

Financial Controls Policy

Control 1. Expenditures over \$5000 must have two signatures on every check, one of whom must be a Board Member with signatory authority on the account.

Control 2. Approved signatories for all Community Foundation bank and financial accounts shall be Officers of the Community Foundation as follows:

- President & CEO
- Board Chair, Board of Directors
- Board Vice Chair (if one is currently serving)
- Secretary, Board of Directors
- Treasurer, Board of Directors
- Immediate Past Board Chair of Board of Directors (if one is currently serving)

Control 3. All check and cash disbursements must be accompanied by an invoice, approved Grant Recommendation form or other formal documentation showing that the payment is justified.

Control 3. No blank checks shall be pre-signed.

Control 5. Incoming checks shall be endorsed with the Community Foundation's bank information as soon as practicable after receipt.

Control 6. For operational credit card expenses, other than the President & CEO, the person using the card shall not be the same person approving its use and accompanying charges. Credit card expenses over \$250 shall require pre-approval. The President & CEO shall review all credit card statements. A Board Officer shall review any credit card statements and/or accompanying expense reports of the President & CEO.

Control 7. All cash sales or receipts shall be subject to internal review and verification by two individuals using inventory and other controls. Cash receipts shall be balanced on a daily basis.

Control 8. Mail shall be collected from the mailbox by two individuals. Both individuals shall be present as mail is opened. Incoming mail should be date stamped.

Control 9. Bank, credit card, and any other reconciliation statements shall be reviewed by someone other than the individual(s) responsible for receiving, depositing, recording and reconciling the receipt of funds (money coming in) and the individual(s) responsible for authorizing payments, disbursing funds, and reconciling bank statements (money going out). Such reconciliation statements generally shall be reviewed monthly by the

President & CEO, and following this review such reconciliation statements and review documents shall then be reviewed by the Treasurer on at least an annual basis.

Control 10. All contracts for goods or services over \$5000 shall be subject to at least three bids, and approved by an Officer uninvolved in the transaction. Contracts over \$7500 shall be reviewed and voted on by the Board. Exceptions to this control shall include the auditor and tax service professionals and investment advisors, whose terms shall be set by the Board.

Control 11. Grant awards over \$25,000 shall be reviewed by the Program or Executive committees, or the Board of Directors, prior to being issued.

Control 12. All General Ledger entries, other than regular, recurring entries, shall have two individuals authorize them.

Control 13. Payroll rolls and rates shall be reviewed by the President & CEO at least semi-annually. Payroll tax submissions shall be reviewed and checked by the President & CEO at least semi-annually.

Control 14. All employees shall be subject to background checks as part of the hiring process. Key volunteers shall also be subject to such background checks as requested.

Control 15. The Community Foundation shall adopt a formal whistle-blower program to insure that employees have a safe way to report suspected fraud, theft or mismanagement. This program should allow all employees the ability to contact a Board Member or Officer, who is expected to take such reports seriously, protect the reporting employee, and contact legal counsel.

Control 16. The Community Foundation will contract for an annual certified audit performed by an independent public accountant. The audit shall be reviewed and accepted by the Board. The final audit will be made available to the public. The Board will make any necessary changes in operations based on the results of the annual audit.

Control 17. The Community Foundation will make the following documents (most current version) available on its website (www.hendrickscountycf.org) for public record:

- IRS Form 990
- Annual Audited Financial Statements
- Annual Report

These documents will also be provided upon request from the Community Foundation office. The Community Foundation may also make additional governance documents (IRS Determination Letter, Articles of Inc., Form 1023) available on its website.