

Grand Traverse County Republican Party Policy and Procedures for the Finance Committee

(Aligned with GTGOP Bylaws - Article VI, Section 1)

Policy:

The Finance Committee is responsible for the management and oversight of all funds by the Grand Traverse County Republican Party (GTGOP). The Committee will maintain and monitor a sound financial chain of custody to ensure accountability, transparency, and the integrity of all financial information. A documented history that tracks the movement and handling of funds from collection to the final disposition will be maintained and stored by the Committee. All funds will be bank deposited in either a State Account or Corporate Account. The documentation process will be followed for all funding matters.

Procedures:

Training will be administered by a Finance Committee representative(s) prior to any GTGOP member or volunteer collecting, handling, transferring, depositing, and expending funds on behalf of GTGOP. The Finance Committee will maintain a dated record of trained members and volunteers.

Designation of Accounts:

- I. State Account - for donations to local and state candidates, and all transactions in this account must be reported to the Secretary of State and come from legally identified sources. Membership dues, fees, or subscriptions are direct contributions and should be recorded and reported in the same manner.
- II. Corporate Account – for donations clearly and specifically designated by the donor. It is prohibited by law to use these funds for candidate support or opposition. Funds placed in the corporate account are used for paying administrative expenses that are unrelated to the GTGOP political activity. These funds are not reported to the Secretary of State.
 - A. Petty Cash – a non-defined fund not to be used for candidate support or opposition. The Finance Committee Treasurer may establish the fund from the corporate account.

Separate segregated bank accounts must be maintained. State law prohibits combining or transferring funds from the Corporate to the State Account.

Types of Donations:

- I. Funds accepted from direct donations in the form of cash, personal check, cashier's check, money order, credit card, or debit card.
 - a. Cash must be limited to \$20.00 or less from an individual on any one day.

- i. Cash donations over \$20 per individual per day, donations without donor information, or donations from businesses must be deposited into the Corporate Account.
 - ii. Donations benefiting GOP candidates or the Republican Party will require a written record including the date, amount, donor's name, address, occupation, employer, and employer's address (city, state, and zip).
 - b. A personal check from a resident within the State of Michigan. The check shall bear the donor's name and address. A written record is still required with the donor's name, address, telephone number, email address, occupation, employer, and employer's address.
 - c. Cashier's check or money order requires a written record including the date, donor's name, address, telephone number, email address, occupation, employer, and employer's address.
 - d. Credit card or debit card donations must be entered into WinRed, a payment processing platform used by GTGOP. Under no circumstances can credit card or debit card information be otherwise recorded.
- II. Goods, services, and facilities may be accepted as an in-kind donation either at no cost or at a discount. The value of an in-kind donation is the fair market value of the goods or services or the usual rental charge of the facility. The Finance Committee shall keep an itemized list of all in-kind donations. If offering a discounted rate, it only needs to be recorded as an in-kind donation if the discount is more than available to others.

Chain of Custody:

- I. Planning – The coordinator of any fundraising activity will provide to the Finance Committee, prior to the fundraiser, a detailed schedule that includes the date(s), shift time (if appropriate), location, and names of individuals to be involved in the collection process. All collection activities must always involve at least two trained people so no single individual controls the entire process. The schedule must also include the name and date(s) of the individual transporting the funds to the Committee Treasurer or the Treasurer's designated agent.

For the secure and organized handling of funds during transactions a cash box with lock is necessary and must be used.

A receipt book is only necessary for the benefit of the donor. The receipt book should be sequentially numbered on 2-part carbonless paper. The carbonless paper copy shall be retained in the receipt book which shall be in custody of the Treasurer when not in use at an event.

- II. Transactions – Provide a log sheet(s) of the daily transactions identifying the date, and donation amount, donor’s name, address, telephone number, email address, occupation, employer, and employer’s address. The log sheet(s) must be placed in an appropriately sized envelope and held until entry into the GTGOP database.

Funds received through WinRed do not need to be entered into the log. However, an event worker needs to verify the donation amount matches the total of items received.

- III. Transference – Prior to the transfer of responsibilities from one party to another, all funds are counted including cash, checks, and money orders. The balance of funds on hand must balance with the corresponding inputs from the receipt book.

A standard transfer sheet (*TBD*) developed by the Finance Committee will be used to identify the balance of funds being transferred each day.

Basic internal control requires two signatures on a transfer sheet, one signature from the transferor and the other signature from the transferee. The transfer sheet will accompany the funds, and it is recommended that a digital cellphone photo also be taken of the completed transfer sheet and emailed to the Treasurer.

At the end of the day of collection, funds and log sheet(s) of the daily transactions will be transferred to the Committee Treasurer or the Treasurer’s designated agent.

- IV. Deposits - Upon receipt of the day’s collection activity, the Committee Treasurer or the Treasurer’s designated agent will review the submitted log sheets to ensure all donor information is complete. Funds supported by properly completed donor information will be deposited in the State Account. Funds not supported with complete donor information will be deposited in the Corporate Account. All bank deposits shall be made in a timely matter, not exceeding seven (7) business days.

Log sheets must be retained until the year-end internal compilation of the financial records is satisfactorily completed and approved.

Expenditures:

- I. Expenses – Expenses paid from the State Account should be made by check bearing the Grand Traverse County Republican Party name. Expense payments may also be made from electronic instruments with supporting documentation. Expenses paid from the Corporate Account of \$50.01 or more should be made by a check bearing the Grand Traverse County Republican Party name. Checks must bear the name of the recipient, date, amount, and purpose in the check memo. Checks can only be written by the GTGOP Chair, Committee Treasurer, or the Treasurer’s designated agent.

Budgets for all planned activities and events must first be pre-approved by the Finance Committee. A cost overrun, or any unexpected charges, must first be approved by the Executive Committee. This action reduces the risk of a budget deficit.

The GTGOP debit card may be used to pay expenses for an activity or event provided a receipt accompanies the transaction.

- II. Petty Cash – Single expenditures from petty cash cannot exceed \$50.00 with a petty cash log used to record all transactions. The fund is used for minor everyday expenses or small reimbursements. The log record will include the purpose, date, and amount of the transaction.
- III. Reimbursements – No reimbursement is permitted for any expenditure without pre-approval of the Finance Committee. Financial controls prohibit any reimbursement that obscures an expense transaction completed prior to the pre-approval date.
- IV. Political Support – Only upon completion of the primary election the Executive Committee may recommend supporting Republican Candidate Committees with a corresponding expenditure. The Executive Committee may also provide financial support for the passage or defeat of a ballot proposal. No action shall be undertaken without approval of the Executive Committee.

Financial support can be provided by the following methods.

- a. Direct Contributions – These are monetary donations, loans of money, or in-kind donations made directly to a candidate committee, political party committee, or ballot question committee with the intent to influence a Michigan election.

Examples include cash donations (up to \$20 per single contribution), checks, money orders, credit card donations, or in-kind donations made to a campaign.

Direct Contributions are subject to contribution limits established by The Michigan Campaign Finance Act (MCFA).

- b. Indirect Expenditures – These are monetary donations, loans of money, or in-kind donations made for the purpose of promoting or opposing candidates, a political party, or a ballot measure.

These are done without coordination from the candidate's campaign or ballot initiative.

Examples include political communications in the form of television, radio, digital advertisements, direct mail, campaign signs, or flyers that

expressly advocate for the election, passage, or defeat of the candidate or ballot measure.

Indirect Expenditures are not subject to contribution limits as established by The Michigan Campaign Finance Act (MCFA).

Bank Reconciliation:

- I. Reporting - Bank account records should be reconciled monthly in the accounting software. This involves comparing the bank statement to the internal accounting records to identify and correct any discrepancies. It ensures that financial statements accurately reflect the GTGOP cash position.

Oversight Review:

- I. Internal Compilation – The Finance Committee will conduct an internal evaluation of the financial records prior to the end of each calendar year. Treasurer’s annual report will summarize the compilation findings.
- II. External Compilation – Problems discovered with process controls and financial records will require an examination conducted by a third-party reviewer who is not affiliated with the GTGOP. This involves comparing the bank statements and Secretary of State campaign finance records to the internal accounting records to identify and correct any discrepancies.

Approved

Executive Committee
Grand Traverse County Republican Party

Chair: Kati Kuss

Date: 11-13-2025