

Overview of Fiduciary Obligations for RRCA Running Clubs September 2018

- RRCA recommends that running clubs are the number one beneficiary of club-earned funding followed by nonprofit opportunities.
- Running club board members should have an understanding of the following fiduciary obligations which includes making sure that adequate income is available, ensure that there are controls to not overspend, and the development a process that will safeguard club assets.
- Board members should review their *Strategic Plan* annually (*February board meetings?*).
- Board members should ensure that their spending matches elements in their strategic plan (for example - identification of those who will get runLawrence's fund-raising benefit).
- Board members should regularly review financial statements (*recommend monthly*).
- Treasurer's role includes the oversight of budget planning, assurance that adequate income is available, safeguarding the organization's assets and the completion of federal, state and local reporting, as well as creation of a process for documenting unrelated business income (UBI) (i.e. t-shirts) and payment of UBI and local sales taxes if needed.
- Fiduciary internal controls should be established (clubs should document who is listed to access the bank account, who can write checks, board review of bank statements, and board review of expenses).
- Clubs should prepare an annual budget and modify as needed with board oversight (February?).
- Small nonprofits (i.e. those who do not have multiple events or employees) can use a simple cash in and expenses out process.
- Software used to manage club funds should be purchased by the club and not borrowed from a personal version.
- The club's strategic plan should identify spending opportunities. *Currently runLawrence's strategic plan identifies the following spending opportunities that support running traditions in Lawrence, KS: coaching and race certification training, RRCA dues and insurance, youth running programs, club member training, national running club meeting attendance by board members, the annual picnic and the runLawrence Thanksgiving Day Race. Note: items were identified by club members in the 2016 runLawrence strategic planning exercise).*
- RRCA recommends that a "giving policy" be put in place for clubs. (*Currently runLawrence does not have a "giving policy," i.e. a policy for giving that has not been previously identified by the strategic plan. Club members should have a discussion on this topic to at least outline how and when to allocate funding to potential new opportunities).*