

2016



# **DISTRICT CHAIRPERSON FINANCIAL GUIDE**

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*The Mission of the Florida School Music Association (FSMA) is to provide leadership, advocacy, and services for school music programs in support of quality music education experiences for students.*

With regard to financial reporting, the Florida School Music Association (FSMA) has three key metrics:

- 1) to ensure that Music Performance Assessment (MPA) financial matters are managed in accordance with regulated and acceptable accounting practices;
- 2) to assist components to accomplish their financial reporting requirements; and
- 3) facilitate an annual audit of each component as required by Florida Statute (f.s.) 1006.19.

The very first document that District Chairs should read is the Florida School Music Association (FSMA) Rules and Regulations Governing Interscholastic Music Activities; otherwise known as the "FSMA Rules and Regulations". All District financial information must be maintained in Quicken or QuickBooks.

**Each bank account must be reconciled in Quicken/QuickBooks monthly when the bank statement is received. Attach the reconciliation report to the back of the bank statement.**

Any amount over \$500.00 (or \$1,500 in approved districts) in your bank account and your Check Register on May 31 must be sent to FSMA for holding over the summer months (remember to complete a General Requisition form). The check is to be made out to Florida School Music Association and is turned in to your component executive director by June 10.

**It is important to keep in mind that when you receive funds from any individual or organization in payment for any program or service that you provide, those funds become public funds, and must receive the strictest reporting and accounting procedures possible.**

If a district's end-of-year financial reports do not balance or other reporting/financial discrepancies are found, FSMA may direct that the district's bank account be closed immediately through the Component Executive Director, and all remaining funds be sent to FSMA. No further financial transactions may take place in that district until a complete reconciliation has been conducted by FSMA, and funds returned to the district.

## DISTRICT TREASURERS

Given the workload and liability that District Chairmen have to bear, it is acceptable that the chair seek out someone other than yourself to handle the bookkeeping functions required for the various financial reports. Successful District Chairmen have utilized school bookkeepers, colleagues with bookkeeping experience, or other music personnel who are willing to assist. Regardless of who handle the bookkeeping, the District Chairman is responsible to see that accurate records are kept, and should review them periodically (at least quarterly). However, the actual day-to-day bookkeeping can appropriately be delegated to someone with experience in this area.

In districts where a treasurer is appointed to handle the district's funds and financial reporting, the district chairman shall appoint the treasurer by written letter at the time of appointment, but no later than September 1st of each year. A copy of this appointment letter shall be sent to the component's state office and the FSMA office. If for any reason the district treasurer changes during the school year, the district chairman shall write a new appointment letter.

If the district's funds and financial reporting are managed by someone other than the district chairman, end-of-year financial reports required by FSMA shall have a cover letter from the district chairman stating that he/she has reviewed the financial reports, and that they are complete and correct. Should mistakes subsequently be found in the reports, it is the responsibility of the district chairman to see that they are corrected and returned to the component state office and FSMA.

To limit the liability of the District Chair, a separate signor should approve expenses than is used to sign payments (checks).

## **ACCOUNT NUMBER/CATEGORY LINE COMPILATION**

The FBA/FOA/FVA Final District Financial Report and the FBA/FOA/FVA Budget Report/Request Form use account numbers to identify various revenue and expense items. In Quicken "account numbers" are called "category lines". QuickBooks uses the term "account numbers".

These account numbers/category lines are used on General Requisition and Adjudicator Requisition forms, and are used to set up your Check Register and Itemized Category Reports.

For ease of use and reference purposes, the various line items are given below. Quicken Category Numbers are three digits and the QuickBooks Account numbers are five digits given the parenthesis.

***(QuickBooks #) Quicken# Account Name***

### **RECEIPTS (Revenue)**

#### ***Budgeted Receipts***

(40001) 001 Received from FSMA

(40002) 002 Assessments

(40003) 003 Gate Receipts

(40004) 004 Donations

(40005) 005 Other Sources

#### ***Non-Budget Receipts***

(40006) 006 Audition Fees

(40007) 007 Audition Recordings

(40008) 008 Festival Recordings

(40009) 009 Other Sources

## **EXPENSES**

### ***Music Performance Assessments***

- (60010) 010 Adjudicators' Honoraria
- (60015) 015 Adjudicator Expenses
- (60020) 020 Piano Moving & Tuning
- (60025) 025 Marching Festival Expenses
- (60030) 030 Stadium/Auditorium Rentals
- (60035) 035 Advertising
- (60040) 040 Custodial Services
- (60045) 045 Secretarial Services
- (60050) 050 Adjudicator Sheets/Entry Blanks
- (60055) 055 Security at Event Sites
- (60060) 060 Nurse/Medical/First Aid
- (60065) 065 Recording – Music Performance Assessments
- (60070) 070 Site Chairperson Expenses
- (60073) 073 Sight-reading Music
- (60075) 075 Adjudicator Cassette Tapes
- (60076) 076 ASCAP/BMI Fees
- (60077) 077 Other

### ***General Operations***

- (61110) 110 Office Supplies
- (61115) 115 Telephone
- (61120) 120 Postage
- (61125) 125 Printing, Duplication
- (61130) 130 Medals, Plaques, Trophies
- (61135) 135 Bank Charges
- (61140) 140 District Chairperson Expenses
- (61145) 145 District Secretary Expenses
- (61155) 155 State MPA Assessments

(61165) 165 Other

### ***Non-Budget Expenses***

(62210) 210 MPA Recordings

(62215) 215 All-State Auditions

(62220) 220 Recording All-State Auditions

(62225) 225 Other

(62240) 240 Return to FSMA (Summer Liability Check)

### **Instructions for completing the General Requisition Form and Adjudicator's Form**

Each EXPENSE (check, cash, and EFT) must have accompanying documentation to include:

- **General Requisition Form or an Adjudicator's Requisition Form**
- **Supporting Documents (Paid Invoice, Receipt, or signed contract)**
- **W-9 if applicable**

The supporting documentation should be attached to the original requisition or adjudicator form.

The requisition and adjudicator forms are multi-part forms and are available at no cost by calling the FSMA office (800) 301-3632 or by e-mail at [info@flmusiced.org](mailto:info@flmusiced.org).

### ***Below is an example process for a legitimate expense:***

1. Circle the appropriate component and enter the District number at the top of the requisition or adjudicator form.
2. Record the check number you are going to use (or "EFT" if it is an Electronic Funds Transfer), the amount of the expense, the account/category line(s) where the expense is recorded in Quicken/QuickBooks and the payee (complete contact and tax information).
3. All information should be completed on the form to limit the financial liability of the district officers.
5. Sign the "Approved by" line and enter the date. The check or EFT should have a separate signor to limit district officer liability.
6. Record the expense in Quicken/QuickBooks.
8. Distribution of copies:
  - White Copy: District Chair attaches to documentation (receipts, invoice, etc.) and submit with annual district financial reports.
  - Yellow Copy: If payment is made to an individual or unincorporated business, send to component executive director along with form W-9.
  - Pink Copy: Give to payee (individual or unincorporated business)

## **ADJUDICATOR REQUISITION FORMS**

1. Circle the appropriate component and enter the District number at the top of the adjudicator form.

2. Fill in the Adjudicator's name, complete address and phone number.

Please Note: A Completed W-9 must be on file for each adjudicator and/or a copy attached to each form for payment to be processed.

3. Hotels: To validate the expense, a detailed hotel bill, invoice, or portfolio must be provided and include the name of the individual guest and itemized charges. Only direct costs should be reimbursed, not room service, entertainment, etc.

4. If a District is using the component's Florida Sales Tax Exemption Letter, the payment should be made by a component check. Personal payments should not be used when receiving the sales tax exemption.

5. Meals may be paid at a per diem rate or reimbursed as established by each performing component. Receipts are not required if per diem is paid for each meal the individual is responsible for providing on their own (i.e., if lunch is provided by the host, per diem is not paid for that meal). Tax Notice: Per Diem is viewed as taxable income.

6. Reimburse mileage at the current rate authorized by your component organization.

7. Include other expenses that are legitimate expenses not covered previously and attach a receipt.

8. The adjudicator's signature is required.

9. Enter the check number and the issue date

10. Write the check

11. Record your check in Quicken/QuickBooks

12. Distribution of copies:

- White Copy: District Chair attaches to documentation (receipts, invoice, etc.) and submit with annual district financial reports.
- Yellow Copy: If payment is made to an individual or unincorporated business, send to component executive director along with form W-9.
- Pink Copy: Give to payee (adjudicator)

## **REQUIREMENTS FOR Form W-9**

A completed IRS Form W-9 must be obtained prior to any payment being made to an unincorporated individual or adjudicator. This information must always be collected regardless of payment amount.

Blank W-9 forms and the 1099 Reporting Instructions may be found on [www.irs.gov](http://www.irs.gov).

## Receivables

When payment is received, it is critical for auditing purposes that each step below is followed:

1. All payments should be accompanied by an invoice, assessment form, or detailed report showing how the payment was allocated.
2. Immediately endorse the check "For Deposit Only". Include the name of your bank, and the account number of your bank account. Note: a deposit stamp is a legitimate expense.
3. Enter the check on a deposit ticket. Each check must be listed on the deposit ticket.
4. Confirm total on deposit slip with check total if multiple checks are being deposited.
5. Enter the deposit into Quicken/QuickBooks.
6. Copy or scan each deposit slip and check for your records.
7. Make your deposit in person. Overnight deposits should not be used.
8. Attached the deposit receipt to the deposit slip and invoices and/or assessment forms connected to that deposit.
9. File with Monthly Financials

### *Non-Sufficient Funds Checks*

Follow-up on Non-Sufficient Funds (NSF) checks (checks the bank sends back to you as unpaid). Collect the original amount owed plus any bank service charges. Record the NSF checks and the bank charge in the appropriate Quicken/QuickBooks accounts.

## FBA/FOA/FVA Final District Financial Report Form

At the end of the fiscal year, after the June 30 Bank Statement has been received and reconciled in July, it is time to complete your end-of-year financial reports. Refer to the District Financial Report Checklist at [www.flmusiced.org](http://www.flmusiced.org) under the Forms link to see all the documents that need to be submitted at the end of the year. The actual end-of-year forms are also located on this website.

When completing the forms in Excel, only highlighted cells should be filled in.

All District Financial Reports are due to the component executive director by July 15. The component state office conducts an initial review, and forwards all documents to the FSMA office no later than August 1. There are financial penalties for missing these deadlines.