

# Milan Seniors for Healthy Living

## Financial & Investment Policy

### X. Financial & Investment Policy

- I. The corporation's fiscal year shall be based on a calendar year from January 1 – December 31.
- II. The corporation will shift from a cash-basis accounting system to an accrual based accounting system to be in place by January 2018.
- III. The corporation's financial records will be maintained using QuickBooks software. (Prior to January 2018, MHSL's books have been maintained using Excel. As such, historical data will be maintained in Excel.)
- IV. The corporation will prepare and maintain an annual operating budget showing anticipated revenues and expenses for the ensuing fiscal year. A proposed operating budget shall be developed and prepared by the Executive Director, the Board Treasurer and the Board appointed Finance Committee, and shall be submitted to the Board of Directors for its discussion, any desired amendments and approval on or before January of the applicable fiscal year.
- V. In preparing the proposed budget for the ensuing fiscal year, the Executive Director shall obtain from the key staff person for each program a detailed budget proposal for said program including the anticipated direct and indirect cost of said program and the anticipated revenues required to cover said anticipated costs. Indirect costs may include a proportionate amount covering such corporate expenses for overhead or administrative costs such as building rent, office supplies, administrative wages and benefits, insurance and utilities. It is the corporation's intent as much as possible to keep these allocated overhead and administrative expenses to a minimum.
- VI. The books and records of the corporation including general ledger and bank accounts shall be balanced on a monthly basis by the Board Treasurer and the Executive Director. A report reflecting the revenues, expenses and account balances of the corporation shall be prepared and presented to the Board of Directors at its monthly meetings for review and approval.
- VII. All checks issued on any account of the corporation shall be signed by two authorized individuals. Persons authorized to sign checks shall be the Executive Director, Board Treasurer, Board President, and Vice President.
- VIII. Prior authorization from the Board of Directors shall be required for any one expenditure greater than \$600.00, excluding payroll, monthly credit card payments (understanding that no one expenditure on the credit cards will exceed \$600 without prior approval), and billed insurance premiums. In the case of time

# Milan Seniors for Healthy Living

## Financial & Investment Policy

sensitive urgency, approval for said expenditure must be obtained from the Board President, who shall notify the remainder of the Board of said proposed expenditure and obtain verbal or electronic approval of a majority of the Board prior to the expenditure being authorized. Formal approval of said expenditure shall then be obtained at the next regular meeting of the Board of Directors.

- IX. Deposits and accompanying supporting documentation shall be verified by any two of the following authorized individuals: Executive Director, Board Treasurer and/or Board President (or another Board Member duly appointed by the President in the rare circumstance that none of the other board officers are available).
- X. Cash Handling Policy.
  - a. All cash received, maintained and possessed by the corporation shall be placed in a cash register maintained in the inter office of the corporation. All cash, except for an amount not to at any time exceed \$70.00, used for making change, shall be deposited into the appropriate bank account at least weekly. No cash, except for the amount retained for change, shall be kept on site over a weekend or extended Holiday.
  - b. Cash received from special events shall be counted and verified by at least two authorized representatives of MSHL and turned over to and receipted for by staff.
  - c. The Executive Director shall determine who has authority to receive cash and shall inform said persons of the corporation's cash handling policies.
  - d. The room in which the corporation's cash register is maintained shall be locked at all times except when an authorized employee of the corporation is in said office. The outer office shall be also locked when unoccupied. The Executive Director shall designate who shall have possession of keys to either office.
- XI. An annual financial review or audit will be completed of the books and financial records of the corporation. The Board of Directors shall determine which form of review, who shall conduct such review, and approve any contract if an outside auditor is hired. A report of such review prepared by its internal review committee or an outside auditor shall be timely presented to the Board of Directors for its review and approval.
- XII. All charitable contributions or donations to the corporation shall be recorded in the records of the corporation and acknowledgements and receipts provided to each donor reflecting the net value of the

# Milan Seniors for Healthy Living

## Financial & Investment Policy

donation (that amount over and above any product or service received by the donor and thus non-deductible as a charitable contribution pursuant to IRS regulations). For non-monetary donations of property, if the value of said donation is easily determined, the receipt for said value shall reflect this donated value. If not easily determined, a receipt for the item without determination of value shall be provided the donor. The Executive Director shall periodically verbally inform the Board of Directors as to the names of donors, without amounts, but otherwise such information shall not be made public unless authorized by the individual donors.

- XIII. The corporation will strive to build and maintain a cash reserve of up to 25% of its annual budget. The building of this reserve will occur with any unspent, undesignated revenue at the end of each fiscal year, as determined by the Board of Directors. The reserve is to be held in an interest-bearing savings account and/or investment vehicles requiring direct board approval to withdraw and/or deposit. Prior approval of the Board of Directors must be obtained for the purchase or sale of any investment vehicle.
- XIV. MSHL's cost allocation plan will govern the methods and procedures that this organization will use to allocate costs to various programs, grants, contracts and agreements.