

Friends of Deckers Creek Internal Control Policy and Procedures

Policy: Proper internal controls will be followed to ensure the integrity of the financial system and preserve the funds entrusted to FODC.

Purpose: To explain the financial system's internal controls.

Scope: This policy applies to all financial transactions.

Procedures:

1.0 DOCUMENTING TRANSACTIONS

1.1 All transactions shall be documented via paper and electronic means.

2.0 DOCUMENTS

2.1 Financial documents shall be maintained at the principle location.

2.2 Documents shall be retained for a period of at least seven years.

2.3 Documents shall be available for review during regular business hours provided that a Board member or staff is available to be present and assist the interested party.

3.0 BANK ACCOUNTS

3.1 Checking and savings accounts shall be established and maintained at a local bank.

3.2 The President, Vice President, Treasurer, Secretary, and Executive Director shall be signatory to the accounts.

3.3 On-line Banking

3.3.1 The means for on-line banking shall be established for all bank accounts, as is practical.

3.3.1.1 The Treasurer and President shall each have individual user identities with full privileges.

3.3.1.2 A user identity with viewing privileges shall be established for the use of the other Board members and the Executive Director.

4.0 FUNDS - RECEPTION

4.1 Reception

4.1.1 Monies received shall be reviewed by at least two persons.

4.1.2 Membership, business, and program sponsorship contributions shall be noted in an electronic database and a statement of contribution will be mailed to the giver.

4.1.3 When cash is received in person, not through the mail, a receipt will be provided immediately, whenever practical.

4.2 Deposits

4.2.1 All monies received shall be deposited into a bank account.

5.0 FUNDS - DISBURSEMENT

5.1 Disbursement

- 5.1.1 All monies shall be disbursed via check drawn on the organization's bank account, or by direct deposit for payroll.
- 5.1.2 All disbursements require an invoice or statement requesting payment.
- 5.1.3 Disbursements shall not be made by the requesting party.
- 5.1.4 All checks will have two signatures, neither of which are the payee.

5.2 Approval

- 5.2.1 All disbursements that are less than \$250 shall be approved by the Executive Director, President, or Treasurer.
- 5.2.2 All disbursements that have previously been approved by the Board of Directors or that are specifically included in a grant-funded project shall be approved by the Executive Director, President, or Treasurer.
- 5.2.3 All other disbursements shall be approved by the Board of Directors.
- 5.2.4 Disbursements must be approved by a party other than the one requesting funds.

6.0 FINANCIAL REPORTS

- 6.1 The Treasurer shall present a brief financial report at all Board meetings.
- 6.2 An annual report shall be presented to the Board.

7.0 FINANCIAL REVIEWS

7.1 Annual Internal Review

- 7.1.1 Two or more Board members shall conduct an internal review of the financial system.

7.2 Periodic Bank Account Reviews

- 7.2.1 One or more Board members other than signatories shall periodically review banking transactions via on-line access and report their findings to the Board.
- 7.2.2 All reviews shall be unannounced to the officers and staff.

Adopted 10/19/06.

Amended 7/19/07: Added Section 5.1.4 to require two signatures.

Amended 3/19/09: Modified Section 3.2 to include Vice President and Executive Director as signatories. Modified Section 5.1.1 to allow direct deposit for payroll.

Amended 3 23/09: Modify Section 5.1.4 to remove requirement that signatories must be board officers.