

# **Financial Policies and Procedures**

## **Barr Lake and Milton Reservoir Watershed Association**

### **I. FINANCIAL POLICY**

The Board of Directors is responsible for sound financial management of the corporation and, as such, has developed this Financial Policy (“Policy”). The purpose of this Policy is to specify procedures associated with the management and documentation of Barr Lake and Milton Reservoir Watershed association (BMW Association) financial assets. This Policy will be reviewed periodically at the discretion of the Board.

The purpose of financial management in the operation of BMW Association activities is to fulfill the organization’s mission in an effective and efficient manner and to remain accountable to stakeholders, including member organizations and other partners. In order to accomplish this, BMW Association commits to providing accurate and complete financial data for internal and external use by the Board.

### **II. BANKING RELATIONSHIPS AND SIGNATURE AUTHORITY**

The checking account and safekeeping accounts will be held with a federally insured banking institution approved by the Board. The President, Vice-President, Secretary, and Treasurer may be granted signature authority along with any other corporate directors, employees or contractors approved by a Board action. Upon a change in Board officers, new officers shall be added as authorized signers on the accounts while departing officer names shall be removed.

### **III. ACCOUNTING AND FINANCIAL ADMINISTRATION**

The Treasurer is authorized to carry out the day-to-day financial activities of the corporation as directed by the Board and outlined in this Policy including all accounting-related activities. The Treasurer may delegate accounting activities to a third-party and, in that case, shall supervise performance of the accounting activities.

**Budget.** An annual budget will be prepared and approved by a vote of the Board. The budget will detail income and expenses for specific line items. Movement of funds between line item accounts requires Board approval. If the appropriations change in a budget year, an amended budget resolution will be presented for Board approval. The Treasurer will use the budget, as well as information provided by the Board, to determine cash flow requirements and investment options.

**Financial Recording.** Recording and documentation of financial transactions will be conducted in accordance with Generally Accepted Accounting Principles. The Board may authorize the use of a software product or other method for tracking corporate transactions. Copies of the operating files shall be archived at least annually.

**Deposits and Expenditures.** All income will be properly received, deposited, recorded and reconciled. All disbursements will be initiated upon receipt of properly documented bills or invoices, paid in a prompt and timely manner, and properly recorded. Checks, debit card withdrawals and other draws are authorized as follows:

- Any expenditure must be within the limit set by currently adopted budget appropriations, unless otherwise approved by the Board.
- All expenditures above \$5,000 require two signatures.
- Only Board members may be assigned corporate debit cards. The debit card can be used up to a limit of \$2,500 for approved expenditures. Amounts above \$2,500 may be charged provided that a written or electronic pre-authorization has been received from the Treasurer and/or the Board.

**Board Reimbursements.** Board members will not be paid for time spent on BMW Association business. However, Board members and their designees may be reimbursed for out-of-pocket expenses incurred on behalf of the organization.

**In Kind Contributions.** In kind contributions are those that are contributed in other than cash. In kind contributions of goods or services to the BMW Association shall only be received, valued and accepted as determined by the Board of Directors. In kind contributions will be reflected in the accounting as deemed appropriate by the Treasurer.

**Monthly Accounting Review.** The bank statement shall be reconciled on a monthly basis. The monthly statement and reconciliation report shall be reviewed by at least one other Board member. The review shall consist of:

- Comparing the bank balance on the monthly statement to the “bank balance” on the reconciliation;
- Reviewing the reasonableness of outstanding checks and deposits in transit; and
- Comparing the prior month’s outstanding checks and deposits in transit to the information included with the bank statement.

**Board Financial Reviews.** Financial reports shall be submitted to the Board for review on a quarterly basis. Reports shall comply with Generally Accepted Accounting Principles and set forth all fund balances, interest earnings, revenues and expenditures. Year-end financial reports will be provided at the close of the fiscal year for Board review and presentation at the Annual Meeting. Annual federal tax returns will be reviewed and approved by the Board prior to filing.

**Change in Treasurer.** When there is a change in Treasurer position, the new Treasurer shall perform the steps outlined in the monthly accounting review to verify the cash balance being turned over.

#### **IV. ANNUAL MEMBERSHIP DUES**

The Board of Directors is granted authority, per the corporate Bylaws, to establish annual monetary contributions for each membership class of the BMW Association. Any changes to the contribution amounts are subject to review and approval of the membership per procedures outlined in the Bylaws.

The current annual membership dues structure is as follows:

- Sustaining members - \$12,000
- Active Members - \$4,000
- Supporting members – suggested voluntary contribution of \$100

Original Adoption Date: 06-24-14

Modification Dates: 08-28-18