

MU ALPHA RHO MILITARY SORORITY, INCORPORATED



Founded in Service. Bound by Honor. Governed with Integrity.

FINANCIAL CONTROLS AND GIFT ACCEPTANCE POLICY

Document Type: Policy

DOCUMENT CONTROL AND COMPLIANCE PROFILE

Control Element	Metadata Entry
Unique Identifier	MAP-POL-2026-0004
Document Title	Financial Controls & Gift Acceptance Policy
Document Type	Policy
Version Number	Version 1.1
Effective Date	June 20, 2026
Approved By	Deborah A. Peeples, Chairman; Ayeisha Latta-Mathews, Deputy Chairman
Responsible Office	National Compliance Officer / Finance Office / Ethics, Compliance, and Membership Standards Committee
Review Cycle	Annual, or earlier if required by law, audit finding, or governance change
Next Review Date	June 2027
Federal Alignment	IRS Form 990 governance and financial oversight expectations; charitable contribution substantiation under IRC § 170(f)(8) and quid pro quo disclosure under IRC § 6115; excess benefit transaction and intermediate sanctions risk under IRC § 4958; federal tax-exemption rules governing private inurement and private benefit; related-party conflict disclosure and recusal best practices



State Alignment	Fla. Stat. § 617.1601 (corporate records and accurate accounting records); Fla. Stat. ch. 496 (charitable solicitation and related records obligations, as applicable)
Related Documents	Mu Alpha Rho Bylaws; Conflict of Interest Policy (MAP-POL-2026-0001); Whistleblower Policy (MAP-POL-2026-0002); Document Retention and Destruction Policy (MAP-POL-2026-0003); Compensation Policy; Gift Acknowledgment Procedures; Financial Delegation Schedule
Supersedes	New policy
Classification	Confidential Governance Record

Implementation Note: This controlled document establishes minimum standards for budgeting, approval authority, receipts, disbursements, reconciliations, restricted funds, donor stewardship, and the review and acceptance of gifts. It is intended to strengthen financial accountability, protect donor intent, reduce fraud and misuse risk, and support compliance with federal tax-exemption expectations and Florida nonprofit governance requirements.

CONFIDENTIAL GOVERNANCE RECORD

DOCUMENT 1
FINANCIAL CONTROLS & GIFT ACCEPTANCE POLICY
 Mu Alpha Rho Military Sorority, Incorporated

POLICY STATEMENT

Mu Alpha Rho Military Sorority, Incorporated (the “Sorority”) shall maintain financial systems and gift acceptance practices that promote integrity, accountability, donor confidence, and compliance with applicable law. All officers, directors, committee leaders, chapter leaders, finance custodians, volunteers handling funds, and other persons acting on behalf of the Sorority must follow this Policy whenever they receive, safeguard, approve, spend, report, or restrict organizational funds or property.

1 PURPOSE

This Policy is designed to:

- Establish minimum internal controls over receipts, deposits, disbursements, reimbursements, contracts, reconciliations, and financial reporting;
- Protect Sorority assets against loss, diversion, unauthorized commitments, fraud, and misuse;
- Ensure that financial activity is properly authorized, documented, reviewed, and recorded in accurate accounting records;
- Provide standards for the acceptance, review, restriction, acknowledgment, and stewardship of gifts;



- Protect donor intent and ensure that restricted gifts are used only for their designated purposes; and
- Create a governance pathway for corrective action, compliance review, and referral when financial control failures or gift acceptance concerns arise.

FEDERAL ALIGNMENT — PRIVATE INUREMENT AND EXCESS BENEFIT RISK: This Policy is designed to reduce the Sorority's exposure under IRC § 4958, which imposes excise taxes ("intermediate sanctions") on excess benefit transactions between a 501(c)(3) organization and a disqualified person, and to support accurate responses to the governance and financial-oversight questions in IRS Form 990, Part VI and Part VIII.

2

DEFINITIONS

Term	Definition
Approved Budget	The annual operating or program budget approved by the Board of Directors or other authority designated by the Bylaws.
Custodian of Funds	Any officer, director, employee, volunteer, chapter representative, or designee who receives, deposits, disburses, transports, reconciles, or records Sorority funds or financial instruments.
Gift	Any contribution of cash, cash equivalent, securities, tangible personal property, real property, services, in-kind support, or other asset offered to the Sorority.
Restricted Gift	A contribution subject to a donor-imposed purpose, time, program, endowment, or other limitation accepted by the Sorority.
Quid Pro Quo Contribution	A payment made partly as a contribution and partly in consideration for goods or services provided by the Sorority.
Official Financial Record	A budget, ledger, bank statement, receipt record, deposit record, reimbursement request, grant record, acknowledgment record, contract, or other document maintained as the authoritative evidence of financial activity or donor intent.
Segregation of Duties	The assignment of financial responsibilities so that no single person controls authorization, custody, recordkeeping, and review for the same transaction from beginning to end.

3

ADMINISTRATION AND SCOPE

The National Compliance Officer is the policy administrator for compliance oversight. The National Treasurer or other principal finance officer is responsible for day-to-day financial administration, implementation of transaction-level controls, and coordination of financial reporting. The Board of Directors retains ultimate fiduciary oversight.



This Policy applies across National, Regional, State, and Local Chapter operations to the extent a chapter handles Sorority funds, solicits or receives contributions in the Sorority's name, incurs obligations, manages restricted resources, or uses Sorority banking, payment, or bookkeeping systems.

Where feasible, duties must be separated among at least two individuals. If staffing is limited, compensating controls such as heightened review, dual approval, documented board ratification, or periodic compliance testing must be used.

4

CORE FINANCIAL CONTROL STANDARDS

- All financial activity must be supported by timely, complete, and accurate documentation.
- No person may approve a payment to themselves, sign their own reimbursement without independent review, or authorize a transaction in which they have a disqualifying conflict of interest.
- Whenever practicable, financial responsibilities shall be divided among authorization, custody of assets, recordkeeping, and review.
- All bank, payment processor, and merchant accounts used for Sorority business must be opened in the legal name of the Sorority or an authorized subordinate unit and must use authorized signers only.
- Blank checks, debit cards, login credentials, payment tokens, and endorsement devices must be safeguarded and issued only to authorized custodians.
- Personal bank accounts, personal payment applications, or personal credit cards shall not be used as routine pass-through accounts for Sorority funds, except as specifically authorized for emergency reimbursement procedures with full documentation.
- Accounting entries, reconciliations, and financial statements must be reviewed on a periodic basis by someone other than the individual who prepared them whenever practicable.

SEGREGATION OF DUTIES — MANDATORY RULE: No single Custodian of Funds may control authorization, custody, recordkeeping, and review of the same transaction from beginning to end. Where staffing limitations make full separation impossible, dual approval, heightened review, or documented Board ratification is required as a compensating control.

5

BUDGETING AND AUTHORITY TO COMMIT FUNDS

The Sorority shall operate from an Approved Budget. No officer, committee, or chapter may incur a material obligation, sign a contract, or commit Sorority funds outside the approved budget or delegated authority without documented approval from the Board of Directors or other authority designated by the Bylaws.

The Board may adopt a separate financial delegation schedule establishing approval thresholds, spending categories, contract authority, card-use limits, reimbursement caps, and emergency exceptions. In the absence of a more specific board-approved delegation schedule, the following minimum rules apply:

- Routine budgeted expenditures must be approved by the authorized finance officer and one additional approver designated by the Sorority.



- Non-budgeted expenditures, unusual transactions, multi-year obligations, and commitments involving restricted funds require written approval at a higher level of authority.
- Material contracts, debt obligations, asset sales, settlements, real property transactions, and transfers of significant restricted funds require Board review or ratification.
- Authority to sign a contract does not by itself authorize disbursement; payment controls under this Policy still apply.

6 RECEIPTS, DEPOSITS, AND CASH HANDLING

- All funds received on behalf of the Sorority must be recorded promptly, safeguarded, and deposited intact into an authorized Sorority account.
- Cash receipts should be counted by two individuals whenever practical and documented on a cash count, event reconciliation, or receipt log.
- Deposits should be made as promptly as practical after receipt. Funds may not be held unnecessarily, commingled with personal funds, or used to make off-book payments before deposit.
- Online contributions and merchant processing activity must be linked to an approved platform with access restricted to authorized persons.
- Returned payments, chargebacks, and declined transactions must be tracked and reviewed for follow-up and proper accounting treatment.

7 DISBURSEMENTS, REIMBURSEMENTS, AND ACCOUNTS PAYABLE

- Every disbursement must have a legitimate organizational purpose, supporting documentation, and evidence of approval before payment.
- Invoices and reimbursement requests must identify the payee, date, business purpose, budget category, amount, and attached support such as receipts, contracts, or event documentation.
- Checks, electronic payments, ACH, wires, and card transactions must be approved according to delegated authority, and high-risk transactions should receive dual review.
- Debit card and credit card use must be limited to authorized users, business purposes, and documented receipts. Missing receipts or repeated late submissions may result in suspension of card privileges or further review.
- Reimbursements to officers, directors, or volunteers shall not be issued without review by an independent approver who did not incur the expense.
- Voided checks, rejected electronic payments, and manual payment overrides must be retained and periodically reviewed.

8 BANKING, RECONCILIATIONS, AND FINANCIAL REPORTING

- Each bank or payment account must be reconciled on a regular basis, with reconciliation documentation retained as an Official Financial Record.



- Bank reconciliations should be reviewed by an individual who did not prepare them whenever practicable.
- The Treasurer or principal finance officer shall provide periodic financial reports comparing actual results to budget, identifying material variances, and noting any significant restrictions, liabilities, or control issues.
- The Board of Directors should receive financial reporting at regular intervals sufficient to exercise fiduciary oversight.
- Any unexplained discrepancy, unusual transaction, missing documentation, unreconciled difference, or suspected diversion of assets must be escalated promptly to the National Compliance Officer and appropriate finance leadership.

9

RESTRICTED FUNDS AND DONOR INTENT

- Restricted gifts must be recorded in a manner that identifies the donor-imposed restriction and enables tracking of use consistent with donor intent.
- Restricted funds may not be spent for general operations or reassigned to another purpose unless the restriction has been satisfied, released, or lawfully modified.
- If the Sorority cannot fulfill a proposed restriction, the gift should not be accepted without clarification, amendment, or legal review as appropriate.
- Program leaders and finance custodians must coordinate to ensure expenditures charged to restricted funds are allowable, documented, and traceable.
- Board-designated reserves are not donor-restricted unless expressly created from a restricted gift or external legal obligation.

10

CONFLICT SAFEGUARDS AND RELATED-PARTY TRANSACTIONS

This Policy operates together with the Sorority's Conflict of Interest Policy. A person with a personal, family, business, vendor, or compensation interest in a transaction must disclose the interest, abstain as required, and follow any recusal or documentation procedures required by the Board or applicable policy.

- Payments to related parties, insiders, or affiliated vendors must be reviewed for fairness, documentation, and appropriate approval.
- No gift may be accepted if it would cause the Sorority to violate law, compromise its independence, create private benefit or inurement concerns, or undermine mission integrity.
- Transactions raising conflict, excess benefit, or ethics concerns shall be screened under MAP-POL-2026-0001 and may be referred to the National Compliance Officer and, when appropriate, to the Ethics Committee for review.

11

GIFT ACCEPTANCE STANDARDS



The Sorority may accept gifts that are consistent with its charitable mission, operational capacity, legal obligations, and ethical standards. The Sorority reserves the right to decline, return, or conditionally accept any gift that would create undue administrative burden, unacceptable cost, legal risk, reputational harm, conflict of interest concerns, or restrictions inconsistent with the Sorority's mission or governing documents.

Unless a stricter review is required by board resolution, legal advice, or the nature of the gift, the following standards apply:

- Cash, checks, standard electronic funds transfers, and ordinary online donations may generally be accepted through approved channels.
- Gifts subject to unusual restrictions, naming conditions, refund rights, endowment terms, installment commitments, matching conditions, grant compliance obligations, or donor control provisions require additional review before acceptance.
- Non-cash gifts such as securities, real property, vehicles, intellectual property, closely held business interests, cryptocurrency, life insurance, or tangible property with storage, environmental, title, valuation, or liquidation concerns require case-specific review and may require Board approval.
- The Sorority does not provide legal, tax, or appraisal advice to donors. Donors remain responsible for obtaining their own professional advice and valuations.
- Acceptance of a gift does not constitute certification of tax deductibility beyond the factual acknowledgment the Sorority may lawfully provide.

12

ACKNOWLEDGMENTS, SUBSTANTIATION, AND QUID PRO QUO DISCLOSURES

- The Sorority shall provide donor acknowledgments and receipts that accurately describe the contribution received and, when required, indicate whether any goods or services were provided in exchange.
- For quid pro quo payments, the Sorority shall provide the required written disclosure stating the portion that may be deductible as a charitable contribution and the good-faith estimate of the value of goods or services provided in return, when such disclosure is legally required under IRC § 6115.
- For non-cash gifts, acknowledgments should describe the property received without assigning a donor tax value, except where factual identification is appropriate.
- Restricted gifts and grants must be acknowledged in a manner that preserves the restriction terms and any reporting obligations accepted by the Sorority.

MANDATORY RULE — DONOR VALUE DETERMINATION: The Sorority may acknowledge receipt of donated property but shall not assign or certify the donor's charitable deduction value except as expressly permitted by law or formal IRS forms completed in accordance with legal requirements.

13

REVIEW OF COMPLEX OR HIGH-RISK GIFTS



- The National Compliance Officer, principal finance officer, and appropriate leadership may conduct a preliminary review of a proposed gift to identify legal, financial, tax, operational, storage, title, environmental, reputational, or mission-related concerns.
- When a gift presents unusual restrictions, significant carrying cost, legal exposure, or compliance obligations, the matter should be elevated for Board review and, if needed, legal or tax counsel.
- The Sorority may require supporting documentation such as title records, appraisals, transfer instructions, grant terms, or donor correspondence before making an acceptance decision.
- If a gift is accepted subject to special conditions, those conditions must be documented in writing and preserved with the Official Financial Record.

14 VIOLATIONS, REVIEW, AND REFERRAL

Questions about interpretation of this Policy should be directed to the National Compliance Officer and appropriate finance leadership. Suspected violations, control failures, missing funds, repeated documentation deficiencies, unauthorized commitments, misuse of restricted funds, improper donor restrictions, false acknowledgments, or attempts to circumvent approval processes should be reported promptly.

The National Compliance Officer may conduct a preliminary compliance review, coordinate corrective action, require remedial training or documentation, and determine whether the matter should be referred under the Sorority's Bylaws, Conflict of Interest Policy, Whistleblower Policy, and Disciplinary Guide.

When appropriate and consistent with due process procedures, suspected intentional misconduct, repeated noncompliance, falsification of financial records, misappropriation, interference with review, or other serious ethics concerns may be referred to the Ethics Committee for investigation and recommendation.

15 RECORDS AND RELATED POLICIES

Financial records, donor records, grant records, acknowledgments, and gift acceptance documentation created or maintained under this Policy are Official Financial Records and must be retained in accordance with the Sorority's Document Retention and Destruction Policy (MAP-POL-2026-0003). Where two policies appear to overlap, the more protective retention or review standard shall control unless the Board or legal counsel directs otherwise in writing.

LAW CONTROLS WHERE GREATER: Nothing in this Policy is intended to shorten any recordkeeping, disclosure, or review obligation imposed by IRC §§ 170(f)(8), 6115, or 4958, Fla. Stat. § 617.1601, Fla. Stat. ch. 496, or any other applicable federal or Florida law. Where law requires greater protection than this Policy, the law controls.

DOCUMENT 2 APPENDICES

Mu Alpha Rho Military Sorority, Incorporated



Appendix A — Gift Review Checklist

INSTRUCTIONS: Use this checklist for gifts that are restricted, unusual, non-cash, high-value, or otherwise require enhanced review before acceptance.

- Does the proposed gift align with the Sorority's charitable mission and operational capacity?
- Is the gift cash or a routine electronic donation, or does it involve non-cash property or complex conditions?
- Does the donor propose any restriction, naming right, repayment obligation, installment schedule, reporting covenant, or continuing control?
- Would acceptance create unusual cost, insurance burden, storage obligation, liquidation difficulty, environmental concern, or title issue?
- Is legal, tax, appraisal, or Board review required before acceptance?
- Has the final acceptance decision and any conditions of acceptance been documented and retained?

Appendix B — Donation Acknowledgment and Review Record

INSTRUCTIONS: Complete this record for significant gifts, restricted gifts, grants, and any gift requiring enhanced review or special acknowledgment language.

Donor Name / Organization:	
Date Received:	
Amount or Description of Gift:	
Cash / Non-Cash / Grant / Quid Pro Quo:	
Restriction or Purpose Designation:	
Goods or Services Provided in Return (if any):	
Estimated Value of Goods/Services Provided:	
Special Conditions or Review Notes:	
Acknowledgment Sent Date:	
Reviewed By:	



Board Review Required? (Yes / No):	
Final Acceptance Decision:	

**ADOPTION
BOARD ADOPTION RECORD**

This Financial Controls & Gift Acceptance Policy becomes effective upon approval by the Board of Directors of Mu Alpha Rho Military Sorority, Incorporated, and shall remain in effect until amended or repealed by Board action consistent with the Bylaws and applicable law. This Policy shall be reviewed periodically for alignment with the Sorority's Bylaws, Florida law, federal tax-exemption governance expectations, and evolving financial control needs.

Approved by Board on:	
Chair of the Board:	Deborah A. Peeples, Chairman
Deputy Chairman:	Ayeisha Latta-Mathews, Deputy Chairman
Chair Signature:	
National Compliance Officer Certification:	
Effective Date:	June 20, 2026
Next Scheduled Review:	June 2027 (or earlier if required by law, audit finding, or governance change)