Financial Controls Policy

Approved 9/8/2026

Purpose and Governance Commitment

The Board is responsible for the financial health of the organization, and all financial actions must align with the mission of the organization. This policy applies to all directors, officers, employees, and volunteers who handle or oversee financial transactions for the Corporation. This Financial Controls Policy is adopted by the Board to guide daily operations. The Board intends to move for an amendment to the Bylaws at a future date to formally codify these purchasing thresholds and competitive bidding requirements as permanent governance protocols.

Key Principles

- **Segregation of Duties:** No single individual should have control over all aspects of any significant financial transaction. The person who authorizes a payment must not be the same person who signs the check or reconciles the bank statement. While the Board may appoint local "Authorized Signers" for operational efficiency (e.g., debit card access/check signing), the Treasurer remains the independent auditor of all monthly bank statements and financial records.
- **Transparency:** All financial activities must be documented and available for review by the Board.
- **Accountability:** All individuals handling funds are responsible for compliance with this policy.

Policy Provisions

1. Bank Accounts

- All bank accounts shall be opened in the name of the Corporation and approved by the Board.
- Bank statements shall be sent directly to the Treasurer and reviewed monthly by the Finance Committee or designated Board member.

2. Check Signing Authority

- All checks over **$5,000** require **two authorized signatures** (e.g., Treasurer and President or a designated proxy signatory).
- No individual may sign a check payable to themselves.
- Pre-signed checks are strictly prohibited.

3. Cash Handling

Financial Controls Policy

Approved 9/8/2026

- Cash receipts must be counted by two individuals and documented on a cash receipt form.
- Cash deposits must be made promptly and verified against receipts.

4. Credit and Debit Cards

- Corporate credit/debit cards may only be used for authorized business expenses.
- Original receipts must be submitted for all transactions.
- Personal use of corporate cards is strictly prohibited.

5. Expense Reimbursements

- All reimbursement requests must include original receipts and be approved by the Treasurer or President.
- Reimbursements over $500 require Board approval.

6. Budgeting and Financial Reporting

- The Board shall approve an annual budget prior to the start of each fiscal year.
- The Treasurer shall present financial statements at least quarterly to the Board.
- Any significant variance from the budget must be reported and explained.

7. Annual Review or Audit

- The Corporation shall conduct an annual financial review or audit, as required by law and based on revenue thresholds.
- The review or audit shall be performed by an independent accountant who is not involved in day-to-day financial operations.

8. Conflict of Interest

- All financial decisions must comply with the Corporation's Conflict of Interest Policy. Any financial transaction involving a board member, officer, or related entity must be disclosed immediately and conducted at Fair Market Value, with the interested party abstaining from the vote.

9. Record Retention

- All financial records, including bank statements, receipts, and reports, shall be retained for at least seven (7) years.

Financial Controls Policy

Approved 9/8/2026

10. Competitive Bidding and Purchasing

- Tier 1 (Under $5,000): Managerial discretion allowed; ensure price reasonableness, retain documentation.
- Tier 2 (Over $5,000): Requires a formal Request for Proposal (RFP) process, documented vendor comparisons, and prior Board approval.
- Professional Services, Sole Source/Related Party Exception: If a specific vendor is required—or if the vendor is a related party (e.g., a board-affiliated entity)—the Board must conduct a formal review, ensure the transaction is at Fair Market Value, and the interested party must abstain from the vote. This exception must be recorded in the meeting minutes.

11. Authorization Limits

Expenditures over $5,000 require Board approval.

Adoption

Adopted by the Board of Directors on: September 8, 2026

President: _____ 9/15/26

Treasurer: _____

Designated Signatory: _____ 9/15/26

Secretary: _____ 9/15/26