Subject: IPAT Standard Operating Procedures (SOP) for Financial Business Practices

Reference: International Porcelain Artists and Teachers, Inc Bylaws

Ordering Products and Services under $50

1. Stores and online purchases using petty cash.
    a. Use credit/debit card whenever possible.
    b. A check may also be used as necessary.
    c. Retain the receipt.
    d. Include a note explaining the purpose of each purchase and to which accounting line item should be charged.
    e. Tape small store receipts to the IPAT Purchase Order Form.
2. Using petty cash.
    a. A receipt must be created by the IPAT Office Manager.
    b. The merchant receiving the funds must sign the receipt.
3. Petty cash accountability.
    a. Petty cash balance is $150
    b. Petty cash must be kept in a secure location.
    c. Whenever $100 is depleted, it must be replenished.
    d. Petty cash must be counted quarterly.
    e. Petty cash must be replenished by 20 December of each year.

Purchase Order Procedures for Products and Services over $50.

1. Ordering Products and Services
    a. All purchases must be requested on the IPAT Purchase Order form with the cost and a full description of the items purchased or services required. An email from the IPAT Finance Committee or IPAT Board Members indicating approval and verification may be used in place of actual signature. The purchase approval IPAT Board Member must be a different IPAT Board Member than the verification of receiving IPAT Board Member.
    b. Purchases over the amount of $50 must be approved by the office manager and a member of the IPAT Finance Committee.
    c. Purchases over the amount of $150 must be made on the IPAT Purchase Order form. There must be at least three price quotes. The quote approved must be best valued and meet or exceed requirements and approved by the office manager, and two IPAT board members, at least one being a member of the IPAT Finance Committee.
2. Purchases over the amount of $1000.

   a. Must be done on a purchase order written by the office manager.
   b. There must be at least three price quotes. The quote approved must be best valued and meet or exceeds requirements. Purchases over $1,000 must be approved by a majority of the IPAT Board.
   c. A copy of the IPAT Board Minutes or emails indicating a majority affirming may be used as approval verification.
3. Payment for Products and Services.
   a. Payment must be documented on the IPAT Purchase Order form, with total cost annotated, the date, and the method of payment.
   b. All IPAT checks for payment must have two signatures.
   c. A member of the IPAT Board will review debit/credit card statements each month.

Payroll Procedures

1. Payroll is paid biweekly.
2. The office manager shall enter the timecards on a spreadsheet. That sheet along with a copy of the original timecard will be submitted to the IPAT Board Chairman for approval. If the Board Chairman is unavailable, another member of the Executive Committee may approve the timecard. In the event of a missing punch, the report produced by the alarm from opening/closing the building may be used.
3. Once the timecard is approved, the time will be entered into the payroll company by a member of the IPAT Executive Committee. The journal entry will be made by the office manager.

QuickBooks Records

1. Access to QuickBooks
   a. The Office Manager and the Executive Committee may have access to QuickBooks.
   b. In the event that an individual is no longer the Office Manager or on the Executive Committee, that person's access will be revoked.
2. The office manager will be responsible for maintaining the QuickBooks' records and producing reports.
   a. The following items shall be scanned and uploaded as backup with the transactions:
      i. All unique invoices paid, along with a copy of the purchase order if required
      ii. Bank statements

iii. Year-end journal entries with email from the accountant
iv. Deposits at the bank including the deposit slips and copies of checks
v. Recurring invoices and bills paid, such as utilities etc.
vi. Payroll entries

b. Quarterly and yearly reports with a Balance Sheet and Profit and Loss Statement will be produced by the office manager and sent to the Financial Committee. If warranted, the Financial Committee will ask that the Balance Sheet and Profit and Loss statements be sent to the IPAT Board.

3. Physical Records.
   a. For the current year, the physical copies of the records will be kept in the office manager's office file.
   b. After Form 990 is completed, each form will be stored at the museum annually.
4. Monthly Bank Statements.
   a. The office manager will reconcile the monthly bank statements for the two accounts and the Merrill Lynch account.
   b. After reconciliation, the bank statements will be sent to the IPAT Treasurer for review.

*Note: Each day the IPAT Chairman of the Board receives a report of all Square Transactions