

**Alabama Master Gardeners Association**  
**Financial Policy**  
**February 2026**

Financial management in the operation of all Alabama Master Gardeners Association (AMGA) activities supports fulfillment of the organization's mission in the most effective and efficient manner and with full accountability. To accomplish this, AMGA commits to provide accurate and complete financial data for internal and external use by the board of directors and the membership of the organization.

**Financial Authority**

- The treasurer of the organization shall be responsible for the day-to-day financial management of the organization.
- The treasurer shall collect dues from the Member Associations and maintain the financial records of the organization.
- The treasurer shall be authorized to sign checks and disburse funds as necessary.
- Upon a change in AMGA Board of Directors, the incoming treasurer, assistant treasurer and president shall ensure that the signatories on the bank account are current and up to date. The treasurer shall prepare the necessary documentation for the financial institution to facilitate this process.
- The treasurer shall provide timely financial reports to the board and shall provide a written year-end financial summary.
- The treasurer shall prepare financial records for an annual financial review and shall share the findings of the financial review with the board of directors and the membership at the appropriate meeting. The financial review process shall be conducted within the first two months of the new fiscal year and the findings reported thereafter.
- The treasurer shall retain the financial records according to IRS regulations
- The treasurer shall provide all required financial information to certified tax preparer in a timely manner during the new fiscal year to facilitate the preparation of the annual AMGA tax filing.

## **Banking Institutions**

- AMGA shall utilize only federally insured local banking institutions. The treasurer recognizes the need for financial institution continuity and the need for a banking institution that adequately serves the state of Alabama.

## **Income Management**

- All income received by AMGA shall be properly received, deposited, recorded, reconciled and kept under adequate security.
- Any cash (including checks) shall be promptly and fully deposited.
- Every deposit transaction shall be properly documented and retained according to accounting and IRS practices.
- Cash received at fundraising activities shall be counted by two people and a cash receipt prepared and signed by both parties.
- Credit card transactions will be processed by the treasurer or an assigned designee. The treasurer shall verify that the transactions have been properly processed and settled by the banking institution.

## **Disbursements**

- The treasurer shall ensure that all accounts payable items against the organization are paid in a timely manner following approved issuance of checks procedures.
- Every transaction shall be accompanied by Reimbursement / Payment form or other appropriate documentation which is signed and approved.

## **Issuance of checks**

- All checks written shall have the treasurer's signature.
- Approved signatories for check writing are the treasurer, the assistant treasurer and the president.
- If the request is from one of the signatories, then the checks shall be approved and signed by the remaining signatories.

## **Insufficient Funds**

- If a check is returned for insufficient funds, the member or outside presenter shall be responsible for the check amount and for any bank fees associated with the returned check.

## **Reimbursement Policy**

- Reimbursements shall be made for approved budgeted line items. If not an approved budgeted item and the total amount is less than \$100, approval shall be requested in advance from the president before the purchase is made. For non-budgeted items greater than \$100, approval shall be sought in advance from the board of directors.
- If an item causes an overage to the approved line-item budget, it shall be approved in advance.
- Ideally, requester should complete Reimbursement/Payment Form or other appropriate documentation which is signed and approved and submitted to the treasurer for payment within 90-days of purchase or service provided. Exceptions to the 90-day time frame may be required and will be handled by the treasurer to facilitate payments to suppliers.
- Receipts shall be attached to Reimbursement/Payment form or other appropriate documentation for any service or purchase. Reimbursement shall not be made without proper documentation.
- The Reimbursement/Payment Form shall be approved by the project chairman and approved by the AMGA treasurer before payment can be issued.

## **Donor Tax Receipts and Tax Implications**

It should be noted that 501(c)(3) status does not automatically provide an exemption from Alabama sales, use, or property taxes.

- Organizations generally must pay sales tax on purchases and collect sales tax on taxable sales, unless specifically exempted by a separate statute.
- To maintain tax compliance in Alabama, 501(c)(3) organizations must adhere to specific state and federal requirements, including annual filings with the IRS and the Alabama Attorney General's office. Unlike many other states, Alabama does not offer an automatic, blanket exemption from sales and use taxes for 501(c)(3) entities.
- Which form to file 990, 990-EZ or 990-N depends on the organization's gross receipts and assets. The filing is generally due by the 15th day of the 5th month after the organization's fiscal year ends (May 15 for calendar-year filers).

- The Alabama Master Gardeners Association is a 501(c)(3) non-profit organization. As such, donations made to support the organization are tax deductible and the organization shall provide, upon request, a letter of receipt for the donated funds or other non-monetary items. The intrinsic value of any donated goods shall be determined by the donor.
- Per instructions from the Alabama Secretary of State's office, the letter of receipt shall include:
  - The name, address and federal tax identification number of the non-profit organization.
  - The name of the donor.
  - The taxable year of the donation.
  - The monetary value of the donation.
  - The receipt shall be signed by an officer or designee of the organization.

#### AMGA Conference and Seminar

- The Local Master Gardener Association (Local MGA) Committee Finance Chair and Funding Chair for the AMGA State Conference must work closely with the AMGA Treasurer and Vice President to ensure financial accountability.
  - The Guidelines for Conducting a State Conference will be followed by the Local MGA Committee Finance Chair and the AMGA State Treasurer.
- The Local MGA Committee Finance Chair for Fall Seminar will report post revenues and revenue split between the Local MGA and AMGA. A final check for one-half of the proceeds along with documentation of Seminar income and expenses will be provided to the AMGA Treasurer.
- AMGA Transformation Garden Pedestrian Walkway
  - In August 2022, AMGA requested financial support for the naming rights of the Pedestrian Walkway in the Transformation Garden
  - AMGA was able to secure the naming rights of the Pedestrian Walkway for a \$200,000 pledge over the next five years. AMGA appropriated \$40,000 as an initial investment and a portion of the proceeds of the state conference for the next five years.

## Retention of Records

- The Alabama Master Gardeners Association is a 501(c)(3) non-profit organization. As such, all records and supporting documentation shall be kept for a seven-year period according to IRS rules.
- After the seven-year period, best practices dictate the retention of the annual financial report indefinitely. This retention can be accomplished in a digital format.
- Receipts and other supporting documentation for extraordinary transactions shall be kept indefinitely.