



Title: JCNJ FINANCE POLICY

Revision: 1

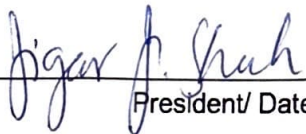
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Authorized Signatures:



Secretary/ Date

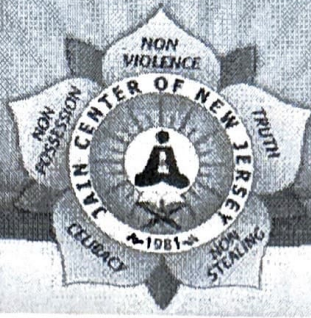


President/ Date

Introduction: The purpose of this document is to guide treasurer/joint treasurer and finance team members to conduct JCNJ operations in the best/efficient possible manner. The topics covered are culmination of past several years of real life challenges and experiences. The intended outcome is proper documentation, transparency and streamlined processes.

Topics:

1. Additional / Excessive Amount of Donation
2. Cash Donations (Maximum & Minimum)
3. End of Year Donations and Receipts
4. Loan Money to JCNJ
5. Precious Metal Inventory
6. Expense Reimbursement
7. Outbound checks
8. General donation, Modes of payment for Donation and tracking



a. Modes of Payment

- i. Check
- ii. Zelle
- iii. Cash
- iv. Credit Cards
- v. Stock Transfer
- vi. E-Check



1. Additional / Excessive Amount of Donation

- JCNJ patrons are encouraged to submit payments against their pledges only.
- By October month end of each year, Treasurer/Jt. Treasurer should review all members' accounts.
- In an event that any member/patron has an additional amount over the pledged items on their account, then the Finance team should contact each individual member via **Email & Phone call**, detailing the excessive amount.
- Finance team should offer the individual with the following options.
 - **Take Laabh/Pledge** - If a member/patron would like to take any laabh/pledge for the remaining amount by the end of year, then do so.
 - **Get Refund** - If a member/patron may not have any plans to pledge anything and would like to receive the remaining amount back, s/he has to **notify the finance team by email before December 5th** of that same year. So that treasurer can immediately issue a check which has to be **encashed before the end of year.**
 - **Attribute to Sadharan** - If for any reason, the end of year approaches and no action is taken by the member, then the remaining amount will be attributed to the "Sadharan" khata on JCNJ books for that member's account to close the year. End of year receipt for the member should reflect such details.

- **Rational**

Please note that JCNJ is neither a banking institution nor in lending business.

Though there may be a very few cases right now where JCNJ books have patron's money as advance payment, it can become a trend. In that case, JCNJ will potentially carry a substantial amount of financial liability and additional burden for the Governing body. Don't forget the annual audit and keeping that amount on the books.



2. Cash Donations (Maximum & Minimum)

- Though there may not be an IRS / NJ state mandated limit of how much cash a patron/member can donate to JCNJ, it is recommended to keep the amount to **\$9999 per member per calendar year**. This is to avoid any audit/red flag from any governmental agencies.
- JCNJ finance team encourages members to donate by check or any other trackable means to avoid any mistrust issues. It also helps to expedite record keeping, or avert additional responsibilities such as reducing time to count cash, keeping money secure until it gets deposited in the bank, fees in case of depositing coins etc.
- It is customary to acknowledge any cash donation by issuing a receipt.
- In the case of a large amount of cash, the JCNJ finance team may have to issue on the spot one or more receipts (equivalent to the sum of donation) to acknowledge the cash donation. The member has to provide necessary details of pledge, laabh or purpose of such donation.
- The finance team **WILL NOT accept** the large sum of cash money without issuing receipt.
- In the case of **smaller cash donations (\$50/- or less)**, the finance team may ask patrons if they would like to get a receipt, if not patrons are encouraged to put the cash into Bhandar/collection boxes.

only \$600 cash
can be claimed for IRS



3. End of Year Donations and Receipts

- JCNJ finance team makes all possible efforts to issue year end donation receipt by January 31st of following year.
- In order to prepare for year end receipts, to compile all data, it is necessary that all donations (inbound to JCNJ by any means) must be cleared in JCNJ accounts by 12/31/YYYY.
- Members are encouraged to submit all their donations on or before 12/15 of each year to allow for postal, weather and processing times.
- Other than JCNJ finance committee appointed individuals, no one else is authorized to process any donation by checks to be deposited in JCNJ bank accounts. So it is crucial that all checks do come to JCNJ main office location on or before 12/15.
- In the worst case situation, a check with a 12/31 date postmarked by 12/31 reaching to JCNJ office within 1st week of the following year (1/1 to 1/7), JCNJ finance team will make all attempts to process it for that year when the check was written.
- Every member or patron who has donated any amount of money via any form of payment method will receive an end of year complete receipt for tax purposes.



4. Loan Money to JCNJ

- As of 2021, JCNJ does not need any money from anyone. Thus there is no need to take “Loan” from any member/patron.
- Unless it is decided by the Governing body and by the General body of JCNJ, and proper written guidelines are established around steps to take loan, the JCNJ finance team does not accept a “Loan” from anyone for any amount for any duration for any reason.
- The JCNJ finance team is “prohibited” from taking any sum of money as “Loan”.



5. Precious Metal Inventory

- JCNJ does not engage / allow active buy/sell precious metal. So any voluntary donation of any precious metal items (jewelry or raw) from patrons/members are to be duly collected by the Finance team.
- Any items that are either dropped in bhandars, or handed to any governing body members will be collected in one box.
- It is agreed upon that by the end of December of each year, the finance team will hand over the entire collection to the "Precious Metal" team.
- Precious metal team needs to find the best option to dispose of all physical items and convert that into cash equivalent by the end of the year or by the latest 1st Quarter of the following year.
- All proceeds will go towards "Dev Dravya".



6. Expense Reimbursement

- Everyone including governing body members must attach "An Expense Reimbursement Form".
- Any expense must be submitted within 2 (maximum 3) weeks after the event or purpose is finished. Any expense report submitted after significant delay is NOT guaranteed to be processed in a timely manner.
- **DO NOT** send/forward vendor invoices directly. It will not be processed and you will be responsible for communicating with the vendor or customer.
- Any expense forms must be thoroughly reviewed and approved by respective committee leads or BoT. BoT / Committee lead bears a significant responsibility of due diligence while approving any reimbursement or payment to vendors.
- Any reimbursement request over \$500 must be approved by AT LEAST 2 TRUSTEES.
- **DO NOT** submit individual bunches of receipts. The entire expense report will be sent back.
- Make a printer copy of all receipts on 8.5 x 11 paper or use a smartphone app like CamScanner to scan all receipts as PDF.
- All forms with accompanying receipts pages must have Name & initial of the person who incurred the expense.
- **DO NOT** request an advance check with the hope that one will submit the expense report. It will not be approved without proper form and documentation submitted. (e.g. temporary help payments)
- If there is a need to submit payment as part of contract as "installment" or "advance", request Purchase Order or MOU or some contract documentation from the vendor and attach them with the request.
- While filling out the expense reimbursement form, use a proper "Chart of Accounts" so that the finance team can properly attribute incurred expenses.
- **DO NOT** make a "hotch-potch" of expense items/receipts. Please take time and prepare clear/legible expense reports.



- Keep separate events / purpose related expenses on separate reports. This is a tremendous help to the finance team.
- **Electronic Approval**
 - In case of contract or vendor invoices where a member submits electronic documents to other trustees' for approval, please DO NOT reply to the email. Instead "FORWARD" the email.
 - Forwarding email carries forward any attachments included in the original email.
 - Use explicit "I (approver name), reviewed and approved the (above mentioned submitter's) request for expense reimbursement."



7. Outbound checks

- Any written (issued) check to the vendor, needs to be encashed according to the bank's check clearing guidelines.
- If the check written out to Vendor is not cleared within 6 months, it will be canceled.
- If any check written out to an individual as reimbursement is not cleared in 3 months, the finance team will request them to encash/deposit it. If not, after informing the member, the finance team reserves the right to issue "STOP" payment.
- By law, banks are only required to honor checks for up to six months.¹



8. General donation, Modes of payment for Donation and tracking

- Any member willing to donate/bring goods & services to JCNJ is entitled to do so on their own will.
- If s/he wishes to get reimbursed in exchange of that donation, a proper expense reimbursement form is required.
- However, if they don't want to get reimbursed for it, NO Actual or Hypothetically derived corresponding value will be exchanged for any other form of benefit from JCNJ.
- Even the actual amount will not be added as a "credit memo" on the member's account. That contribution will be like any other tangible/intangible contribution any other member makes to JCNJ without any expectation in return.
- There are many modes of payment for donation.
 - Checks (physical individual, corporate, electronic)
 - Zelle
 - Cash
 - Credit Cards
 - Stock Transfer
 - ACH transfer
 - Trust fund transfer
- JCNJ does not accept "precious metal" in lieu of cash money against any pledge.
- The donation will be tracked in the account of the member/patron whose name appears on the check or instrument.



Modes of Payments Explained

A. Checks

- a. Most commonly used method of payment for donations.
- b. Make checks payable to **JCNJ or Jain Center of New Jersey**
- c. Include as much of the following as possible.
 - i. Membership ID (How do I find my Membership ID?) - **MUST**
 - ii. Spouse Name
 - iii. Phone # / Address
 - iv. Purpose of donation
- d. Mail completed checks to address below or drop it off in the Pedhi (office) at Munisuvratswami Jinalay.

**JCNJ Finance
Jain Center of New Jersey
111 Ceder Grove Lane,
Somerset, NJ 08873**

- e. The donation will be tracked in the account of the member/patron whose name appears on the check or instrument.

B. Zelle

- a. Paying with Zelle is easy, quick, secure, doesn't cost extra and available through over 200 banks.
- b. To set up Zelle for JCNJ, please use **FINANCE@JAINCENTERNJ.ORG** email address in your bank's Zelle section.
- c. Zelle only passes the account holder's registered name to the recipient, so please make sure you include as much of the following as possible.
 - i. Membership ID (How do I find my Membership ID?) - **MUST**



- ii. Spouse Name
- iii. Phone # / Address
- iv. Purpose of donation
- d. This helps us quickly properly record your payment/donation towards your pledges.
- e. **Note:** Anyone can send Zelle payment on behalf of other members, so please note to supply proper details to accurately apply the payment for appropriate member accounts and pledges.
- f. **Lack of information leads to a lot of time spent on tracking the donor, pledge and/or other details.**

C. Cash

- a. Donating using cash (especially a big amount) is a less preferred option.
- b. If a patron insists on cash donation, **ONLY DROP OFF CASH IN THE PEDHI (OFFICE) OR HAND IT TO ONE OF THE GOVERNING BODY MEMBER** and
- c. Make sure to count properly, collect all details such as
 - i. Membership ID (How do I find my Membership ID?)
 - ii. Spouse Name
 - iii. Phone # / Address
 - iv. Purpose of donation
- d. Remember to Issue a Receipt in exchange of Cash.
- e. Attach details of donation with cash, and drop that in the Cash collection box at Pedhi.
- f. Never request anyone to mail the cash in as it is not safe.

D. Credit Cards

- a. Paying by credit card is also an easy, secure and quick method to send in your donations.
- b. There is a 2.0% to 2.5% charge to pay with a credit card.



- c. JCNJ has to pay fees on the overall amount received from members via credit card.
- d. To pay by credit card please visit <http://www.tinyurl.com/jcnjdonate>
- e. After adding your donation to the cart and on the check out page please include all the following details before submitting your donation.
 - i. Membership ID (How do I find my Membership ID?) - **MUST**
 - ii. Spouse Name
 - iii. Phone # / Address
 - iv. Purpose of donation.

E. Stocks Transfer

- a. JCNJ does not engage in active trading for any Stocks, Mutual funds.
- b. Members can donate stocks to JCNJ from their brokerage firm account using "Transfer of Asset" or "Transfer Out" or "Transfer in Kind" or some other similar asset transfer form for respective financial institutions.
- c. Once received in a JCNJ brokerage account, a finance team member will execute a "Sale" transaction on the same equity as is on the first available opportunity (**Normally within 3 trading business days once received in JCNJ brokerage account.**)
- d. The proceeds (selling price less any fees/commissions) will be appropriated against any outstanding pledges of the member's account. Members will receive the acknowledgement in the year end tax donation receipt.
- e. Members may need the following information from JCNJ. (Subject to change if JCNJ changes the brokerage account)
 - i. Reason for Transfer: Charitable Donation
 - ii. Receiving Firm Name : Merrill Lynch
 - iii. Receiving Account Title : Jain Center of New Jersey
 - iv. Receiving Account Number : 747-02413



- v. DTC Number : 8862
- vi. Stock Symbol
- vii. Number of Shares to be donated.

f. Notes:

- i. Assets are **not sold** in a member's account while in transfer mode.
- ii. Depending on the time of the year, holiday seasons, the transfer can take upto a week to become available to be sold in a JCNJ brokerage account.
- iii. Members are requested to inform the finance team of their intent to transfer and stay in constant contact with the finance team until the transaction is over and proceeds are applied to their account.
- iv. The price may fluctuate and members may not get the same price of the shares on the day of execution as compared to the day they transferred out the equity.
- v. **The final proceeds are the actual amount that will be credited to the member's account.**
- vi. There may be fees/commissions etc. depending on the firm and the equity. Please advise members to consult their firm and with member of finance team via Finance@JainCenterNJ.org
- vii. **The entire transaction from member transferring equity to JCNJ and equity sold in our account can take upto about 2 to 3 weeks. The anticipated price vs realized price can be significantly different in such cases.**
- viii. In any situation, once the equity is in the JCNJ account, it will not be reversed, reimbursed to the member. The only thing JCNJ will do is hold off on liquidating the equity for a few days if the member requests so.