**POLICIES AND PROCEDURES FOR PREPARING, ADOPTING THE ANNUAL BUDGET, AND AUDITING PROCEDURES, Rev 06-24-2024**

**Objective:**

The objective of these policies and procedures is to establish a comprehensive framework for the preparation, adoption, and approval of the annual budget, along with conducting thorough auditing procedures.

1. **Preparation of Annual Budget:**
   1. **Initial Planning:** The Chairman, in collaboration with the Treasurer, Chief Rater, and Regatta Chairman, initiates the budgeting process at the beginning of the fourth quarter of the First Coast Sailing Association, Inc’s fiscal year.
   2. **Guidelines and Parameters:** Budget guidelines are established to align with the organizational goals, strategic plans, and financial objectives.
   3. **Input Collection:** Chief Rater will submit the forecasted number of PHRF Certificated forecasted for the following year. The Regatta Chairman will submit budget proposal detailing anticipated income and expenses for each event. The Treasurer will submit the forecasted budget for income and expenses for the operating account, less the income forecast for PHRF Certificates.
   4. **Review and Consolidation:** The Treasurer consolidates the departmental budgets into a comprehensive organizational budget and shall include the current year Adopted Budget, Actuals, following Year’s Proposed Budget, with +/- differences
   5. Documentation: Detailed documentation of assumptions, methodologies, and justifications for budgetary items is maintained.
2. **Adoption and Approval of Annual Budget:**
   1. **Review by Executive Team:** The executive team evaluates the proposed budget for alignment with strategic objectives and financial feasibility.
   2. **Board Review:** The budget is presented to the Board of Directors by the Treasurer for thorough review and discussion during the last meeting before the end of the fiscal year.
   3. **Approval Process:** The Board of Directors votes to approve the budget, with any necessary amendments.
   4. **Documentation:** Minutes of the board meeting documenting budget approval are maintained for record-keeping purposes.
   5. **Adjustments in Budget / Spending Plans: Any adjustments or changes in spending policies / budget plans which vary by more than 10% from the original approved budget must be approved by the Executive Director and submitted to the Board of Directors. These changes will be communicated in writing for record keeping purposes.**
3. **Audit Planning:**
   1. **Engagement of Auditors:** The Treasurer engages an independent auditing firm or certified public accountant (CPA) to conduct the annual audit at the conclusion of each fiscal year.
   2. **Audit Duration:** The auditor should complete the audit within 2 months of the conclusion of the fiscal year.
   3. **Fieldwork:** The auditor should test accounting mechanisms in accordance with general accepted auditing standards for non-for-profit organizations and as contractually required by funding sources.
   4. **Reporting:** Upon completion of the fieldwork, the auditor prepares a draft audit report outlining findings and recommendations.
   5. **Review and Finalization:** The Treasurer reviews the draft audit report for accuracy and completeness.
   6. **Presentation to the Board of Directors:** The final audit report is presented to the Board of Directors for review and discussion.
   7. **Action on Audit Findings:** The Board of Directors addresses any audit findings, implementing corrective actions as necessary.
   8. **Disclosure to Stakeholders:** The final audit report is disclosed to stakeholders, including board members and regulatory authorities, as required.
4. **Compliance and Continuous Improvement:**
   1. First Coast Sailing Association, Inc ensures compliance with regulatory standards and seeks continuous improvement in financial management practices.
   2. Feedback from the audit process is utilized to enhance internal controls, financial reporting, and budgeting practices.

These policies and procedures aim to ensure financial transparency, accountability, and compliance while facilitating informed decision-making by the Board of Directors and fostering continuous improvement in financial management practices.