

CHORUS
FINANCIAL POLICIES
Revised March 2005

GENERAL

1. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Director and reviews operations and activities following the recommendations of the Finance Committee.
2. The Board of Directors has the responsibility of financial management. The Board of Director delegates day to day financial management to the Executive Director, or in the absence of an Executive Director, to a Board Finance Committee or Board Officer other than the Treasurer.
3. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities. In the absence of employees, the Board Finance Committee or a Board Officer, other than the Treasurer will assume financial duties and responsibilities.
4. Financial duties should be segregated so that no individual has sole control over cash receipts, disbursements, payroll, and reconciliation of bank accounts.
5.
 - a. An end-of-year balance sheet will be completed by an accountant when appropriate.
 - b. An accrual audit, when required, will be completed by an independent auditing firm. The timing of the audit will be determined by the Board of Directors or as required by Statute or Funders. The board will receive bids on the cost of an audit every three years and will determine the firm to use.
6. A fidelity bond will be maintained by the organization, unless the Board of Directors determines otherwise.
7. Financial policies shall be reviewed annually by the Board of Directors and procedures shall be reviewed annually by the Executive Director.
8. The fiscal year is July1 – June 30.

BUDGET

In conducting the business of the organization the Executive Director shall:

1. Prepare an annual budget with the Finance Committee which must be reviewed and approved by the Board of Directors. The annual budget must be approved no later than June 30 of each year.
2. The Executive Director with the Finance Committee will prepare a projected three to five year financial forecast budget which will be submitted to the Board of Directors for preliminary approval.

4. Maintain expenditures within the annual budget approved by the Board of Directors.
5. Seek approval by the Board of Directors for proposed changes in a budget line item in excess of 10% or \$500, whichever occurs first.
6. Ensure that budgets are on file at the CHORUS office which will be designated by the Board of Directors.

OPERATING EXPENSE

1. The Executive Director is authorized to spend up to \$1,000 not budgeted for emergency maintenance of existing services and equipment.
2. The Executive Director is authorized to approve expenditures up to \$300 not budgeted to obtain new services and equipment.
3. New projects or purchases of equipment not budgeted over \$300 require board approval.

REVENUES

1. All incoming monies will be deposited in a timely manner in the Board designated bank account.
2. Checks will be endorsed "FOR DEPOSIT ONLY - "NAME OF CHORUS".
3. Accurate records will be kept on all revenues as to source and purpose.
4. Timely, appropriate acknowledgements (signed contracts, letters of receipt, thank you notes, etc.) will be sent on all revenue (grants, individual donors, corporate donations, government contracts, workplace giving, etc.) received.

ACCOUNTS PAYABLE

1. Checks may be signed by the Executive Director, Treasurer, President and Vice-President. The Board will determine from time to time how many signatures will need to be on checks.
2. All invoices need approval by the Executive Director or in the Executive Director's absence by the Board President in order to issue payment. If both of these people are unavailable the Vice-President may approve invoices. Approval may be either by signing the invoice or by an email which is attached to the invoice.
3. In **no event** will:
 - A. invoices be paid unless approved
 - B. blank checks must not be signed in advance unless made out to a vendor and physical possession of check is maintained by purchaser.
 - C. checks be prepared on verbal authorization

D. checks are made out to "cash", "bearer", or "petty cash".

PETTY CASH

1. The Petty Cash account shall not exceed \$100.
2. Checks issued for petty cash shall be made out to 'NAME OF CHORUS', Petty Cash.
3. Petty cash shall be reconciled monthly and the activity posted to the General Journal.
4. The Executive Director manages the petty cash account.
5. Access to petty cash will be authorized by the Executive Director.
6. Petty cash may be used for expenditures up to \$25 and a record must be kept for each transaction.
7. Petty cash shall be kept in a secure location.

NONCASH GIFTS

1. Donations of goods and services are accepted. Accurate records must be maintained regarding these donations. 'NAME OF CHORUS' does not appraise or affix a value on these donations.
2. The Board of Directors will approve the receipt and disbursement of all personal and real property such as real estate, jewelry and art.
3. Stocks, bonds and securities will be accepted as received. These will be sold immediately through the Board designated broker or a designated by the Finance Committee.
4. The Executive Director or Treasurer, on behalf of the Board of Directors, will be responsible for the disbursements (sale or other actions) of gifts after the Board has determined the proper course of action.
5. Gifts of Fully Paid Life Insurance will be accepted after complete review and understanding of the cash value of the policy. Other Life Insurance situations must be reviewed by the Board of Directors.

LOANS

1. Loans will be approved by the Board of Directors.

2. A promissory note will be prepared and signed by the Board President, another Board officer and the Executive Director before funds are borrowed.

CREDIT CARDS

1. The Board of Directors must approve all applications for credit cards.
2. Credit cards will be issued to the Executive Director and the Artistic Director. All other cards issued to Board or Staff Members must be approved by the Board of Directors.
3. Credit cards may be used only to purchase budgeted expenses or for emergencies as designated in these policies.

FINANCIAL REPORTS

1. The Executive Director will collaboratively prepare with the Treasurer monthly financial reports which will be submitted for acceptance to the Board of Directors.
2. It will be the responsibility of the Treasurer as delegated to the Executive Director to assure that all external financial reports are submitted on a timely basis. Examples of these types of reports are IRS 990, Attorney General Annual Charity Report, Employment Reports (W-2, FICA, Medicare, income tax, unemployment, new hire reports, grant reports, etc.)

INVESTMENTS

1. Investments, such as certificates of deposit, money market accounts, mutual funds, etc. need to be managed prudently and with the best return and shall reflect the values of the organization. The Executive Director or Treasurer will manage the cash assets (checking and savings accounts, money markets accounts, certificates of deposits, mutual funds, etc) of the organization in order to maintain adequate cash flow.
2. The Board of Directors will designate the appropriate “financial institution(s)” and "broker(s)" to use for investments.
3. The Board of Directors shall review investments on an annual basis to assure best income and management of funds.