance with the current United States Internal Revenue Service rate plus parking and road toll, provided the total expense does not exceed the most reasonable airfare.

Car Rental. Exceptionally and approved by the treasurer/secretary.

Taxi. For short distances. Airport transportation should be used if available.

Exception. The president may travel business class by air or first class by train if the journey is of more than six hours duration. The same rule applies to the president-elect during the last quarter of the biennium.

Accommodation and other expenses. Always follow instructions and guidelines from headquarters when choosing the hotel, if applicable.

Hotel. Cost of a single room in a modestly priced hotel. This should be reflected in the *Expense Reimbursement Request Form*. When visiting headquarters, hotel accommodation will be arranged by headquarters staff. When traveling elsewhere on Zonta business, board members are expected to use adequate, but modestly priced accommodations.

Extra hotel night in connection with board meetings. North American board members will be reimbursed for one night before the scheduled start of any Board meeting held in North America and one night after the scheduled adjournment of such board meeting. When board meetings are held outside of North America, the non-North American board member policy will apply. Any exception is dependent upon ticket price and special rates. Board members are required to arrange the most efficient travel arrangements and consider the total cost involving special rates and accommodation.

Non-North American board members may be reimbursed for two nights before the scheduled start and one night after the scheduled adjournment of any board meeting outside the member's continent of residence. When the board meetings are held on the member's continent, the North American board member policy will apply.

Gratuities. Reasonable amounts will be approved.

Meals and Beverages. Reasonable costs for meals and beverages will be reimbursed against receipts. Board members may charge meals to their hotel room when necessary to avoid currency exchange charges. Only tea, coffee, milk or soft drinks will be reimbursed. Alcoholic drinks or other bar beverages must be paid for privately.

Other Charges. Postage, telephone and similar expenses necessary for Zonta International

or Zonta Foundation for Women business will be reimbursed in accordance with allocated personal biennial budgets. If it is not possible to obtain a detailed print-out of a telephone bill, a written explanation of the estimate should be submitted. Electronic or other equipment purchases will not be reimbursed.

Personal Charges. Personal expenses such as dry cleaning, valet services, personal telephone, etc., will not be reimbursed by Zonta International or the Zonta Foundation for Women. In circumstances where a board member travels for more than two consecutive weeks, some dry cleaning and/or laundry expenses will be reimbursed.

General. Board members are expected to be prudent and use discretion when expending Zonta International's or the Zonta Foundation for Women's funds for any expense not specifically covered herein.

All expenses must have been paid to be reimbursed. Frequent flyer miles used instead of buying a ticket, paying for a hotel room, or to obtain upgrades or other travel benefits will not be reimbursed.

The Parliamentarian and the Risk Manager. The parliamentarian and the risk manager will be reimbursed on the same terms as the Board members.

International Committee Chair and Members. International committee members will be reimbursed on the same terms as the Board members but must remain within the budget established for their individual committee, if any. All committee expense reimbursement requests must receive committee chair approval before submission to headquarters. Advance approval of the chair for estimated costs for planned expense must be sought and approved prior to incurring the expense.

The Executive Director and Headquarters Staff. The executive director, the assistant executive director will be reimbursed on the same terms as the Board members. The executive director will decide the travel plans for other staff, if they travel. Reimbursements must be within the headquarters travel budget.

District Liaison Attending District Conference. The president will assign Board members as international representatives to district conferences held in the odd-numbered year of the biennium. Zonta International will pay travel costs to and from the conference. The district is responsible for hotel accommodation, meals, local transportation and the conference registration fee, including all functions.

Inter-district Meetings, Commission on the Status of Women and Other Extra Events

Board and committee members are encouraged to attend other events where Zonta International and/or the Zonta Foundation for Women has a presence, although only the official Zonta International representative, i.e., the president, president-elect or another Zontian appointed by the president, may have their expenses reimbursed, as above.

Extending a Trip

When a Board member serving as the international representative to a district conference extends the trip pre- or post-district conference, the cost of additional hotel nights and meals is to be paid by the Board member, unless offered by the district or club sponsoring the event. Where the representative is required to attend another conference or board meeting the week immediately following the conference, Zonta International may meet accommodation and other expenses. Approval is at the discretion of the international president.

When a Board member chooses to extend the visit pre- or post- International Board meetings, the cost of additional hotel nights and meals is to be paid by the Board member. Any additional cost incurred such as additional airfare or ground transportation caused by the extension of the stay, is to be paid by the board member.

When a Zontian represents the president at the president's request, the cost of attending events is to be paid by Zonta International. Costs incurred for all other activities, not requested or approved in advance by the president, shall be paid by the Zontian.

Special Situations

Reimbursement for expenses incurred in special situations that do not conform to standard policies must be approved in advance by the treasurer/secretary, executive director or president.

Special situations could be additional hotel nights and meals which, due to major cost savings on flights would result in a demonstrated saving of more than US\$200 to Zonta International.

Reimbursement of Expenses

Recipient of an expense reimbursement may select the method of reimbursement, currency, and/or donation to the Foundation.

Any request for expense reimbursement must be sent to the Finance department at headquarters, authorized as per Appendix A, within 45 days of completing the trip.

Reimbursements of amounts under US\$250 may be accumulated until the fiscal year end, unless the expense is donated to the Zonta Foundation for Women, in which case the donation will be booked immediately upon submitting the expense report.

At fiscal year-end, all reimbursement requests, regardless of amount, must be submitted by **5 June**, so they can be included in the 31 May financial statements.

Submission of documentation should be by secure email or Dropbox, providing the documentation with supporting receipts is submitted to headquarters within the stipulated time limit.

Personal items charged to the hotel bill are the responsibility of the individual incurring the charge. The individual must pay these charges before checking out of the hotel, or she will be charged by headquarters.

Method of Payment

The payment will be made as soon as possible, in the most cost-effective way at the discretion of headquarters.

Reimbursement to a traveler residing in the United States will be made in US\$ by electronic bank transfer, EFT. Reimbursement to a traveler residing outside the United States will be made by wire transfer, international ACH or SEPA.

Payment of expenses incurred in a foreign currency will be reimbursed in US\$ or euro unless otherwise indicated on the expense form.

APPENDIX D – Convention Reimbursement Guidelines

These convention reimbursement guidelines apply to Zonta International and Zonta Foundation for Women Boards, international committee chair, the executive director, and headquarters staff.

The treasurer/secretary reviews the expense reports, and credit card statements, for propriety and budget conformity. Receipts must be supplied to support the expense reports. The executive director will review expenses and credit card charges for the treasurer/secretary.

Expenses arising in connection with Zonta International biennial conventions are paid either within the convention budget or Zonta International or Foundation operations budgets.

It is at the president's discretion to invite persons who are to be recognized and/or who would provide special expertise or support to the convention. The invitee's expenses may be covered, provided the expenses are within the approved budget.

Headquarters will send the International Board members, parliamentarian, risk manager, international committee chairs, Convention Committee chair and treasurer, guests, speakers, the president and president-elect support persons and every other volunteer with a function on an international level a written confirmation of which expenses will be reimbursed, if any, for each convention. This confirmation is distributed immediately after the budget is approved in July of odd years. Volunteers on the international level who have not received such written confirmation, will not be reimbursed from the international budget, but may have other arrangements with their district or club.

President and President-Elect

In addition to covering the above for the President and President-Elect, Zonta International may cover registration and closing banquet for one guest that attends the convention.

Executive Director and other Headquarter staff

Expenses will be covered in accordance with headquarters travel policy for the executive director and staff.

Reimbursement of expenses

Any request for expense reimbursement must be sent to the Finance department at headquarters, authorized as per Appendix A of this manual, within 45 days of incurring the expense. Submission of documentation should be sent by secure email or Dropbox, with supporting receipts.

Personal items charged to the hotel bill are the responsibility of the individual incurring the charge and must be paid before checking out of the hotel.

Method of Payment

The payment will be made as soon as possible, in the most timely and cost-effective way at the discretion of the headquarters.

APPENDIX E – Retention of Documents and Gift Guidelines

Retention of records is required for legal, regulatory and historical purposes. Zonta International and the Zonta Foundation for Women recognize the importance of effective data and document management and their records must be retained on a basis that conforms to the United States Internal Revenue Service's requirements, legal compliance and maintains Zonta's history.

This requires, amongst other things, guidelines for retention of data and documents. Such guidelines are necessary to ensure that relevant records are present, and can be accessed, interpreted and kept for future generations.

Zonta International and Foundation must follow legal and compliance requirements to protect individual personal data, including requirements specified in the General Data Protection Regulation, GDPR, a law concerning the use and storage of personal data of individuals from any of the EU countries.

► *ZI Data Protection Policy, Foundation Data Protection Policy and Data Protection Guidelines* under Governance/Policies.

Scope

These guidelines apply to all Zonta headquarters documentation and in accordance with the laws of the State of Illinois.

If similar guidelines are adopted by the global membership and where local laws or regulations impose more extensive requirements, those shall take precedence.

The guidelines apply to all documents as listed below whether in hard copy or electronic format.

Storage of Data and Documents

The data and documents identified in this policy must be stored as securely as possible to avoid potential misuse or loss.

All data and documents must be stored in the most convenient and appropriate form and location. All documents stored in hard copy form with an external storage provider should be packed in boxes provided for this purpose.

Hard copy documents may be scanned or otherwise recorded and then stored in electronic format with the original and/or original copy destroyed, where retention of the physical document is not required.

Soft documents must be stored in electronic folders made available for this purpose on the Zonta International network, regularly backed up.

The degree of security required for storage will reflect the sensitivity and confidential nature of any material recorded or otherwise held. In this connection, Zonta International and the Zonta Foundation for Women recognize and will observe their obligations under existing laws on data storage and protection.

► SECTION TWELVE – *Policies and Procedures for Headquarters Operations, Archiving*

Destruction and Disposal

After the expiration of the applicable retention period, a decision whether to destroy and/or permanently dispose of data and documents, or to retain them for a further specified period, is to be taken by the person identified as having responsibility therefor.

All information of a confidential or sensitive nature must be destroyed and/or permanently disposed of in a secure manner when no longer required.

Appropriate records must be maintained regarding the destruction and disposal of data and documents retained hereunder.

Data and Document Retention Schedule

Governing documents

Record description	Retention period	Responsible
Statutory books, bylaws, rules of procedure, glossaries and resolutions	Permanently	Executive assistant
Articles of Incorporation	Permanently	Executive assistant
Internal Revenue Service Determination Letters	Permanently	Executive assistant
Strategic plans, mission statements, international themes	Permanently	Executive assistant
Board minutes	10 years	Executive assistant
Int. committee meeting minutes	10 years	Executive assistant
Powers of attorney	10 years	Executive director

Accounting and Tax records

Record description	Retention period	Responsible
Audited financial statements and auditors reports	Permanently	Finance department
Final year-end compilation report	Permanently	Finance department
Budgets and monthly financial statements	7 years	Finance department
Depreciation schedules and capital asset records	7 years	Finance department
Value-added tax (VAT) records	7 years	Finance department
Internal Revenue Service /State filings	7 years	Finance department
Service provider agreements	10 years	Finance department

APPENDIX E – RETENTION OF DOCUMENTS AND GIFT GUIDELINES

General ledger and journals	7 years	Finance department
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Treasury and Banking Records

Record description	Retention period	Responsible
Agreements with banks and investment advisors	10 years after termination	Finance department
Instructions to investment advisors	7 years	Finance department
Monthly investment statements	7 years	Finance department
Deposit tickets and lockbox deposit documentation	7 years	Finance and respective departments
Checks, bills of exchange and other payment record	7 years	Finance department
Invoices and expense reimbursement reports	7 years	Finance department
Bank statements and reconciliations	7 years	Finance department
Purchasing records	7 years	Finance department

Legal and Compliance

Record description	Retention period	Responsible
Legal disputes, pleadings, awards and other court/arbitration documents	10 years	Executive director
Legal correspondence	10 years	Executive director
Settlement agreements	10 years	Executive director
Employment legal action	10 years	Executive director
Grievance procedures	10 years	Executive director

Insurance Records

Record description	Retention period	Responsible
Insurance policies (expired)	10 years	Finance department
Insurance claims (settled)	7 years	Finance department

Employee Records

Record Description	Retention period	Responsible
Personnel and training records	10 years from termination	Finance department
Employment/service agreements	10 years from termination	Finance department
Payroll and tax records	7 years	Finance department
Details of benefits	7 years	Finance department
Annual payroll returns	7 years	Finance department

Health and Safety Records

Record description	Retention period	Responsible
Records of reported accidents	10 years	Finance department

APPENDIX E – RETENTION OF DOCUMENTS AND GIFT GUIDELINES

Occupational health records	During employment	Finance department
Occupational health records where termination of employment is due to health reasons, including stress-related illness incidents	10 years	Finance department

Policies and Manuals, Programs

Record description	Retention period	Responsible
Manuals, policies and guidelines	10 years	Assistant executive director
Memoranda of understanding	10 years	Assistant executive director

Membership and Development Documents

Record description	Retention period	Responsible
Membership record	2 years after termination	Membership manager
Membership statistics	7 years	Membership manager
Donor agreements	10 years after agreement is no longer in force	Development manager
Donations and donor records	7 years	Development manager
Foundation campaigns	7 years	Development manager

Convention Material

Record description	Retention period	Responsible
Convention financial information	7 years	Finance department
Convention contracts	10 years	Executive director
Convention reports	7 years	Executive director
Convention transcripts	7 years	Executive director
Candidate application forms	2 biennia	Executive director
Convention presentations	7 years	Executive director

Property Documents

Record description	Retention period	Responsible
Property ownership records	10 years after sale/transfer	Executive director
Property sale/transfer documents	10 years after sale/transfer	Executive director
Leases, and building correspondence	10 years from termination	Executive director
Agreements with architects, contractors and other service providers	10 years	Executive director

Intellectual property records

Record description	Retention period	Responsible
Document evidencing assignment of trade/service marks	10 years after cessation of registration	Executive director
Records of registration of trade/service marks	10 years after cessation of registration	Executive director
Intellectual property agreement and licenses	10 years after expiration	Executive director

Gifts

Description	Retention period	Responsible
Gifts of physical property	Based on value*	President, executive director
Awards and decorations	Based on value*	President, executive director

*Permanent retention is intended to apply to items of significant historical value and/or value over US\$10,000. Gifts, awards, etc. of lesser value to be kept at headquarters for some time and then disposed of. Acceptance of gifts and entry into archives is at the discretion of the international president and the executive director.

APPENDIX F – Draft letter of RFP to Auditors

Request for Proposal

[Zonta Letterhead]

[Date]

[Managing Partner]

[CPA Firm]

[Street Address]

[City, State, Zip]

Dear Sir or Madam:

Our organization is accepting proposals from CPA firms to provide audit services for our organization in the future. We invite your firm to submit a proposal to us by March 14, 20XX, for consideration. A description of our organization, the services needed, and other pertinent information follow:

Background of Zonta International and the Zonta Foundation for Women

Zonta International is a 501(c)(4) social welfare organization, with a related 501(c)(3) foundation. Annual revenues are between US\$2 million and US\$2.5 million per year, and the organization employs 14 people in one location. The organization is membership-based and has approximately 29,000 members worldwide. The organization has a May 31 fiscal year-end, with a requirement to file an audited financial statement by March 31 of each year. The prior year audited financial statements and IRS Forms 990s are available on our website at <https://www.zonta.org>.

Services to Be Performed

Your proposal is expected to cover the following services:

Annual audit to be completed in compliance with the previously mentioned filing requirement and to include meetings with finance committee and/or board of directors, as necessary.

Key Personnel

Following are key contacts for information you may seek in preparing your proposal:

[Name]	Executive Director	[Telephone]
[Name]	External Accounting Firm	[Telephone]
[Name]	Finance and HR Manager	[Telephone]
[Name]	Treasurer/Secretary	[Telephone]

Requests for additional information, visits to our site, review of prior financial statements and tax returns, and appointments with any staff should be coordinated through our Executive Director. You may reach her at the number listed in this proposal. Please return the completed proposal to my attention at the address provided.

Relationship with Prior CPA or Current Service Provider

These services have been provided by XYZ, CPAs. However, our policies require us to request proposals for auditing services every four years. In preparing your proposal, be advised that management will give permission to contact the prior auditors.

Other Information

[Use this space to discuss other information that a CPA firm may need to make an informed proposal on the accounting and/or auditing work required. As mentioned earlier, disclose only information here that Zonta is comfortable disclosing. Additional information may be available to the CPA firms interested in making a serious proposal only after signing a nondisclosure agreement.]

Your Response to this Request for Proposal

In responding to this request, we request the following information:

1. Detail your firm's experience in providing auditing and tax services to organizations in the not-for-profit industry, as well as associations of comparable size to Zonta International and Zonta Foundation for Women, including those with international memberships.
2. Provide information on whether you provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to Zonta International and Zonta Foundation for Women.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the five largest not-for-profit clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances when the loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and finance committees of the board.
8. Set forth your fee proposal for the 20XX audit, with whatever guarantees can be given regarding increases in future years. Provide your proposed fee for the required quarterly

review work and for tax preparation. Your fee proposal should also delineate hours by level of staff.

9. Describe how you will bill for questions on technical matters that may arise throughout the year.
10. Furnish current standard and discounted billing rates for classes of professional personnel.
11. Provide the names and contact information for other similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
12. Describe how and why your firm is different from other firms, and why our selection of your firm as our external auditors is the best decision we could make.
13. Include a copy of your firm's most recent peer review report and the firm's letter of response to deficiencies, if applicable.

Evaluation of Proposals

We will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us.

We would also appreciate a response if you decline to submit a proposal.

Sincerely,

Treasurer/Secretary

APPENDIX G – ZI Budget Development Timeline

1	Review existing contracts and other obligations	Executive director/Finance department	August
2	Gather historical budget information including last biennium, last fiscal year, most recent months - typically through July or August	Executive director/ Finance department	Aug/Sept
3	Request input from department managers on plans for their department for the coming biennium, any specific needs and any items they felt were missing in the last budget	Executive director/ department mgrs.	Aug/Sept
4	Request input from International Committee chairs where appointed, on plans for their committee for the coming biennium, any specific needs and any items they felt were missing in the last budget	President-elect, ZI Finance Committee	Aug/Sept
5	Request input from the president-elect on plans and projects for the coming biennium	ZI and Foundation Finance Committees	Aug/Sept
6	Request input from the executive director on plans and projects for the coming biennium	ZI and Foundation Finance Committee	Aug/Sept
7	Review information from present biennium on items that should have been included in the budget	ZI Finance Committee /Finance department	Sept
8	Based on information collected evaluate which line items and which amount should be budgeted. Each item has a separate worksheet page that illustrates assumption, historical numbers etc.	ZI and Foundation Finance Committee /Finance department	Sept
9	The Foundation Finance Committee makes a recommendation to the ZIF Board on Funding and Fundraising Goals. Decision taken by the Board during fall meeting.	Foundation Finance Committee	Sept/Oct
10	Complete budget summary	ZI and Foundation Finance Committee /Finance department	Oct/Nov
11	Conduct review with executive director and department managers	ZI Finance Committee	Nov/Dec
12	Conduct review with treasurer/secretary and president-elect	ZI and Foundation Finance Committees	Nov/Dec
13	Distribute to full Finance Committees	Finance Committee chair	Dec
14	Finance Committee meeting by electronic Go to meeting until budget work completed	ZI and Foundation Finance Committees	Dec/Jan
	Key activities for the Finance Committee: <ul style="list-style-type: none"> • Overview of proposed biennial goals for the upcoming biennium provided by the president-elect and the budget implications of this • Overview of the proposed budget • Line by line review of the summary plus the related spreadsheets • Challenge the assumptions 		

APPENDIX G – ZI BUDGET DEVELOPMENT TIME LINE

	<ul style="list-style-type: none"> • Discussion about headquarters-initiated projects/capital expenditure • Input from Finance Committee members may change the assumptions/numbers, so spreadsheets and budget need to be updated • Recommend the proposed budgets to the Boards (for ZI including any dues increase, as required) 		
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APPENDIX H – Credit Card Receipt Form



CREDIT CARD RECEIPT FORM

With requirements for acceptable use of Zonta Corporate Credit Card

Name of recipient

Congratulations on your new position in Zonta International.

As _____, you are being provided with a credit card to be used for Zonta business that cannot be paid directly by Zonta. This card is valid for your use during this Zonta biennium.

Requirements for acceptable use of Zonta Corporate Credit Card

- The card can be used for a maximum limit of US \$10,000 every 30 days.
- Credit card purchases in excess of US\$5,000 must be preapproved by the Finance director to manage the credit card limits.
- Submit expense receipts and indicate the purpose of the expense. Receipts must be provided for all expenses paid for by the credit card and submitted to Headquarters at your earliest convenience and no later than 10 business days from purchase.
- Debits without a receipt will not be accepted.
- The card cannot be used for personal expenses.

APPENDIX H – CREDIT CARD RECEIPT FORM

- User must follow the purchasing and travel reimbursement guidelines before making credit card purchases.
- The credit card will be mailed to you once headquarters receives the signed Credit Card Receipt Form.
- Please call the Finance Director for the PIN once you receive the credit card in the mail – 1.630.928.1522.
- The PIN should never be stored in the same location as the credit card.
- Please do not share the credit card number with anyone.

Date received

Accepted by

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.....

APPENDIX I - ZI and Foundation Finance Department

Six-month Plan (January-June)

Month	Responsibility
January	<ul style="list-style-type: none"> -1099s due 1/31 (prepared by SF) -W-2s due 1/31 (prepared by ADP) -Reset staff accruals
February	<ul style="list-style-type: none"> -Finance Committee meetings -Investment Committee meetings -Office helps with club mailing
March	<ul style="list-style-type: none"> -Mail 1042s to award recipients
April	<ul style="list-style-type: none"> -Meet with property/casualty insurance agent on renewals for June 1 -Send reminder email- all expense reports due May - Six-month evaluations
May	<ul style="list-style-type: none"> -Dental open enrollment -Prepare for year-end close -Request physical inventory from Doc Morgan
June	<ul style="list-style-type: none"> -Review year-end close items with executive director etc. -Meet with auditors to plan upcoming audit
Misc	<ul style="list-style-type: none"> -Financial reforecast (convention year) -Committee reports due -Prepare for Board meetings -Prepare for convention during convention year -Set up committee calls -Store committee meeting minutes -Email quarterly individual committee budget updates to chairs

Six-month Plan July-December

Month	Responsibility
July	<ul style="list-style-type: none"> -New Board/treasurer transition during convention year -YWPA payments due by 7/31 -Insurance premium audit -Email PBC audit list to SF and headquarters managers
August	<ul style="list-style-type: none"> -Audit fieldwork begins (2 weeks)
September	<ul style="list-style-type: none"> -Complete audit work - Performance evaluations to managers -Staff evaluations due to managers -AE payments due by 9/31
October	<ul style="list-style-type: none"> -<i>State Licensing</i> extensions requested -Audit report received -Form 990 extensions requested -Health insurance renewal -Prep for <i>Annual Report</i> -Begin work for new budget (convention year) -Performance evaluations due to executive director for salary reviews -Enter salary changes
November	<ul style="list-style-type: none"> - Medical open enrollment -Flex benefits open enrollment -JMK payments due by 11/30
December	<ul style="list-style-type: none"> -Form 990 schedules for auditors -Set up finance call for committees to review budget (convention year) -Various <i>State Licensing Reports</i> due 1/15 -IRS Group subordinate list due 2/28 -1042s <i>Tax Forms</i> due 3/15 (prepared by Finance dept.)
Misc	<ul style="list-style-type: none"> -Prep for Board meetings -Set up committee calls -Store committee meeting minutes -Finalize convention accounting