A. **Cash Disbursements (Check-Writing) Policies**

**A. Overview**

It is the policy of MQ to print vendor checks and expense reimbursement checks on a weekly or as needed basis. Checks shall be prepared by the Bookkeeper, who is independent of those who initiate or approve expenditures as well as those who are authorized check signers.

**B. Check Request Procedure**

1. With the exception of ACH automatic withdrawals that have been pre-approved, each request for a check to be prepared or a credit card charge to be entered into QuickBooks and paid, a Minnesota Quilters Check Request Form must be completed.
2. This form must be signed and dated. Check or charge request forms for less than $500 require a single signature. Check or charge request forms for checks or charges of $500 or in excess of $500 require two signatures.
3. Each check or charge request must have the original receipt(s) attached to it, with relevant item(s) circled.
4. An individual submitter cannot prepare and sign a check request. The check request form needs a different person's signature.
5. Check or charge request forms must have applicable signature(s) on the form prior to submitting to the bookkeeper for check or charge preparation.

**C. Check Preparation**

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors.
3. Generally, all vendors shall be paid within 15 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.
6. Checks shall be utilized in numerical order (unused checks are stored in a locked drawer in the MQ office).
7. Checks shall never be made payable to “bearer” or “cash”.
8. Checks shall never be signed prior to being prepared.
9. Upon the preparation of a check, vendor invoices, check request forms and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

**D. Employee/Volunteer Expense Reports**

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed check request form. All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form.

Reimbursement for mileage expenses will be made in compliance with the IRS Standard Mileage
Rates for charitable organizations or for business purposes as revised yearly. Mileage reimbursement check requests must be accompanied by a completed mileage form. Check request forms for check made out to the individual requesting payment, must be signed by a Show Director or member of the BOD other than the person requesting reimbursement. Expense reports will be processed for payment in within ten business days from receipt of the request. Expenses older than 2 months will not be reimbursed.

E. Check Signing
Checks require a single signature. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

It is the policy of MQ that each check shall be signed by an individual other than the person(s) who approved the transaction for payment.

Authorized check signors shall include:
Board President, President(s)-Elect, and Board Treasurer, or as designated by the Board of Directors.

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

F. Mailing of Checks
After signature, checks are returned to the individual who prepared them, who then mails checks immediately. Checks shall not be mailed by individuals who authorize expenditures.

G. Voided Checks and Stop Payments
Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as “VOID”. All voided checks shall be retained.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

H. Record-Keeping Associated with Independent Contractors
 MQ shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

I. No Carry Over
Unspent moneys budgeted for one fiscal year do not carry over into the next fiscal year’s budget; designated and restricted funds are the exception. The MQ fiscal year shall run from October 1 through September 30.

J. Refund Policy
All refunds are to be paid within 30 days. This will apply to all MQ events including the Annual Show and Conference, Getaways, and the Holiday Brunch.

Approved 23 May 2017