

Greater Baybrook Alliance Financial Policies – Draft 9/12/2018

Philosophy

The purpose of financial management in the operation of all Greater Baybrook Alliance, Inc (GBA) activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, GBA commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

Authority

The Board of Directors is ultimately responsible for the financial management of all activities. The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

- The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- The Executive Director is authorized to sign checks up to \$9,999. Checks for amounts greater than \$9,999 shall require the signature of the Treasurer or Board Chair.
- The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$10,000 or any contracts relating to bank loans, real estate loans or purchases, or corporate credit cards.
- The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, providing reporting to the Finance Committee on variances and the reason for these variances. The ED will provide reports quarterly or as requested by the Treasurer and Finance Committee.
- The Executive Director is authorized to appoint individuals access to observe and review electronic access to bank accounts and financial statements.
- The Board of Directors must approve any use of the board designated cash reserve fund.
- The Executive Director or Board shall appoint one Board member or staff member who does not have check signing authority or access to electronic transactions to review bank statements monthly.

Responsibilities

The Executive Director shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of GBA operations according to the schedule established by the Finance Committee, but at least quarterly.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit vendor credit accounts to prudent and necessary levels.

- Obtain competitive bids for items or services costing in excess of \$5,000 per unit. Selection will be based on cost, service, and other elements of the contract. GBA may award the bid to any provider and is not required to accept the lowest cost proposal.
- Establish payroll policies and procedures.

The Board of Directors shall:

- Review financial reports at least quarterly.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

Financial Transactions with Insiders

No advances of funds to employees, officers, or directors without Board authorization. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

In no case shall GBA borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

GBA will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the organization immediately upon receipt by the organization.

GBA shall accept contributions of goods or services other than cash that are related to the programs and operations of GBA. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Asset Protection

In order to ensure that the assets of GBA are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.

- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.
- Independently review monthly by the (10th) of each month official bank statements. Treasurer (or appointed individual) shall approve each review by the (20th) of each month.

Auditing and Tax Obligations

The Finance Committee will appoint and oversee the selection of an independent auditing and/or accounting firm to prepare independent financial audits and tax returns as required by law. The Executive Director is responsible for filing taxes and other materials by reporting deadlines and maintaining good standing with state and federal agencies.