

**International Order of the Rainbow for Girls  
Nevada Grand Assembly**



**ASSEMBLY GUIDE FOR FINANCIAL TRANSACTIONS,  
BUDGET AND AUDIT**

Fiscal responsibility and the necessary transparency of our finances are crucial to our success. As Advisory Board Members, it is incumbent upon us to recognize the funds being managed by the Advisory Board and the Assembly Members are those raised primarily by the members for their benefit and expenses. While it is appropriate to have a reasonably healthy balance in the Assembly checking/savings/CD, etc., it is also important to realize the significance and benefit of expending funds periodically on events and activities the members enjoy participating in. As with our personal finances, only paying the bills and expenses makes for a pretty grumpy household; whereas, an amount budgeted for entertainment is a great incentive to do our tasks! Lastly, it is important for potential members and their parents to be aware of how the girls fund raise and how they expend those funds.

**ASSEMBLY FINANCIAL ADVISOR**

The adult volunteer charged with the task of managing the Assembly's financial information should be referred to as the Financial Advisor. It is essential that the Financial Advisor for any Assembly be minimally computer literate with access to a computer in their home that will enable him/her to oversee the Assembly's financial status using the Quicken program. The Financial Advisor must be an adult, a member of the Advisory Board of the Assembly and a regular attendee of all Advisory Board meetings. The selected Financial Advisor plays a very important role in the operation of the Assembly.

In an effort to remain organized and on task, it is strongly suggested that the Financial Advisor to the Assembly retain all financial records to be hole punched and kept in date order, in a binder including, but not limited to the following, Assembly receipts and records;

- Bank statements with reconciliation reports attached;
- All correspondence regarding income/expenses, etc.

A financial report should be given at each Advisory Board meeting and be part of meeting minutes. This report must include the total net worth of all Assembly accounts and a record of expenditures for the period since the previous Advisory Board meeting. In addition to the tasks cited above, the Assembly Financial Advisor will be tasked with completion of the required annual Assembly audit, entering financial information into the Quicken program, oversight of any reimbursement and the procedures, drafting the proposed annual budget, Assembly banking and any pre-paid debit card or Square use by the Assembly.

**TRANSACTION RECORDING**

As directed by the Grand Executive Board, Assemblies are to use Quicken as their financial tracking tool. Quicken software has been purchased by Nevada Grand Assembly for each Assembly to use. Use of this software is not only beneficial to each Assembly to comply with accountability for expenditures and income but will also allow the Assembly to create a yearly budget, a financial statement and audit, each of which is required to be provided to the Supreme Officer as part of the Annual Report processes. The software accumulates the data needed for financial tracking and Annual Reports, if the data is inputted correctly.

As a general rule, Financial Advisor should not download or manage the Assembly's financial matters on a public or work computer. Doing so may compromise sensitive financial information. If the Financial Advisor needs any assistance in learning how to navigate and use the Quicken program, beyond what is included in this Policy, he/she should contact the Supreme Officer directly.

### **FINANCIAL STATEMENTS AND DATA**

A Financial Statement is an Excel document extracted from itemized income and expense categories maintained by the Quicken program. As a general rule, Financial Statements must have beginning and ending amounts and the ending balance as of December 31<sup>st</sup>, should be the beginning balance for January 1<sup>st</sup>.

The Assembly income and expense statement should give adequate information about the Assembly. All income and expenses give a snapshot of what the Assembly is doing, the funds that are raised for specific projects and what they, in general, then used those funds for.

*Income and Expenses:* In the Quicken program, income items should be followed with "IN" and expense items should follow with "EXP" so it is clear in a printout, such as a Financial Statement, which items are in which categories. There are a few key points to keep in mind when entering financial data, namely income and expenses, into the Quicken program. Some of them are as follows:

- Avoid using an individuals' name as "income."  
For example: If Suzie and Mary pay the Assembly for something, it should be recorded as that income activity, (i.e. "Rainbow Camp Expense") with a note that it was Suzie and Mary who paid OR a paper trail established through the Assembly Recorder's receipt system.
- Avoid using "Miscellaneous."  
Miscellaneous income and expenses should be minimal as most income and expenses are directly associated with some specific project.
- Do not use "Uncategorized" or "Other."  
Uncategorized and Other are not an acceptable code to use in Quicken because income and expenses must be specific. In financial records, everything fits somewhere if the categories are set up to cover them. For example: if a girl's fees for Grand Assembly are collected, those transactions are to be noted as income. Then as Assembly checks are written for related expenses, through the expense categories.

### **REIMBURSEMENT PROCESS**

Generally, Assemblies are required to follow the "No receipt – no reimbursement" process. Any individual who believes that he/she is entitled to reimbursement for expenses incurred on behalf of an Assembly must present a receipt for the items purchased to the Assembly Recorder, Financial Advisor or other appointed adult volunteer. Below are some points to be followed in the reimbursement process:

- Receipts for reimbursement should be presented to the Assembly within 60 days for reimbursement by the Assembly.
- Any individual that typically has a few incidental expenses, such as Mother Advisors, may want to submit several small items at one time to avoid processing an Assembly check for \$1.50. In the alternative, Mother Advisors, or other adult volunteers, who frequently spend small amounts for various small Assembly incidental expenses can be advanced an amount approved by the Board (ie.\$50.00). When those funds are exhausted, he/she can submit receipts for the items purchased and obtain a second advance. However, the requirement for receipts for all purchases must be strictly enforced!
- Assemblies may create their own receipts as long as the correct information is gathered, or an Assembly can purchase carbonized receipt books.
- Under no circumstances should the Assembly directly spend cash collected as a cash expense. ALL funds must be deposited with checks drawn against that amount.

- No Assembly is to have a petty cash account, drawer or bag. Expenses are paid to those entitled only through the appropriate receipt and payment reimbursement process.

### **BANKING**

Each Assembly must have at least one checking account at the banking institution of its choice. It is important to make timely deposits and keep a record of all banking activity, so that it may be accurately recorded in the Assembly's Quicken program. Below are some requirements established for Assembly banking activity:

- The Assembly Financial Advisor and two other Board Members must be authorized signers for all checking accounts. Youth Assembly Members, even when elected as the Treasurer, are not permitted to be an authorized check signer. The Mother Advisor and Assistant Mother Advisor may be among the co-signers of the accounts.
- Assembly checks must be duplicates (NCR). The duplicate copy should be attached to the receipts/bills for which the check was issued.
- The Financial Advisor will maintain possession of the checkbook and the bank records which include the deposits and bank statements.
- Small reasonable expenditures must be approved by the Assembly during its meeting. However, large expenditures must be approved by the Assembly Advisory Board prior to being presented to the Assembly.
- No Assembly check should be written without an "order" from the Assembly Recorder, signed by the Worthy Advisor. The Order authorizes the payment of an expense, whether it was a pre-approved budgeted expense or if it was voted on at the girls' meeting. The Order should have a duplicate copy of the check attached to it. This process should then be reviewed during the annual audit.
- Deposits must be made in a timely manner, as a courtesy to those that have provided funds/checks for the Assembly to deposit as well as for accuracy of financial recordkeeping regarding available Assembly funds. It is suggested that the Assembly Financial Advisor should go to the bank at least once a month.
- The Assembly bank statements for each account must be reconciled once a month, in the Quicken program. It is recommended that the Assembly Bank Statement period be established as monthly, rather an arbitrary middle of the month date.
- Assemblies that are being charged account service fees should visit their bank and provide a copy of their Tax Exemption documents, to see if the bank can waive the fees. Additionally, most banks will waive the account service fees if the Assembly moves to online banking and/or maintains a savings account tied to the checking account.
- If the Assembly Advisory Board has a checking account, only Advisory Board funds and expenses should be handled through it; it may not be treated as a repository for other kinds of funds that the girls earn and expend.

### **THE SQUARE PAYMENT SERVICE**

The Grand Executive Board has determined that an Assembly may use an electronic credit card payment service, The Square, as stated below and on a trial basis. The Square is the ONLY credit card payment service that is to be used by Nevada Grand Assembly. This policy is under review by the Grand Executive Board, indefinitely and until otherwise stated.

- The Square credit card payment processing device may be purchased in stores and online for a nominal fee of around \$10.00. If an Assembly chooses to use this payment processing service in the course of their fundraising efforts, the Assembly must purchase The Square and allot for its purchase in its Annual Budget.

- Use of the Square does not change or amend the need for the Recorder to write the appropriate receipt for the money received, and for an appropriate paper trail to be established for each transaction.
- Square transactions will each include 3 percent more than the cost being charged and is identified as “Courtesy Fee.” The 3 percent will cover the fee to the Assembly for allowing this convenience. Assemblies must consistently charge 3%. Use of the Square is not meant to be a liability to a fund raising project.
- Each Assembly may only purchase one (1) Square for use and the Square must be linked to the Assembly checking account only.
- The Square must be kept in the possession of the Assembly’s Financial Advisor or Advisory Board Treasurer; if he/she is not going to be present for an event where charges are likely, it must be entrusted to the Mother Advisor or her designee and returned to the Financial Advisor or Advisory Board Treasurer at the end of the event.
- The Square may only be used for the following types of charges:
  - Grand Assembly fees assessed by the Assembly for each girl/adult attending, including identified transportation fees;
  - Rainbow Camp fees assessed by the Assembly for each girl/adult attending, including identified transportation fees;
  - Assembly Dues;
  - Fund Raisers such as dinners, car washes, firework booths, gift wrap booth, etc.
- The Square may NOT be used for the following types of charges:
  - Someone needs a little spending money (The Assembly is not an ATM);
  - Fundraising done by Grand Hope and/or Grand Charity because those monies come to Grand Assembly; we want to avoid this level of financial accounting and fund transfers;
  - Miscellaneous incidental expenses, (i.e., the members gather to clean the park and decide to have pizza for lunch).

### **PRE-PAID DEBIT CARDS**

It is the current policy of Nevada Grand Assembly that an Assembly may not have a debit card for any reason. Further an Assembly may not have a credit card. The Grand Executive Board is consistent that either of these processes gives the adult volunteers too much responsibility as well as too much liability and exposes the Assembly to possible financial missteps. However, the Grand Executive Board has determined that an Assembly may use a pre-paid debit card as stated below, on a trial basis. This policy is under review by the Grand Executive Board, indefinitely and until otherwise stated. The use of the Assembly pre-paid debit card is best illustrated using the following example:

Assembly is traveling to Grand Assembly in June and knows that there will be 7 meals that are not part of the Grand Assembly meal plan (i.e. lunch on the way to Grand and a meal on the way home, three breakfasts, Sunday’s dinner, Tuesday’s lunch.) Each traveler is assessed \$100 for those 8 meals. Mother Advisor will collect the \$100 from each traveler and deposit those funds into the account that funds the pre-paid debit card. Assuming, for the sake of demonstration only, that the fees to be charged by the bank for use of the pre-paid debit card, for all meal transactions on this travel trip, will total \$20. A portion of the \$20 must then be equally assessed back to each traveler. The premise here is that the assembly should not absorb that cost of the bank fee, because it is not in the Assembly budget.

The use of a prepaid debit card will allow the Mother Advisor to avoid traveling with \$800 in cash or putting the legitimate meal expenses on her personal credit or debit card and then waiting to be reimbursed by the Assembly from the funds collected from each traveler. The pre-paid debit card serves as a convenient and safer alternative for an Assembly, especially when traveling. However, there are some considerations that must be made when a pre-paid debit card is used:

- It may be in the interest of the Assembly that its' Financial Advisor or Advisory Board Treasurer go to the bank where the assembly holds its accounts and talk to the manager to remind him/her that Nevada Grand Assembly is a non-profit organization.
  - There may be lower fees and/or waived fees available to non-profit organizations.
  - It may be helpful to inquire as to the fee structure for the use of the pre-paid debit card (i.e., is it a per transaction fee? A fee charged based on the amount deposited from the funding account? A monthly fee to maintain the funding account?) This information may allow an Assembly to be proactive when determining how to assess the fee among those using it for a stated purpose, as in the example.
  - The Assembly may have a kind and gracious adult volunteer that is willing to “sponsor” the fees that would be incurred for the stated purpose necessitating the use of the pre-paid debit card (i.e. “Here’s the extra \$20.00 for the debit fees incurred during the Grand Assembly traveling!”) If that is the case, this should also be noted in the Assembly’s financial records.
- All receipts and deposit records for the prepaid debit card funding account must be maintained and reconciled at the conclusion of the stated use and again at the end of the calendar year, through the Assembly audit process.
  - All pre-paid debit card transactions should be carefully noted in Assembly financial reports so that the Supreme Officer and/or the Grand Executive Board can track them.

### **ANNUAL PROPOSED BUDGET**

Each Assembly should have a budget that is customized to meet the specific income and expenses of each Assembly. The budget will be drafted by the Assembly’s Financial Advisor or Advisory Board Treasurer, and should be based on the previous annual budget, income and expenses. The Financial Advisor or Advisory Board Treasurer should review the budget with the Assembly Advisory Board, prior to submission of its required Supreme Assembly Annual report. Please see the last pages of this document for an example and layout for a proposed assembly budget.

There is likely much variability from one Assembly to the other however the following provides the basic items that need to be considered for in an assembly budget:

- Always ensure the year’s anticipated income is equal to the year’s anticipated expenses. We do not want to budget that we are going to lose money in any given year. One of the purposes of the budget process is to provide a guideline of what we expect as expenses and income to cover those expenses. As we progress through the year, a monthly look by the Advisory Board at the budget and how income is accumulating and funds are being spent will demonstrate a need to increase fund raising or perhaps if there is a little more to spend on the girls’ fun activities!
- Assemblies should always budget Grand Assembly expenses on a comprehensive two-year plan, understanding that typically one year, the Assembly will have travel expense, and the second year, there will be no travel expense.
- When an item is listed as an Income item, there may be Expenses associated with it. For example, Sunshine Assembly anticipates making \$x.xx during their annual gift wrap event in December, however, they can anticipate the expense of replacement materials associated with this event, as an expense. Therefore, an income item named “Annual Gift Wrap Income” should be paired with an expense item named “Annual Gift Wrap Expenses” which can then be subdivided as necessary (i.e. rental space, paper supplies, replacement scissors, etc.) When possible, accounting for specific expenses with an income event helps the Assembly to view the project as a success or an area that needs to be adjusted to make it a profitable event.

- It may be easiest to have a Supreme Expenses line item which would include bars, Grand Cross, fees, supplies, donation to Supreme Projects, etc.
- Details in a budget are a good thing. It helps all of us remember 6 months later that we anticipated spending \$x.xx for a certain item – and we can adjust as needed.

### **ASSEMBLY AUDIT**

The purpose of an Assembly Audit is to compare the Assembly's record of deposits and checks written to the information memorialized in the Assembly's bank statements. This process is intended to verify that every check written was authorized by an Order, that receipts match deposits and expenditures and that that income and expenses are being coded correctly in Quicken.

The Task of conducting an Assembly audit is one of the most important tasks for each Assembly. However, this task must be completed annually because it is important that an Assembly's financial records reflect an accurate and trustworthy accounting of the funds involved in the operation of the Assembly.

Please note: If the Mother Advisor changes during the course of the calendar year, an audit must be performed at that point in time for the protection of both the retiring Mother Advisor and the newly installed Mother Advisor. This audit information must be transmitted to the Supreme Officer within 30 days of the installation of the new Mother Advisor.

The Quicken program is an excellent program for record keeping. As funds are deposited, they can be assigned "Categories" for both income and expenses. The titles of the categories are only limited by the imagination of the user, but it is recommended that they be meaningful to anyone reviewing the records. For example:

- If your Assembly has collected funds for membership dues, this can be established as a category called "Membership Income."
- When a check is written to submit these dues to Supreme, the category can be established as "Membership Expense".

The Quicken program allows the user to reconcile each bank statement as it is received and to print out a Reconciliation Report. Such report, with a copy of the bank statement, when presented to the Board on a monthly basis by the Financial Advisor or Advisory Board Treasurer, will reveal the balance in the account in agreement with the bank statement, as well as a record of any outstanding checks that have been disbursed but not yet cleared through the checking account. In other words, you have the amount of the bank statement and the actual funds available when the outstanding checks are cashed. This process will also reveal any outstanding Assembly checks.

An abbreviated form of the Reconciliation Report reflecting the amounts spent, amounts deposited and total cash in the bank can be given to the Assembly Recorder for the Assembly minutes, thus keeping the girls informed of the amount of money they have in the Assembly accounts. At the Assembly level, the Financial Advisor or Advisory Board Treasurer should ensure and assist the Assembly Treasurer with giving a report at least once each month.

If needed, the Financial Advisor or Advisory Board Treasurer may use the "Reports" function in Quicken to obtain an Itemized Categories report for the current month, which details each deposit and the categories assigned as well as the expenditures by check for the month selected.

## **ASSEMBLY END OF YEAR AUDITS**

In a perfect world, end-of-the-year audits should be done by someone with financial expertise outside of the Assembly (i.e. a member of the sponsoring body). The reality is that the audit must be performed by two Advisory Board members who do not sign checks, and two older Assembly members.

The Financial Advisor should provide a financial summary of the year's activities along with the bank records with reconciliation reports attached. These documents should provide enough information for the individuals to determine the dependability and accuracy of the financial practices of the Assembly.

The Quicken program allows the Financial Advisor or Advisory Board Treasurer to print out the Itemized Categories for the entire calendar year, beginning with income categories as defined by the user and followed by the expenses categories as defined by the user. If your bank statements have been reconciled each month, these values will be accurate and match any deposit/checks in the bank account. This should serve as the starting point for the Assembly's financial summary/audit process.

Those selected to conduct the annual audit will need access to and be able to use a spreadsheet program such as Microsoft Excel. The Assembly's beginning balance should be the bank balance as of the date of the last financial summary (i.e. December 31<sup>st</sup>). If the Assembly bank statement closes on a date other than the end of the month, use the last date of the last month of the year as your beginning balance. Please note that the Supreme Officer encourages each Assembly to have bank statement monthly periods consistent with a calendar month.

A financial summary details the Assembly income by category, listed alphabetically on your itemized categories report, with a total for the prior year followed by the expenses by category, with a total for the prior year. When you add the prior year end balance to the total receipts and subtracts the expenses, you should arrive at the bank balance for the end of the current year. Tip: If it doesn't agree, check your individual entries – a fickle-finger probably entered an incorrect amount!

The key elements that should be reviewed during the annual audit process AND included in the required annual audit report include, but are not limited to:

- Ensuring that all Assembly accounts are reflected in the audit (i.e. checking, savings, CDs, etc.);
- Ensuring that all transactions have descriptive income and expense information;
- A notation that proper accounting procedures were followed – or that specific areas need to be addressed better in the future;
- Ensuring that the check book balances with the bank statements;
- Ensuring that all checks were found to have two signatures;
- Ensuring that all checks had appropriate documentation (i.e. receipts, Orders etc.);
- Ensuring that all deposits were reconciled to the bank statement;
- Ensuring that all opening balances reconciled to the bank statement;
- Ensuring that all closing balances reconciled to the bank statement;
- Include any recommendations for next year's process – as there is almost always room for improvement in anything we do;
- Include appreciation to the Financial Advisor or Advisory Board Treasurer, the Assembly Treasurer and others who have maintained the financial records for the current year;
- Include signatures of the audit committee members.

Those selected to perform the Assembly audit may ask for more records from the Financial Advisor or Advisory Board Treasurer. If those selected to complete the Assembly's annual audit have additional questions as to the process, accuracy or required information, they should first consult with the Assembly Financial Advisor or Advisory Board Treasurer and/or Advisory Board. If further questions remain, the Financial Advisor or Advisory Board Treasurer may contact the Supreme Officer directly, to request guidance.

**[EXAMPLE]**  
**PROPOSED BUDGET FOR SUNSHINE ASSEMBLY #1001**  
**2015**

**INCOME**

Charity Fund Raising Projects	(# terms x \$ amount)
<i>(NOTE: Further itemization of fund raising events conducted by Charity may be appropriate, especially if some of those projects are identified prior to draft of proposed budget.)</i>	
Other Fundraising Events <i>(Likely 1-2 per term)</i>	
Fireworks	(\$)
Spaghetti Dinner	(\$)
Car Wash	(\$)
Gift Wrap	(\$)
UNR Concessions Sales	(\$)
Initiation fees	(anticipated initiates x \$__)
Rent Reimbursement from sponsoring lodge/chapter	(\$)
Sunshine and Rain, Coin March	(\$)
Interest from Savings/CD Accounts	(\$)
Dues and Fees	
Board Dues	(\$)
<i>(NOTE: if appropriate to your group and appropriately recorded; the Board actually can have its own budget and checking account, following exactly the same procedures as the assembly does, with proper accounting and reporting to the Supreme Officer.)</i>	
Girls' Dues	(# members X \$__)
<b><u>TOTAL INCOME</u></b>	<b>\$15,000.00</b>

**EXPENSES**

Assembly Events	
Holiday party	(\$)
Mystery trip	(\$)
Faith's Tea/New Member event	(\$)
Honor Grandie Night/Reception	(\$)
Worthy Advisor Gift (Bible, charm, etc.)	(\$)
Assembly Fundraiser Expenses	
Fireworks Booth expense	(\$)
Dinner expenses	(\$)
Car Wash expenses	(\$)
Gift Wrap expense	(\$)
Dues and Fees	
Per Capita Taxes – Nevada	(\$7 x member)
Per Capital Taxes – Supreme	(\$ x member)
Grand Cross/Service Award Recommendations	(\$ x nominee)
New Initiate Books /New member supplies	(\$)
Official functions	
Founder's Day, Rainbow Sunday, etc.	(\$)

Grand Assembly travel, registration, meals, etc	(\$)
Grand Assembly supplies: waivers, scrapbooks, etc.	(\$)
Grand Assembly dress material;	(\$)
Grand Officer/Personal Page dress allowances	(\$)
Sister Assembly event at Grand Assembly	(\$)
<b>Official Visit</b>	
Decorations	(\$)
Food and Paper Products	(\$)
Gifts	(\$)
Programs and Pin ons	(\$)
Scholarship Donation	(\$)
GWA Service Project donation	(\$)
<b>Rainbow Camp</b>	
Rainbow Camp Assembly Expense (if the Assembly pays a portion of camper registration fees)	(\$)
Rainbow Camp, gas, travel meals	(\$)
Donation to Grand Charity's Sweet Shoppe	(\$)
<b>Grand Officer Reception</b>	
Decorations	(\$)
Food and Paper Products	(\$)
Gifts	(\$)
Programs and pin-ons	(\$)
<b>Supreme Recognition/Awards</b>	
Service Bars& Charms	(\$)
Grand Cross Medallions	(\$)
Bibles	(\$)
<b>Occasional/Farewell Meetings</b>	
Special refreshments	(\$)
Gift	(\$)
Gifts from Advisory Board	(WA x # terms x \$)
Faith Scrapbook/Bible	(# terms x \$)
Rainbow Trail Ads	(\$)
<b>Facilities Rent</b>	(\$)
<b>Supplies</b>	
Paper, copies &cartridges	(\$)
Mailing/Postage	(\$)
<b>Service projects</b>	(\$)
<b>Pledge Assembly Sponsorship</b>	(\$)
<b><u>TOTAL EXPENSES</u></b>	<b>\$13,000.00</b>
	(made more this year than the Assembly spent!!!)