



FINANCIAL AND CONTROL POLICIES

Philosophy

The purpose of financial management in the operation of all YCC activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to its members, the Executive Committee, the Board of Directors, and the Town of Yarmouth. In order to accomplish this, YCC commits to provide accurate and complete financial data for internal and external use by the Executive Director, the Executive Committee and the Board of Directors.

Authority

The Board of Directors is ultimately responsible for the financial management of all activities.

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.

The Executive Director is responsible for the day-to-day financial management of the organization as further outlined in this policy and procedures manual.

The Executive Director is authorized to hire, discharge, direct and supervise employees. All permanent staff actions will be reviewed by the Executive Committee prior to hiring and discharging.

The Executive Director is authorized to obligate the Yarmouth Chamber of Commerce within limits of Board approved annual budget.

The Executive Director is authorized to manage expenses within the parameters of the overall approved annual budget.

The Executive Director is authorized to expend funds through the use of YCC debit, credit, and store specific cards up to \$1,000 daily threshold or as set by the Board.

The Executive Director is authorized cash withdrawals of \$100 per day or thresholds set by the Board for the purpose of Chamber operations.

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. Prior to contract commitment, all contracts will be reviewed for contingent liabilities to the YCC.

The Treasurer and Board Chair collectively are authorized to open and close bank, investment and holdings accounts.

The Treasurer and Board Chair are authorized to sign checks after they are approved by the Executive Director.

Responsibilities

The Executive Director shall:

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Account for donor restricted funds separately from general operating funds, and clearly define the restrictions applicable to these funds.

Account for Board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds, as designated and redesignated with Board approval.

Report any potential variances of the approved annual budget to the Executive Committee prior to commitment.

Report all cash withdrawals to the Treasurer for review on a bi-weekly basis or as requested by the Board.

Transfer sufficient funds from the Chamber's general fund account to the payroll account in a timely manner.

Maintain and retain all financial documentation for the duration as defined by the IRS, and recommended by the Board and CPA.

Ensure all obligations are current and YCC is in good standing with vendors and creditors.

Ensure all reporting obligations are met and required reports filed in a timely manner. Inform Executive Committee of any surpluses and/or deficits that may be forecast.

Make no financial contractual commitment such as bank loans, corporate credit cards, real estate lease or purchase, other leases or investments without specific approval of the Executive Committee.

Report all debit, credit, and store purchases to the Treasurer for review on a bi-weekly basis or as requested by the Board. All purchases in excess of \$1,000 and/or outside the approved budget must be authorized by the Treasurer of Board Chair prior to financial commitment.

Record fixed assets with a purchase price of \$500 and above in accounting records as capital assets.

Limit vendor credit accounts to prudent and necessary levels.

Obtain competitive bids for items or services equal to or greater than 1% of approved annual operating budget and/or those actions that will commit the Chamber for a duration in excess of 60 days. . Selection will be based on cost, service and other elements of the contract. The Executive Committee will review proposed recommendations prior to award. YCC may award the bid to the best value and is not required to accept the lowest cost proposal. The Executive Director is encouraged to secure competitive bids on all purchases where prudent.

The Board of Directors shall:

Review and approve the annual budget.

Review financial reports quarterly.

Provide adequate training to Board members to enable each member to fulfill their financial oversight role.

Review and approve in advance all actions that will place the Chamber in debt for a durations in excess of 30 days.

Approve any use of the Board designated cash reserve funds. Once achieved, funds will be maintained in a non-default/insured vehicle as approved by the Executive Committee. Cash reserve will be calculated on a basis of 25% of the annual operations expenditures. 25% of operating expenses less

payroll costs will be placed in a non-default/insured vehicle. 25% of annual payroll expenditures will be placed in the payroll checking account.

The Treasurer and/or Board Chair shall:

Report the financial results of YCC operations to the Board of Directors on the schedule established by the Executive Committee, but at least quarterly.

Review and authorize all contracts with a financial value greater than \$2,500 or greater than six month duration prior to commitment. If issues identified, the contract will be reviewed by the full Executive Committee for recommended modifications.

Review all financial transactions bi-weekly.

Collectively open and close bank, investment and holdings accounts. A minimum of two signatures must be on all financial accounts. All accounts opened or closed must be reported to the Board of Directors.

Approve all invoices for payment in line with operating budget.

The Executive Committee shall:

Oversee and advise the Executive Director on fiscal and contractual matters.

Review, recommend modifications and approve all contracts with issues raised by the Treasurer or Board Chair.

Review and approve the annual tax return prior to submission. Tax return results will be reported to the Board. Tax returns will be signed by the Treasurer.

Review financial contracts and commitments and vote to approve.

Financial Transactions with insiders

No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed. All reimbursed funds shall be documented and receipts of expenses provided.

In no case shall YCC borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Services and goods may be acquired or contracted through related parties and/or Chamber members provided that terms are contracted out at standard value or less.

Bartered transactions will be approved by the Executive Committee.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board-approved priorities and short and long-range organization goals, the Executive Director and Treasurer shall:

- Submit operating, cash flow and capital budgets to the Executive Committee in time for reasonable approval by the Board prior to each fiscal year.

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- Use responsible assumptions and projection background, with a general goal of an unrestricted surplus.

The YCC shall maintain a cash reserve equal to at least 25% of the annual total operating expenses. As of date of acceptance of this policy, there is no cash reserve. There is a process outlined to achieve this goal within 24 months. Use of the cash reserve will not be spent without consultation and approval of the Executive Committee. Any use of the cash reserve will be reported to the Board at the next Board meeting.

A separate checking account will be maintained for payroll. Once the cash reserve goals have been reached, the balance in the payroll account shall be maintained at a minimum of three months estimated payroll.

Gift Acceptance

YCC shall accept contributions of goods or services to include cash that are related to the programs and operations of YCC. Any other contributions of non-cash items not directly related to YCC programs must be reviewed and approved by the Board of Directors before acceptance. A record of all gifts received shall be reported to the Executive Committee and Board of Directors.

YCC 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 Executive Director shall sell any stock given to the organization immediately upon receipt by the organization.

All gifts with donor restrictions must be approved by the Board prior to acceptance.

Asset Protection

In order to ensure that the assets of YCC are adequately protected and maintained, the Executive Director shall:

- Insure 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.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Take actions and precautions that would limit the exposure to the organization, its Board, or staff to claims of liability.
- Protect intellectual property, information and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments as outlined in the procedures manual.
- Insure safeguard of all personnel data as directed in the Commonwealth of Massachusetts 940CMR 27.00, Safeguard of Personal Information.

The Yarmouth Chamber of Commerce Board of Directors, Executive Committee and Executive Director shall take present and recurring steps to avoid any conflicts of interest. All perceived conflicts will be reviewed and resolved by the Board. In the event the Board cannot resolve, legal counsel will be invoked.

The Yarmouth Chamber of Commerce by-laws shall take precedence over any conflicting direction within this document.

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The Executive Committee approves modifications and keeps the Board of Directors informed of policy.