

Second Wind Parrot Head Club Financial Policy

This policy is referred to in the Second Wind Parrot Head Club (the “Club”) By-Laws established on May 26, 2026. Following this policy as well as any changes thereto is incumbent on the signatories/agents on the bank accounts and the administrators of all electronic sources of income, including, but not limited to, PayPal, Square, Clover, Cash-App, and Zelle. Any amendments to the By-Laws, unless specifically stated in the update, do not affect the parameters of this policy.

The purpose of this policy is to establish controls for how the Club’s funds are received and disbursed. All signatories on Club accounts, now and in the future, must acknowledge, in writing to the Board of Directors, that they have reviewed this policy and will abide by its requirements.

Changes to this policy may be proposed by any member of the Board of Directors and must be approved by a majority (2/3) vote by the Board of Directors.

Section 1: Procedures

- The President and Treasurer are responsible for all transactions in the Operating account established at Frost Bank. The Secretary is an agent for the account. All three are empowered to sign checks for the Club.
- The Secretary will hold the duplicate ATM card and bank passwords in a sealed envelope, as well as passwords to all external payment accounts and card reader accounts, to be used only if either the President or Treasurer is incapable of transacting bank business due illness, work-related travel, or any other event that renders them unavailable.
- The Secretary will review the banking information for all Club accounts online monthly to verify that all transactions were conducted in accordance with this policy. Any discrepancy will be reported immediately to the Board of Directors.
- Bank statements, with the account number redacted, will be uploaded monthly to the Club’s Dropbox account for review by any Board member.
- Financial reconciliations will be uploaded monthly to the Club’s Dropbox account for review by any Board member.
- After an election, a special meeting of the new Board of Directors must occur no later than January 10th, whether electronically or in person, to certify the newly elected President, Treasurer, and/or Secretary and record the certification in formal minutes of the meeting. The minutes will be provided immediately to a newly elected President, Treasurer, and/or Secretary.
- A newly elected President, Treasurer, and/or Secretary must visit a Frost Bank location no later than January 15th to execute new signature cards.
- The Secretary, whether newly elected or reelected, will review the final bank statement produced at the end of the term of the outgoing President, Treasurer, and/or Secretary and certify to the Board of the Directors, for the recorded minutes of the next meeting, that the balance on those statements was consistent with the bank balance when the new signature

cards were executed. If any funds were disbursed during this fifteen (15) day transition period, the discrepancy will be reported immediately to the Board of Directors. The Board of Directors will immediately investigate and determine whether the disbursement was legitimate and include their findings for the recorded minutes in the next Board of Directors meeting.

Section II: Operating Account

Traditional Banking

- The Treasurer is responsible for initial set up of the operating account. The initial account, currently established with Frost Bank, cannot be closed nor can funds be transferred or deposited to another Frost Bank account nor any other bank without a majority 2/3 vote of the Board of Directors.
- Signatories on the account cannot be related by blood or marriage and cannot reside at the same physical location.
- Checks written must be signed by a minimum of two signatories. Signatures by the President and Treasurer are preferred, however, in the absence of one or the other, where needed, the Secretary may sign as an agent on the account.
- Deposit amounts for incoming funds from membership or other events to be reconciled with the corresponding board member or committee chair.
- Monthly bank statements must be presented to the Board of Directors upon request by any Board member.
- Checks collected in person or by mail will immediately be stamped “for deposit only” with the Club endorsement stamp.
- A maximum of two debit cards will be issued on the account. The Treasurer may use his/her card subject to the restrictions below. The Secretary shall hold the second card in a signed and sealed envelope to be used only if the Treasurer is unavailable or the Treasurer’s card is damaged or lost. Debit card use is restricted as follows:
 - A \$500 expense limit has been set by the bank for daily transactions,
 - The card cannot be used at an ATM for either deposits or withdrawals,
 - Expenses paid with the card must be approved in advance by the Board of Directors.
 - Receipts must be provided for all card transactions, and
 - the Treasurer will establish notifications at the address notifications@secondwindphc.com for all ATM transactions.

The intended use of the debit card is for payment of recurring expenses, such as the post office box or domain subscriptions. The Treasurer is responsible for creating the payment structure for those expenses and reporting the date(s) and amount(s) to the Board of Directors prior to payment.

- Withdrawals other than through a written check or transfer to the Club’s PayPal or Charity Account are not permitted.
 - Withdrawal via bank withdrawal slip is not permitted,
 - Withdrawal via ATM is not permitted, and
 - Such withdrawals will be flagged by the bank and notifications alerts sent to Board of Directors at notifications@secondwindphc.com.

Online Banking

- Each signatory and agent for the Club Operating account will maintain a username and password for the account, to be provided to the incoming signatory after an election. The incoming signatory will immediately change the account password.
- Online transfer of funds is only permitted in the following instances:
 - Outgoing transfers only to the Club PayPal account as needed to pay ongoing expenses previously approved by the Board of Directors.
 - Outgoing transfers to the Club Charity account, if necessary, to pay event expenses as previously budgeted by the Board of Directors.
 - Incoming transfers from the Club Charity account, if necessary, only when a donation is to be made to a selected charity and only for the amount to be donated, as established by the Board of Directors.
 - Transfers to and from any bank accounts or other external payment accounts other than those established by the Club are not permitted.
- The Treasurer will establish notifications at the address notifications@secondwindphc.com for all transfers to and from Club accounts and any external payment accounts.

Section III: External Payment Accounts

PayPal

- The password protected email associated with this account is swphctreasurer@secondwindphc.com. No other email may be associated with the account without prior Board of Directors approval.
- The Secretary will maintain both the email password and PayPal password in a sealed envelope and provide them to the President only if the Treasurer is unable to conduct Club business for any reason. The passwords will be changed upon the Treasurer's resumption of duties.
- Both Incoming and outgoing payments are allowed.
- The Treasurer, exclusively, may initiate payments and transfers unless unavailable to conduct Club business. The President is empowered to initiate payments and transfers only in this instance and only until the Treasurer can resume his/her duties.
- Outgoing payments for expenses are to be approved by the Board of Directors in advance.
- A receipt must be provided for all outgoing payments.
- The Treasurer will enable notification alerts and verify usage against expenses approved by the Board of Directors and report any discrepancies immediately to the Board of Directors.
- The Club's primary operating account will be linked to the PayPal account for transfers and once established, cannot be changed.
- PayPal payouts must be set to "auto transfer" to allow funds to transfer to the Club's Operating account without intervention.
- All transfers to other Club accounts must be reconciled and presented with supporting documentation to the Board of Directors.

- **Section III: External Payment Accounts (continued)**

- The maximum number of outgoing transfers to be established with PayPal by the Treasurer is 7 per week unless otherwise approved by the Board of Directors.
- The maximum dollar amount of outgoing transfers to be established with PayPal by the Treasurer is \$500 per transaction unless otherwise approved by the Board of Directors.

Zelle

- Zelle may be used for incoming transactions only.
- The Treasurer will generate and distribute a QR code for direct payments.
- All Zelle transactions must be reconciled with the appropriate Board Member or Chairperson monthly.

CashApp (or similar application)

- The Treasurer will establish and maintain the CashApp application and/or other applications.
- The Treasurer will generate and distribute a QR code for direct payments.
- This type of application can be used only for incoming transactions.
- The Secretary will maintain password(s) in a signed and sealed envelope for use only if the Treasurer is unable to conduct Club business for any reason.

Card Readers

- Card reader accounts, such as Square or Clover, will be linked only to the Club's Operating account or Charity account.
- Only the Treasurer will have "owner access" to the applicable dashboard and is solely responsible for:
 - Creating teams and team member permissions,
 - Adding and deleting team members, and
 - Providing team members with individual passcodes.
- The Treasurer will retain permanent possession of readers used to accept payments and will provide them as needed to Board members or Chairpersons for use at Club events. Readers will be returned immediately to the Treasurer at the conclusion of the event.
- The Treasurer will reconcile the transactions with the corresponding board member or committee chair.
- Funds will settle and transfer automatically to the authorized bank account at close of business daily.
- The Treasurer will provide monthly reconciliation of such accounts to the Board of Directors.

Section IV: Charity Account:

Traditional Banking

- The Treasurer is responsible for initial set up of the operating account.
- Signatories on the account cannot be related by blood, or marriage and cannot reside at the same physical location.
- Checks written must be signed by the Treasurer and Vice-President. In the absence of one or the other, where needed, the Secretary may sign for as an agent on the account.
- Checks may only be written for charity event expenses previously budgeted and approved by the Board of Directors.
- Deposits for Incoming funds from membership or other events to be reconciled with the corresponding board member or committee chair.
- Monthly bank statements must be presented to the Board at official board meetings or upon request by a board member.
- No debit cards will be established for this account.
- Withdrawals other than transfer to the Club's Operating account are not permitted. Withdrawal via bank withdrawal slip is not permitted.

Online Banking

- Each signatory and agent for the Club accounts will maintain a username and password for the account, to be provided to the incoming signatory after an election. The incoming signatory will immediately change the account password.
- Online transfer of funds is only permitted in the following instances:
 - Outgoing transfers only to the Club PayPal as needed to pay event expenses previously approved by the Board of Directors.
 - Outgoing transfers to the Club Operating account only when charity-related expenses were paid initially from the Club Operating account.
 - Outgoing transfers to the Club Operating account only when a donation is to be made to a selected charity and only for the amount to be donated, as established by the Board of Directors.
 - Transfers to and from any bank accounts other than those established by the Club is not permitted.
- The Treasurer will establish notifications at the address notifications@secondwindphc.com for all transfers to and from Club accounts and any external payment accounts. If a notification is questioned by a member of the Board of Directors, the Treasurer will immediately provide an explanation and documentation to the entire Board.

Section V: Contracts

Only the President shall have the authority to enter into any contract, whether written or verbal, or execute and deliver any instrument in the name and on behalf of the Club. All contracts must be approved in advance by the Board of Directors. No Club member shall have the authority to represent the Club in any capacity, function or event without the written authorization of the Board of Directors.

Section VI: Expense and Reimbursement

- The President may approve an expense of \$100.00 per occurrence without prior approval from the Board of Directors. All expenses over \$100.00 must be approved by the Board of Directors in advance.
- Reimbursement to any member who has incurred expenses on behalf of the Club must be accompanied by a completed and signed expense report and submitted to the President or Treasurer within 60 days of the date the charge was incurred. Proper documentation, including receipts, must be submitted for consideration. Reimbursement must be approved by the Board of Directors if over \$100; otherwise, the President may approve the request.
- Completed expense reports, accompanied by receipts and payment authorization, such as the meeting minutes, will be provided to the signatories when the check is requested. The expense report will reflect the names of the signatories who reviewed the documentation.
- Requests for reimbursement by members of the Board of Directors will be approved in the same manner as above. The officer requesting reimbursement is barred from voting on the matter.
- Mileage reimbursements will be equal to the current IRS allowance.