

# DRAFT

## **Island Trails Network Fiscal Policies and Procedures Approved by Board of Directors on XX/XX/XXXX**

### **I. OVERVIEW OF GENERAL ACCOUNTING PRACTICES**

- 1) The Board of Directors formulates financial policies and delegates day-to-day administration of the financial procedures to the Executive Director.
- 2) Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc.
- 3) All accounting procedures will be conducted on an accrual basis. The accounting system will provide for the proper identification of receipts and expenditures as required for all reporting purposes, as well as by individual grants and contracts.
- 4) The fiscal year of ITN is from January 1 to December 31.
- 5) Bookkeeping tasks shall be the responsibility of an assigned bookkeeper with oversight from the Executive Director unless determined by the Executive Director to contract bookkeeping services to a qualified individual.
- 6) The monthly financial statements shall be prepared by the Bookkeeper and reviewed by the Executive Director and Treasurer of the Board and presented to the full Board of Directors.
- 7) All accounts receivable will be recorded in Quickbooks, deposited and reconciled with the cash receipts log and aggregate of the receipts issued monthly with the bank statements by the Bookkeeper. The Executive Director will review and approve account registers and the monthly reconciliation.
- 8) Disbursements to accounts payable are approved by the Executive Director, recorded in the accounting system and checks prepared by Bookkeeper and checks signed by designated signers.
- 9) The organization will strive to maintain a Reserve Fund in the amount equal to a six-month operating budget.
- 10) These policies and procedures will be reviewed annually by the Board of Directors.

### **II. CASH RECEIPTS**

- 1) The receipt of checks or cash will be immediately recorded in the Quickbooks Accounting system and reconciled to the deposits by the Bookkeeper.
- 2) At the time of receipt, all checks shall be restrictively endorsed with a rubber stamp indicating "for deposit only" and specify into which account (savings or checking) the deposit will be made. Receipt of cash or check (source and amount) is recorded in the organization's account register. Each check is also photocopied.

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- 3) The Bookkeeper will complete deposit slips in duplicate. Receipts and deposit slips will be placed in an envelope for bank deposit.
- 4) All receipts should be deposited in the bank, intact and on a timely basis. Receipts in excess of \$2,500 are deposited daily. Otherwise, all receipts are deposited once a week. Any revenue not deposited at the end of the day will be kept in a locked and secured place until the bank deposit shall be completed.
- 5) The deposit receipt and copies of all checks deposited are to be stapled to an itemized sheet that lists each check amount and the project or fund credited.
- 6) The Bookkeeper shall account for all cash receipts. Pre-numbered receipts should be issued for all money upon receipt, if at all possible and duplicate receipt copy should be retained. Cash must be deposited into the organization's accounts in a timely manner.
- 7) Whenever cash is collected, two designated individuals "whenever possible" will collect the money and account for it in the cash receipts log, particularly when it is not practicable to issue cash receipts.
- 8) Every month the bank statements shall be received unopened by the Executive Director from the bank and shall review the contents promptly for any discrepancies.
- 9) The Bookkeeper shall reconcile the cash receipts log and aggregate of the receipts issued monthly with the bank statements. The Executive Director reviews the reconciliation by the Bookkeeper, signs and dates as to the review.

### **III. DISBURSEMENTS**

- 1) Disbursements to accounts payable are recorded in the accounting system by the Bookkeeper and disbursements are to be made in a timely manner in accordance with the due date. Disbursements may be made by check, bank debit card, credit card or in limited cases automatic withdrawal.
- 2) The Executive Director will approve all disbursements and authorize the Bookkeeper to document and prepare all disbursements. The Bookkeeper issues payment via secure online checking or direct deposit and informs the Executive Director upon completion. The Executive Director is ultimately responsible for ensuring timely and accurate disbursements to accounts payable.
- 3) Disbursements made via the credit card may only be used by the following authorized users Executive Director and in limited cases a Board of Directors. The credit card may not be used for personal expenses or any purchase not directly business related.
- 4) Proper supporting documentation usually in the form of an invoice for payment, reimbursement form, purchase order, or evidence of receipt for goods and services must accompany each Check Request presented to check signers.

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- 5) The Executive Director, Chair and Treasurer are among those with permission view online bank statements.
- 6) Should the Bookkeeper be unable to perform duties as the designated check writer, another staff person shall write checks until that role shall be replaced. A check writer may not also function as a check signer.
- 7) Blank checks will be maintained by the Bookkeeper in a locked and secure place.
- 8) Checks may not be drawn to “cash.”

### **IV. CHECK SIGNING**

- 1) Only one authorization is required from a designated signer for amounts under \$2,500. Two authorizations are required for amounts in excess of \$2,500.
- 2) A staff member may not be a single-signer on a check for which he/she is the payee.
- 3) The Executive Director, Chair, Vice Chair, Secretary and Treasurer are among those authorized to sign checks and authorize electronic payments. Authorized check-signers may not number more than five.
- 4) Under no circumstances will blank checks be pre-signed by any authorized signatory.

### **V. PURCHASING**

- 1) Expenditures over \$25,000 require submission of 3 quotes and justification for vendor choice to the Board of Directors for prior approval.
- 2) Approved purchase orders and other invoices for payment shall be marked before disbursement to designate the date received, project designation, approved by, check # and date.
- 3) No expenditure may be committed until funds are obligated to ITN. All multi-stage contracts should state work/amount contractor is authorized to bill and that the work/amount is contingent upon continuation of ITN's funding.

### **VI. CONTRACTS**

- 1) The Executive Director is authorized to sign contracts up to \$50,000, with prior approval by the Board of Directors. Board members are authorized to sign those contracts in excess of \$50,000 that have been previously approved by the Board of Directors.

### **VII. INSURANCE**

- 1) ITN shall maintain General Liability, Directors and Officers and Vehicle insurance policies that are paid on an annual basis.

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## **VIII. FIXED ASSETS**

- 1) Fixed assets of ITN are under the control of the Executive Director. A detailed inventory list of all assets shall be maintained. A yearly inventory of fixed assets will be taken to determine status, condition and location of fixed assets.