

Grand Beginnings

FISCAL POLICIES

Section 1 Financial Records and General

- 1.1 The organization's fiscal year begins July 1st and ends on June 30th
- 1.2 The financial records of the organization shall be maintained on an accrual basis of accounting in accordance with generally accepted accounting principles.
- 1.3 All financial records of the organization must be properly maintained by the Executive Director under the supervision of the Board of Directors and must be on the premises of the organization's principal office
- 1.4 The purpose of the accounting system is to systematically record, summarize and report all financial transactions of the organization. The system shall be designed so that all aspects of the organization's operations are included in the system. In which, is that all receipts must be filed each year by name of vendor and with all required paperwork.
- 1.5 Effective controls and accountability must be maintained for all assets of the organization, including cash, investments and fixed assets. The organization must adequately safeguard all assets of the organization and assures that all assets are used for authorized purposes.
- 1.6 Financial statements will be prepared quarterly and will be distributed to the Board of the Directors on a quarterly basis as well. Financial statements will include:
 - Statement of Financial Position (Balance Sheet)
 - Statement of Financial Activities (Income and Expense Statement)]
 - Year-To-Date Budget Variances
- 1.7 Bank statements and canceled checks will be received and reconciled by the Treasurer of the Board of Directors and / or the accountant as necessary.
- 1.8 Unpaid invoices are maintained in an unpaid invoice file and a list of unpaid invoices is regularly prepared and reflected in the quarterly Balance Sheet.

Section 2 Cash Disbursements

- 2.1 All disbursements are to be made issuing checks drawn on the established agency cash accounts.

- 2.2 No checks will be made out to “bearer” or “cash” unless authorized by two signatures.
- 2.3 The request for disbursements must be supported by the original documentation that justifies the purpose of the disbursement and is attached to the request. Records will be maintained of all disbursements and the original documentation.
- 2.4 Checks for disbursement will be prepared and signed by the Executive Director. Checks written for over \$750.00 will require a second signature.
- 2.5 The organization Board of Directors will designate individuals who are authorized to sign checks. Authorized check signers will be required to be reaffirmed on an annual basis by the Board of Directors.
- 2.6 The organization Board of Directors will designate individuals who are authorized to approve credit card transactions. Individuals designated to authorize credit card transactions will be required to be reaffirmed on an annual basis by the Board of Directors.

Section 3 Purchase and Contracts

- 3.1 Purchases and contracts must be approved in advance of purchase by the Board of Directors.
- 3.2 Unbudgeted purchases of more than \$100.00 will require prior authorization by the President of the Board of Directors.
- 3.3 The Board of Directors must approve all contracts.

Section 4 Cash Advances or other Payments to Staff

- 4.1 No cash advances are to be made.
- 4.2 The organization will reimburse staff for reasonable business expenses incurred in connection with business of the organization that have been properly approved and are submitted for payment with required documentation.
- 4.3 Reimbursements must be signed and authorized by someone other than the person requesting reimbursement.
- 4.4 No loans or advancements on payroll will be made to any staff member.

Section 5 Payments to Board of Directors

- 5.1 No compensation will be made by any member of the Board of Directors for services as a member of the Board. Reasonable expenses may be allowed for attendance at regular or special meetings of the Board or committees thereof as approved by the Board. Board members will submit requests for reimbursement with appropriate documentation, which will be approved by another Board member and forwarded to the fiscal staff to prepare the check disbursement.
- 5.2 The organization will not enter into contracts for goods or services with a member of the Board of Directors or a company controlled by a Board member. For short-term contracts, a Board member may take a temporary leave of absence from the Board.
- 5.3 No loans or cash advances will be made to any member of the Board of Directors.

Section 6 Cash Receipts and Deposits

- 6.1 Funds received by the organization will be deposited in a timely manner or less than two weeks, to an account at a financial institution that the Board of Directors has authorized. The organization will deposit only in institutions where deposits are insured by an agency of the federal government. All deposits will be made by an authorized person as designated by the Board of Directors.
- 6.2 Procedures are to be in place to identify, evaluate, and to determine the acceptance of restricted contributions. Restricted contributions will be used only for the purpose detailed in the original restricted gift. Restricted contributions may be deposited in a separate account than unrestricted income. In QuickBooks, income must be noted in the corrected account and/or classed into the category.
- 6.3 All contributions must be acknowledged in writing within five business days of receipt.
- 6.4 Cashing of checks out of currency receipts is prohibited.

Section 7 Annual Audit

- 7.1 The organization's Board of Directors will determine if there will be an audit.
- 7.2 The Board of Directors, or a committee, or person designated by the Board, will be responsible for selecting an auditor.
- 7.3 The audited financial statements will be presented to the Board of Directors and a vote of the Board to accept the statements will be required.

7.4 All findings and recommendations from the auditor will be forwarded to the Director and any additional staff, who will report to the Board on actions that are being taken to address the findings and recommendations.

Section 8 Budget

8.1 An annual budget will be established and approved by the Board of Directors prior to the start of the new fiscal year.

8.2 The actual operating results of the organization (i.e. a balance sheet and revenue and expense statement) will be compared to the budget on a quarterly basis and presented to the Board of Directors. All significant variances will be explained by the Treasurer of the Board of Directors.

8.3 No changes may be made to the budget without the approval of the Board of Directors. The budget may not change:

- Total budget amount does not change
- Category of the budget does not change more than 10% from the approved budget

8.4 Any capital purchases (i.e. a building renovation, equipment, computer, etc.) must have a separate budget that has been approved by the Board of Directors.

Section 9 Borrowing

9.1 No borrowing may be made without the approval of the Board of Directors.

Section 10 Operating Reserve

10.1 The organization should seek to build and maintain an operating reserve at least or equal to three to six months of operating expenses.

10.2 An amount should be included in the annual budget to build the operating reserve to the desired level.

10.3 Use of the operating reserve for operations must be approved in advance by the Board of Directors.

Section 11 Conflict of Interest

11.1 The organization will not enter into contracts or transaction with any other corporation, partnership, association, or other organization in which its directors are directors, officers, or have financial interests without prior approval by a majority of disinterested members of the Board of Directors.

Section 12 Travel

- 12.1 Travel Expenses – including: mileage, lodging and meals. Participants will be required to provide a detailed travel log including start and end addresses and the purpose of the trip for mileage reimbursement. For lodging and meals a detailed bill and / or invoice (showing that it has been paid in full) will be required. In the event that air travel is necessary participants will be required to provide the actual airline ticket and baggage fee receipts. An explanation of travel will be required to show that the benefit pertains solely to this contract or will need to be allocated between various contracts. Also, participants should provide the agenda of meeting or training attended. If this documentation is not available, participants can send an e-mail announcing who and why meeting and / training was held.
- 12.2 Dinner receipts are required to have the following: name and contact information of establishment, date of purchase, itemized list of meal including drink (alcoholic beverages are not reimbursable) and the total purchase price of meal including a maximum of 17% gratuity and an employee's signature.
- 12.3 Miscellaneous Expenses – including groceries, office supplies and postage. Detailed bill, invoice or receipt will be required. An explanation regarding how good or service purchased was used to fulfill the objectives of the contract. Also, an explanation regarding the portion of the bill that was charged to the contract to ensure contract is paying for its fair share.
- 12.4 Training Expenses will require confirmation of registration and payment for all attendees as well as the training agenda and training overview or a training certificate. An approval signature will also be required.
- 12.5 Meeting Expenses will require detailed receipts and / or invoices for all purchases. There will need to be a list of attendees and their associated organization. Also, required will be the meeting agenda.

Gift Card Purchases

- 12.6 The purchase of gift cards must include a detailed receipt showing the quantity of gift cards purchased and the amount purchased on each card. SDA's must maintain documentation tracking the inventory and distribution of the gift cards (including which specific card was given to which specific recipient and the reason for giving the card).

Note: Unless all of the gift cards are properly distributed by the end of the contract period, reimbursement for the cards will not be allowable.

Section 13 Non-Profit Donations

13.1 It is the policy of the organization that in lieu of monetary donations to other non-profits in Grand County, the organization will support early childhood programs through ongoing early childhood services, scholarships and professional development opportunities including networking.