



Twin Cities Community Gospel Choir
PO Box 6812
St. Paul, MN 55106

Financial Policies

July 2017

Approved by the Board of Directors July 11, 2017

The TCCGC is a Minnesota not-for-profit corporation, tax exempt under Internal Revenue Service Code 501(c)(3). The purpose of the organization is, through soulful interpretation of the African-American gospel music tradition, to move audiences and create community across racial, cultural and economic boundaries, while sharing a message of hope and joy.

A. Fiduciary Responsibility

1. The Board of the Twin Cities Community Gospel Choir (TCCGC) holds fiduciary responsibility for the corporation. It is the responsibility of the Board of Directors to formulate financial policies and review operations and activities on a periodic basis.
2. The Board of TCCGC will ensure the election of a Treasurer and will establish a Finance Committee of which the Treasurer is the Chair. The Board delegates oversight responsibility to this Committee which is charged with the execution of the policies outlined within this document.
3. The executive director acts as the primary fiscal agent, implementing all financial policies and procedures. The executive director reports to the Treasurer/Finance Committee. The executive director and Finance Committee are jointly responsible for such tasks as the coordination of an annual budget presentation, management of fund investments, recommendation of accountant and auditor, presenting revenue and expenditure objectives for Board approval, and ensuring the accuracy and completeness of financial records and reporting.

B. Reports

1. Monthly statements will be prepared by staff and reviewed by the Treasurer prior to distribution to the Board, consisting of a Statement of Financial Position (balance sheet), Income and Expenses Report, and Cash Flow Projection or their equivalent; and other reports as requested by the Board of Directors.
2. The Finance Committee will review the monthly financial statements and will approve a report prepared by staff for the Board.
3. Estimates of year-end results will be prepared by staff, approved by the Finance Committee and reported to the Board at least quarterly.
4. The annual year-end statements of the TCCGC may be audited as recommended by the Finance Committee of the Board of Directors. Such an audit will be conducted by an independent CPA firm approved by the Board. (see section D)
5. TCCGC will openly communicate the annual reporting information contained in its IRS Form 990 for the previous three years and make available this information to those who request it.

C. Budgets

1. A detailed annual budget will be prepared by the staff, reviewed by the Finance Committee and approved by the Board.
2. The Finance Committee will monitor experience against budget and direct the Treasurer to make recommendations to the Board to correct discrepancies if needed.
3. Total budgeted expenses will not exceed total budgeted income without Board approval.

D. Accounting Practices

1. TCCGC shall follow standard accounting practices, operating on a cash basis.
2. At the point where the operating budget for the preceding year exceeds \$750,000, TCCGC must move to an accrual accounting system, following the general accepted accounting principles (GAAP), and have its financial statements audited, certified and prepared in accordance with such principles. The Finance Committee is charged with hiring the auditor, overseeing the audit process, meeting with the auditor to review the audit's content and presenting the audit's findings to the full board for its review and approval. TCCGC may move to accrual accounting prior to this point at the recommendation of the Finance Committee.

E. Cash Management

1. All cash received will be deposited into the TCCGC bank checking account in a timely manner. The checking account will be drawn upon for routine operational and program expenses.
2. The TCCGC will not maintain cash on hand except for short-term project use such as for a fundraising event and a \$100 petty cash fund.
3. A systematic method will be used for paying and recording out-of-pocket expenses too small to be made by check and drawn against the petty cash fund. The petty cash fund will be replenished from the checking account as needed.
3. Any cash on hand will be kept in a locked location.

F. Reserves

1. The TCCGC will establish a reserve or savings account for the purpose of building a reserve fund.
2. Transfers from checking to savings will be made at the discretion of the Finance Committee. A minimum of three months operating expenses will be maintained in the reserve.
3. Withdrawals from any reserve/savings account will require the approval of the Treasurer and one other member of the Finance Committee or Board of Directors. The purpose of the reserve is to provide cash flow protection in the case of major unanticipated expenses and to save for investing in future projects.

G. Investments

1. The TCCGC may invest capital in excess of operational needs.
2. Investments necessarily must be very low risk and be very liquid. Earnings from investments are subject to the same policies governing the original investments.
3. The Board of Directors delegates responsibility for investments to the Finance Committee. The Finance Committee may draw up investment guidelines as determined to be necessary, subject to review and approval by the Board.
4. Any withdrawal from an investment account requires the approval of the Treasurer and one other Officer of the Board.

H. Banking

1. The TCCGC will maintain one bank account for operating funds.
2. The Treasurer, Board President, and Executive Director will be authorized signers.

3. Signatories are not permitted to sign checks made out to themselves.
4. All bank accounts are to be reconciled monthly by staff. The Treasurer will review reconciliations at least quarterly.
5. Checks in the amount of \$3,000 and more require two signatures, one of which must be the Treasurer or President.
6. The executive director and Treasurer of TCGC may be issued a debit card against the organization's checking account.

I. Payroll/Contracted Services

1. Payroll is executed periodically. Paychecks or direct deposits will be provided to each employee by the executive director or Treasurer.
2. Monthly payroll expenses shall be verified against payroll reports and direct deposit reports and reconciled with checking account reports.
3. The compensation of staff members shall be determined by the Board of Directors or their designees and compensation is based on a board-approved process that considers comparable data and performance. No employee of TCCGC may be compensated outside of the approved range, without the approval of the Finance Committee.
4. The executive director has the authority to contract for services within the limits set by the annual budget. Expenses for contracted services in excess of the budget must be approved by the Board of Directors.

J. Donations

1. Donations of any sort shall be acknowledged in a timely and appropriate manner.
2. Donations shall be recorded to reflect the intentions of the donors.
3. Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt.
4. Volunteers donate time to TCCG programs on an on-going basis. Other volunteers contribute time and services for administrative or fundraising activities. Such contributed services are not reflected in TCCGC's financial statements. However, professional services provided pro bono (ex. legal, accounting) may be shown as donations in kind.

K. Record Retention

1. The TCCGC will comply with the record retention schedule as attached.
2. Records will be kept on site at the address so designated. Whenever possible and appropriate, electronic records (reports) will be maintained at a location easily accessible by the Finance Committee and Board. (see M.7 below)

L. Conflict of Interest

1. Members of the Board of Directors are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Director at the corporation's expense.
2. If a Director has a financial interest in a corporate transaction, the Director must fully disclose the interest and abstain from voting.
3. Loans to Directors or staff are prohibited.

M. General

1. TCCGC will maintain adequate business (property, liability) and directors insurance.
2. TCCGC will comply with all required reporting to governmental agencies and with all applicable federal and state rules and regulations.
3. TCCGC Board authorization is required for the following:
 - a. All contracts/legal matters over \$10,000 in value
 - b. Check signer designations
 - c. Bank account openings and closings
 - d. Annual budget
 - e. Change in fiscal year
4. An Officer of the Board, preferably the Treasurer, will review all required state and federal charitable organization filing requirements.
5. All income derived from special fund raising campaigns, if any, will be segregated from operational funds on the books and used in accordance with campaign objectives and donor instructions.
6. All contributions to TCCGC in the form of common stock will be sold as quickly as is practical.
7. Financial records are restricted materials with limited access. Only the executive director, Treasurer, or others so authorized shall have access to financial records beyond the information distributed in reports. Restricted access applies to vendor files, checks, journals, payroll, specific donor data, etc.).

N. Donor Privacy Policy

1. TCCGC respects the privacy of personal and organizational information about supporters (donors, volunteers, prospects). Toward this end, TCCGC will:
 - a. not sell or trade supporter information.
 - b. not provide their information to organizations or individuals outside of the organization without the consent of the supporter.
 - c. require any person or organization providing services to the TCCGC to protect the confidentiality of supporter information.
 - d. hold strictly confidential all information concerning donors and prospects, unless a donor or prospect grants permission to use selective information for purposes of referral, testimonial, example, recognition or publicity.
 - e. comply with the expressed wishes of any supporter who does not want their name used in any promotional materials, wishes their name removed from solicitation lists, or wishes to have their gifts or services remain anonymous.
 - f. collect, use and share information about our supporters among staff and volunteers only on a need-to-know basis and for the sole purpose of carrying out the organization's mission.
2. The TCCGC has adopted and follows a Donor Bill of Rights as attached.

attachments: *Document Retention Policy; Donor Bill of Rights; Whistleblower Policy*