

# San Francisco Science Fiction Conventions, Incorporated



## Procedures for Lifecycle of a Standing Committee

Version: 1.5

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**San Francisco Science Fiction Conventions, Inc.**

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A California Non-Profit Corporation recognized under IRC 501(c) (3)

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## **1.0 Introduction**

These guidelines are part of a series of ‘best practices’ that are authorized and issued by the San Francisco Science Fiction Convention (SFSFC) board, in accordance with provisions for the protection of SFSFC practices.

Authority for this document comes from *San Francisco Science Fiction Conventions, Incorporated* framework of rules and guidance on creation of an event and requiring financial support for an event, to include records management for all parties performing business with SFSFC. This framework is designed to assist the proper creation, management, protection football odds predictions and ultimate disposal of the records generated in the course of everyday business.

This document, *Procedures for Lifecycle of Standing Committee* is the official documentation for the handling of all transactions within SFSFC for records relating to creation, formation, general financial, accounting matters, reporting, termination and sun setting of the event.

This ‘best practice’ document states that all parties performing business transactions within the scope of SFSFC authorization will be held accountable by the Corporate Treasurer to perform mandatory accounting procedures. Other than financial related matters, the standing committee will be responsible to the Board.

## **1.1 Purpose**

The purpose of this document is to provide for the authorized ‘best practices’ for creation, reporting of financial/accounting statement, status of the event and the sun setting of the ‘persons or parties selected to perform the event’ and doing business with SFSFC.

## **1.2 Scope**

This document applies to all parties doing business as defined in the SFSFC By-Laws (Section 6.1), referred to as standing committees. This authority applies to records in any format, including electronic records and all procedures in the creation of the committee and to include the reporting of the status of the event prior and after.

## **1.3 Authority**

This document has been approved by the SFSFC Board of Directors (‘The Board’) and may be implemented without further reference to past practices.

Nevertheless, persons using this document should apply it with caution. Bearing in mind, the sanction for running an event is for the purpose of executing the event and limited to that event. Additionally, the standing committee is responsible for record keeping that is set in the SFSFC By-Laws (SFSFC BL Section 6.3 and 8.1.2). It remains incumbent

upon the standing committee to understand and meet these standards. An authorized standing committee remains in force until properly discharged by the Board or by action of the Bylaws. (See 5.0)

Standing committees shall not dispose of any records without explicit authorization of the Board.

#### **1.4 Business Lifecycle**

It is necessary for those parties wishing to conduct business with SFSFC and requesting sponsorship to understand the ‘Business Lifecycle’ of a standing committee.

- Submitting a Resolution to the Board
- Approval of the Resolution
- Formation of a Standing Committee
  - SFSFC Board Member might be assigned
- Financial Reports (Quarterly)
- Status Reports (Quarterly)
- The Event
- Final Financial and Status Reports
- Sun setting the Standing Committee
  - Historical Records

There are specific tasks that need to be accomplished at specific dates in order for the Board to vote on acceptance of a resolution for consideration as well as the ability of the reporting party to the Board to present specific financial statement when required.

The termination of an event is not the end of the responsibilities for the standing committee and the necessity of having proper financial statements.

#### **1.5 Structure and relationship to SFSFC Board**

The person, group, convention or other entity that approaches SFSFC for sponsorship for their event or convention (the “standing committee”) must have the authority to abide by the rules and regulations of SFSFC concerning accounting methodologies and financial statements.

SFSFC requires that:

- The person controlling the bookkeeping for the committee must have at least one (1) year of practical accounting experience.
- The committee has a computer solely dedicated for the committee’s accounting/bookkeeping and that is separate from any registration database system for the purposes of security and reliability.
- The Corporate Treasurer or a person designated by the Corporate Treasurer shall have signature authority on any bank account established by the committee.

## 2.0 Guidelines for Submissions to the SFSFC Board

The SFSFC board entertains on a meeting-by-meeting basis any proposals for sponsorship of an event that relates to science fiction, fantasy, related subjects and/or those aspects of event planning and execution related to those fields.

The benefits a requestor can receive from SFSFC sponsorship include:

**Tax deductibility.** SFSFC is a recognized 501(c) (3) non-profit/tax-exempt organization. Donations of money, merchandise, and services to SFSFC are generally considered donations to a charity and are thus tax-deductible. Certain expenses directly associated with volunteer work for SFSFC and any of its committees are tax-deductible donations.

**Limited liability.** SFSFC committees fall under what is known as the “corporate shield” protecting the individuals participating in the committee from most liability actions. Note that committees must exercise reasonable care and do not act in such a way as to give a court cause to “pierce the corporate veil” and pursue individual members directly.

**Resources.** The injection of resources can be made either directly, as cash sponsorship, or indirectly, as in-kind sponsorship. This may reduce the costs to an event of performing a particular activity or allow for enhanced program delivery and/or expansion.

**Reduced mailing cost.** SFSFC has obtained a non-profit bulk mail permit at the main San Jose post office. This allows us to send bulk business mail at the “non-profit” rate.

**Credit card acceptance.** SFSFC has a credit-card acceptance account. SFSFC committees can accept Visa, MasterCard, Discover, and American Express. The SFSFC general fund collects a 5% commission on all credit card sales; your committee collects 95% of the amount sold.

**Publications.** Providing funding for publications, conferences or other special activities that promote the Event/Convention;

**Relationships.** Providing the requestor with an opportunity to develop better working relationships with stakeholders.

**Exposure.** Promoting the public profile of an event to a wider-than-normal audience. This may include increasing general community awareness of an Event/Convention and its activities.

**Risks involved.** The major risks for an agency to consider in its management of corporate sponsorship include:

- The perceptions of improper conduct by the Event/Convention while under SFSFC sponsorship.

- The potential to embarrass SFSFC, and possibly The Board, through associating a negative activity with an inappropriate sponsor (that is, one whose activities or purpose may exhibit a degree of tension with SFSFC policy) or one of poor repute. This may be balanced against specifically sponsorship in order to rebuild its reputation.
- Undertaking an activity based on the promise of corporate sponsorship which then does not materialize.
- Breaching SFSFC accounting requirements.
- Undervaluing SFSFC sponsorship programs to potential other candidates of the program.
- The committee needs to be cost-effective in its management of the finances.

## **2.1 Resolution Format**

Standing committees are formed by resolution of the Board of Directors. Standing committees exist until discharged by Board action or by an action of the By-Laws.

A typical authorizing resolution might read as follows:

*Resolved*, That there is created a Solarcon Organizing Committee (SOC) as a standing committee of SFSFC as authorized by section 6.1 of the Bylaws;

*Resolved*, That SOC is charged to organize a bid to host the \_\_\_\_\_ Interplanetary Science Fiction Convention (Solarcon) at a location within the San Francisco Bay Area as defined in section 15.4 of the Bylaws;

*Resolved*, That should the bid presented by SOC be selected by the Solarcon site-selection election, the SOC is charged to operate the \_\_\_\_\_ Solarcon;

*Resolved*, That SOC is instructed to develop guidelines for its operation and relationship to the SFSFC Board of Directors and to present such guidelines to the \_\_\_\_\_ regular Board meeting;

*Resolved*, That SOC is instructed to present a report of its finances and summary of its activities to every regular SFSFC Board meeting and also at such times as it may be directed by the Treasurer or President of the Corporation or by Board resolution, and that a failure to do so shall be considered a default of its responsibilities;

*Resolved*, That upon the discharge of SOC, any remaining funds of the committee shall be returned to the SFSFC General Fund; and

*Resolved*, That SOC shall be discharged no later than June 30, \_\_\_\_\_, unless otherwise provided by the Board.

Note that this authorizing resolution gives the committee's name and scope, and includes a "sunset" provision providing for the automatic discharge of the committee if the Board takes no contrary action.

## **2.2 Scope of Process**

Present a request or resolution to The Board at one of the regular (currently three times a year) meetings. Prepare an authorizing resolution in the format of 2.1. A representative of the requesting party needs to be present to answer questions.

The request should state the name of the sponsoring party (individual, group or convention), their qualifications, and the nature of the theme, the proposed dates, location and hotels, if possible.

We advise groups planning to submit requests to the Board to work with the Corporate Secretary to prepare all required paperwork and resolutions in advance.

## **2.3 Authority for Standing Committee**

Standing committees are approved by The Board and may be instructed to seek further guidance from The Board. Persons using the authority of a standing committee should apply it with caution, bearing in mind that the authorizations for financial decision are the representative's responsibility. It is incumbent upon the representative to ensure adherence to the guidelines and report any issues of a financial nature to the Treasury as soon as they are discovered.

## **2.4 Voting Rights**

If the Board creates a standing committee, the Corporate President will appoint a Chair of that committee, and the Board must ratify the appointment in accordance with the procedures established in the SFSFC Bylaws. The Committee Chair should be able to attend all board meetings as a representative of the committee. The Committee Chair will be an 'Ex Officio Director', with the right to make motions and participate in debate, but without voting rights. The Committee Chair may designate by proxy a representative to attend a specific board meeting. The primary responsibility of the Committee Chair is to report the status of the conference or convention, present financial statements and answer questions asked by The Board.

## **2.5 Board Representation**

The board may choose to select one fellow board member to be assigned to the standing committee as an advisor. This selection will be considered as a representative of the board with no voting rights on the standing committee.

### **3.0 Accounting and Bookkeeping**

Each standing committee will be given financial responsibility for their event. It is necessary that the responsible parties conduct themselves and their event with the understanding they are solely responsible for their actions.

#### **3.1 Financial responsibility of the requestor**

It is the fiscal responsibility of each committee of the SFSFC Board to present accurate and standardized financial statements at each meeting of the Board.

#### **3.2 Record keeping**

SFSFC will provide a current copy of QuickBooks for use by the bookkeeper of the event.

The bookkeeper must have at least one year of practical accounting experience.

#### **3.3 Banking**

SFSFC's preferred bank of record is Bank of the West.

A standing committee shall, unless otherwise instructed by the Corporate Treasurer, establish a single (1) checking account for receiving of deposits of revenue of any sort and for the payment of expenses.

A copy of the monthly banking statement will be sent to the Treasury during the term of the standing committee.

##### **3.3.1 Account Authorizations**

The SFSFC Treasury or one of the members of the Treasury staff or a member of the IAC (Internal Audit Committee) shall have signature authority on all the banking accounts related to the standing committee.

#### **3.4 General Account Authority**

The bookkeeper for the standing committee must present to the Treasury a list of people who are approved or authorize to write checks or distribute funds for the standing committee and who have access to the bank accounts.

#### **3.5 Guidelines for bookkeeping**

The SFSFC Board has designated the Treasury and the IAC to be the controllers for all audits conducted or requested by The Board.



The standing committee shall make all electronic and hardcopy records available to the Treasury or the IAC upon request.

### **3.6 Electronic record keeping**

The standing committee shall use the QuickBooks accounting application. Additionally, the standing committee shall record all electronic transactions in an accurate and timely manner.

References to electronic records will be any sales record created, any communication made about financial transactions and, maintained by means of electronic equipment.

Information can be maintained/stored in a number of ways including in a computer database (the main database, or a special archives database); on magnetic media; on optical disks; or on separate hardcopy (paper).

Electronic records must be readily accessible for the length of the specified retention period. Routine treatment (such as wiping, updating, alterations or rerecording) does constitute disposal.

All hardcopies of sales records and expenses relating to the event will be retained by the accountant until disposal authorization is obtained by the IAC or the Treasury.

### **3.7 Audits**

The IAC is an independent body responsible for ensuring that SFSFC money is used economically, efficiently and effectively.

Each standing committee shall, upon reasonable request, provide to the IAC access to the registration database and QuickBooks data files for auditing purposes. The standing committee shall provide such access for a period of at least six months following the event or convention organized by that standing committee.

If the IAC finds discrepancies with the bookkeeping, the standing committee's bookkeeper and the standing committee's Chair shall make themselves available for an audit of all the records and sales records until such time as the IAC is satisfied or has reached a majority conclusion.

Failure of the bookkeeper of the event to implement or abide by the accounting regulation will be sufficient cause for the IAC to assume control of the event finances.

### **3.8 Assistance in record keeping activates**

If a standing committee encounters difficulty in maintaining or keeping the electronic records, they should request assistance from the Treasury.

If necessary, SFSFC can allocate additional resources in order to assist or assume control of the financial record keeping of the committee.

## **4.0 Reporting to the SFSFC Board**

It is necessary for the standing committee to update the SFSFC Board at the regular scheduled meetings (three times a year).

### **4.1 Updating the SFSFC Board meetings**

Each standing committee's Chair shall make regular presentations to the Board at least once a year.

Each standing committee shall submit a financial report using the QuickBooks forms to include a Balance Sheet and a Profit and Loss statement.

The person presenting the standing committee's financial report must be able to answer reasonable questions about the financial statements.

All financial statements will be made ready for the Corporate Secretary prior to the Board meeting (approximately one month prior) to allow the compiling of necessary documentation for review by the Board prior to the meeting date. For regular meetings, the deadline is the 15th day of the month preceding the meeting.

### **4.2 Approval of the SFSFC Board**

The standing committee is not relieved of their financial responsibility until it is discharged by the Board. (SFSFC BL Section 6.6)

No destruction of any records (electronic or hardcopy) is allowed unless the SFSFC Board has discharged the event.

### **4.3 Disposal of profit/discharge of loss**

A profit is defined as any monies that are remaining after all the expenses have been accounted for after the termination of the event for which a standing committee was formed.

The standing committee's accounting material should be presented to the Board six (6) months after the termination of the event at the next closest SFSFC Board meeting.

The Treasury will certify the accounting statements prior to their presented to the Board.

A loss is defined as a shortage of necessary funds to cover the expenses of the event.

The Board must approve a discharge of loss from the event. The Treasury will conduct an audit of the accounting materials of any loss-making committee prior to its report being presented to the Board.

## **5.0 Final Financial Statements and Sun Setting the Standing Committee**

The ending financial statements are the most important task that any standing committee will submit to the Board; therefore they need to be reported accurately and in a timely manner. Until that statement has been accepted by the Board, the standing committee will not be sunset or discharged.

### **5.1 Closure of all financial statements**

No standing committee will be allowed to close their bookkeeping statements without the approval of the Corporate Treasurer. This rule will extend to financial statements and banking accounts.

### **5.2 Historical Records**

A 'Historical Record' will cover all functional records, which are those records relating to the standing committee's primary duties and responsibilities, to include all bookkeeping and related records.

The standing committee should prepare a separate financial report for each regular SFSFC Board meeting (and at any special meetings when requested by the Corporate Treasurer) to cover such transactions from the creation date of the standing committee to include the past quarter's period (SFSFC BL Section 8.5).

The Corporate Treasurer shall approve financial statements prior to the SFSFC Board meeting. Advice regarding the preparation of functional statements can be obtained by contacting the Corporate Treasurer.

### **5.3 General Disposal Authority – Financial and Accounting Records**

When the approved disposal date for the destruction of records has been reached, appropriate arrangements for their destruction should be made. It is the responsibility of the standing committee's bookkeeper to ensure that its records are destroyed in a confidential and appropriate manner.

## **Appendix ‘A’ Terminology for Accounting and Bookkeeping**

### *Accounting*

The process of collecting, recording, classifying, summarizing and analyzing information on financial transactions, and subsequently on the financial position and operating results of the organization. This will include financial statements and the implementation, maintenance, monitoring and auditing of the organization’s accounting systems and internal controls.

### *Audit Trail*

The check or review methodology may be embedded in the transaction record or may be maintained separately. Where a check or review methodology is maintained separately, it should be retained for the period of the base transaction record itself. In most financial systems, the retention period is three years after the termination of the Event/Convention/Committee.

### *Bank Accounts and Statements*

These are records that document payment of moneys to and from bank accounts; provide supporting documentation for account transactions; and provide accountability for status of bank accounts.

### *Disposal*

A range of processes associated with implementing appraisal decisions. These include retention, deletion or destruction of records in or from recordkeeping systems. They may also include the migration or transmission of records between recordkeeping systems, and the transfer of custody or ownership of records.

### *Disposal action*

The discharge column of a disposal authority generally advises the minimum retention period after an identified ‘trigger’ for each record series or disposal class. Records may be identified as required as SFSFC requirements or may be identified as being authorized for destruction at the end of the retention period.

### *Disposal authority*

A tool that provides for the authorized destruction or other disposal of SFSFC sponsored event under the terms of this authorization or the SFSFC Bylaws.

### *Electronic records*

Records communicated and maintained by means of electronic equipment.

### *Event*

A person, group, convention or entity that requires sponsorship by the SFSFC board and its main theme must be around science fiction, horror, fantasy, anime or event planning of one of the for mentioned themes. Such events or conventions are generally organized as a standing committee of SFSFC.

### *IAC*

The Internal Audit Committee is a subgroup of the Treasury staff of the SFSFC Board.

### *Records*

Records are defined as ‘any document or other source of information compiled, recorded or stored in written form or on film, or by electronic process, or in any other manner or by any other means’.

### *Retention periods*

A disposal authority generally specifies retention periods, that is, how long SFSFC records are to be retained in Treasury’s premises or offsite storage, before being destroyed or transferred to another party.

Retention periods set down in this authority are minimum periods only. The Treasury may keep records for a longer period if necessary. However, the Treasury must obtain specific authorization from SFSFC to dispose of records earlier than the minimum retention period. Reasons for longer retention can include legal requirements, administrative need, and government directives. The Treasury should not dispose of any records where The Board is aware of possible legal action for which the records may be required as evidence.

### *Sales records*

A group of records created in a like format, maintained in a sequence and usually relating to a particular function or activity.

### *SFSFC*

San Francisco Science Fiction Conventions, Incorporated.

### *SFSFC archives*

SFSFC archive means the accumulated records of SFSFC activity for which the Board has a recorded activity for a sponsored event during a specific period of time.

### *SFSFC records*

SFSFC records mean any record made and kept, or received and kept, by any person in the course of the exercise of official functions in the Treasury for SFSFC business.