

Financial Controls Policy

1. Purpose

The purpose of this Financial Controls Policy is to establish procedures and internal controls to safeguard the assets of the Gentle Journey Foundation, ensure accurate financial reporting, promote transparency and accountability, and reduce the risk of fraud or financial mismanagement.

The Foundation is committed to responsible stewardship of all funds entrusted to the organization and to ensuring that the majority of funds received are used to support programs and services that directly assist seniors, veterans, and individuals in transition.

2. Guiding Principles

The Gentle Journey Foundation will operate under the following financial principles:

- Transparency in financial reporting.
- Accountability for all funds received and spent.
- Separation of financial duties whenever possible.
- Board oversight of financial activities.
- Proper documentation for all financial transactions.
- Use of funds in alignment with the Foundation's mission.
- Responsible budgeting and financial planning.
- Compliance with nonprofit accounting and IRS regulations.

3. Separation of Duties

To reduce the risk of fraud or financial errors, financial responsibilities should be separated whenever possible so that no single individual has complete control over all financial processes.

Financial duties should be separated among different individuals when possible, including:

- Receiving funds
- Recording transactions
- Approving expenses
- Issuing payments
- Reconciling bank accounts
- Reviewing financial reports

If the organization is small and full separation is not possible, the Board Treasurer or Board of Directors should provide additional oversight and review.

4. Budgeting and Financial Planning

The Foundation will operate with an annual budget that includes:
Expected donations and grants

Financial Controls Policy

Program expenses
Administrative expenses
Transportation and relocation assistance costs
Equipment and vehicle costs
Marketing and outreach
Insurance and professional services

The Board of Directors must review and approve the annual budget. Significant changes to the budget should also be approved by the Board.

5. Revenue and Donations Handling

All donations and revenue received by the Foundation must be properly recorded and deposited into the Foundation's bank account.

Procedures include:

Donations should be logged or recorded when received.
Cash donations should be counted and documented.
Checks should be endorsed and deposited promptly.
Online donations should be tracked through the donation platform.
Donation receipts should be provided when appropriate.
Restricted donations must be used only for their intended purpose.
All deposits should be documented and recorded in financial records.

6. Expense Approval and Payments

All expenses must be reasonable, necessary, and related to the Foundation's mission and operations.

Expense procedures:

Expenses should be approved before payment whenever possible
Receipts or invoices must be kept for all expenses
Payments should be made by check, card, or electronic payment when possible
Cash payments should be avoided when possible
Large purchases should require Board approval
Related party transactions must follow the Related Party Transaction Policy
Personal expenses may not be paid with Foundation funds

7. Bank Accounts and Authorized Signers

The Foundation will maintain bank accounts in the name of the Gentle Journey Foundation.
Financial controls include:

Financial Controls Policy

The Board will approve authorized signers.
Ideally, at least two authorized signers should be on the account.
Large payments may require two approvals if possible.
Bank statements should be reviewed monthly.
Bank accounts should be reconciled regularly.
Debit and credit card use should be monitored and documented.

8. Financial Reporting

The Foundation will maintain accurate financial records and provide financial reports to the Board of Directors on a regular basis.

Financial reports may include:

- Income and expense reports
- Budget vs. actual reports
- Bank balances
- Program spending reports
- Grant spending reports
- Annual financial summary
- IRS Form 990 reporting

The Board of Directors is responsible for reviewing financial reports and ensuring responsible financial management.

9. Asset Management

Foundation assets may include:

- Vehicles
- Moving equipment
- Office equipment
- Computers and electronics
- Storage units
- Donated furniture and household goods
- Tools and supplies

The Foundation will maintain records of major assets including purchase price, donor information (if donated), location, and condition when appropriate.

Foundation assets may only be used for Foundation-related purposes.

10. Reimbursements

Financial Controls Policy

Individuals who purchase items on behalf of the Foundation may be reimbursed if:

- The expense was approved
- The expense was for Foundation business
- A receipt is provided
- A reimbursement request is submitted
- The reimbursement is approved before payment

11. Grants and Restricted Funds

Funds received from grants or restricted donations must be used only for the specific purpose for which they were given.

The Foundation will track restricted funds separately when necessary and ensure that funds are used according to donor or grant requirements.

12. Record Keeping

The Foundation will maintain financial records including:

- Bank statements
 - Receipts and invoices
 - Donation records
 - Grant records
 - Expense reports
 - Payroll records (if applicable)
 - Contracts and agreements
 - Financial reports
 - Tax filings
 - Insurance documents
- Financial records will be retained according to the Document Retention Policy.

13. Financial Oversight

The Board of Directors is responsible for financial oversight of the Foundation and ensuring that funds are managed responsibly and in alignment with the Foundation's mission.

The Treasurer typically assists with financial oversight and reporting.

The Board may conduct periodic financial reviews or audits if necessary.

14. Policy Review

Financial Controls Policy

This Financial Controls Policy will be reviewed periodically by the Board of Directors and updated as necessary to ensure proper financial management and nonprofit compliance.

15. Approval

This Financial Controls Policy was adopted by the Board of Directors of the Gentle Journey Foundation in 2024.