

Linden Hills Neighborhood Council (LHiNC) Bookkeeping Procedures

These procedures apply to all LHiNC checking accounts, both internal and NRP.

1. Receipt of Checks Payable to LHiNC:

- a. A board member, other than the Bookkeeper, Treasurer or a check signer will pick up all mail from the Post Office.
- b. Checks payable to LHiNC will be documented in the monthly Check Registry (see Example A).
- c. Checks payable to LHiNC and all bank statements will be delivered to the Bookkeeper; the Check Registry will be given to the Treasurer.
- d. The Bookkeeper endorses all checks immediately to be deposited with “for deposit only”.
- e. The Bookkeeper makes a photocopy of all checks and attaches a Deposit Receipt form (see Example B).
- f. The Bookkeeper enters the deposit information into Quicken.
- g. The Bookkeeper deposits the check into the appropriate banking account in a timely manner.
- h. The Check Registry will be reconciled against the bank statement by the Treasurer monthly.

2. Processing of Invoices and Payment Requests:

- a. Every request for payment will be accompanied by a Request for Payment (RFP) form (see Example C). The form can be completed by the requestor or Bookkeeper if an invoice is received.
- b. The RFP will be approved by the Treasurer.
- c. The Bookkeeper will enter the transaction in Quicken and either:
 - i. write out a check and send in the US Mail – or –
 - ii. use online banking to process the check
- d. The Bookkeeper stamps “paid” on the invoice and RFP.
- e. The check is signed by a check signer who must be Officer of the Board, but cannot be the Treasurer. One check signer is required, unless the request is more than \$200 and then two signatures are required.
- f. All RFP’s will be reconciled against the bank statement by the Treasurer monthly and returned to the Bookkeeper for filing.

3. Processing Automatic payments:

- a. The Bookkeeper has the authority to set-up automatic payment for operational expenses that are less than \$50 per month.
- b. An Automatic Payment Form (see Example D) must be completed for each transaction.
- c. Operational Expenses are defined as expenses that are ongoing and support the function of the organization (e.g., phone, website).
- d. Automatic payments will be reconciled against the bank statement by the Treasurer monthly.

4. Conducting Monthly Reconciliation:

- a. Once a month the Bookkeeper will reconcile the checking account(s) within Quicken using the bank statement.
- b. Following the monthly reconciliation, the Bookkeeper will give the RFPs, Cash Receipt and Automatic Payment forms associated with that reconciliation to the Treasurer.
- c. The Treasurer will reconcile each payment and deposit with the actual bank statement and return to the Bookkeeper for filing.

5. Reporting requirements:

- a. Monthly balance Sheets will be shared with board members.
- b. A yearly budget will be created for LHiNC's financials.
- c. A yearly income statement will be created for both LHiNC and NRP financials.

6. NRP Payment Reimbursements (CORF)

- a. At least quarterly, the Bookkeeper will complete the Community Organization Report Form (CORF) and submit to the NRP to get reimbursed for NRP payments, which will be signed by the Treasurer.
- b. The Bookkeeper and/or Treasurer will communicate with NRP staff with questions or concerns.

7. Bookkeeping Software

- a. All financial software will be backed-up monthly and given to the Treasurer on portable media (e.g., CD, jump drive).

8. Tax Filing:

- a. IRS Form 1099-MISC - Prepare a 1099-MISC for all independent contractors who were paid more than \$600 during the previous year. Must be completed and mailed within the guidelines of the IRS (usually January 31).
- b. IRS Form 1096 – Prepare and mail by due date (usually February 29).

9. Document/Record Retention:

- a. Documents four to seven years old shall be given to the Downtown Minneapolis library for viewing by the public, if they agree to accept (or stored at the Linden Hills Park in a locked file cabinet).
- b. Documents one to four years old shall be stored in a locked file cabinet at the Linden Hills Park.
- c. Documents for the current fiscal year shall be kept with the Bookkeeper, Treasurer, or Coordinator until it is time for them to be archived.
- d. Documents must be saved in an electronic format (e.g., CD, jump drive).
- e. Documents include (but are not limited to) bank statements, tax forms, proofs of insurance, invoices, check registers, charts of accounts, monthly and annual reports, grant applications, contracts (excluding NRP), audit reports, electronic funds transfer notices, QuickBooks or Quickenfiles, Word documents, and Excel files.

Example A

**Linden Hills Neighborhood Council
Check Registry**

Month:

<u>No.</u>	<u>Date</u>	<u>Sender</u>	<u>Contract or Line Item</u>	<u>Check #</u>	<u>Amount</u>	<u>Initial</u>
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

I affirm the above records to be accurate: _____
(LHINCTreasurer)

**Linden Hills Neighborhood Council
Deposit Receipt**

	Payment From	Check #	Amount

Total Amount Deposited: \$ _____

Deposit date: _____

Revenue code: _____

To be completed by the Treasurer

This deposit was reconciled by the Treasurer on _____ Initials: _____.
(date)

Linden Hills Neighborhood Council
Request for Payment (RFP)
(must be completed within 60 days of purchase)

Make check payable to: _____

Send check to this address: _____

Pay this amount: \$ _____

Purchase date: _____

Reason for purchase: _____

Request made by: _____

Send completed form to: LHiNC Finance
PO Box 24049
Minneapolis, MN 55424

Attach
Proof of
Payment or
Invoice

To be completed by the Bookkeeper

Contract #: _____

Expense code: _____

Date paid: _____

Amount paid: _____

Check number/Online #: _____

To be completed by the Treasurer

Approved by: _____, Treasurer

This payment was reconciled by the Treasurer on _____. Initials: _____.
(date)

**Linden Hills Neighborhood Council
Automatic Payment Form**

Payee: _____

Date charged to account: _____

Amount: \$ _____

Expense code: _____

To be completed by the Treasurer

This payment was reconciled by the Treasurer on _____ Initials: _____.
(date)