

LEPRECON FINANCIAL POLICY

A. DISTRIBUTION OF LEPRECON FINANCIAL POLICY & PROCEDURES

1. The Corporate Secretary shall provide copies of the LepreCon, Inc. Financial Policy and Procedures to the following people upon their election or appointment: the Board of Directors, the Corporate Officers, all Event Chair and Event Treasurers, the LepreCon, Inc. Internal Auditor, and anyone else who is a signer on a LepreCon, Inc. bank account.
2. All Event Treasurers shall make available copies of LepreCon, Inc. Financial Procedures to all committee members.

B. BANK ACCOUNTS

1. All bank accounts will be identified as LepreCon, Inc. dba (specific endeavor) with the LepreCon, Inc. tax identification number.
2. The Corporate Treasurer will be a signer on all accounts.
3. LepreCon, Inc. money cannot be commingled with personal funds!
4. All LepreCon, Inc. accounts shall use duplicate checks.
5. All LepreCon, Inc. non-event accounts shall have the Corporate Chair as the secondary signer.
6. All LepreCon event accounts shall have two signers, the primary signer (i.e. Event Treasurer) and the secondary signer (Event Chair).

C. FINANCIAL RECORDS AND REPORTING

1. The Event Treasurer and Corporate Treasurer are required to maintain the books and records of the financial activities for each of their particular activities and keep off-site back-ups. If they maintain the records in an electronic format they are also required to keep a hard copy of all necessary documents.
2. All treasurers that maintain funds (monies) are required to report at least quarterly to the Corporate Treasurer. The Board of Directors may require more frequent reporting. The report is to include the following:
 - a. A copy of each monthly bank statement.
 - b. A monthly reconciliation between the bank statement and the group's books for each individual month.
 - c. A ledger of the financial activity for the period being reported.
3. All Event Treasurers are answerable to their respective Event Chairs. Each treasurer shall prepare and submit a ledger of all financial activity for the specified fiscal year plus any additional reporting dates as determined by the Corporate Treasurer or the Board of Directors.
4. Reports must be filed with Corporate Secretary, Corporate Treasurer, in the convention's permanent files, and be available to the general membership. It is strongly suggested that the Event Chair and Event Treasurer also keep copies for their own personal records.

D. EXPENSES

1. The active membership should approve all expenses greater than \$50 from the LepreCon, Inc. main account.
2. All expenses of the organization, both cash advances and reimbursement, must be documented and receipts must be submitted.
3. LepreCon, Inc. funds cannot be used:
 - a. To purchase alcohol with the exception of sponsoring the "Meet the Pros" reception at LepreCon sponsored events and small amounts purchased for promotional events and Guest of Honor gift baskets.
 - b. For personal expenses in relationship to promotions or convention bids.
 - c. To cover any expense not allowable within Federal and State guidelines for a non-profit, tax-exempt organization.
4. Appropriate Expenses:
 - a. LepreCon, Inc. Activities include but are not limited to the annual convention and any other activity approved by the membership (Book Festival, etc.)
 - b. Certain expenses in connection with bids for special events (i.e. Westercon, etc) limited to promotional materials, publicity, party supplies (excluding alcohol) and room rental for the party night.
 - c. Expenses associated with the purchase and maintenance of LepreCon, Inc. property. Purchase of durable goods with a value of more than \$50 shall be submitted to the membership for approval.
 - d. Ordinary and necessary expenses of running a LepreCon, Inc. office.

E. AUDITOR

1. All LepreCon, Inc. accounts shall be reviewed by the LepreCon, Inc. Internal Auditor or the Audit committee at least once every three (3) years or when primary control of the account changes, whichever comes first.
2. The Auditor shall be appointed by and serve at the discretion of the Board.

F. CONVENTION BUDGETS

1. All Event Treasurers shall submit a preliminary budget to their chairman, the Corporate Treasurer, and the LepreCon, Inc. Board of Directors at intervals determined by procedure.
2. Conventions' books shall be closed out and turned over to the Corporate Treasurer not longer than six months after the end of the convention.
3. Records shall include copies of all receipts for authorized and/or reimbursed expenses incurred by the convention.

G. CONTRACTS & AGREEMENTS

1. All venue and guest contracts must be approved by the LepreCon, Inc. Board of Directors prior to signing.
2. All agreements involving sums \$500 and over, either income or expense, must be approved by the Board of Directors prior to being signed or agreed to verbally with the

exception of normal and reasonable operating expenses such as travel, publications, vehicle rental, etc. Should any single item expense exceed \$1000 it must be approved by the Board of Directors. Contracts should be submitted two weeks prior to approval date to allow time for study and discussion.

3. All sponsorships, either received or offered by LepreCon and any of its entities, must be approved by the Board of Directors prior to being signed or agreed to verbally.

H. CONVENTION OPERATIONAL GUIDELINES

The purpose of this document is to provide basic guidelines for handling LepreCon finances. To this end and for the sake of consistency in practices, the Board of Directors require that the following guidelines be adhered to.

1. Seed money is the funding provided to a convention by LepreCon, Inc and paid back afterward.
2. Timeline
 - a. Handling of the convention's business in a fiscally responsible and businesslike manner is a primary responsibility of the chair and treasurer. Please see Attachment 1- Milestone Guidelines Timeline for suggested and required deadlines.
3. Definition of Terms
 - a. Treasurer - The financial manager of a convention or event
 - b. Corporate Treasurer - The Corporation's financial officer
 - c. Chair - Convention Operating Officer
 - d. Fiscal Year - July 1 to June 30
4. Complimentary memberships
 - a. Types
 - i. To "comp in" means to receive a free membership to a convention.
 - ii. To "comp out" (aka "pass thru membership") means to receive a free membership to the following year's edition of the same convention.
5. Eligibility
 - a. Volunteers who fulfill at least the specified number of hours (usually 12) in preparation for and/or over the course of a convention, are eligible to comp out. Volunteers are only allowed to comp in with the approval of both the Convention Chair and Treasurer.
 - b. Program Participants who participate in at least three panels for the convention are comped in. Those who participate in fewer than three panels shall be comped for the day(s) of their panel(s). If they wish, they may upgrade to a full attending membership at a reduced rate. Program participants may bring one companion to the convention at the Staff Membership rate.
 - c. Guests of Honor and one companion are comped into the convention.
 - d. Accredited members of the press may receive a press pass at the discretion of the Convention Chair and treasurer.
6. General Rules
 - a. Complimentary memberships may not be "rolled over" to different conventions. A "comp in" is usable only at the issuing convention. A "comp out" is usable only at the following year's edition of the issuing convention.

- b. Complimentary memberships are non-transferable without board approval.
 - c. It shall not be possible for one person to acquire more than one complimentary membership at a single convention.
 - d. The Chair and the Treasurer shall be jointly responsible for preparing the list of those who are coming out of their convention and passing it on to the Treasurer for the following year's edition. Accompanying this list will be a check to cover the memberships of those on the list. The cost per person shall be the Staff Membership rate for the receiving convention.
 - e. Volunteers being a vital part of running a successful event, each event shall be flexible in honoring pass through membership requests from the previous event even if the previous event has not paid for those memberships. The formula for honoring those requests shall be:
 - i. If the previous event did not make enough money to pay for all or any of their pass through memberships the current event shall honor the memberships without payment.
 - ii. If the previous event submitted a list and paid for the pass through memberships any additional requests for pass throughs shall be honored by asking for area staffed and giving the volunteer the benefit of the doubt.
 - iii. There will be no "jump through the hoops" requirements. Additional unpaid pass-throughs that are in excess of 25% of the list submitted and paid for will allow the current treasurer to submit a request to the board to have the funds paid by the Corporate account. Such requests shall be considered only if the previous event reimbursed its seed money in full.
 - f. LepreCon and its activities will absorb all credit card and electronic payment processing fees.
7. Registration must have on public display a minimum of the following signs:
- a. Membership rates.
 - b. "The Con Badge is the property of the convention until the end of the convention."
 - c. "The convention reserves the right to refuse convention membership to anyone."
 - d. "A charge of not less than \$35 will be assessed against all bad checks."
 - e. "Acceptance of a membership badge and admission to (event name) constitutes an agreement to allow LepreCon, its agents or assignees, to use your image and/or likeness for advertising or promotion by LepreCon by any media now known or hereafter devised."
 - f. "Badge holder releases LepreCon from all liability in the event of accident, damage, or theft while on convention premises. LepreCon reserves the right to refuse admission to or to eject any person whose conduct is deemed by the convention to be disorderly. Badge remains the property of LepreCon until the close of the event and must be surrendered on demand. Lost badges will be replaced at the current membership rate."
 - g. All of the above (a-f) must also appear on the registration forms and in the program book.
 - h. Any additional signs must be approved by the Chair.
8. Required fine print for badge and membership forms:

“I release LepreCon, Inc. from all liability. Acceptance of this membership and entry into LepreCon constitutes an agreement to allow LepreCon, Inc., its agents or assignees to use your image and/or likeness for advertising/promotion by LepreCon, Inc. by any media now known or hereafter devised. The membership badge remains the property of the convention until the close of the convention and must be surrendered on demand. The convention reserves the right to refuse admission to or to eject any person whose conduct is deemed, in the sole discretion of LepreCon, Inc. Board, to be disorderly. A charge of at least \$35 will be assessed against all bad checks or other transactions. Paid memberships are transferable but non-refundable and the convention is not responsible for lost forms.”

9. A list of bad check writers will be maintained and passed from Convention Treasurer to Convention Treasurer. A "bad check writer" is defined as one who has written a check that cannot be collected on and who has not made alternate arrangements for payment within a specified time frame decided upon by the Chair and Treasurer. Names will remain on this list for a period of three years.

I. EVENT FINANCIAL PROCEDURES

1. All Event financial records shall be audited within at least six months after the close of the Event.
2. The Auditor shall review each account whenever primary control passes to a new person.
3. An Audit should "look for" and "expect to see" the following:
 - a. The budget
 - b. All bank statements. A system of record keeping (ledger) of all income/expenses which includes:
 - i. Checks received/written and debit card transactions
 - ii. Deposits made
 - iii. Cash payments
 - iv. Virtual and electronic payments
 - v. Cyber currency payments
 - vi. Future forms currently not foreseen
 - vii. Records of anything billed to LepreCon for that account
 - viii. Records of all charges with a settlement report
 - ix. Each entry should reference the applicable receipt
 - c. The hotel contract, guest contracts, and any other contracts, if applicable
 - d. Copy of any agreement(s) made in addition to the contract (ex. Artists, Merchants, Sponsors, et cetera), if applicable.
 - e. Reports covering the following, if applicable
 - i. Revenue by type (cash, check, charge, et cetera)
 - ii. Revenue by department (breakdown of Registration, Art Show, Charity/Game auctions, Merchants' room, etc. plus any donations)
 - iii. Revenue by classification (such as Memberships, Merchants, Pass throughs, Sponsors)
 - iv. Merchants room breakdown, includes tables sold, conversions, etc.
 - v. Expenses by department
 - vi. Losses, including bad checks and charges

- f. Receipts (or other approved & signed documentation) for every expense
- 4. Any cash withdrawals must be thoroughly documented before being executed.
- 5. Non-budgeted expenses may be reimbursed at the discretion of the Chair and Treasurer in accordance with LepreCon Financial Policy and Procedures.
- 6. Copies of the credit card receipts for charges processed will be kept at each station, and treated like cash for accounting purposes.
- 7. Registration must track the type of payment (Cash, Check, Charge, et cetera) in the registration database and on the registration forms.
- 8. Registration must provide a breakdown of Income based on membership at the end of each day of the convention.
- 9. Registration will provide a list of all convention attendees' names at the end of each day to the Hotel Liaison, so that the hotel can verify room nights as it relates to our contract.
- 10. Anyone maintaining records shall use due diligence to maintain the integrity of those records. This includes, but is not limited to, storing a printed readable copy and current electronic copy of said records in an offsite location on a quarterly basis. The offsite location needs to be accessible by the Board of Directors.
- 11. The Convention Treasurer, as part of closing the convention books, will make copies of all records for the LepreCon Archivist. and another placed in the official LepreCon storage facility. The originals shall go to the Corporate Treasurer. These records shall be held for a period of not less than eight (8) years.
- 12. Basic Account practices
 - a. Record of Deposits, should contain the following information
 - i. What it's for
 - ii. Who it came from
 - iii. Sufficient information to tie it back to the system of record keeping (ledger).
 - iv. Original transaction records, statements, etc.

J. CASH HANDLING PROCEDURES

- 1. Cash should be counted in a closed secure area by the treasurer and a representative from the applicable area. It is strongly suggested that a security representative be present when money is transferred.
- 2. When possible, cash should be stored in a hotel safety deposit box. The Chair, treasurer and/or other responsible party should have keys to the box.
- 3. No third party checks will be accepted.
- 4. All checks and credit card charges must be accompanied by a proper photo ID.
- 5. All payouts to individuals will be made by check only.
- 6. All funds received shall be receipted. A receipt shall take the form of any of
 - a. A convention badge
 - b. A receipt
 - c. A postcard
 - d. Other documentation
- 7. All LepreCon events must budget to:
 - a. Cover the event expenses
 - b. Replace the seed money
 - c. Pay for pass through memberships

- d. Return a required amount to the Corporate Main Account for annual operating expenses as specified in Attachment 2.

K. ROLLOVERS

1. One year is not enough time to properly plan an event. Accordingly, event officers are elected three years ahead of time. In order that work may be done on the events over the full term of office, LepreCon maintains separate accounts for each event it runs.
2. The following procedures are in consideration of the Rollover:
 - a. Events should be closed out within six months after the end of the event. At this point the records and checkbook are turned over to the Corporate Treasurer for review.
 - b. If the event is not closed within six months from the end of the event, all records will be turned over to the Corporate Treasurer and with the assistance of the treasurer they will close out the convention within 30 days.
 - c. All Event treasurers shall submit for approval a budget to the Corporate Treasurer, LepreCon Board and their Chair within three months of being elected. They shall submit updated budgets eighteen months, one year, six months and one month out from the convention and a close out report within three months of the end of the convention.
 - d. All vendor bills will be paid within 30 days of receipt.

L. RESTRICTIONS

1. No event officer may make an agreement that extends beyond their event without prior approval or the Board of Directors.
2. Hotel room nights for individual committee and staff members will not be reimbursed. At the discretion of the Chair and treasurer a certain number of rooms (maximum of four) may be rented at convention expense and used for committee members who are either required or wish to stay on-site throughout the convention. Sleeping areas in Staff Lounge, Con Suite and other function areas with sleeping accommodations, if applicable, may be used by the committee and staff of those areas as sleeping accommodations when prior arrangement has been made. Non-staff members may not use these accommodations. Space must be requested and will be assigned before the convention's room block expires. Space will be assigned by the Hotel Liaison with the concurrence of the Chair and Treasurer. In order to minimize the cost to the convention, all rooms rented under this procedure must be shared.
3. LepreCon funds cannot be used to purchase alcohol with the exception of sponsoring the "Meet the Pros" reception at LepreCon sponsored events and small amounts purchased for Guests of Honor.

M. OTHER CORPORATE ACCOUNTS

1. Procedures for people handling corporate funds
 - a. All applications for reimbursement must include receipts and should be accompanied by an application for reimbursement.
 - b. Copies of these receipts must be provided to the treasurer for reimbursement

- c. At a minimum the receipt should contain what it was for and the amount.
 - d. No reimbursement will be provided without a receipt.
- 2. Procedures for people handling the checkbook
 - a. A ledger will be maintained documenting all transactions relating to an event, this shall include deposits.
- 3. Basic Account practices
 - a. Records of Deposits, shall contain the following information
 - i. What it's for
 - ii. Who it came from
 - iii. Sufficient information to tie it back to the system of record keeping (Ledger).
 - iv. Original transaction records, statements, etc.

ATTACHMENT 1 - MILESTONE DOCUMENT.*

*Financial items are in bold

PRE-CONVENTION

36 months- Election. Begin assembling committee with emphasis on treasurer, hotel liaison, programming head and publicity head. Start all processes. Set up bank accounts for new officers.

24 months- Draft convention budget presentation final deadline.

20 months- Hotel should have been selected, contract signed. If no hotel is under consideration, the BoD is required to take note and remind the Chair of the 18 month deadline to have a hotel signed

19 months- Theme should be determined and Primary guest(s) selected.

18 months- If no hotel has been selected, the BoD shall take action (contract a hotel for chair, replace chair, cancel convention or ?).

18 months- Programming begins preliminary contact of participants

18 months- Most of committee should be in place

15 months- First committee meeting held

13 months- Committee positions of publicity and web shall be filled. Cards and other publicity strategy for sale of memberships should be generated. Ads designed for swaps and current event program book. Web page shall be designed and prepared to go live within 3 days of the close of the current year's event

12 months- Active publicity starts

11 months- Complete committee should be in place

9 months- Budget reviewed to show likely profit/loss. If loss is projected, BoD shall take notice and discuss with Chair and treasurer what is going wrong and what can be done to correct the problems

6 months- Budget reviewed to show expenses, memberships and likely profit/loss. If loss is projected BoD shall review possible courses of action (replace chair, cancel convention or ?).

AT-CONVENTION

Last-minute changes in budget should be carefully reviewed.

POST-CONVENTION

1 month- Close out meeting at which post-con area reports on success and problems are collected. A summary of this report should be included in the convention's officially filed paperwork. Final meeting for receipt submission for reimbursement.

1 Month- All artists have been paid and unsold artwork returned.

2 Months- Pass through lists and funds compiled and passed onto next year's event.

3 Months- All bills paid and convention books closed out.

6 Months- If post con business has not been handled the board shall be required to take action (what action taken is up to them).

ATTACHMENT 2 - LIST OF CORPORATE EXPENSES.

Corporate expenses include:

1. Domain names
2. PO Box
3. Website hosting
4. Arizona Corporation Commision report fee
5. Storage - if needed
6. Any other expenses as specified by the board of directors