



AFS-USA, INC.

**Treasurer's Manual
For Area Teams and Chapters**

**Updated as of April 1,
2017**

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BACKGROUND

The AFS-USA Treasurer's Manual contains all the information necessary for Treasurers and Chairs to manage and report on their Team financial activities. This manual, released on April 1, 2017, replaces all previous versions.

AFS - USA, Inc. is a not-for-profit corporation and as such is exempt from income tax pursuant to Section 501(c) 3 of the Internal Revenue Code. AFS-USA must demonstrate to the Internal Revenue Service that the organization maintains proper control over the use of all funds raised and held in its name. Furthermore, we must keep accurate and complete records in order to establish that our funds are used only for the purpose of achieving the tax exempt purposes of AFS-USA, Inc.

AFS-USA must adhere to regulations as promulgated within US Generally Accepted Accounting Principles (GAAP). The organization is audited each year by an independent accounting firm to ensure that the financial statements are in compliance with GAAP. It is critically important that AFS-USA receive a clean audit opinion which certifies that there are no material errors or misstatements in our financial statements.

Funds held in team bank accounts are to be used at the Team's discretion and in accordance with the purposes and guidelines as outlined in this manual. It must be noted that all cash held in Team accounts is reported as an asset of AFS-USA on our audited financial statements. The President, the CFO and the Board of AFS-USA have the ultimate fiduciary responsibility to ensure that all assets are reflected accurately in our financial statements. This can only be accomplished in full partnership with Team Chairs and Treasurers.

In cases where there is a lack of compliance with any of the principles and guidelines outlined in this manual, we reserve the right to close local Team bank accounts and transfer the cash into an account, for the Team's behalf, but under the management of Finance staff.

OPERATING PRINCIPLES

In order to receive a clean audit opinion and to receive contributions from individuals, foundations, corporations and the United States Government, certain requirements must be met within specifically established reporting periods.

Below are some of the key requirements with which we must comply:

Every financial transaction must be supported by the proper documentation, which includes receipts for expenditures, back up for donations and other deposits, names of donors.

Appropriate controls are in place to monitor expenditures. All spending should be approved by the relevant parties and in accordance with spending guidelines.

Financial activities are to be reported timely during the calendar year. Any transaction specific to a particular year must be reconciled and reported to Field Finance staff in that same calendar period.

All funds received as donations must be in the name of AFS-USA (NOT in the name of the Team or an individual). All donations must be disclosed to AFS-USA or they may be disqualified for tax exempt status.

All bank accounts must be in the name of AFS-USA (NOT in the name of the Team or an individual) and must be linked to the Tax Identification number of AFS-USA.

Each and every bank account that is used in connection with AFS-USA and its programs and participants MUST be disclosed to finance staff.

ROLES AND RESPONSIBILITIES

Treasurer

1. Maintain accurate records that include all income and expenses in compliance with IRS regulations and with Generally Accepted Accounting Principles (GAAP).
2. Responsible for the appropriate use of co-support and locally raised funds, in accordance with the spending guidelines as outlined in this Manual.
3. Team Treasurers and Chairs have the sole authority to approve transactions and are responsible to ensure there are no unauthorized withdrawals from Team bank accounts.
4. Responsible for the timely submission of a complete financial package to the Field Finance team as specified in this Manual.
5. Manage specific aspects of banking relationships and under direction of the Field Finance staff.
6. Ensure that spending is within reasonable limits and/or within the Team's established budget.
7. Support the financial goals of AFS-USA, which may differ from time to time depending on business needs. Such goals will be communicated as necessary.
8. Work as a team with staff in Finance, Team Development, Organizational Development and Volunteer Development.
9. Treasurers should be proficient in working with numbers, possess working knowledge of excel and be able and willing to utilize online tools that are provided as part of the Field Finance process.

Staff

1. On a timely basis, support Chairs and Treasurers as they fulfill their Team financial duties and responsibilities.
2. Help to resolve problems encountered by volunteers and others who manage and report on field financial activities.
3. Build effective working relationships to create strong functioning field finance staff/volunteer partnerships.
4. Train new treasurers and provide ongoing training as needed.
5. Provide technical expertise and assistance.
6. Assist in managing banking relationships.
7. Provide access to reports and statements through a variety of means, commonly through portals such as Global Link or MyAFS.
8. File various reports and registrations on a quarterly or annual basis to agencies and tax authorities, such as:
 - a. The Internal Revenue Service for total operations of AFS-USA
 - b. Charitable registrations for States within which Teams operate so Teams may conduct fundraising activities.

BANKING

Important considerations for BOTH Teams and Chapters

1. For all types of accounts, bank signatories are **required** to be:
 - a. The Team Chair and/or Treasurer
 - b. The Vice-Chair and/or Vice-Treasurer, if applicable
 - c. The President and CFO of AFS-USA
2. When Team leadership changes, Field Finance staff must be notified and new signature cards must be issued under the new leadership signatures.
3. All Team accounts are required to have the same authorized signatories.
4. A husband and wife or other members of the same household may not be signers on an Area Team or Chapter account at the same time.
5. If the status of an Area Team or Chapter is changed to “inactive”, Field Finance will freeze the bank accounts.
6. If the status is changed to “retired” any remaining funds in the bank account will be transferred to the National Scholarship Fund to provide need-based scholarships for students going abroad.
7. When an Area Team or Chapter has more than \$5,000.00 in their local account, the excess funds are required to be deposited into the **New York Account**.

Special instructions for Area Teams

1. May hold **up to two** bank accounts, a primary (co-support) and a secondary (fundraising) account.
2. The primary bank account will be to receive and to spend co-support payments for student activities and is not to be used for scholarships.
3. The secondary bank account must be used only to deposit locally generated funds received through fundraising and to spend on scholarships and other expenses in connection with fundraising activities.

Special instructions for Chapters

1. May hold one bank account, which is to be used for locally generated funds received through fundraising events. (Chapters do not receive co-support).

TYPES OF BANK ACCOUNTS (THREE TYPES)

Centralized accounts (formerly known as “Banking Module” accounts)

1. These accounts will be centralized in NY and established by Field Finance staff for the benefit of the Team/chapter.
2. The funds are held in a separately designated AFS-USA Field Cash account in a Bank of America account in NY.
3. Disbursements and deposits are made by Field Finance staff upon the request of the Team Treasurer.
4. The submission of financial reports to Field Finance is not required.
5. Centralized accounts can be used for co-support and for fundraising
6. Financial reports are compiled by Field Finance staff and posted to Global Link. These reports give full visibility into Team cash balances and financial activities. The statements are accessible to Chairs and Treasurers through a Global Link user ID and password. For assistance in setting up login credentials, please contact Volunteer Development staff. *(see Appendix for instructions about how to access the NY account balance reports).*

Branch accounts (regional Bank of America or Wells Fargo ONLY)

1. Field Finance staff will setup the account at either bank in consult with the Team Treasurer.
2. Signature cards for both of these banks are available on the wiki.
3. Treasurers are responsible to write checks, make deposits at their local branch and access online bank statements.

Local Bank Accounts

1. These accounts may be setup by Chairs and Treasurers ONLY when branches of either Bank of America or Wells Fargo are outside of a 20 mile radius.
2. Volunteers are solely responsible to open the accounts and manage the banking relationship.
3. The account must be opened as a business account in the name of AFS-USA, Inc. and be linked to the AFS-USA tax ID number.
4. Local bank accounts can be opened only if prior approval has been granted by Field Finance staff.
5. Obtain signature cards from the local bank and mail to Field Finance staff for signing by the President and CFO.

INTERNAL CONTROL GUIDELINES

- All checks drawn in amounts greater than \$1,000.00 must have two signatures, with one being that of the Treasurer.
- Checks drawn in amounts less than \$1,000.00 require one signature.
- A check cannot be payable to the check signer.
- Treasurers and Chairs should not approve their own expense reimbursements.
- All payments and reimbursements must have documentation that supports the amount and business purpose of the transaction.
 - If there is no supporting documentation, a missing receipt form is required.
 - If claiming mileage reimbursement, Google or MapQuest driving directions may be submitted as backup.
- Credit cards and debit cards are not authorized at this time. If using Bank of America, an ATM deposit card may be issued. Contact Field Finance for more information.
- Gift cards are considered the same as cash and therefore cannot be given out to host families, volunteers or students.
- Reports **must** be submitted timely (see reporting requirements) in order for accounting to be complete and accurate and in accordance with GAAP.
- All bank accounts must be reported to Field Finance and, if new accounts are being contemplated, consult first with Field Finance staff.
- All cash received by Teams should be accounted for and reported using the Deposit Form. Cash should never be sent in the mail. Instead, it should be aggregated by the Treasurer and converted to a bank check or money order and deposited.

REPORTING REQUIREMENTS (see Appendices for Sample Forms and Instructions)

Reporting requirements differ depending on what type of bank account is in place and whether you are an Area Team or a Chapter.

Timelines for reporting:

Treasurers are responsible for the timely submission of a complete financial package to Field Finance as follows:

- Area Teams – **monthly** by the 20th of the following month
- Chapters – **quarterly** by the 20th of the month following quarter close
- Reports can be submitted electronically, by fax or by mail.
- Any teams consistently late in submitting their reports may have their funds transferred out of their local accounts and placed in the NY centralized bank account.

Reporting requirements for Centralized Accounts:

1. The submission of Finance Report forms is not required.
2. The following documents should be submitted under the following circumstances:
 - a. If a disbursement needs to be made:
 - i. Submit an expense report or a vendor request form with backup documentation. Field Finance will cut the check and mail to the appropriate party.
 - b. For depositing receipts:
 - i. A deposit form should be mailed with the check to the Field Finance Team.
 - ii. When sending checks received as donations, send the check with the Deposit Form to the Development Office, which will track the donations and send acknowledgement letters, pursuant to IRS regulations.
 - c. If you wish to transfer funds between Teams and chapters or between accounts OR if you wish to allocate scholarships:
 - i. Complete the Transfer form and send to Field Finance staff.

Reporting requirements for Branch Accounts and for Local Accounts:

1. The submission of a full Finance Report is required and must be submitted by the stated deadlines above. The Finance Report form is an online tool that can be accessed through a link that is posted on the wiki.
2. The following documents should be uploaded with the online submission:

- a. Receipts and Field Finance Deposit slip form to substantiate all checks written on the account.
- b. The Missing Receipt form, if receipts are unavailable.
- c. Google or MapQuest driving directions when claiming mileage reimbursement at \$0.45/mile.
- d. Vendor invoices and receipts for all purchases.
- e. A copy of the bank statement for all months reported on the Finance Report form.

APPENDIX ONE – IMPORTANT CONTACT INFORMATION

Field Finance
AFS-USA, Inc.
120 Wall Street, 4th floor
New York, NY 10005
Telephone: 646.381.3295
Fax: 646.937.6033
Email: fieldfinance@afsusa.org

Responsible parties:

Susan Goldberg, Chief Financial Officer
Telephone: 646.751.2008
Email: sgoldberg@afsusa.org

Miriam Canela, Assistant Controller
Telephone: 646.751.1853
Email: mcanela@afsusa.org

Jennifer Lui, Staff Accountant – Field Finance
Telephone: 646.751.1856
Email: jlui@afsusa.org

Mustafa Mustafa, Staff Accountant – Field Finance
Telephone: 646.751.1863
Email: mmustafa@afsusa.org

Sheron Lewis, Grants Administrator
Telephone: 646.751.1862
Email: slewis@afsusa.org

Volunteer Registration
Telephone: 800.AFS.INFO, option 4
Email: vol.reg@afsusa.org

APPENDIX TWO – CO-SUPPORT FUNDING

Area Teams receive co-support based on the actual number of students hosted and sent from their Team as reported in Global Link. Another factor used to calculate co-support is the type and length of the program.

Co-support for **hosted** students is meant to cover expenses related to student support, orientation and enrichment and certain other purposes, as outlined below. It is also used to pay for costs related to **sending** students abroad.

Timing of co-support payments is as follows:

SH Program – May
NH Program – October

Payments by program length are as follows:

<i>Hosting Programs</i>	<i>Program Length</i>	<i>Co-Support Payment Amount</i>
(All Hosting Programs)	Year Program	\$215.00/participant
	Semester Program	\$190.00/participant
<i>Sending Programs</i>	<i>Program Length</i>	<i>Co-Support Payment Amount</i>
(All Sending Programs)	Year Program	\$115.00/participant
	Semester Program	\$95.00/participant
	Summer Program	\$50.00/participant
	Trimester Programs	\$50.00/participant
	Short Programs under 4 weeks	\$50.00/participant

Important Notes:

Teams will only receive co-support payments if they are current in submitting their monthly reports.

Teams may roll-over unused co-support funds from year to year. It is **highly** encouraged that Teams spend co-support in the program year to which the funding applies.

At a minimum Teams should spend 80% of the co-support in the year it is received.

AFS-USA reserves the right to reduce future co-support funding if a team builds up a balance which is not spent for more than 3 years.

Spending Guidelines for co-support payments

Co-support payments can be used to cover the following:

- Hosting and sending orientations
- Recruitment and related activities
- Volunteer Team meetings
- Returnee activities
- Promotion and marketing activities
- Regional and national training
- Mileage reimbursements
- School presentations
- Student enrichment activities, such as local events, trips, incidentals, etc.
- Attendance at regional or national trainings and other AFS-related meetings
- Recognition of volunteers, host families, schools and/or natural parents

*Co-support payments **cannot** be used to cover the following:*

- Scholarships for AFS students
- Cost of merchandise that will be resold as part of a fundraiser
- Host family expenses
- Legal fees incurred by participants or host families, fines and insurance deductibles
- Contractual agreements that benefit an individual (i.e., personal cell phone)
- Good or services for personal use
- Personal expenses of volunteers or participants that are not directly related to AFS programs
- Sponsored program student expenses

Important Note: Gift cards are considered the same as cash and therefore cannot be given to host families, volunteers or students.

APPENDIX THREE – SPONSORED PROGRAM STUDENT EXPENSES

Special Considerations for Sponsored Program Students

Certain sending and hosting costs for some of our participants are funded by restricted grants received from the U.S. government. Along with these grants comes a requirement for detailed accounting and reporting. The nature of sponsored program expenses include enrichment and cultural activities, medical expenses, incidentals and other expenses solely related to SP students.

The expenses for sponsored program students can **only** be paid out of the AFS-USA bank account. Co-support is not to be used to pay expenses of the nature described above. AFS-USA will either reimburse you for any out-of-pocket expenses you may incur or pay a vendor directly on behalf of the SP student or for the SP program in general.

You should use the Expense Report form to submit these expenses for reimbursement. Please submit all receipts and other required substantiation as outlined below.

To be receive reimbursement for these expenses you must submit the following:

- An expense reimbursement or vendor payment form with a justification of the expense.
- Leave the coding blank for these expenses.
- Instead of sending the expense report or vendor payment form to Field Finance, please submit to the Sponsored Program Department (see address in the Appendix).
- If you are seeking reimbursement for a sponsored program participant's medical care, school supplies, etc. please provide the name of the participant.

APPENDIX FOUR - FUNDRAISING

Fundraising in its various forms is often conducted as part of meeting a Team or Chapter's need for additional financial resources. In the course of making public appeals or holding events designed to raise money, there are some basic facts which must be considered. As stated before, these facts have important implications for the entire AFS organization and for the donor. The following sections highlight the areas that are of particular interest to AFS-USA.

Fundraising must be conducted in the name of AFS-USA, Inc.

AFS-USA, Inc. is the only legally recognized entity that is registered in the states in which we operate. Any group raising funds and using a name other than AFS-USA subjects itself, the organization and its donors to potential legal liability and loss of not-for-profit status within that state. AFS-USA is required to report all of its revenue and expenses on Federal Form 990 annually. We are also required to report all donations specific to each state to that state's charitable registration bureau and tax authorities.

Area teams and Chapters may generate funds locally through direct appeals, special events, gifts-in-kind and donated expenses.

Any funds generated through fundraising activities are to be deposited in a Team's local account or in the centralized NY account. They must **NOT** be co-mingled in accounts that receive and disburse co-support funding.

Types of Fundraising

Special fundraising events

If a fee or ticket price is charged to an individual who attends an event **only the amount of the fee/ticket that exceeds the value of the benefit received by the attendee (dinner and/or dance and/or similar value) is tax deductible.**

The full amount of the fee/ticket is not tax deductible. The amount that is tax deductible must be disclosed in writing (on the ticket) thus fulfilling the organization's responsibility in duly notifying the attendee of what can be considered tax deductible. For example: An event ticket is \$100. The actual cost is \$10 per person for the event. Only \$90 can be considered a donation, the difference between the actual cost and the ticket price.

Contributions made to AFS-USA, Inc.

Gifts of **\$250.00 or more** must be acknowledged in writing by each Team and the acknowledgment letter must indicate the amount of the gift received. Gifts of \$1,000 and more must be acknowledged in writing by the Development Office of

AFS-USA. A sample letter is located on AFS Wiki. All letters must include the following statement ***“AFS-USA, Inc. has not provided any goods or services in exchange for this gift. This letter serves as a receipt for your gift.”***

Gifts in kind and Non-cash donations

There are occasions when someone will donate goods, services or out-of-pocket expenses that are utilized in the delivery of AFS programs. Such non-cash items could be food, meeting space, free air travel, or hotel rooms. Such non-cash gifts should be submitted on an expense form with a note that the expenses are to be recorded as a donation. If the donor asks for a receipt, a letter/form should be issued which lists the gift/s. **No value is to be indicated by an AFS volunteer.** The donor should seek the advice of a tax professional to determine the amount that may be deductible. The amount of the donated expenses should be noted in the appropriate field on the Expense Report form.

Restricted Contributions received by Teams/Chapters

Restricted contributions are those made by donors that are for a **specific named purpose** and which are also **time sensitive**. Most donations of this type that are raised in the field are to fund scholarships.

All restricted donations must be sent to the Field Finance Department, along with any supporting written documentation received from the donor. **These donations should NOT be deposited into Local bank accounts.**

Important Note: Payments made on behalf of specific program participants are not contributions and are disallowed as tax deductions.

Gifts made to AFS-USA, or a Team or Chapter, for a specifically mentioned participant **are not** tax deductible. In this instance AFS-USA becomes a conduit for a payment that benefits a specific person not AFS-USA. This type of transaction is expressly prohibited as a tax deduction by the IRS.

The only means by which a donor may assist in sending students abroad is through a gift to a scholarship fund. This fund must be administered by a scholarship “committee” which makes awards based on a specific set of criteria established by the fund and which are communicated to the donors.

APPENDIX FIVE - CERTIFICATES OF INSURANCE

AFS-USA, Inc. has a very comprehensive insurance package, which is provided to all partners through AFS International. Certain portions of this coverage apply to various AFS program components and volunteers, including:

Coverage for space used for special events

There are occasions when space owned by another individual or organization (vendor) is needed for use by the Area Team/Chapter for AFS events and activities. In providing this space, the vendor may require a certificate of insurance for protection against losses. A copy of the AFS-USA CERTIFICATE OF INSURANCE APPLICATION should be completed and forwarded to the Field Finance Department.

Applications should be submitted **at least 30 days** in advance of the event. A Certificate of Insurance will be issued directly to the vendor. A copy of the certificate will be sent upon request to the Area Team or Chapter who submitted the application.

APPENDIX SIX - GUIDE TO FIELD FINANCE FORMS

NOTE: Instructions are embedded in all the forms. You can complete certain fields by utilizing drop down menus.

Name:	How/When	Purpose
Certificate of Insurance Request Form	Fill in the blank fields on the form. <i>Submit to Field Finance 30 days prior to your event.</i>	To request an insurance certificate for an event hosted by volunteers, teams, or chapters at an offsite location.
Deposit Slip	Submit with every deposit (centralized accounts only).	Used by teams or chapters wishing to make a deposit or reimbursement into their centralized NY account .
Finance Report Form-Area Team ONLINE FORM	<i>Submit monthly by the 20th of the following month to Field Finance.</i> Must be submitted with all receipts, invoices and any other documentation to support transactions.	FOR LOCAL BANK ACCOUNTS Used by Area Teams to report all account transactions, financial activities and monthly bank reconciliations. Submit a separate finance report form for each account held by your team.
Finance Report Form-Chapter ONLINE FORM	<i>Submit quarterly by the 20th of the following month to Field Finance.</i> Must be submitted with all receipts, invoices and any other documentation to support transactions.	FOR LOCAL BANK ACCOUNTS Used by Chapters with local banks to report all account transactions, financial activities, bank statement for each month and quarterly bank reconciliations. Submit a separate finance report form for each account held by your Chapter.
Missing Receipt Form	Complete all fields as indicated and submit with Finance report form.	To provide substantiation for disbursements when receipts are not available.
Transfer Form	The form contains fields for both internal transfers and scholarship transfers. <i>Transfers between Co-support and fundraising accounts are not allowed.</i>	FOR CENTRALIZED NY ACCOUNTS ONLY To be used in the following circumstances: - to transfer funds to a Chapter and vice versa - to transfer funds between accounts - to allocate scholarship funds to a selected student

Vendor Payment & Expense Report Forms	<p>The Expense Report form is to be used for out-of-pocket expenses. The Vendor Payment form is used when Vendors are paid directly.</p> <p><i>Submit vendor and expense forms with original invoices and explanation of expense.</i></p> <p>Lead time for check generation is one week.</p> <p><i>Submit with Finance Report form if you have a local bank account.</i></p> <p>Form is used by all teams regardless of bank type.</p>	<p>FOR CENTRALIZED NY ACCOUNTS:</p> <ul style="list-style-type: none"> - To request a reimbursement for out of pocket expenses, or - For payments to vendors. - They must be mailed to NY field finance at least a week before any check can be cut. <p>FOR ALL LOCAL BANK ACCOUNTS:</p> <ul style="list-style-type: none"> - Submit a vendor payment form with original invoices, receipts, and documentation, or - Submit an expense report form with appropriate back up. - This form must be submitted to back up any checks that have been written.
Bank of America and Wells Fargo Signature Card	<p>Complete all sections and send to NY to add President and CFO.</p>	<p>When a signatory on the account changes (Chair or Treasurer changes)</p>
Chart of Accounts	<p>To be used when completing most forms. Supersedes all prior codes.</p>	<p>The new account codes are embedded in most of the forms you will use. Drop down menus will give you quick access to all codes required.</p>

All tools necessary to fulfill the role of Treasurer can be accessed through the wiki, until they are migrated over to MyAFS. We will inform you as we get closer to the date when all documents will be moved.