

300. FINANCE AND CONTROL

300.1. Philosophy: The purpose of financial management in the operation of all UFGH activities is to fulfill the organization's mission in the most effective and efficient manner and to remain responsible to stakeholders, including residents, members, guardians, funders, employees, and the community. In order to accomplish this, UFGH commits to provide accurate and complete financial data for internal and external use.

300.2. Authority

300.2.1. The Board of Directors is ultimately responsible for the financial management of the organization.

300.2.2. The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

300.2.3. The Executive Director is responsible for all organizational matters under budget control. The Board authorizes the Executive Director to employ and supervise staff and independent consultants, pay bills, receive funds, and sign checks along with a board designated check co-signer.

300.2.4. The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of the parameters of the budget.

300.2.5. The Executive Director is authorized to manage expenses within the parameters of the overall approved budget or Board approved projects and purchases. If immediate repairs or purchases are necessary, but not Board approved, the Executive Director may proceed not exceeding \$1,500 per instance, and must notify the Board President and Treasurer at their first opportunity, prior to the expenditure if possible.

300.2.6. The Board of Directors must approve any expenditure not previously authorized by budget or other action.

300.2.7. The Board of Directors must approve any bank accounts, bank loans, corporate credit cards, and real estate lease or purchase.

300.3. Responsibilities

300.3.1. The Executive Director shall:

300.3.1.1. Account for donor restricted, Board designated and resident funds keeping such funds separate from general operating funds; all funds shall have clearly defined restrictions. All financial records shall be maintained in an orderly manner and available for audit by local, state, and federal agencies.

Financial Policies---approved 7/30/13 to be effective 10/1/13; 300.9 approved 7/29/14

300.3.1.2. Report the financial status of UFGH operations on the schedule and format established by the Finance Committee.

300.3.1.3. Pay all obligations and file required reports in a timely manner.

300.3.1.4. Make no contractual commitment for bank loans, corporate credit cards, or for real estate lease or purchase without specific approval of the Board.

300.3.1.5. Record fixed assets of the organization with a purchase price of \$1,000 or more as capital assets; record resident assets in compliance with state WAC requirements. Depreciation of capital assets will be calculated using a straight-line method over its estimated useful life, and will not exceed five years for furniture, fixtures and equipment, and three years for computer and other information technology equipment.

300.3.1.6. Limit vendor credit accounts to prudent and necessary levels.

300.3.1.7. Obtain competitive bids for items or services estimated in excess of \$500/unit or greater than \$1,500 in total. Selection will be based on cost, service and other elements of the contract. UFGH may award the bid to any provider and is not required to accept the lowest cost proposal.

300.3.1.8. Ensure that all programs operate within generally acceptable accounting principles.

300.3.2. The Board of Directors shall:

300.3.2.1. Ensure that UFGH is managed in accordance with all local, state, and federal requirements and its own Articles of Incorporation and Bylaws.

300.3.2.2. Maintain corporate records as prescribed by the Board or its designee. permanently.

300.3.2.3. Review financial reports quarterly; provide assistance to Directors in understanding their financial oversight role.

300.3.2.4. Approve and regularly review the annual budget.

300.3.2.5. Ensure adequate financial controls are in place and retain on an ongoing basis an accredited financial professional to regularly review and advise on bookkeeping practices and internal controls.

300.4. Financial Transactions with Insiders

300.4.1. No advances of funds, petty cash, or payroll to employees, volunteers, officers, or directors are authorized for personal use. Direct and necessary expenses related to organization needs shall be reimbursed with pre-approval.

300.4.2. UFGH will not engage in transactions in which Board members or employees have conflicting interests resulting from a relationship or business affiliation.

300.4.3. In no case shall any borrowing of funds from any employee, officer, or director of the organization be permitted without specific authorization from the Board of Directors.

300.5. Budget: In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:

300.5.1. Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.

300.5.2. Maintain an operating reserve sufficient to cover six weeks expenses and keep mandatory HUD and IMR reserves at sustainable operating levels.

300.6. Gift Acceptance

300.6.1. UFGH will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Endowment Fund Board of Governors shall handle any such transactions.

300.6.2. UFGH may accept contributions of goods or services other than cash that are related to the programs and operations of UFGH; gifts of artwork, merchandise or other property considered decoration or functional in nature are accepted only with the understanding that the gift is unrestricted and may be disposed of at any time. Any other contributions of non-cash items must be reviewed and approved by the Executive Committee before acceptance. [619]

300.7. Asset Protection: In order to ensure that the assets of UFGH are adequately protected and maintained, the Executive Director shall:

300.7.1. Obtain insurance to indemnify against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.

300.7.2. Take all reasonable precautions and measures to guard against theft or damage, and to protect and maintain property, facilities, and assets.

300.7.3. Avoid actions that would expose the organization, its Board, or staff to potential liability either directly or indirectly.

300.7.4. Protect intellectual property, information and files from unauthorized access, tampering, loss, or damage.

300.7.5. Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

300.7.6. Maintain an effective internal control structure.

300.8. Investments

300.8.1. The Endowment Fund was created to purchase, equip, maintain, and operate UFGH's properties and programs. It is governed by a Board of Governors, elected by the Board of Directors, and is responsible for investments, using an Investment manager. The Board of Governors may make decisions regarding withdrawal of Endowment funds at the request of the Board of Directors.

300.8.2. The IMR Reserve Fund is governed by the Board of Governors.

300.8.3. The Finance Committee has responsibility for investing operating reserves, resident trust funds, and general funds.

300.9. Resident Funds: UFGH shall protect the financial interest of its residents, provide accountability of resident funds, and guide staff in the day-to-day handling of these financial matters. All procedures shall follow state and federal regulations and be subject to approval and periodic audits by the state.

300.9.1. Individual Personal Accounts: Residents have the right to manage their own financial affairs; UFGH will provide appropriate instruction to interested Residents.

300.9.2. General Management: Upon written authorization of a resident that resident's funds shall be held in trust for personal care and well being of the resident. Resident's personal funds shall be deposited and maintained in an account that is separate from UFGH operating accounts or accounts of any person other than other residents; there shall be a separate accounting for each resident's share.

300.9.3. A Resident Petty Cash Fund shall be established at each group home to facilitate prompt and convenient handling of small cash advances and disbursements. Resident petty cash funds shall be separate from the operating petty cash funds.