

SOCIETY FOR CREATIVE ANACHRONISM, INC  
FINANCIAL POLICY  
Amended January 22, 2005

## INTRODUCTION

Our educational purpose is the study of the Middle Ages and Renaissance. This has led the Society to create a social structure adapted from those found in Europe during the Middle Ages. This has created a diversity of groups and interests, which enhance the experience we seek to create. We currently enjoy a tax-exempt status in the United States (U.S.), and maintaining that status requires that we adopt certain uniform practices and standards regarding our financial activity. We must make sure that:

- Every part of the organization engages primarily in activities that advance our U.S. tax-exempt purposes except where prohibited by law;
- A substantial part of activities conducted in our name and with our funds are in support of an exempt purpose; our earnings are not used in whole or in part to the benefit of private individuals or organizations; and
- We serve a public, not a private, purpose.

In order to accomplish this, a system of consistent financial procedures will be followed by every branch or other entity maintaining Society assets. The term 'branch' refers to any geographic or institutional division of the Society, as defined in Corpora. The term 'other entity' includes but is not limited to: Chartered guilds, special newsletters, and special deputies to the Society or Kingdom Chancellors of the Exchequer. The Chancellor of the Exchequer is the designated person responsible for managing Society assets, and this position is considered an office.

This financial policy establishes basic accounting and financial management minimum requirements for every part of the organization, except where prohibited by law. Each Kingdom may establish additional requirements as they see fit, so long as they are not prohibited by law or the Governing Documents of the Society. Branches and other entities may also establish additionally requirements, so long as they are not prohibited by law, the governing Documents of the Society, this Financial Policy, or their Kingdom Law or Financial Policy.

## I. BANK ACCOUNT IDENTIFICATION AND STRUCTURE

A. All funds will be maintained in a bank account in the name of 'Society for Creative Anachronism, Inc. - <name of branch or entity>' and, in banks governed by U.S. banking regulations, under the Society's federal employer ID numbers, which is 94-1698556.

B. Entities maintaining funds insufficient to open a bank account shall either have them kept in another Society bank account or contact the Kingdom Exchequer to make other arrangements. Incipient groups may not have independent monetary accounts (i.e., checking accounts) in their own name. Any monies are to be held as designated funds by their sponsoring group.

C. Approved controls on accounts are: requiring two signatures for withdrawal and providing copies of the reconciled statements for review by either the branch Seneschal monthly (for branches), or the Kingdom Chancellor of the Exchequer quarterly where appropriate, or the superior Chancellor of the Exchequer quarterly; AND/OR having the unopened bank statements sent to someone other than the Chancellor of the Exchequer who lives at a different address for initial review.

## II. SIGNATORIES

A. All signatories on Society accounts must be paid members of the Society for Creative Anachronism, Inc. while they are listed as signatories.

B. At least two officers of the same branch must be listed as signatories, as well as the Kingdom Chancellor of the Exchequer or a designated representative. For non-branch accounts, the officer

and another local person must be listed as signatories, as well as the Kingdom Chancellor of the Exchequer or a designated representative. For a Kingdom account, the Society Chancellor of the Exchequer must be a signatory.

C. All account signatories will submit evidence of personal/legal identification when being added as a signatory to the account, including their full name and address. Copies of this ID will be forwarded to the Kingdom Chancellor of the Exchequer along with the signature card.

D. No two signatories on the same account may share the same address.

E. All signatories must be acceptable to the Kingdom Exchequer.

F. Sovereigns, Consorts, and the heirs of Kingdoms and Principalities as defined in the Governing Documents are not allowed to be signatories on any Society account while they hold that status.

### III. SEGREGATION OF DUTIES

A. No one person may be responsible for all aspects of the financial management of any assets (cash and non-cash assets) held in the name of the SCA, Inc. These responsibilities may include writing checks, balancing bank statements, and deciding on disbursements of funds.

B. No one should hold more than one office at a time. In small branches where this is not feasible, any paid member other than the Seneschal may serve as Chancellor of the Exchequer. The offices of Chancellor of the Exchequer and Seneschal cannot operate out of the same residence.

C. There can be no co-mingling of Society Funds with the funds of any individual or business. Disbursement controls will be implemented by the branch or other entity that are sufficient to discourage misappropriation of funds and to reveal any attempted misappropriation promptly.

### IV. FINANCIAL RECORDS

A. The Chancellor of the Exchequer will maintain permanent books and records of all financial activity. Detailed records must be maintained and receipts, disbursements, and contributions specifically itemized. Where a system is automated, printouts ('hard copy') of computerized records will be made as well as backup files/disks.

B. Internal records must be reconciled to the bank statements received. In no case shall reconciliation occur less than monthly.

C. All records must be retained for at least seven years. These books and records, as well as all assets, bank statements, other correspondence and files of an official nature are the property of the Society for Creative Anachronism, Inc. They must be turned over to the successor officer within thirty days after a person leaves office. If the materials are not turned over in a timely manner, appropriate action will be taken.

### V. FINANCIAL REPORTING AND DISCLOSURE

A. Reports must be presented to the Chancellor of the Exchequer's superior office, and, if appropriate, the branch or other entity to demonstrate that the records agree with the bank statements.

1. Chancellors of the Exchequer must report quarterly to the Kingdom Chancellor of the Exchequer or a designated representative. Branch Chancellors of the Exchequer must also provide copies of the report to their branch Seneschal.

2. Kingdom Chancellors of the Exchequer must report quarterly to the Kingdom Seneschal, the Crown, and the Society Chancellor of the Exchequer. These reports are for financial activity on

the kingdom level and include a current list of variances in effect and a status report for accounts held within the kingdom.

B. Financial statements (consisting of a Comparative Balance Sheet and Income and Expense Statements) must be made available to the public at least annually, whether published in a newsletter or distributed to the membership in some other form. A copy of this printed statement must also be sent to the Chancellor of the Exchequer's superior.

C. Failure to file required reports within 30 days after the end of the reporting deadline may be grounds for suspension of the branch or other entity and/or replacement of the Chancellor of the Exchequer.

#### VI. FINANCIAL COMMITTEES

A. All assets (funds and non-cash assets) held in the name of the SCA, Inc. must be managed by a Financial Committee.

B. All voting members of a Financial Committee must be paid members of the SCA, Inc.

C. Financial Committees must have an odd number of three or more voting members, and must include as members, but are not limited to:

1. A warranted Chancellor of the Exchequer;
2. A warranted Seneschal.

D. Non-branch Financial Committees must also include:

1. for officer accounts, the respective warranted officer;
2. for guild accounts, the guild principal.

E. Sovereigns, Consorts, and heirs as defined in the Governing Documents are limited to one composite vote. For Financial Committees with five or more voting members, heirs may have a composite vote separate from the Sovereign.

#### VII. EXPENSE AUTHORIZATION

A. Financial Committees will approve in advance annual and event budgets.

B. The Financial Committee must approve unbudgeted expenditures. Emergency situations are handled on a case-by-case basis according to the entity's Financial Policy.

C. No officer of any level has the power to authorize payments that do not support the Society's tax exempt purpose. [Overall guidelines for classes of expenses are delineated in the Society Chancellor of the Exchequer Officer's Handbook.] If the reasonableness of any expense is uncertain, the superior Chancellor of the Exchequer must be consulted prior to any commitment.

D. Fully documented receipts must be provided to support all expenses. This rule applies to anyone expecting reimbursement.

E. SCA funds may not be used to reimburse expenses for events or meetings closed to the general populace unless the events or meetings have a business agenda which requires limited attendance, such as officer staff meetings, kingdom councils, and event planning meetings. Kingdom Financial Policies may have additional requirements for reimbursement of these expenses.

Expenses solely incurred for Royalty- only and order- only meetings are specifically ineligible for reimbursement. The Society Chancellor of the Exchequer may grant variances to this policy on a case- by- case basis, based on written requests received no later than 7 days prior to the event or meeting date.

## VIII. SPECIAL PURPOSE AND DEDICATED FUNDS

A. Accounting records must support segregation of funds by purpose. When setting up special purpose/dedicated funds, a primary and secondary purpose will be established by the Financial Committee. Funds raised will be used for the primary purpose first. If it is not possible to fulfill the primary purpose or if there are residual funds, the funds will be directed to the secondary purpose. The final destination for all special purpose funds will be the General Fund.

B. Sufficient reserves must exist to fund any outstanding subscription liability for all publications. It is recommended that each branch or other entity should maintain sufficient cash reserves to continue normal operations after a total loss of advance expenses for one major event of the type it typically runs.

C. Donations earmarked for a purpose contrary to our tax-exempt status, or found untenable or undesirable by the potential recipient shall be declined.

## IX. CONTROLLING DISBURSEMENTS

All disbursements will be made to an entity (individual or business) by signed checks or traceable money orders. Disbursements in advance of a purchase must be documented beforehand and will be treated as receivable items until they are reconciled by presentation of receipts and/or cash totaling the amount of the advance. Reconciliation of advances must occur within 60 days of the disbursement.

## X. CONTROLLING CASH RECEIPTS

Adequate cash controls must be in place at any event where money is collected in the name of the Society. Implementation of cash controls is the responsibility of the hosting branch's Chancellor of the Exchequer and the Autocrat of the event, and must comply with Kingdom Law and Kingdom Financial Policy. Cash receipts will be deposited in the appropriate account within a reasonable period of time.

Minors under age 15 may not serve as Head Gatekeeper/Troll /Reservationist /etc. for an event. Such minors may assist at the gate collecting funds, making change, etc., under the oversight of an individual permitted by the SCA's Corporate Policies to serve as an officer, who will be ultimately responsible for the accounting of the funds passing through the gate. Individual Kingdoms may be more restrictive should they choose.

## XI. REVIEW OF BOOKS

A review of books is mandatory when the office changes hands or every two years, such review to be conducted by the Kingdom Chancellor of the Exchequer or designated representative. The books maintained by the Kingdom Exchequer will be reviewed by the Society Chancellor of the Exchequer and/or the Kingdom Seneschal when that office changes hands. The financial records are public property and will be made available for examination by any member upon reasonable request at a time and place agreed upon by the Chancellor of the Exchequer and the requestor.

## XII. INTERKINGDOM EVENTS

A. Any event, which has a standard monetary distribution to another Kingdom's accounts based on a calculation method other than or in addition to volunteer hours, and has the event administration either as a perpetual independent event staff or changes between Kingdoms on a standard rotation, must have a financial policy approved by the Board of Directors and the Society Chancellor of the Exchequer.

B. Inter-kingdom Financial Policies must include: a method for staffing the Financial Committee, a means for determining approvals of budgets and expenditures, a means for revision of the policy, reporting requirements and schedule, and the standard distribution calculation.

C. The Kingdom Exchequer may require similar financial policies for intra-kingdom events.

### XIII. VARIANCES TO THIS POLICY

Variations to Sections I, II.A, II.F, II.D, and III.B may be granted in writing for limited periods of time on a case-by-case basis by the Kingdom Chancellor of the Exchequer, subject to review by the Society Chancellor of the Exchequer. Variance to other portions of this policy may be granted by the Society Chancellor of the Exchequer on a case-by-case basis subject to review and confirmation by the Board of Directors.

### XIV. INTERNATIONAL REPORTING POLICY

A. For SCA entities which are part of non-U.S. corporations, the Society Exchequer may grant upon request a variance to financial reporting requirements and notify the appropriate Kingdom Exchequer of such variance. All officers report through the normal reporting hierarchy used by the SCA, Inc. except for the Treasurer. The Treasurer returns the Negative Report Form with the "University or College Branch/Separate Incorporation" section filled out and is requested to include a copy of the reports filed with their reporting authority as a courtesy.

B. For SCA entities located outside the United States, which are not part of non-U.S. corporations, reporting, accounting, and banking procedures used must be designed to meet the needs of the reporting entities as well as the requirements of the corporation. All non-U.S. branches must file reports at least yearly with their superior Chancellor of the Exchequer. The requirements for reporting of non-U.S. entities shall be determined by the Society Chancellor of the Exchequer, in conjunction with the Kingdom Chancellor of the Exchequer responsible for that area.

### XV. KINGDOM FINANCIAL POLICIES

A. Kingdom Financial Policies must include: a method for staffing the Kingdom Financial Committee, a means for determining approval of budgets and expenditures, a means for review of the Kingdom Financial Policy, reporting requirements and schedule, and any additional policies desired by the Kingdom Financial Committee.

B. Each Kingdom Financial Policy will be reviewed yearly by the Society Chancellor of the Exchequer who will present any changes to the Board for approval.