

Massachusetts Hockey, Inc.

Financial Management Policies



7/1/2011

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Administrative Management/Financial Management Policies

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FISCAL CONTROL

POLICY: Massachusetts Hockey has written procedure that its Board of Directors is responsible for fiscal policy, management and control.

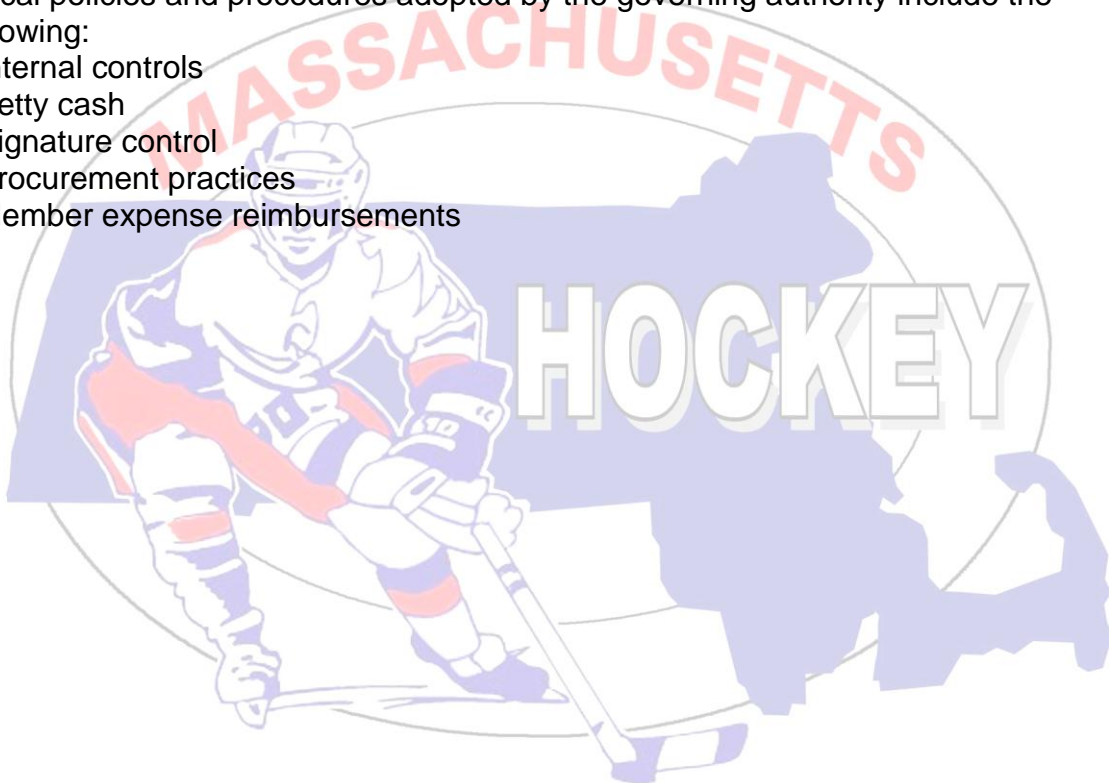
PROCEDURE:

Administrative Authority

The Board of Directors of Massachusetts Hockey is responsible for fiscal policy, management, and control. The Treasurer has been delegated the authority to manage this fiscal area. Effective internal controls and the safeguarding of assets are essential elements of this policy.

Fiscal policies and procedures adopted by the governing authority include the following:

- Internal controls
- Petty cash
- Signature control
- Procurement practices
- Member expense reimbursements



BUDGET PREPARATION

POLICY: Massachusetts Hockey has written procedure for the development of the yearly operating and capital budget.

PROCEDURE:

Budget Development/Board Approval

Massachusetts Hockey will develop a fiscal budget annually for the fiscal year of July 1 to June 30. The Treasurer with the assistance of a duly appointed Committee (Finance Committee), will prepare an annual budget request under the guidelines and directions of Massachusetts Hockey Board of Directors. The operating budget links program costs with the necessary resources. Input from all Registrars/Program Chairs is requested as the final document is prepared.

Each board officer, committee chair and Finance manager (responsible party) who directs the expenditure of funds on behalf of Massachusetts Hockey is required to prepare a budget request and submit it to the budget committee in accordance with the committee's established schedule. In the event a budget request is not submitted in accordance with the committee's request, the committee shall arbitrarily establish an appropriate amount to be included in the total budget or shall recommend to the board that the program be suspended until such time as a proper budget is prepared. This arbitrary amount, if established, shall be separately identified to the board, which may elect to amend or disallow such budget item(s)

The Massachusetts Hockey Finance Committee will review the budget requests, recommend revisions, and present the budget for approval to the full Board of Directors. Massachusetts Hockey's Board of Directors will have the responsibility and power to grant final approval of the yearly budget. The fiscal budget will be prepared by May of each year. The budget will then be submitted to all Massachusetts Hockey Board Members for their study and adoption at the Board's regularly scheduled summer meeting or by June 30, whichever occurs first.

Capital Budget:

The Board's President, with assistance from the Treasurer and, if so determined by the, Board's President other members of the Board, will develop a capital expenditures budget for any office equipment and other items for which ownership will be retained by Massachusetts Hockey (items with an acquisition cost of greater than \$2,000 and a life expectancy of a minimum of 3 years is considered capital equipment. Input from other budget managers will be utilized as the capital budget document is finalized. The final capital budget will be presented to the Finance Committee for review in May of each year. It will then be submitted to the Board of Directors for their study and adoption at the Board's regularly summer meeting or by June 30, whichever occurs first.

ADMINISTRATIVE REVIEW OF THE BUDGET

POLICY: Massachusetts Hockey has a written procedure that requires the Treasurer to conduct budget reviews with budget managers on a quarterly basis.

PROCEDURE:

Budget Administration

The Treasurer will present the annual budget to the Finance Committee. The Finance Committee, with assistance from the Treasurer will review the budget request, recommend revisions, and present the budget for approval to the full Board of Directors.

Program Budgets

Once the Massachusetts Hockey Board of Directors has approved the overall budget, the responsibility for individual District budgets rests with the District Registrar, who is also considered to be the budget manager. The Book Keeper shall oversee the program budgets and shall provide the budget manager with a report of the program's budget status on a timely basis.

Expenditures in excess of the approved budget are not permitted. The ultimate budget administration responsibility belongs to the Massachusetts Hockey officer or director under whose guidance the program falls.

The Finance Committee will annually approve the schedule of amounts paid for stipends, coaching, referee and timekeeper expenses, as well as guideline on other expenses.

The board of directors may make budget revisions at any time by requesting the change through the Finance Committee.

BUDGET REVISIONS

POLICY: Massachusetts Hockey has a written procedure for revisions to the annual operating budget.

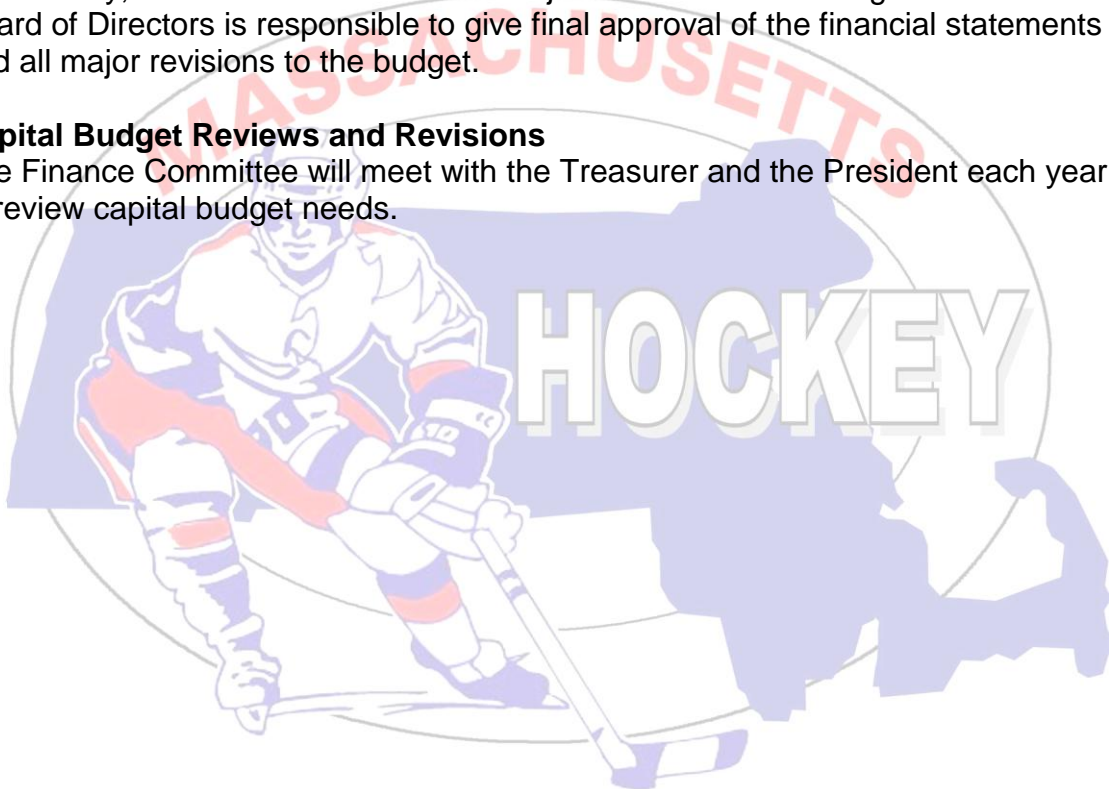
PROCEDURE:

Operating Budget Reviews and Revisions

The Finance Committee will meet with the President and, if appropriate, a cognizant budget manager on an as needed basis for review of current program needs for fiscal management and financial projections. The Finance Committee's chairperson will give to the full Board of Directors at least quarterly, a financial report of all expenditures as it relates to the budget. Additionally, the committee will review major revisions to the budget. The full Board of Directors is responsible to give final approval of the financial statements and all major revisions to the budget.

Capital Budget Reviews and Revisions

The Finance Committee will meet with the Treasurer and the President each year to review capital budget needs.



CASH MANAGEMENT

POLICY: Massachusetts Hockey has written procedure to assure that all funds received by the organization are placed daily in an officially designated and secure location.

PROCEDURE:

Officially Secure Location

All funds are receipted as they arrive at the Massachusetts Hockey Business Office and held in a secure location until a bank deposit is made.

Handling of Funds:

All funds collected from membership fees, sponsorship fees and each program are deposited in a Massachusetts Hockey designated depository, into Massachusetts Hockey's general checking account, on the same day that they are received. All checks received must be endorsed utilizing the deposit stamp provided, prior to forwarding the deposit to the Treasurer. Expense payments are developed and charged against the general checking account as well. Funds that have been donated to Massachusetts Hockey for a specific purpose shall be recognized as restricted assets. Special accounts have been developed for these funds and are reconciled on a quarterly basis.

NSF Checks

Checks returned for non-sufficient funds will be automatically forwarded for collection to an authorized agency specializing in this activity. The selected agency will have electronic funds transfer (EFT) and automated clearing house (ACH) capability.

INTERNAL FISCAL MANAGEMENT

POLICY: Massachusetts Hockey has written procedure for internal fiscal accounting control.

PROCEDURE:

Chart of Accounts

Massachusetts Hockey utilizes a descriptive chart of accounts that reflects the operations of the organization. The account system properly reflects assets, liabilities, and fund balances. The structure isolates all revenue and expenditures and is tied into the budget process.

Method of Accounting

Massachusetts Hockey follows Generally Accepted Accounting Principles (GAAP) and uses the accrual method of accounting for non-profit corporations. Assets are divided into three categories: unrestricted, temporarily restricted and permanently restricted assets.

Recording of Revenues and Expenses

Massachusetts Hockey posts all revenues and expenses to the appropriate Accounts Receivable or Accounts Payable section of the chart of accounts. These accounts are posted on at least a monthly basis. The Book Keeper is responsible for the end of month computer listing of the general ledger, trial balance and balance sheet. The financial reports include a year-to-date summary of financial operation. These reports are submitted by the Treasurer to the Finance Committee and each member of the Board of Directors on a quarterly basis.

Safeguarding and Verification of Assets:

All assets are identified and separated into distinct categories on the balance sheet. These categories include the following:

- Cash and cash equivalents
- Receivables
- Inventories (if any)
- Prepaid expenses
- Property and equipment

Massachusetts Hockey has a fixed asset system that lists each asset. This schedule is submitted annually to the certified public accountant conducting Massachusetts Hockey's annual audit.

Management establishes and maintains internal cash controls. The Treasurer or his/her designee receipts all checks and cash. The Treasurer oversees the reconciliation of all bank accounts.

Expenditure Control

All budget managers are required to submit receipts for verification of all expenditures. In general, all expenditures need to be approved in advance through the budget approval process. Payables are matched with receipts and receiving reports prior to payment.

Separation of Duties

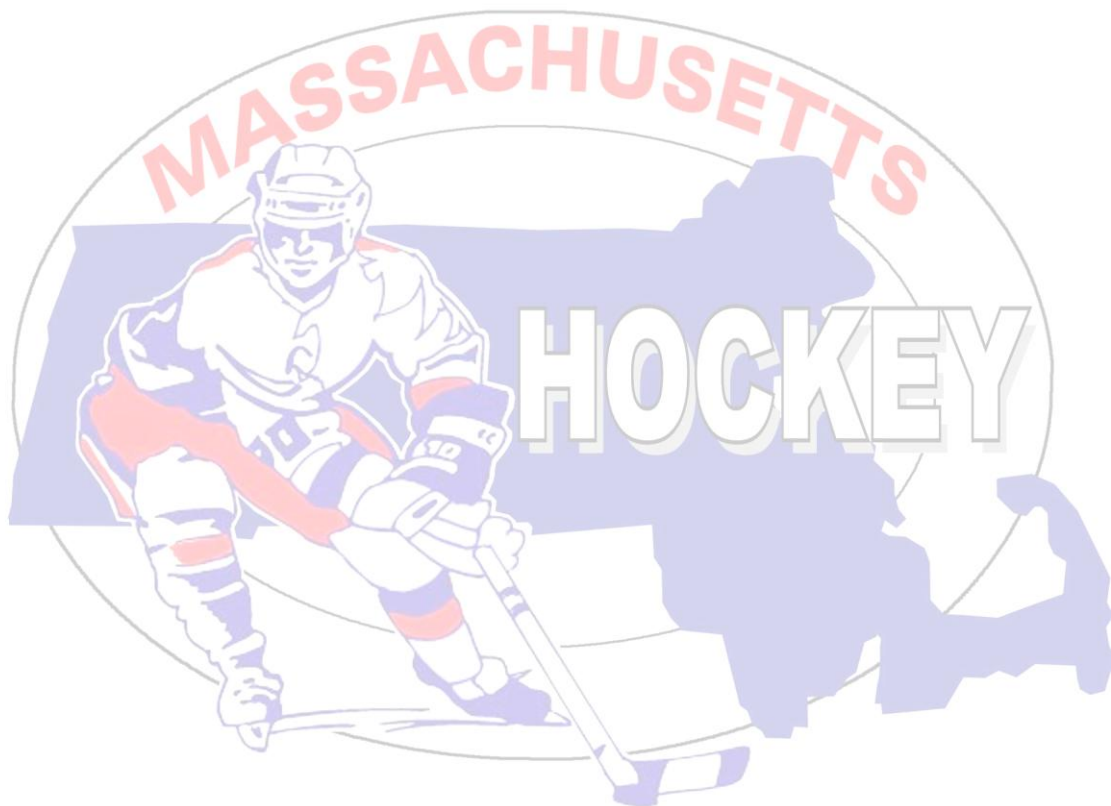
The Massachusetts Hockey Treasurer is responsible for the collection and disbursing of funds for payments of accounts payable. The Book Keeper reviews all invoices. Two approved signatures are required on all checks in the amount of \$10,000.00 or more, the Treasurer and President.

Reconciliation of Bank Statement

The Treasurer is responsible for reconciling the monthly bank statements on a timely basis under the supervision of the President. Reconciliation reports will be forwarded to the President and Audit Committee,

Fiscal Year

Massachusetts Hockey's current fiscal year is July 1st to June 30th.



OFFICERS AND DIRECTORS EXPENSE REIMBURSEMENT

POLICY: Massachusetts Hockey has written procedure for the reimbursements of expenses for its officers and directors. All Massachusetts Hockey District Registrars are responsible for the expenses of their District Directors, with the exception of one nights lodging at the Annual Meeting.

PROCEDURE:

Allowable Expenses:

1. Officers and directors are entitled to reimbursement from Massachusetts Hockey for certain expenses incurred while conducting Massachusetts Hockey business. Those expenses that are eligible for reimbursement are:
 - a. Mileage - Per mile basis for use of personal vehicle, based upon shortage distance mileage calculated from state map or from an approved computer program such as MapQuest, Google and the like.
 - b. Parking Fees - When attending eligible events
2. Expenses for entertainment not otherwise defined herein shall not be eligible for reimbursement unless such expenditures are a budget item specifically identified in the budget and approved by the Board of Directors.

Eligible Events:

Expenses incurred during the following events are eligible for reimbursement:

1. USA Hockey Meeting Attendance
 - a. Officers/directors who have been elected as representatives by the Board of Directors or appointed by the President to attend a regularly scheduled USA Hockey meeting are entitled to the reimbursement of expenses for air fare, hotel and per diem. Other officers/directors who elect to attend USA Hockey meetings shall do so at their own expense, unless expenses for meeting attendance is clearly defined in the Board approved budget.

Office Expenses

1. District Registrars

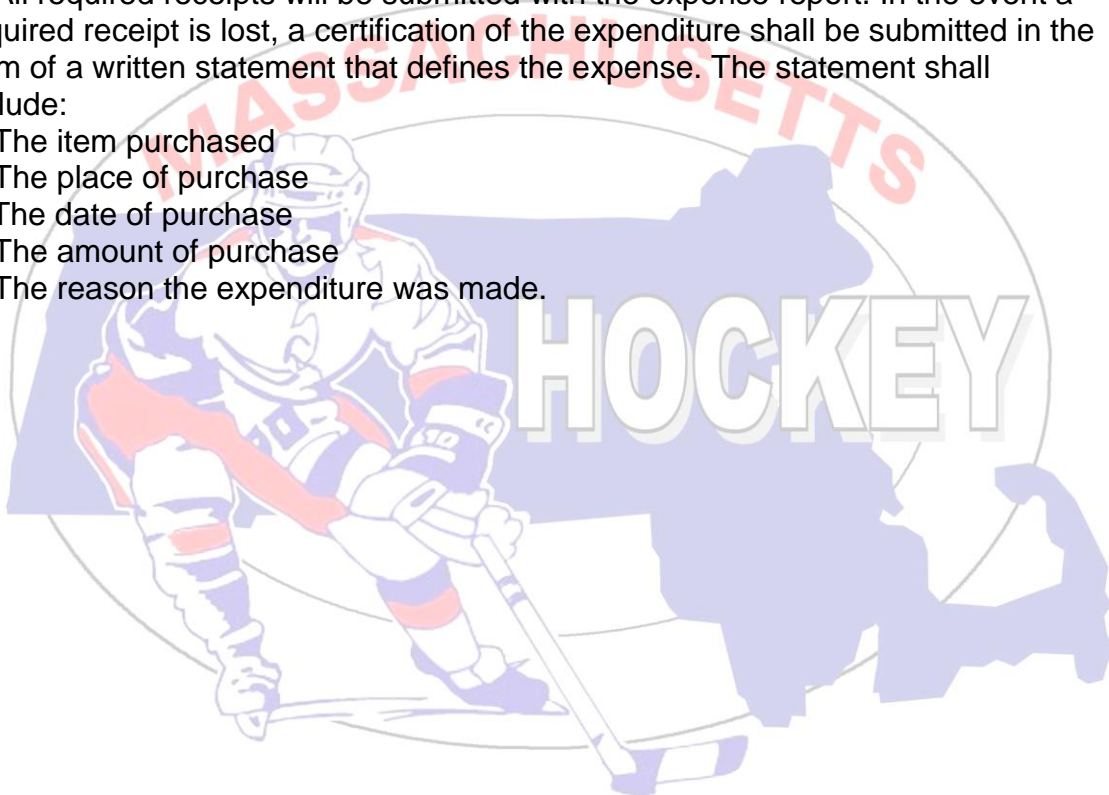
a. District registrar's expenses for phone, fax, postage, supplies, district tournament expenses and the like shall be borne by the registrar's district. In matters where a district director is performing specifically assigned duties for Massachusetts Hockey that are not directly associated with the district's business affairs, expenses for travel, phone, fax postage supplies and the like may be eligible for reimbursement from Massachusetts Hockey, provided that such expenses are first approved by the cognizant Massachusetts Hockey Officer, and are accompanied by a valid receipt.

2. Massachusetts Hockey Officers

a. Reasonable office expenses for Officers and other Board Members who are not district directors for hockey related expenses are eligible for reimbursement from Massachusetts Hockey.

Expense Submission

1. All requests for expense reimbursement shall be submitted on the approved Massachusetts Hockey expense form, prepared and signed by the person requesting reimbursement and shall be submitted to the cognizant District Registrar or committee chair for approval. Once approved, they will be forwarded to the Massachusetts Hockey Bookkeeper for processing. All expense reimbursements shall be made within two (2) weeks from their date of submission.
2. Combining of expenses for more than one person into a single request form is not permitted.
3. Any expense request not submitted within the thirty (60) day time limit stipulated above shall not be eligible for reimbursement.
4. All required receipts will be submitted with the expense report. In the event a required receipt is lost, a certification of the expenditure shall be submitted in the form of a written statement that defines the expense. The statement shall include:
 - a. The item purchased
 - b. The place of purchase
 - c. The date of purchase
 - d. The amount of purchase
 - e. The reason the expenditure was made.



PROGRAM DIRECTORS EXPENSE REIMBURSEMENT

POLICY: Massachusetts Hockey has a written procedure for reimbursement of expenses for those who direct Massachusetts Hockey programs

PROCEDURE:

Eligible Participants:

Any one who manages a Massachusetts Hockey program is eligible for reimbursement of allowable expense when performing duties directly associated with the program, in accordance with the procedure herein. This includes any officers and/or directors of the Massachusetts Hockey Board of Directors who may also be serving as program directors.

Allowable Expenses:

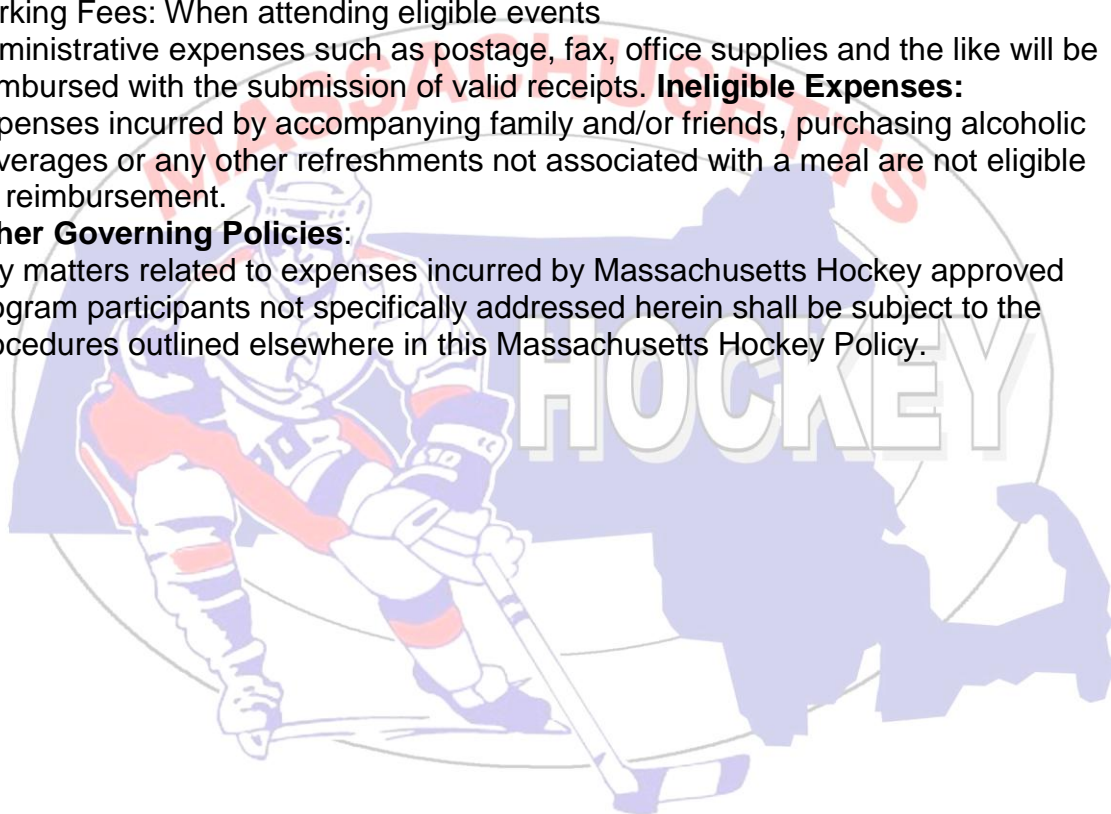
Parking Fees: When attending eligible events

Administrative expenses such as postage, fax, office supplies and the like will be reimbursed with the submission of valid receipts. **Ineligible Expenses:**

Expenses incurred by accompanying family and/or friends, purchasing alcoholic beverages or any other refreshments not associated with a meal are not eligible for reimbursement.

Other Governing Policies:

Any matters related to expenses incurred by Massachusetts Hockey approved program participants not specifically addressed herein shall be subject to the procedures outlined elsewhere in this Massachusetts Hockey Policy.



INTERNAL MONITORING

POLICY: Massachusetts Hockey has written procedure for monitoring on-going fiscal activities. Quarterly financial statements identifying various funding sources as well as an annual audit are prepared and presented to the Board of Directors.

PROCEDURE:

Financial Statement

Massachusetts Hockey prepares monthly and quarterly financial statements. Quarterly financial statements are presented to the Board of Directors. All financial reports identify revenues and expenditures by program and tie them into the budget system.

FISCAL AUDITS

POLICY: Massachusetts Hockey conducts a yearly audit by an independent certified public accountant. A full audit is performed following the end of the fiscal year and the certified public accountant will submit its audit report to Massachusetts Hockey' Board of Directors.

PROCEDURE:

Annual Fiscal Audit:

Massachusetts Hockey's Board of Directors will direct the Audit Committee Chair to implement an annual fiscal audit following the end of the fiscal year. The Chair will secure the services of a certified public accountant. The certified public accountant will conduct their audit in accordance with generally accepted auditing standards. The auditor's will complete an annual audit report and submit said report to the Finance Committee of the Board. The Treasurer will present the audit to the full board.

Public Disclosure:

The President and the Treasurer will maintain a copy of the annual audit report and will make the report available to any member of Massachusetts Hockey for inspection. Copies of the most recently prepared annual report and Tax Return submitted and approved by the Finance Committee will be provided to all members as part of the Annual Report which is distributed at the June Meeting. In addition, the Treasurer shall submit a copy of the annual audit report to USA Hockey.

Annual Filings

The Treasurer will file the annual filing with the State of Massachusetts, Attorney General, with the required attachments. Filing of the annual IRS form 990 and form 990T (if required) will be submitted by the due date, including allowable extensions, as established by the Internal Revenue Service.

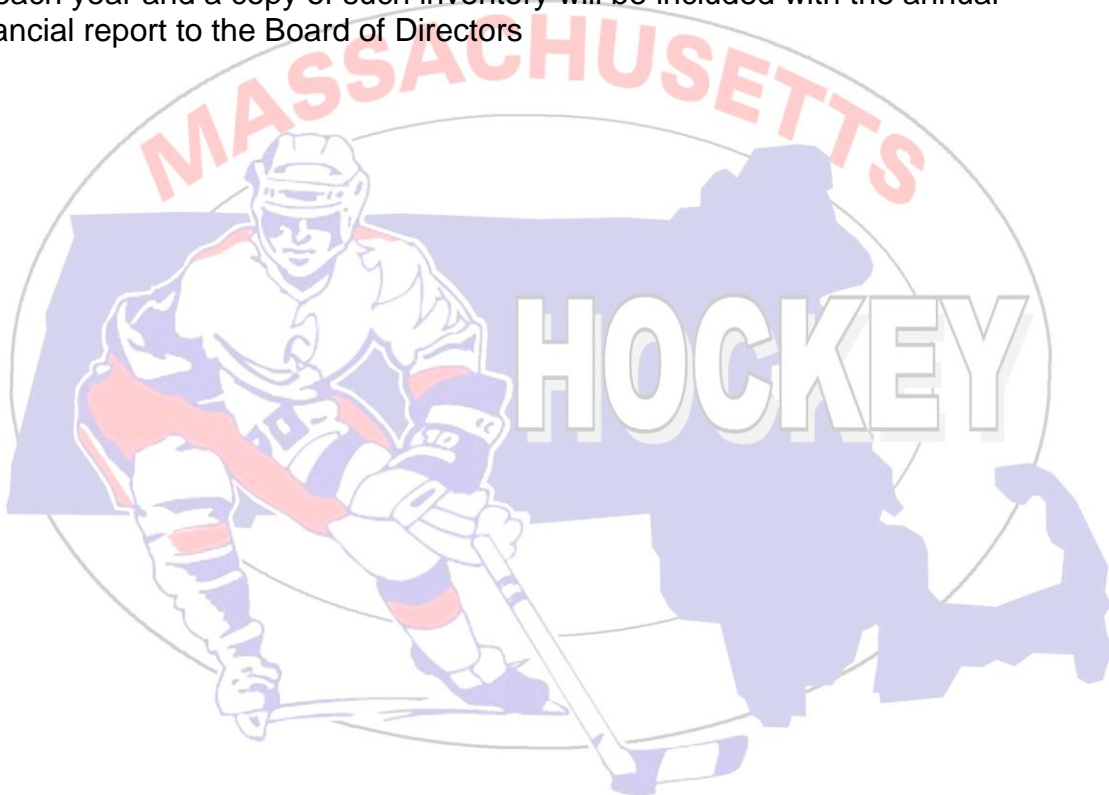
INVENTORY

POLICY: Massachusetts Hockey has a written procedure for inventory acquisition and control.

PROCEDURE:

Major Equipment and Furniture Purchases:

The Treasurer maintains a fixed asset list of all major equipment, furniture purchases and other fixed assets. Copies of this list will be submitted to the Book Keeper and the Treasurer. The fixed asset system identifies the equipment, its purchase price and date of purchase and its current location. Additionally, the equipment is identified by program for which it is being used. The Book Keeper or his/her designee will take an inventory of all fixed assets on or about May 31 of each year and a copy of such inventory will be included with the annual financial report to the Board of Directors



PURCHASE AND CONTRACT BIDDING

POLICY: Massachusetts Hockey has written procedure that governs the purchase of its equipment and supplies as well as the development of a bidding process for major expenditures.

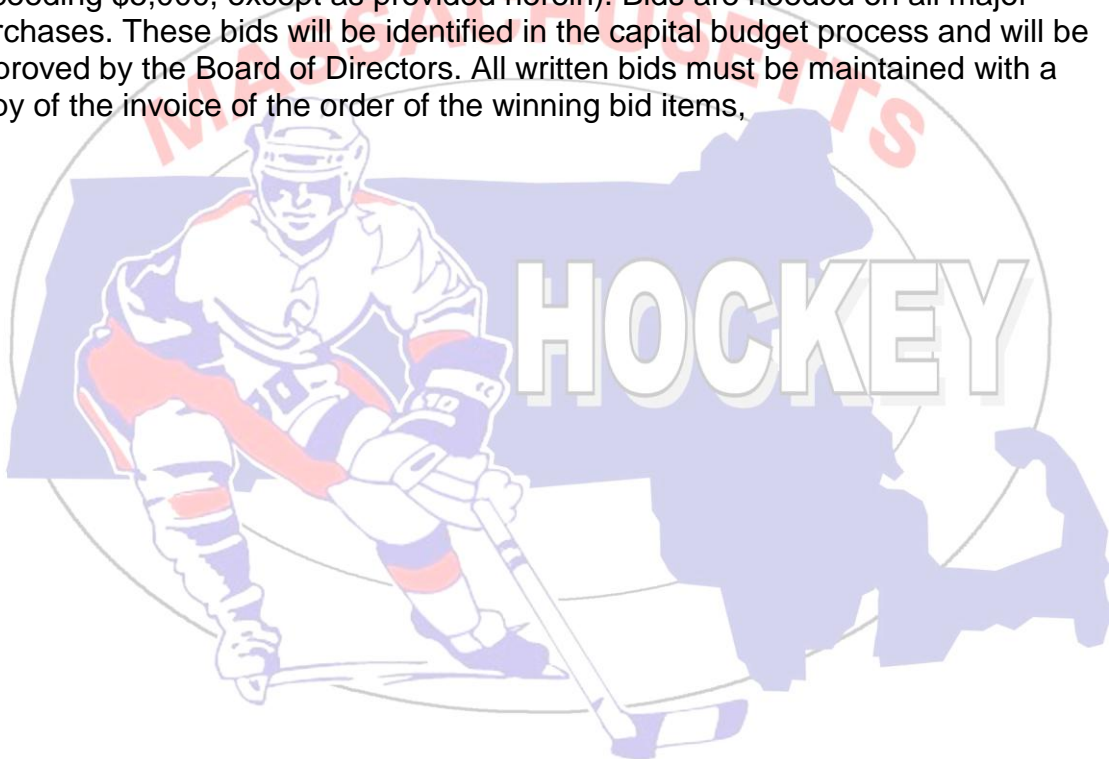
PROCEDURE:

Purchases:

A purchase order system is utilized and prior approval is required. Business purchases are discretionally made based on lowest cost and highest quality offered on comparative specifications.

Bidding Process:

The Program Director, under the direction of the Treasurer, will get, open and approve bids on all major purchases of equipment and service projects (projects exceeding \$5,000, except as provided herein). Bids are needed on all major purchases. These bids will be identified in the capital budget process and will be approved by the Board of Directors. All written bids must be maintained with a copy of the invoice of the order of the winning bid items,



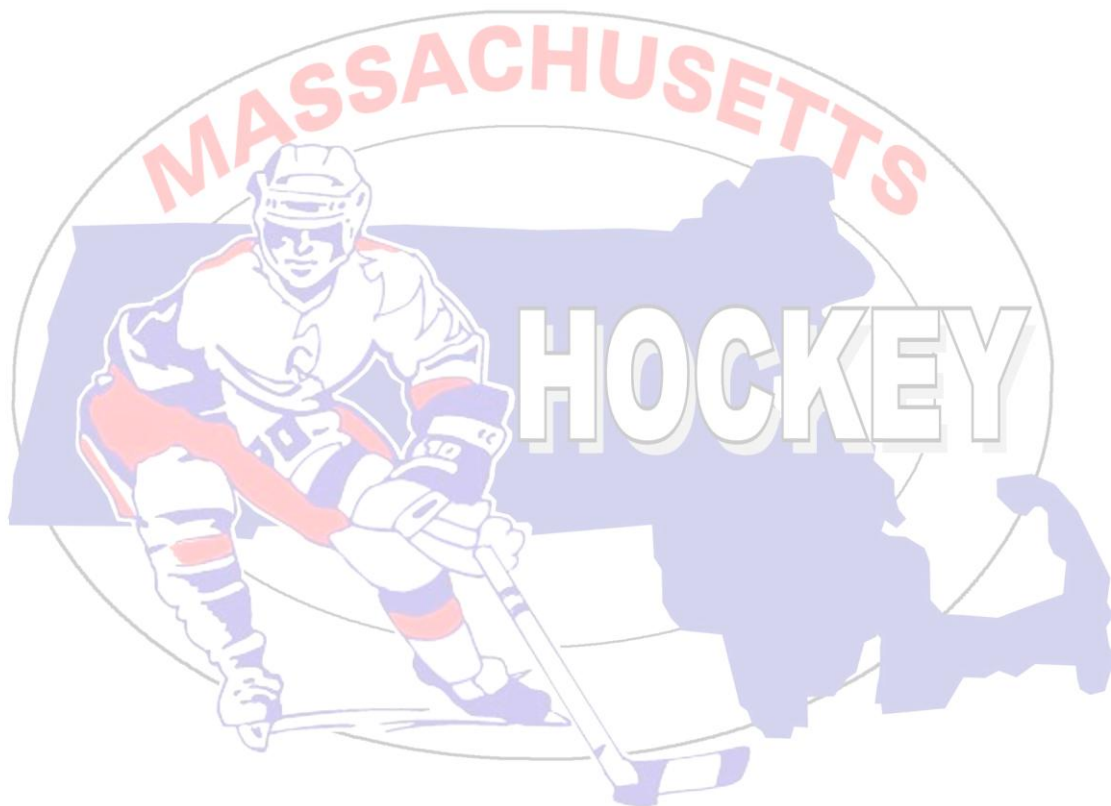
INVESTMENTS

POLICY: Massachusetts Hockey has written procedure for the investment of funds, purchase of securities and other assets.

PROCEDURE:

Investments

1. Unless restricted by donors, funds are unrestricted and can be utilized in the best interest of Massachusetts Hockey. Massachusetts Hockey's primary fiscal objectives are for the preservation and safety of its reserves. In most instances, a targeted reserve of 50% of the annual budget (less depreciation) will remain in reserves



PRIVATE DONATIONS: SOLICITATIONS OF FUNDS

POLICY: Massachusetts Hockey has written procedure for the solicitation and acceptance of funds, establishment of controls over all fund raising, procedures for fiscal responsibility and the right to confidentiality of a donor.

PROCEDURE:

Acceptance:

The Finance Committee will be empowered with the responsibility to accept the donation of funds on behalf of Massachusetts Hockey.

Solicitation:

The Board of Directors is responsible for the procedures for the solicitation of funds or other assets on behalf of Massachusetts Hockey.

Agreements:

Massachusetts Hockey's Board of Directors will approve all written contracts or gifts that are a result of the solicitation of funds (with legal advice as deemed necessary).

Expenditure of Donation or Solicitation:

Massachusetts Hockey will utilize all unrestricted monies received from a donation in the best interest of Massachusetts Hockey. Massachusetts Hockey will honor any accepted restricted gift for the purpose for which it was intended.

Endowment:

All quasi-endowed funds will be deposited into Massachusetts Hockey trust account and are considered unrestricted. These funds will be spent on projects deemed to be in the best interest of Massachusetts Hockey.

Restricted endowed gifts will be deposited into Massachusetts Hockey trust account. Only interest earned from the endowment can be spent for the purpose for which it was intended.

Administrative Cost:

Massachusetts Hockey will maintain reasonable cost for the administration of fund raising activity and may use professional services for fund raising events and functions, in accordance with laws and guidelines established by the Attorney General, State of Massachusetts for fund raising events.

RISK MANAGEMENT

POLICY: Massachusetts Hockey has written procedure that governs a broad-base risk management system.

PROCEDURE:

Risk Management Team

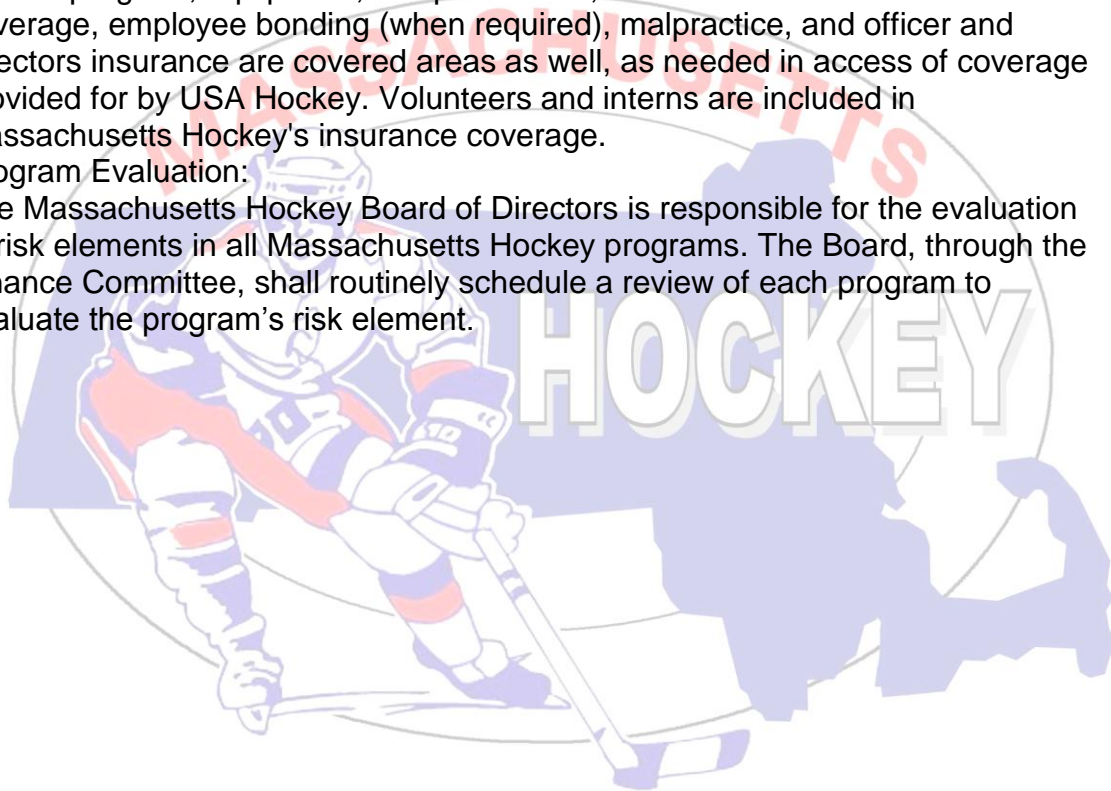
The responsibility for a broad-based risk management system will be under the direction of the Treasurer. The Treasurer will delegate responsibility for various risk management duties to other administrators (as needed) for the implementation of risk management procedures. The Treasurer will report to the Board of Directors issues or concerns regarding risk management.

Insurance:

The Treasurer is responsible for all insurance issues. Insurances coverage's to include program, equipment, comprehensive, and commercial insurance coverage, employee bonding (when required), malpractice, and officer and directors insurance are covered areas as well, as needed in access of coverage provided for by USA Hockey. Volunteers and interns are included in Massachusetts Hockey's insurance coverage.

Program Evaluation:

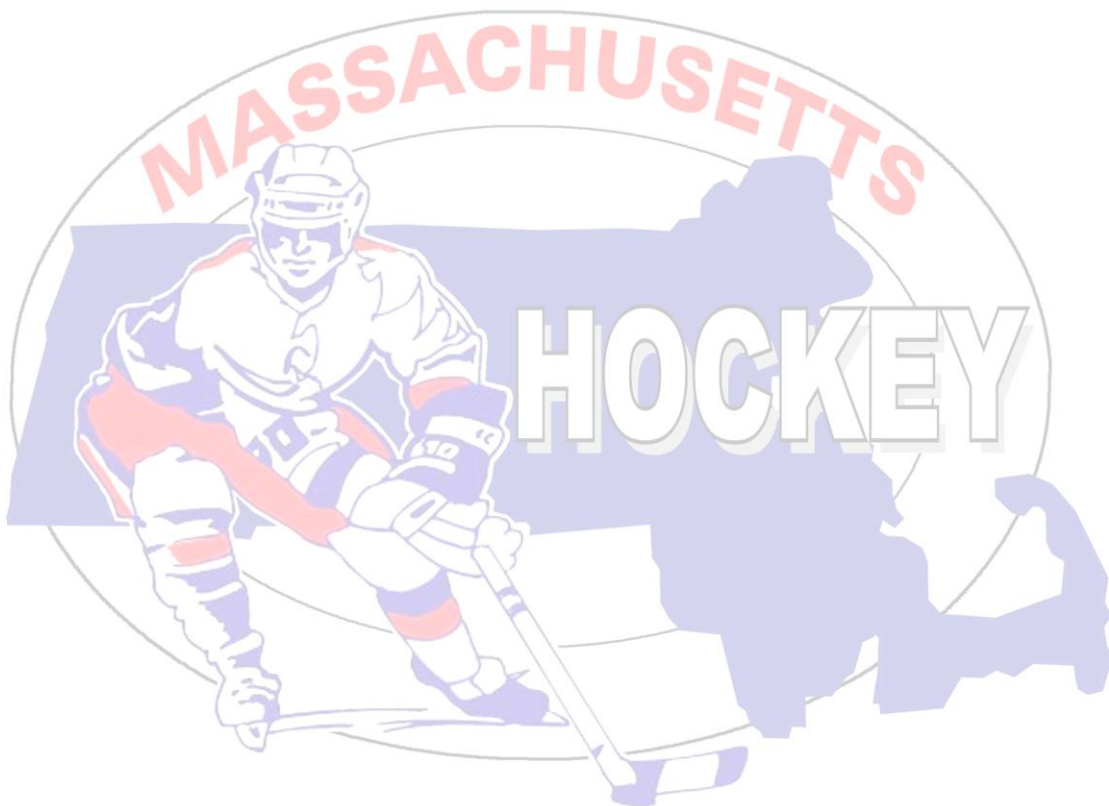
The Massachusetts Hockey Board of Directors is responsible for the evaluation of risk elements in all Massachusetts Hockey programs. The Board, through the Finance Committee, shall routinely schedule a review of each program to evaluate the program's risk element.



Schedule of Allowable Expenses 2011-2012

Phone/Fax/Internet Maximum	\$150.00 per month
Mileage per Mile	\$ 0.30
Per-diems	USA Hockey set amount for the meeting
Stipends Maximum	\$20.00 per hour

Massachusetts Sales Tax will not be reimbursed.



Player Development Schedule

Event	Description	Salary
Festival Tryout	Head Evaluator	\$100/Session
Festival Tryout	Evaluator	\$75/Session
Festival Tryout	Goalie Head Evaluator	\$100/Session
Festival Tryout	Goalie Evaluator	\$75/Session
Festival Tryout	On-Ice Staff	\$45/Session
Festival Weekend	Boys Head Evaluator	\$500 For Wknd
Festival Weekend	Girls Head Evaluator	\$250 For Wknd
Festival Weekend	Boys Goalie Head Evaluator	\$500 For Wknd
Festival Weekend	Girls Goalie Head Evaluator	\$250 For Wknd
Festival Weekend	Evaluator	\$75/Session
Festival Weekend	Goalie Evaluator	\$75/Session
Festival Weekend	Medical Staff	\$32/Hour
Festival Weekend	Referees	\$50/Game
Festival Weekend	Score Keeper	\$12/Game
Cunniff Camps	Camp Director	\$2,000
Cunniff Camps	Camp Coordinator	\$1,000
Cunniff Camps	Head Counselor	\$1,000
Cunniff Camps	Cushing Support Staff	Up to \$500
Cunniff Camps	Athletic Trainer	\$1,300
Cunniff Camps	Dry Land Trainer	\$1,000
Cunniff Camps	Lecturer	\$100/Session
Cunniff Camps	Team Counselor	\$500
Cunniff Camps	Head Coach/Ice Director	\$1,000
Cunniff Camps	Team Coach	\$700
Cunniff Camps	Goalie Coach	\$45/Session
Cunniff Camps	Referee	\$50/Game
U12 Day Camp	Camp Director	\$2,000
U12 Day Camp	Camp Coordinator	\$800
U12 Day Camp	Athletic Trainer	\$1,000
U12 Day Camp	Dry Land Trainer	Up to \$1500/Camp
U12 Day Camp	Lecturer	\$100/Session
U12 Day Camp	Team Counselor	\$200
U12 Day Camp	Head Coach/Ice Director	\$800
U12 Day Camp	Team Coach	\$700
U12 Day Camp	Goalie Coach	\$700
U12 Day Camp	Referee	\$50/Game
U12 Day Camp	Caterer	Up to \$15/Meal

