

**MUSEUM OF  
LATIN  
AMERICAN  
ART**

**Policy and Procedures Manual**

**2014**

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# Fixed Asset Policy and Procedures

## A. Purchases of Fixed Assets

- a. Fixed asset purchases will follow the same guidelines as normal disbursements. Authorization for these purchases are as follows:

\$0.00 to \$250.00	Level 1 Department Manager.
\$250.01 to \$1,500.00	Level 2 Department Vice President
\$1,500.01 to \$2,500.00	Level 3 VP of Finance
\$2,500.01 to \$5,000.00	Level 4 President
\$5,000.01 and up	Level 5 Chairman of the Board

- b. Purchases or donations (in-kind contributions) of assets that exceed \$500 should be capitalized as a Museum asset. This applies to all assets except computer, audio, and visual equipment which may be capitalized even though it is under \$500.
- c. Any amount spent on an existing fixed asset that increases the life of the asset by improvement or addition will also be capitalized regardless of the amount.

## B. Accounting for Fixed Assets

- a. Fixed assets will be depreciated using the straight-line methodology and expensed annually. If the asset is bought before June 30th, the asset will be depreciated for the whole year. If the asset is bought after June 30th, the half-year convention method will be used or ½ of the depreciation will be expensed for the whole year of the purchase.
- b. The assets usual life will be based on the following:

Office Equipment	5 - 7 Years
Vehicles	5 - 7 Years
Audio Visual Equipment	5 - 7 Years
Computer Equipment	5 - 7 Years
Building and Improvements	39 Years

# Cash Receipts Policy and Procedures

## A. Receiving Money

- a. All museum registers will be reconciled every evening by the department supervisor or department manager.
  - i. At the end of each shift, VSA and store cashiers must reconcile their drawer and properly record in the POS system. All discrepancies must be explained in email form sent to Finance.
  - ii. A summary sales report must be saved to the server.
  - iii. The cash and sales receipts must be dropped in the museum safe at the end of the day. Finance department will retrieve all sales drops on the following business day.

## B. Depositing

- a. The deposits will be made daily, Monday through Friday. All weekend sales will remain in the safe until Monday.
  - i. All department sales will be audited and entered into the Accounting system daily by the Finance Department.
  - ii. The Finance Department will endorse and fill out the deposit slips, and scan and save all checks received.
  - iii. The Finance Department will drive to the bank to make the deposits.
  - iv. All deposit receipts will be filed with the Finance Department.

## C. Bank Reconciliation

- a. The bank reconciliations will be prepared before the 20th of every month for the prior month bank statement by the Finance Department.

# Cash Disbursements Policy and Procedures

## A. Receiving Payables

- a. The Visitor Services Associates will be responsible for receiving and distributing the office mail/bills to all departments.
- b. Each department manager will be responsible for managing their department's expenses and submitting expenditure request forms. Each department manager will be responsible for getting authorized signatures of Level 1 & 2 on the expenditure request forms and properly coding the expense with the given chart of account code. Electronic signatures that are password protected, such as Adobe Digital Identification, are acceptable authorizations. Authorization levels are as follows:

\$0.00 to \$250.00	Level 1 Department Manager.
\$250.01 to \$1,500.00	Level 2 Department Vice President
\$1,500.01 to \$2,500.00	Level 3 VP of Finance
\$2,500.01 to \$5,000.00	Level 4 President
\$5,000.01 and up	Level 5 Chairman of the Board

- c. The expenditure request form invoices will need to be converted to a pdf format and emailed to [eforms@molaa.org](mailto:eforms@molaa.org) no later than noon Tuesday of every week so they can be processed that week.
- d. Finance Department will obtain authorized signatures for Level 3, 4 and 5.

## B. Processing Payables

- a. All expenditure request forms received on or before noon on Tuesday will be processed into the account software that week in order to pay on term. If the expenditure request form is received after noon on Tuesday then it will be processed into the accounting software the following week.
- b. All expenditure request forms should have supporting documentation included in the authorized pdf. The expenditure request form will not be processed into the accounting software without proper supporting documentation. (I.e. invoice, sales receipt, contract, etc.).
- c. If the expenditure request form is missing proper documentation or authorization, the form will be returned electronically to the requesting department with the missing information noted for correction and resubmission.

- d. Expenditure request forms will be uploaded into the accounting software when processed.
- e. Expenditures will be paid on the terms stated on the supporting documentation. Any supporting documentation without a due date will be treated as 'Net 10'.
- f. Payments should not be made prior to services rendered unless otherwise stated in the supporting documentation. MOLAA's standard contract terms shall be 'Net 15'.
- g. The Finance Department will print checks every Thursday.
- h. All payables will be mailed from the Finance Department with the exception of requests to have checks returned to the department for distribution from their office.

**C. Emergency Request for Payables**

- a. Checks may be processed at a time other than Thursday by written request to the Vice President of Finance.
- b. Only the Vice President of Finance may approve an emergency request for payment.
- c. Payment may not be approved if:
  - 1. Funds are not available.
  - 2. Proper documentation is not present.
  - 3. An authorized check signer is not available
- d. The checks will follow the same approval process and required signature guidelines as described above.

**D. Petty Cash**

- a. MOLAA will keep petty cash available for purchases. Petty cash will be located with a manager designated by the Finance Department. The designated manager will be responsible for the disbursement of cash and receiving of receipts.
- b. Petty cash will be used for purchases under \$80.
- c. Petty cash may not be utilized to reimburse staff.
- d. Following the purchase, and expenditure form for the purchase along with a receipt and change, shall be returned to the designated manager.
- e. When funds are low in petty cash, the designated manager will submit the expenditure request forms for all purchases to the Finance Department. The Finance Department will audit the forms and receipts and replenish the petty cash.

# Retail Operation Policy and Procedure

## A. Accounting for Inventory

- a. The manager for the store will be responsible for all inventory functions.
- b. The department manager is responsible for the purchases of all products to be sold.
- c. Anyone within the store can receive or sign off on delivered products. They must check each item so that it matches the invoice and/or purchase order.
- d. Payments for inventory will follow the same guidelines as normal disbursements with the addition of a receiver or purchase order.
- e. Receivers or purchase orders will be from the current Point of Sale (POS) system.

**Receiver** is used if the items have been delivered or received. The receiver will consist of an itemized list with the cost of each product and its shipping cost. The receiver must equal the invoice received in order for the Finance Department to accept it. The Voucher date must be the same date the items were received. The Finance Department will book the payable using the same date as the receiver. All receiver entries will be booked as an inventory asset. Any receiver adjustment must be authorized by the Vice President of Finance and provided electronically to the Finance Department.

**Purchase Order** is used if the items have not been received and need to be paid before delivery. The Purchase Order must consist of an itemized list with the cost of each item and its shipping cost if provided ahead of time. The Purchase Order must have support such as an invoice. The amount on the PO must equal that of the invoice or support from the vendor. Purchase Orders will be booked in the accounting system as Prepaid Inventory. Once the items are received a Receiver from the POS must be generated and submitted with the final invoice to verify that everything was received. Once the Finance Department receives the Receiver and support, the amount will be removed from Prepaid Inventory and entered as an Inventory Asset. If there are items missing or price discrepancies please make note of how the discrepancy will be handled. Example: Not all items were received. Please note if the items will be sent later or if the store will issue a credit.

## B. Physical Inventory

- a. The department manager will be responsible for coordinating and performing the physical inventory.
- b. Finance will conduct random inventory spot checks.
- c. The Store will perform an annual inventory count near the end of the fiscal year.
- d. All damaged items that are not going to be sold are removed from the inventory. When these items are removed from the POS system, an itemized report needs to be generated and signed by the Vice President of Finance before disposing of them.
- e. All overages and shortages shown on the POS systems physical inventory sheet should be investigated to make sure items were not counted twice or not counted at all.
- f. The Store manager will submit their physical inventory results to the Finance Department, where they will compare inventory (\$) totals to the accounting systems inventory total.
- g. Any discrepancies found by the Finance Department should be investigated immediately. The Finance Department may perform a random item count to test the initial physical count if necessary.

C. **Banquet Facility Accounting Procedure**

- a. All sales contracts and account receivable will be managed through the Banquet Sales Manager.
- b. Copies of room rental contracts and payments must be submitted to accounting once they are received. The Contract should list out the room location, the rate, the date, total people, and any additional rentals that will be provided by MOLAA.
  - i. If the event is catered then a copy of the Caterer agreement/contract with the client must be submitted to accounting with the Room rental contract or at least before the day of the event.
- c. All payments for room rentals must be paid in full no later than 30 days before the event.