

## **The Greater Cincinnati Orchid Society**

### **Financial Management Policies**

The Greater Cincinnati Orchid Society (GCOS) is establishing the following procedures to provide for orderly financial management of the organization.

#### **Budget Process**

A budget shall be developed by the Directors annually for presentation by the Treasurer to the Members not later than the January meeting of any year. The budget shall be voted on by the membership present at the meeting at which it has been presented. The Officers shall have authority to implement the budget approved by the Members.

#### **Changes to the Budget during the Year**

The total income and expenses of the budget may be changed by vote of the Members present at a regular meeting during the year.

#### **Expense Budget Modifications**

The budget may be modified by adjusting the amounts in various budgeted categories during the year by vote of the Directors, provided that the total expenses of the budget do not change.

#### **Purchase Authorizations and Payments**

Budgeted purchases and payments shall be authorized by at least one Officer for amounts up to \$1,000; amounts over \$1,000 require authorization of two Officers. No person may authorize payments to himself, herself or to a family member (See Conflict of Interest Policy).

#### **Signature Authority on Accounts**

The President, Vice President, Treasurer and Secretary shall have signature authority over all GCOS non-endowment accounts.

#### **Cash Basis of Accounting**

GCOS shall use the cash basis of accounting, and report financials accordingly.

#### **Capitalization of Assets**

GCOS does not contemplate acquiring significant use assets, such as furnishings, computers, buildings, etc. Consequently, and consistent with cash basis accounting, GCOS will not capitalize any expenditures. This policy is subject to revision if circumstances warrant a change.

### **Temporarily Restricted Accounts**

The Board may determine to restrict certain funds for particular uses, based on:

- a) the requirements of donors or grant makers,
- b) anticipated organizational liabilities,
- c) anticipated financial needs of the organization, and
- d) the desire to provide a stable source of income to support particular programs, such as, for example, awards for outstanding plants presented at GCOS exhibitions
- e) multi-year grants

Funds in temporarily restricted accounts are not required to be in separate financial institution accounts, but shall be reflected in GCOS accounting books. Such funds may be released into GCOS' regular income by vote of the Board when the restriction has been met or is no longer necessary.

### **Permanently Restricted Accounts**

Certain gifts and donations may be accepted by GCOS as permanently restricted endowment funds. Such funds shall be maintained in separate financial institution accounts, accounted for in GCOS' accounting books, and their principal shall not be invaded. Earnings from such funds may be restricted to special purposes by the Board. The Board shall exercise final authority over the investment of the assets and over use of the earnings. Movement of the endowment to another financial institution shall require a Board resolution.

### **Nonprofit Income Tax Filing**

GCOS' annual income tax report (the appropriate form of IRS 990) shall be reviewed by the Board.

Approved by the Board on April 7, 2009