

Title: **SANTA ROSA PLATEAU FOUNDATION (SRPF) - FINANCIAL CONTROLS**

Policy: Financial controls are designed to segregate financial duties, protect against asset loss, protect cash receipts, require second signatures on large checks, keep track of inventory, adhere to capital expenditures policy, produce timely reports and maintain accurate record keeping.

Purpose: To describe accounting policies and procedures for the SRPF and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

Scope: Applicable to Board and staff alike.

Procedure:

1.0 DIVISION OF RESPONSIBILITIES

A. Board of Directors

1. Reviews and approves the annual budget.
2. Reviews annual and periodic financial statements and information.
3. Reviews Executive Director's (ED) performance annually and establishes the salary.
4. The ED and two members of the Board will be appointed by the Board to be authorized signers on the bank accounts.
5. Reviews and approves all non-budgeted contracts over \$1,000.
6. Reviews and approves all non-budgeted expenditures over \$500.
7. Reviews and advises staff on internal controls and accounting policies and procedures.

B. Executive Director

1. Reviews all financial reports including cash flow projections.
2. Sees that an appropriate budget is developed annually; oversees development of annual, special events, and program budgets for review by the Chief Financial Officer and the Budget and Finance Committee.
3. Reviews all check and electronic disbursements.
4. Reviews and approves all budgeted contracts.

5. Reviews and approves all grant submissions
6. Is on-site signatory for all bank accounts
7. Oversees the adherence to all internal controls
8. Serves as non-voting advisor on Budget and Finance Committee

C. Budget and Finance Committee

1. Assists Executive Director and Chief Financial Officer (CFO) with the development of annual operating budget, special events and program budgets; makes budget recommendations to the SRPF Board.
2. Monitors all budgets.
3. Reviews all payrolls and associated reports.
4. Reviews and manages cash flow.
5. Monitors and manages all expenses to ensure most effective use of assets.
6. Monitors grant reporting.
7. Monitors and makes recommendations for asset retirement and replacement.
8. Reviews, revises, and maintains internal accounting controls and procedures.
9. Reviews all financial reports.
10. Reviews, monitors, and makes recommendations to the Board regarding investment of idle funds as necessary.

D Chief Financial Officer

1. Will have overall responsibility for overseeing the management and reporting of financial matters to include the following:
 - a. Banking, investment relationships, and account maintenance
 - b. Maintaining sound financial management policies and procedures
 - c. Assuring adequate cash flow for operations
 - d. Assuring adequate controls for protection of all corporate assets, keep or cause to be maintained adequate and correct books and accounts of the properties and transactions of the SRPF
 - e. Along with Executive Director serves to implement the development of annual budgets including programmatic and grant budgets and assists in management of same
 - f. Will provide or cause to be provided to the Board of Directors such financial statements and reports as required by law or by the SRPF Bylaws
 - g. Oversees accounts payable and payroll
 - h. Serves as Chair or Co-Chair of Budget and Finance Committee

- i. Along with CPA ensures that annual tax form 990 is accurate and is reviewed by Budget and Finance Committee prior to CFO signing said form.
- j. Cooperates with any internal or external audit procedure.

E. Treasurer

- A. The Treasurer will share with the CFO responsibility for all financial transactions and reporting including the following:
1. Provide operational and programmatic support in all financial related areas
 2. Supervise financial operations, create and assess monthly reports and reconciliations
 3. Be instrumental in the development and management of annual budgets including programmatic and grant budgets
 4. Has fiscal reporting responsibilities
 5. Cooperates with any internal or external audit procedure
 6. Oversees accounts receivable
 7. Serves on the Budget and Finance Committee
 8. Cooperates with any internal or external audit procedure

2.0 CASH RECEIPTS

A. Cash or Checks Received by Mail or in Person

1. Treasurer or Executive Director has custody of post office box keys and are responsible for mail pickup on a regular basis.
2. All checks received by mail or in person are endorsed with the SRPF stamp, the deposit processed and taken to the bank by the Treasurer or the CFO within 48 hours receipt of check or cash.
3. A copy of the deposit receipt is attached to copies of related checks and kept on file with the Treasurer.
4. A copy of deposit detailing appropriate allocation of donations is then emailed to the ED, CFO, and Administrative Assistant.

B. Special Fundraising Events Cash Management – (See Policy #10.M)

3.0 PETTY CASH FUNDS

- A. The petty cash funds are maintained by the SRPF. The funds are to be used for miscellaneous or unexpected purchases and the same approval procedures apply as all other cash disbursements. (E. 1. a. b. & c.)
- B. There will be two separate types of petty cash funds: one for day-to-day operations and one for fundraising events. The following procedures apply to each:
 - 1. The petty cash funds will not exceed \$500 and are kept in safe locations at all times.
 - 2. Management of the petty cash fund will be an Accounts Payable duty facilitated by the ED.
 - 3. All disbursements from petty cash are acknowledged in writing by the receiving party.
 - 4. All expenditures from the petty cash funds will be verified by the Executive Director. Receipts for items purchased with petty cash must be included with request for money to be returned to the fund and should include appropriate allocations.
 - 5. The day-to-day- operation's petty cash fund will be reconciled no later than the last day of each month for review and verification by the CFO who will then submit the reconciled petty cash report to Treasurer for inclusion in monthly financial reports.
 - 6. The fundraising event's petty cash will be reconciled on an ongoing basis during the event for review and verification by the CFO who will then include the reconciled petty cash report for inclusion in event financial reports.
 - 7. No checks will be cashed by the petty cash funds.

4.0 DEBIT AND CARD CHARGES

- A. The Board has the authority to approve the establishment of a debit card charge account in the SRPF's name, including the daily debit limit of \$500.00.
- B. The Board has the authority to approve the establishment of a credit card charge account in the SRPF's name, including the credit limit of \$10,000.00.
- C. All staff members who are authorized to carry an organization debit and/ or credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: Personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which the SRPF receives funds.

5.0 BANK ACCOUNT RECONCILIATIONS

- A. All bank statements are received and reviewed monthly by the Treasurer/CFO.
- B. The CFO will reconcile monthly bank statements with CFO's general ledger of accounts within the QuickBooks software.
- C. Copies of bank statements and general ledger accounts are then kept on record with the CFO.

6.0 FINANCIAL REPORTS

- A. The CFO will oversee and/or prepare the monthly and annual operating budget reports for distribution to the SRPF Board. The reports will include: balance sheet, statement of income and expenses, budget versus actual report, event's budget versus actual expenditures report, accounts receivable and payable, cash flow projections and any other requested reports.
- B. The Budget and Finance Committee will review monthly financial reports prior to the regularly scheduled Board meeting.

7.0 PROPERTY AND EQUIPMENT

- A. It is the SRPF's policy to capitalize all items which have a unit cost greater than \$2,000. Items purchased with value or cost less than \$2,000 will be expensed in the period purchased.
- B. Life of asset and annual depreciation will be determined by the SRPF's paid CPA based on current IRS law. That amount will be reflected in the SRPF's monthly balance sheet.
- C. A fixed asset log is maintained by the Budget and Finance Committee Chair including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number.
- D. A physical inspection and inventory will be taken annually of fixed assets and reconciled to the fixed asset log.

8.0 FISCAL POLICY STATEMENTS

- A. All cash accounts owned by the SRPF will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the *FDIC insured amount*.

- B. All capital expenditures which exceed \$2,000 will be capitalized.
- C. No salary advances will be made under any circumstances.
- D. Reimbursements will be paid upon complete expense reporting and approval using the official SRPF form. Reimbursements to the Executive Director for phone and mileage will be included in the annual operating budget. Any reimbursements outside of the budget must be authorized by the SRPF Board of Directors.
- E. Any donated item with a donor established value exceeding \$100 will be recorded and a letter acknowledging the donation will be sent to the donor within thirty days of the receipt of the donation.

- F. The Executive Director and two designated Board members are the signatories on the SRPF's bank accounts. Disbursements exceeding \$500 for approved budget items require a second signature by an authorized Board member.
- G. Bank statements will be reconciled monthly by the CFO.
- H. Accounting and personnel records will be kept in secured file cabinets in the SRPF office and only parties with financial and/or HR responsibility will have access said files.