Audubon Neighborhood Association

Fiscal Policies and Procedures

Philosophy

The Board of Directors, as legal directors of ANA, are responsible for ensuring sound financial practices and management. Sound policies and procedures are followed to fulfill the organization's mission and to ensure the healthy operation of the organization. In order to accomplish this, ANA commits to provide accurate and complete financial data for internal and external use by the Neighborhood Administrator and the Board of Directors. See the job descriptions of the Treasurer and the Neighborhood Administrator for specific duties.

Authority

- The Board of Directors is ultimately responsible for the financial management of all activities.
- The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
- The Treasurer and Neighborhood Administrator are responsible for the day-to-day financial management of the organization. The Board authorizes the Neighborhood Administrator to pay bills, receive funds, and maintain bank accounts.
- The Neighborhood Administrator is authorized to sign checks up to $1,000 out of the Petty Cash account. Checks greater than $1,000 cannot be written out of the Petty Cash account.
- The Neighborhood Administrator is authorized to enter into contracts for activities that have been previously approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than $5,000.00.
- The Neighborhood Administrator is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee on variances and the reason for these variances.
- The Board of Directors must approve any use of the organization’s funds. By a vote of the full Board, part of this duty can be assigned to the Executive Committee.

Staff Responsibilities

- Account for donor restricted and Board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate lease or purchase without specific approval of the Board.
- Record fixed assets with a purchase price of $1,000.00 and above in accounting records as capital assets (provided they are not purchased with funds reimbursed by the City of Minneapolis, which requires a limit of $500.00 and above). Depreciation will be computed using the straight-line method, based on generally accepted accounting principles.
- Obtain competitive bids for items or services costing in excess of $1,500.00 per unit. Selection will be based on cost, service, and other elements of the contract. ANA may award the bid to any provider and is not required to accept the lowest cost proposal.

Board Responsibilities

- Review financial reports at each board meeting.
- Provide adequate training to board members and staff to enable each member to fulfill their financial oversight role.

Asset Protection

- In order to ensure that the assets of ANA are adequately protected and maintained, staff shall plan and carry out suitable protection and maintenance of office and equipment. This includes keeping blank checks locked up and immediately stamping incoming payments for deposit.
- Avoid actions that would expose the organization, its Board, or staff, to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board-approved priorities and long-range organization goals, staff shall work with the Finance Committee to develop operating and capital budgets for approval by the Board of Directors at the December meeting.

Soon after the Annual Meeting and elections, staff and the Treasurer will work with committees to propose an annual budget to the Board for final approval. The organization shall work to secure stable and diversified funding. The Treasurer and staff will work with funding agents to create grant contracts, and submit timely reimbursement requests. This is done in conjunction with the annual budgetary process. Currently, ANA is funded by the Community Participation Program (CPP), the Neighborhood Revitalization Program (NRP), other grant funding, and limited miscellaneous monies such as event revenue and resident donations.

Fiscal Year

The fiscal year shall be the calendar year.

Accounting

Accurate and usable records are to be maintained of all funds received and spent by ANA, both by income type and expense type. Accounting records and paper documentation, if necessary, are to be maintained for the specified time as the law requires, or per the ANA Document Retention Policy, whichever is longer.

Reports

Financial reports are generated and filed on a monthly basis. Reconciliations are performed on a monthly basis and signed off on by the Treasurer. The Treasurer of the Board of Directors does a detailed review of financial transactions and statements each month to ensure the validity of expenditures. Summary reports are reviewed and approved by the ANA Board of Directors at its regular monthly meetings.

Disbursements

Committee Chairs, Executive Committee members, and the Neighborhood Administrator are authorized to initiate expected expenditures under $300.00 so long as they are within the ANA budget, as authorized by the Board of Directors. Committee Chairs and Executive Committee members should work with staff and the Treasurer when it comes to budgetary requests or having checks issued. No disbursements shall be made without appropriate originating documents (i.e. invoices or receipts).

Bank Accounts

Two bank accounts are maintained by ANA: the Master Account and the Petty Cash Account. The Master Account is used for administrative items. Citizen Participation Program (CPP) funds and Neighborhood Revitalization Program (NRP) funds are deposited into this account. The Petty Cash account can have a maximum of $1,000 and is administered by the Neighborhood Administrator.

Three Executive Committee members shall be the signers on all ANA accounts, except for the Petty Cash account. The Neighborhood Administrator and the Treasurer of the Board of Directors will be the signatory on the Petty Cash account. All disbursements from the Master account shall be approved by the Treasurer and the check signed by two members of the Executive Committee.

The Neighborhood Administrator shall administer $1,000.00 of petty cash which is held in a separate account. No single expenditure over $300.00 shall be made without approval of the Executive Committee or the full Board of Directors, unless already included in the organization's approved annual budget. All expenditures must be accounted for, reviewed by the Treasurer, and consistent with the ANA budget.

Audit

ANA will follow the guidelines of its funders for the frequency of audits. The Minnesota Attorney General's Office requires annual audits for non-profit organizations that generate over $750,000 in public revenue.

Organizational Status and Taxes

The organization must keep current with Federal and State charitable organization requirements and reports. In addition, the organization must pay all required tax payments and submit all reports as required and on time.

Procedures

These procedures may be modified with the approval of the Executive Committee as long as they are in compliance with the policies listed above and ensure sound financial practices. The Board shall be notified of revisions.

Disbursements

All disbursements are entered into the files in an acceptable computer bookkeeping program (such as QuickBooks). After materials are processed accordingly, they are filed either electronically, hard copy, or both.

> **Payment Authorization Forms:** Payment Authorization Forms are signed by an Executive Officer. An original invoice or receipt must be attached before issuing a check. After the payment is authorized, two Executives need to sign the check before it is valid. The Neighborhood Administrator sends out the checks, noting "PAID" on the invoices, and retaining the check request forms and copies of the original invoices either electronically, hard copy, or both.
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> **Paychecks:** Employees of the organization complete bi-weekly time sheets, tracking the area in which their time was spent. The Neighborhood Administrator enters the hours into the ADP system by Wednesday at 1:00 p.m. and checks are issued the Friday after. Time Sheets must be reviewed and signed by the Vice-President before being scanned and filed.
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> **Petty Cash:** The Community Coordinator administers up to $1,000.00 of petty cash held in a separate account. Receipts and paperwork must presented for all expenditures, and the Payment Authorization Form must be signed by the Treasurer. Volunteers and board members may request repayment for petty cash expenditures by forwarding signed receipts and explanations to the Community Coordinator, provided that the expenses have previously been approved by the board.
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> **Mileage:** Volunteers, officers, and staff are eligible for reimbursement of mileage incurred for ANA business by completion of an Expense Report Form at the rate set by the IRS. Although a different form is used for these requests, these reimbursements are handled in the same manner as other check requests.
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> **Incoming Receipts and Invoices:** All receipts and invoices are received by the Neighborhood Administrator. If it must be paid immediately, and it can be paid from the Petty Cash account and is an approved budgetary expense, the Neighborhood Administrator can write a check and mails the payment. If the payment must come from the Master Checking account, the invoice gets put in the "To Be Paid" file, and checks are processed as bi-weekly.
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> **Incoming Checks:** All incoming checks are immediately stamped "For Deposit Only" and deposited as soon as possible. Until they are deposited, checks are to be kept securely locked in the ANA office and removed only to be deposited. Once deposited, the deposit slip is filed. All those who donate to ANA will be issued an

acknowledgement letter, whether for monetary or in-kind donations. Credit card donations through the ANA website will receive email confirmation of their donation through PayPal.

Incoming Cash: There must be a receipt written for all cash received by the ANA office. These receipts are to be kept and filed either electronically, hard copy, or both. All cash must be deposited in a timely manner.

Compliance

The Neighborhood Administrator and Finance Committee will periodically review these procedures with legal counsel or ANA's bookkeeper to ensure that they are in compliance with new or revised regulations.

Adopted by the Audubon Neighborhood Association Board of Directors 12.27.21