



FRIENDS OF ROOKERY BAY FINANCIAL POLICY

Approved 12/12/18

Revised 12/4/19

Philosophy

The purpose of financial management in the operation of FORB activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including members, partners, funders, employees and the community. In order to accomplish this, FORB commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

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.

- The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent contractors, pay bills, receive funds, and maintain bank accounts.
- The Executive Director is authorized to sign checks up to \$10,000. Checks for amounts greater than \$10,000 shall require the signature of the Treasurer or Board president.
- The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. Any amounts less than \$10,000 may be approved by the Executive Director. Amounts of more than \$10,000 but less than \$25,000 require the approval of the Executive Director and the Board Treasurer. Amounts of more than \$25,000 must have the approval of the Board.
- The Executive Director is authorized to manage expenses within the parameters of the overall operational 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 board-designated case reserve fund.

Responsibilities

The Executive Director shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of FORB operations according to the schedule established by the Finance Committee, but at least quarterly.
- 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 leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$1,000 as capital assets in accounting records.
- Depreciation of capital assets should be consistent with IRS regulations.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of \$15,000 per unit. Anything in excess of that amount will be referred to the Executive Committee for approval. Selection will be based on cost, service, and other elements of the contract.
- FORB may award the bid to any provider and is not required to accept the lowest cost proposal.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight.
- Exercise its fiduciary responsibilities at all times.
- Shall approve an annual budget.

Financial Transactions with Insiders

No advances of funds to employees, officers, contractors, directors or related parties are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

In no case shall FORB borrow funds from any employee, or director of the organization without specific authorization from the Board.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific three-year objectives, the Executive Director shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

In order to ensure that each gift to FORB is structured to provide maximum benefits to the community, the donor, FORB and the RBNERR, the Board of Directors and Executive Director shall:

- Abide by the guidelines established and outlined in the 'Gift Acceptance Policy of The Friends of Rookery Bay' adopted September 2019 and incorporated as 'Exhibit A.'

Investments

In order to provide a clear statement of FORB's investment objective, to define the responsibilities of the Board of Directors and any other parties involved in managing the FORB's investments, and to identify or provide target asset allocations, permissible investments and diversification, FORB shall:

- Abide by the guidelines established and outlined in the "Investment Policy of The Friends of Rookery Bay" adopted September 2019 and incorporated as 'Exhibit B.'
- Complete as appropriate the 'Friends of Rookery Bay Donation Form' incorporated as 'Exhibit C.'

Asset Protection

In order to ensure that the assets of FORB are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access,

tempering, 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
- Avoid retaining information contained on credit cards.
- Inform within 24 hours any breach of privacy associated with donor information.