

PerformOUTKC
FINANCIAL POLICIES
Revised May 2012

A. GENERAL POLICIES

1. The Board of Directors formulates financial policies, delegates administration of the financial policies to the Business Manager, and reviews operations and activities following the recommendations of the Finance Committee.
2. The Board of Directors has the responsibility of financial management. The Board of Directors delegates day to day financial management to the Business Manager, or in the absence of a Business Manager, to the Board President.
3. Current job descriptions will be maintained for the Business Manager and the Artistic Director, indicating financial duties and responsibilities. If these positions are vacant the Board President will assume those financial duties and responsibilities.
4. Financial duties should be segregated so that no individual has sole control over cash receipts, disbursements, payroll, and reconciliation of bank accounts.
5.
 - a. An end-of-year balance sheet will be completed by the Treasurer and reviewed by an accountant at the Board's request.
 - b. An accrual audit, when required, will be completed by an independent auditing firm. The timing of the audit will be determined by the Board of Directors or as required by Statute or Funders. The board will receive bids on the cost of an audit every three years and will determine the firm to use.
6. No fidelity bond will be maintained by the organization, unless the Board of Directors determines otherwise.
7. Financial policies shall be reviewed annually by the Finance Committee, whose recommendations will be made to the Board of Directors for approval. Financial procedures shall be reviewed annually by the Business Manager and the Treasurer.

B. BUDGET

1. The Treasurer, with input from the Business Manager and Artistic Director, shall prepare an annual budget which must be reviewed and approved by the Board of Directors. The annual budget must be approved no later than June 30 of each year.
2. The Treasurer, with the Finance Committee, will prepare a projected two to three year financial forecast budget which will be submitted to the Board of Directors for preliminary approval.

3. The Business Manager and Artistic Director must maintain expenditures within the annual budget approved by the Board of Directors.
4. The Business Manager and Artistic Director must seek approval by the Board of Directors for proposed changes in a budget line item in excess of 10% of that budget line item or \$500, whichever occurs first.
5. The Business Manager must ensure that budgets are on file at the PerformOUTKC office which will be designated by the Board of Directors.

C. OPERATING EXPENSE

1. The Business Manager is authorized to spend up to \$250 not budgeted for the emergency maintenance of existing services and equipment. If funds in excess of \$250 are needed for emergency maintenance of existing services and equipment in a single fiscal year, the Business Manager must obtain approval of the Board of Directors.
2. Expenditures not budgeted over \$100 require board approval.

D. REVENUES

1. All incoming monies will be deposited in a timely manner in the Board-designated bank account.
2. Checks will be endorsed "FOR DEPOSIT ONLY - PERFORMOUTKC".
3. Accurate records will be kept by the Business Manager on all revenues as to source and purpose.
4. Timely, appropriate acknowledgements will be sent by the Business Manager on all revenue (grants, individual donors, corporate donations, government contracts, workplace giving, etc.) received.

E. ACCOUNTS PAYABLE

1. Checks may be signed by the Business Manager, Treasurer, and President. The Board will determine from time to time how many signatures will need to be on checks.
2. All invoices need approval by the Business Manager or Treasurer, or in their absence by the Board President, in order to issue payment. Approval may be either by signing the invoice or by an email which is attached to the invoice. Invoices must not be paid unless approved.
3. Blank checks must not be signed in advance unless made out to a vendor and physical possession of check is maintained by purchaser.

4. Checks must not be made out to "cash", "bearer", or "petty cash".
5. All requests for reimbursement of expenses must be submitted with supporting documentation to the Business Manager within 30 days of the purchase. All expenditures eligible for reimbursement must be pre-approved by the Business Manager or Treasurer. If the expenditure is not pre-approved, the request for reimbursement must be approved by the Board of Directors.

F. PETTY CASH

1. The Petty Cash Account must not exceed \$50.
2. The Business Manager manages the Petty Cash Account.
3. Petty cash must be kept in a secure location.
4. Access to petty cash must be authorized by the Business Manager.
5. Checks issued for petty cash shall be made out to "PerformOUTKC, Petty Cash".
6. The Business Manager must reconcile the petty cash monthly and the activity posted to the General Journal or other accounting report provided to the Treasurer.
7. A record must be kept for each transaction from the Petty Cash Account.

G. NONCASH GIFTS

1. Donations of goods and services can be accepted. The Business Manager must maintain accurate records regarding these donations. PerformOUTKC does not appraise or affix a value on these donations.
2. The Board of Directors must approve the receipt and disbursement of all real property and vehicles.
3. Stocks, bonds and securities will be accepted as received. These will be sold immediately through the Board-designated broker or as designated by the Finance Committee.
4. The Business Manager or Treasurer, on behalf of the Board of Directors, will be responsible for the disbursements (sale or other actions) of gifts after the Board has determined the proper course of action.
5. Gifts of Fully Paid Life Insurance will be accepted after complete review and understanding of the cash value of the policy. Other Life Insurance situations must be reviewed by the Board of Directors.

H. LOANS

1. Loans must be approved by the Board of Directors.
2. A promissory note must be signed by the Board President, another Board officer and the Business Manager before funds are borrowed.

I. CREDIT CARDS

1. The Board of Directors must approve all applications for credit cards.
2. Credit cards can be issued to the Business Manager and the Board President. All other cards issued to Board or Staff Members must be individually approved by the Board of Directors.
3. Credit cards may be used only to purchase budgeted expenses or for emergencies as designated in these policies.

J. FINANCIAL REPORTS

1. The Treasurer will collaboratively prepare with the Business Manager monthly financial reports which will be submitted for acceptance to the Board of Directors.
2. It will be the responsibility of the Treasurer as delegated to the Business Manager to assure that all external financial reports are submitted on a timely basis. Examples of these types of reports are IRS 990, Attorney General Annual Charity Report, Employment Reports (W-2, FICA, Medicare, income tax, unemployment, new hire reports, grant reports, etc.).

K. INVESTMENTS

1. Investments, such as certificates of deposit, money market accounts, mutual funds, etc. must be managed prudently and with the best return and shall reflect the values of the organization.
2. The Business Manager will manage the cash assets (checking and savings accounts, money markets accounts, certificates of deposits, mutual funds, etc.) of the organization in order to maintain adequate cash flow.
3. The Finance Committee must review investments on an annual basis to assure best income and management of funds and recommendations will be made to the Board of Directors for approval.