I. **Statement of Policy:** The American Pediatric Surgical Nurses Association Inc. (APSNA) will have a defined process for managing the financial operations of the organization. APSNA will maintain an effective system of internal control in order to monitor compliance with policies and procedures established by the Board of Directors (BOD). Annual review of this policy is best practice.

II. **Purpose:** The BOD is responsible for ensuring that appropriate financial controls are up to date and in place and adhered to for the protection of the organization. These internal controls ensure that the organization is using generally accepted accounting principles, complying with applicable laws and regulations, providing reliable financial information, and operating efficiently.

III. Related APSNA policies
   A. Board of Directors Code of Conduct Policy
   B. Credit Card Usage Policy
   C. Document Retention Policy
   D. Financial Support of Members of the Board of Directors for Required APSNA Meetings
   E. APSNA Investment Committee Policy and Guidelines
   F. Remuneration Equity/Conflict of Interest Policy
   G. APSNA Travel Reimbursement Policy
   H. Travel Reimbursement Form
   I. Nondiscrimination/ Anti-Harassment Policy

IV. Controls -- Internal controls allow the BOD to monitor operations, identify risk and generate financial reports. Specific controls put into place depend on the particular organization, size and complexity.

It is important to note that internal controls do not guarantee absolute oversight however they can reduce the risk of error and fraud. APSNA must consider the cost and feasibility of establishing particular controls given that BOD are volunteers, live throughout the United States and do not have an office or paid administrative staff. Even if controls are well designed, they can breakdown. Some of the reasons for a breakdown are the following:
- Misunderstanding of instructions
- New board members performing control duties with limited guidance/mentoring
- System changes prior to training
- Collusion between board members, contract employees, customers or vendors
The internal control process can be separated into two distinct areas, accounting controls and administrative controls. Administrative controls deal with the business operations of the organization. Accounting controls deal with the accounting for such operations. This policy focuses on the accounting control of APSNA. The accounting controls should be set up to achieve five basic objectives:

A. **Validation** is the examination of documentation for evidence that a recorded transaction occurred and is documented in accordance with the prescribed procedures.

B. **Accuracy** is the objective that each transaction is recorded at the correct amount, in the appropriate account, on the correct date.

C. **Completeness** is the task that ensures all financial documents are collected and archived and all transactions are reviewed and categorized correctly in QuickBooks®. There is oversight by the Certified Public Accountant (CPA) and Treasurer who collaborate on ensuring proper documentation.

D. **Maintenance** is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the business operations of the organization. The Treasurer and CPA work together to ensure accuracy of assigned transactions.

E. **Physical Security** – to ensure that all the assets of APSNA are adequately protected and access to assets limited to authorized personnel as set forth in this document.

V. **Guidelines for APSNA’s accounting controls.** The BOD of APSNA shall follow the procedures set forth in this and other related APSNA policies.

A. Annual Budget

1. Development
   a. APSNA’s fiscal year (FY) is the calendar year January through December.
   b. Budget planning will begin in October, at the beginning of the 4th quarter and will proceed as follows:
      i. Actual vs. budget numbers of the current year will be prepared for analysis.
      ii. Budget needs for the coming year will be solicited from individual board members.
         The budget will be color-coded according to the responsible board member to facilitate analysis.
      iii. The APSNA Treasurer and executive committee (EC) will be responsible for developing a draft of the annual budget. This will be presented to the entire BOD for approval. The CPA will serve as a consultant.
      iv. The BOD shall be responsible for approving the annual budget. This will take place no later than early December of the FY.
      v. Once approved, the annual budget will be made available to board members and posted to the APSNA BOD Resources website.

2. Budget monitoring
   a. No expense shall be incurred in excess of planned expenditures without express pre-approval of the EC.
   b. Each quarter, the actual income and expenses will be compared to the budget and reported by the Treasurer/CPA to the EC.
   c. Any budget variances will be evaluated. Over budget adjustments may be necessary for the remainder of the year.

B. Record retention -- Important financial documents are to be archived per APSNA Document Retention Policy.
C. Bank Accounts:
   1. APSNA shall maintain its accounts in financial institutions that are federally insured.
   2. APSNA’s assets are held in Bank of America (checking and savings) and Ameriprise.
   3. The APSNA credit card is with the Bank of America.
   4. No new accounts will be opened without the express approval of the EC.

D. Check oversight and signing authority
   1. Only the current Treasurer is authorized to sign checks on behalf of APSNA.
   2. Physical access to un-issued checks will be restricted to the Treasurer. Control will be established over checks received and protected from misappropriation.
   3. All checks are sequentially pre-numbered so that it can be established that all checks have been accounted for.
   4. Checks can be written from the business checking account by hand (checkbook), electronically on the banking website or by a QuickBooks® check printed on demand.
   5. APSNA’s primary account is the business checking account. Bills are paid and deposits are made directly from the business checking account. The goal is that all business is reflected in the business checking account.
   6. Money can be transferred between Bank of America accounts and Ameriprise accounts electronically as needed.

E. Check disbursements
   1. The President approves all check disbursements, expenditures after EC review.
   2. The Treasurer will make disbursements that have been authorized by the EC and only upon receipt of an invoice or APSNA reimbursement form and accompanying receipts.
   3. All invoices and reimbursement requests will be reviewed for accuracy and recomputed.
   4. The Treasurer will only make disbursements for budgeted items.
   5. Board members may elect to pay for specifically budgeted items on their own and submit receipts for reimbursement to the Treasurer along with the completed APSNA reimbursement form.
   6. Pre-approval for a non-budgeted item, an item that is over budget or an item that has already been disbursed for the FY is required from the EC.
   7. After signing, all checks will be forwarded directly to the payee without being returned to the originators or other party.
   8. The Treasurer may reimburse him or herself only with approval of the EC.
   9. The following procedures will be prohibited:
      a. Checks payable to “bearer” or “cash”
      b. Checks signed in blank
      c. Use of electronic signature or signature stamp is not authorized for check signing.
   10. Accounts Payable -- Prior to submitting invoices to the Treasurer for payment the following must be completed:
       a. The quantity and price of goods or services ordered must be compared to the purchase order for correctness.
       b. Calculations of the invoice, such as the totals and extensions should be recomputed.
       c. The invoice or check request must be in the budget and/or approved by the EC prior to payment.
F. Cash deposits
1. Checks will be restrictively endorsed by a stamp of “for deposit only” with APSNA’s checking account number.
2. Checks, check the Treasurer will scan stubs and matching statement as well as deposit slip, and saved as a PDF file. Mobile, Automated Teller Machine or counter deposit modes are all acceptable.
3. Documents will be retained by the Treasurer and organized by month of deposit.
4. Checks received will be deposited within one week into APSNA’s checking account.

G. Review of Accounts
1. The Executive committee and Investment Committee (IC) require accurate and timely financial reports in order to evaluate the performance of APSNA, plan for the future and report to the federal government each year.
2. Each month the Treasurer will download and review:
   a. All banking and credit card statements.
   b. All APSNA memberships, store orders, and donations.
   c. All statements for credit card processors.
   d. All other statements from affiliated businesses.
3. The first week of each month the Treasurer will forward statements from the following accounts to the EC and Investment Chair. Once the EC has reviewed the documents, the Treasurer will send these to the BOD:
   a. All Ameriprise Accounts
   b. Bank of America Checking Account
   c. Bank of America Savings Account
   d. Credit card statement
   e. Pending payments in excess of $500, requiring approval.
4. Subsequently, the IC Chair sends the APSNA Accounts Summary to the EC and the IC. This is a cumulative monthly listing of balances in all accounts. Each worksheet spans a year of data. Prior years are also listed in this document. These worksheets are archived in the board repository.
5. Two times each year, April and October, the IC Chair will convene a conference call with the IC and EC in order to review assets, evaluate investments and recommend changes, if any, to the financial holdings of APSNA. Stock or Certificate of Deposit (CD) purchases will be made by the investment chair and verified by the Treasurer.
6. Funds in the Fidelity fund account can only be accessed in consultation with the Investment Committee.
   a. Funds in the Foster WOCN account and Grant account can only be accessed in annual amounts predetermined by the Investment committee.
   b. The EC alone can determine when and if to make use of funds in the conference account. This is intended to be a back up savings account for conference needs.

H. Cash accounting
1. Accounting methods are maintained either on the accrual basis of accounting, the cash basis or a hybrid system. APSNA utilizes the cash basis of accounting that recognizes revenue when earned and expenses when incurred.
2. Cash is required to pay for all assets and services purchased by APSNA and to meet obligations as they come due. The target balance in the business checking account is one year of expenses.
3. Excess cash, beyond the annual anticipated year of expenses, may be invested in the Fidelity foundation fund as recommended in the bi-annual IC meetings.
I. APNSA’s General ledger
   1. APSNA will establish and maintain an effective accounting system to capture data regarding the financial activity of the organization. This information assists the BOD in making financial decisions and serves as the basis for reporting income and expenses on the 990 Form filed with the federal government each year.
   2. QuickBooks® is the general ledger system that is used to delineate and accumulate the financial records.
   3. QuickBooks® was introduced to APSNA late into 2010 and has been used since that time. It is available to APSNA on line and is organized by the approved chart of accounts.
   4. The chart of accounts is updated each year during budget review and development and as needed throughout the year if new business relationships develop.
   5. QuickBooks® enables the creation of various reports and these are available on demand and include exploring to Excel or PDF. The CPA will assist the Treasurer with the creating reports as needed.

J. General Ledger Activity
   1. Transactions are downloaded to QuickBooks® electronically from the business checking account.
   2. All financial documents are archived by the Treasurer each month and then forwarded to the CPA for bookkeeping entries using a file sharing system. The details of transactions in QuickBooks® come from the following sources:
      a. Bank of America checking/savings accounts
      b. Ameriprise statements
      c. Documents supporting all deposits and payments.
      d. A summary of BluePay and Intuit® credit card processing transactions that are cross-referenced with YourMembership.com (YM) memberships, store orders and donations.
   3. The CPA will compare all transactions against the documents provided by the Treasurer and will identify any missing documentation and promptly notify the Treasurer to request this. The Treasurer will return documents requested within 48 hours unless there are extenuating circumstances.
   4. Monthly reconciliation is completed by the CPA by the second week of the month and reviewed by the Treasurer the following month or as often as needed.
   5. The Treasurer over 90 days will investigate checks outstanding. Payments will be stopped if checks have not been received by the party to which the check was sent after 1 month.

K. General Ledger Maintenance -- QuickBooks® will be maintained on-line by ensuring the monthly account fee is linked to automatic payment. If the credit card used for the monthly fee is cancelled for any reason, including change of Treasurer, the new credit card will be promptly updated.

L. Customer Orders
   1. A system will be established for processing and monitoring customer purchase orders. These are for memberships, web related sponsorship, registration for conference and exhibitor/sponsor support.
   2. Most orders are placed as credit card purchases via the APSNA website. Occasionally these orders are paid by check. In these instances, the order will be held for approval until the check is received and deposit is successful as confirmed by the Treasurer.
   3. All purchases made via the website will trigger an email alert that a purchase has been made, however it is the responsibility of the Treasurer to review the website for purchases at least weekly.
4. Web sponsorships are purchases of email lists, event or job postings, and mailing lists. The 
   Treasurer and Web Administrator/Management Company will review each purchase and ensure the 
   order is completed within a week of purchase/receipt of payment.
5. Monthly, the Treasurer will download a spreadsheet memberships, web related sponsorship, 
   registration for conference and vendor support. A spread sheet of credit card transactions will be 
   downloaded and cross referenced with the YM orders to confirm that payment was received and to 
   ensure the member’s name is listed (if different from the purchaser). These transactions will be 
   forwarded to the CPA each month for input into QuickBooks®. Purchases will be sorted by 
   conference vs. ad-ons such as run/walk or preconference.

M. Annual Conference
1. Exhibitor/Sponsor support income will be forwarded to the Director of Development monthly in the 
   months before conference.
2. Checks owed each month will be summarized by the Treasurer and forwarded to the Management 
   Company and EC. Registrants whose checks have not been received will be contacted monthly by 
   the management company. Anyone who has not paid for conference will be charged the registration 
   fee on site.
3. Receipts can be printed on demand by the customer following payment.
4. A paid invoice forwarded by email from the Treasurer to the customer will follow all registration 
   checks received and deposited.
5. In select case, the Treasurer can prepare an invoice to be used by the customer for billing.
6. All income earned from conference related income will be transferred to the savings account each 
   month.
7. The Treasurer will run a QuickBooks® report of income and expenses related to the conference to 
   determine the final balance.
8. Conference related expenses
   a. All expenses related to conference are paid from funds in the savings account after the 
      appropriate amount is transferred into the checking account.
   b. The Treasurer will keep a separate spreadsheet of expenses related to the conference to 
      compare to the income received.

N. Collection Practices -- A review of accounts receivable for past due balances will be performed on a 
   continuous basis. For example monthly payments for Triad Memberships. Businesses with past due 
   accounts will be contacted immediately.

O. Other Revenue
1. Other type of revenue received includes donations (silent auction, the run/walk conducted during 
   conference, and general donations).
2. Textbook and Journal of Pediatric Surgical Nursing (JPSN) sales are received as royalties annually 
   each spring. The textbook proceeds are deposited into the Fidelity Education and Grant fund and 
   the journal royalties are deposited into the general fund.
3. A JPSN editor stipend ($10,000 annually) will be received for 5 years from 2014 through 2017. 
   This will cease in 2018.

P. Debit Card Management -- The Treasurer and Immediate Past Treasurer will each have a debit card. At 
   the end of the Treasurer’s term, the new Treasurer will be added and the past treasure removed. Each 
   Treasurer is responsible for the safekeeping of their debit card.
Q. Credit Card Management
   1. The EC, with the BOD, has the authority to approve the establishment or revocation of a charge card account in APSNA’s name.
   2. The Treasurer is responsible for the oversight and safekeeping of the APSNA credit card.
   3. Only the Treasurer will be authorized to use the APSNA credit card.
   4. Adequate steps will be taken by the Treasurer to confirm the accuracy of all credit card transactions.
   5. Each month, the credit card transactions on the statement will be compared with supporting documentation provided by the Treasurer to the CPA.
   6. Any discrepancies between the statement and supporting documents will be addressed between the Treasurer and the BOD.
   7. The Treasurer and the immediate past Treasurer will be authorized users of the APSNA credit card. At the end of the Treasurer’s 2-year term, he or she will add the new Treasurer and remove the immediate past Treasurer.

R. Recurring expenses/debits
   1. APSNA will establish a method to monitor and account for recurring electronic debits/expenses.
   2. All new business will be approved by the EC and in some cases; these payments will be debited from the checking account each month. These are the credit card processing fees, monthly 800-phone number, Intuit go-payment account and Intuit QuickBooks® on-line.
   3. These transactions are available on the bank statement and are reviewed monthly by the EC.
   4. The debit card used for the particular transaction is reported on the bank statement and can therefore be tracked to the holder of that card.
   5. Account closings will be determined by the EC.

S. Annual or Recurring Prepaid Expenses
   1. Prepaid expenses arise when cash is disbursed and at least a portion of the disbursement benefits a future period. For example, insurance premiums and professional dues.
   2. The Treasurer will review the timeline in the job description to identify annual invoices before they become due and pursue statements if they do not arrive as expected. If necessary s/he will maintain a separate schedule to better monitor the various types of prepaid expenses.

T. Contracts/new Business
   1. The EC will approve all new business relationships or purchases.
   2. Any new business will be added into the budget for the coming year.
   3. The President is the official contract signer for the Corporation; financial transactions are signed by the Treasurer.
   4. A minimum of two competitive bids are required for any major, defined as greater than $2,000.00, business transaction.
   5. Scopes of work proposals are required for all independent contractors.
   6. All contractors, businesses will sign the APSNA Nondiscrimination/Anti-Harassment Policy

U. C.O.D. Purchases -- Cash on delivery is not permitted.
V. Redundancy and oversight of APSNA accounts
1. The following individuals should maintain access to the following APSNA accounts:
   a. Checking, savings, Ameriprise, BluePay, Intuit® and QuickBooks® on line – Treasurer and Immediate Past Treasurer.
   b. Credit card - Treasurer and immediate past Treasurer.
   c. Ameriprise investment accounts -IC Chair, Treasurer and Immediate Past Treasurer.
   d. QuickBooks® – Treasurer, immediate past Treasurer and CPA.
   e. The back end of the APSNA website – All web and organization management personnel and the members of the EC.
2. In the event that the Treasurer is unable to fulfill his or her duties, the Immediate Past Treasurer will take over until a new Treasurer can be appointed. Therefore, the Immediate Past Treasurer will stay on all of the accounts for the 2-year term and will mentor the new Treasurer.
3. The Treasurer and Immediate Past Treasurer will maintain a confidential list of username and passwords for the various APSNA accounts that are not to be shared. Each member of the board with access to APSNA accounts will use and maintain their own username and password that is not to be shared.
4. All electronic records archived by the Treasurer will be forwarded to the incoming Treasurer. The cumulative electronic records date back to 2013 and are held by the current Treasurer.

W. Annual 990 reporting
1. The Treasurer will provide a W9 Form to each individual who is paid $600 or more the previous year in order for APSNA to file a 1099 form by the CPA.
2. The Treasurer will forward the newly filed 990 to the Web Administrator to be posted on the APSNA website. This is archived among APSNA’s financial documents on the website.

X. Bonding. The Treasurer shall be bonded. The cost associated to secure the aforementioned coverage shall be that of APSNA. The BOD will review the amount of insurance coverage annually.

VI. Treasurer end of term
A. The Treasurer will begin the paperwork necessary to change account holders in June of the outgoing year. This will allow 2 months to finalize the addition of the new Treasurer and removal of the immediate past Treasurer before the new Treasurer takes over in August.
B. The new Treasurer will update the Treasurer handbook.