

Schatzi Family Foundation (SFF) Financial and Records Retention Policies

Mission

Encouraging a more loving world through a commitment to God, family and neighbor.

1.0 Purpose

The policy and procedural guidelines contained in this handbook are designed to:

- protect the assets of SFF;
- ensure the maintenance of accurate records of SFF's financial activities;
- provide a framework of operating standards and behavioral expectations; and,
- ensure compliance with federal, state, and local legal and reporting requirements.

Exceptions to written policies may only be made with the prior approval of the Board of Directors. Changes or amendments to these policies may be approved by the Board of Directors at any time.

All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of these policies and guidelines.

2.0 Roles

Treasurer and Finance Committee

The Board Treasurer may direct the creation of a Finance Committee. In the absence of a Finance Committee, the authority for the decisions below rests with the Board Treasurer. When and if one is formed, the Board Treasurer chairs the Finance Committee, which is composed of members designated by the Board of Directors. The Board Treasurer or Finance Committee has whatever authority as may be designated by the Board of Directors, including:

- choosing an auditor and tax preparer
- performing regular reviews of the organization's financial activity
- overseeing the development of the annual budget
- determining the allocation of investment deposits

The Board President and Board Treasurer

The Board President and Board Treasurer have the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. The Board President and Board Treasurer have whatever authority as may be designated by the Board of Directors, including:

- making spending decisions within the parameters of the approved budget
- employing and terminating personnel
- determining wage levels
- creating and amending operating procedures and controls

- making decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority
- entering into contractual agreements within Board designated parameters

Policies and procedures which are not specifically addressed by this document may be determined by the President when the financial impact is not over \$1,000 for any fiscal year. The Board must approve any unaddressed policy or procedure with an impact over \$1,000.

3.0 General accounting policies

The accounting system follows general accepted accounting policies (GAAP).

Financial statements are prepared using the cash basis of accounting.

The fiscal year is January 1 through December 31.

4.0 Administration

Financial duties and responsibilities are separated so that no one person has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.

The Treasurer has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by others as designated.

The accounting records are updated regularly and subject to the oversight of the Board of directors or its designate on at least a semi-annual basis.

A filing system accessible to the Board is maintained for all financial records. This filing system may be electronic or paper, or both.

Professional financial service providers are reviewed annually. For 2021 and until changed by the Board these are:

- Accounting Software: QuickBooks
- Payroll Services: Not Applicable
- Banking: First Interstate Bank
- Brokerage: TD Ameritrade
- Tax Preparation: Anderson Zurmuehlen
- Auditors: Not Applicable

5.0 Budgets

The annual budget for the fiscal year is prepared by the Treasurer or Finance Committee.

The board of Directors approves the budget annually, prior to or within 30 days of the start of the fiscal year.

6.0 Financial Statements

Financial statements are completed and presented to the Treasurer and/or Finance Committee at least semi-annually.

A financial overview and Profit & Loss Statement through the end of the previous month are provided to the Board of Directors at each Board meeting.

7.0 Audit

SFF is not currently subject to an audit requirement. SFF will institute an audit policy if required by law at a future time, or at the request and approval of the Board.

If audit is required or requested, the Treasurer and the Accountant are involved in the annual audit/review. Presentation to the Board of the audit is done by the Treasurer.

8.0 Banking

General

The Financial Committee chooses a financial institution which provides the most appropriate services for the lowest cost. No more than \$250,000 shall be on deposit at the end of the month at any one financial institution in order to not exceed FDIC insurance limits.

The operating account maintains sufficient funds to meet all anticipated expenditures. Generally, a balance between \$5,000 and \$10,000 is sufficient.

The savings or the brokerage account is used to replenish the operating account when necessary and to receive excess funds from the operating account when available.

Deposits

In general, deposits are made at least weekly. Amounts greater than \$5,000 are deposited within two business days.

All funds are deposited in an assigned financial institution, with the exception of petty cash (see 9.0 Petty Cash).

Check Signing

The Board appoints the check signers. Usually these are the Treasurer, the President and at least one other Board Member. Checks over \$1,000 require two signatures.

Blank checks are never signed in advance.

9.0 Petty Cash

A petty cash account is kept at the discretion of the Board. Petty cash is used only when it is necessary to pay for goods or services by someone who cannot take a check, and to provide an adequate amount of change at fund-raising events where cash is accepted. A requisition form is completed for each transaction and a receipt acquired upon payment.

Petty cash disbursements are limited to \$200.00.

Total petty cash funds do not exceed \$200.00, except where more funds are needed for change at fundraising events.

10.0 Disbursements

Whenever possible, separate persons are responsible for preparing and authorizing disbursements.

Invoices are paid in a timely manner, generally weekly, and before late penalty charges apply.

Two check signers are required for checks greater than \$1,000.

No checks for over \$200 may be written to "cash" or "bearer."

11.0 Reimbursements

A requisition form is prepared and approved when requesting personal reimbursement for SFF expenses. Relevant invoices and receipts are attached.

Mileage expenses approved by the Board are reimbursed at the federal rate in affect at the time of the expense.

12.0 Account Reconciliations

Bank reconciliations are done monthly. Bank statements are reconciled by someone other than the check signer or writer.

Other balance sheet accounts are reconciled at least annually.

13.0 Large Purchases

Purchases greater than \$1,000 are approved by the Board of Directors.

Generally, SFF seeks at least two quotations for purchases greater than \$2,000 where at least two suppliers are available for that service or product.

14.0 Conflict of Interest

Purchases of goods are not made from any employee or director of the organization.

Generally, purchases of services are not made from any employee or director of the organization, unless prior approval has been obtained from the Board, and the services are provided at or below market rate.

Members of the Board of Directors declare any conflict of interest with regard to financial terms.

Purchase of personal items for employees or directors is not made.

15.0 Capital Expenditures

Tangible assets exceeding \$1,000 and expected to last longer than a year are classified as capital assets and included in an inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations as applicable.

A depreciation schedule is prepared annually by the tax preparation firm.

16.0 Donations

Donated capital assets are recorded at fair market value if it can be reasonably estimated. The nature and amount of the donated capital assets is disclosed.

The value of donated materials and services is recorded at a reasonable estimate. The value does not exceed the value at which the organization could have purchased those materials and services.

17.0 Payroll

If applicable, all personnel salary and wage rates are authorized by the Board of Directors. All changes in employment are likewise authorized by the Board of Directors.

Employees are paid on a monthly basis. Payments to staff for salary advances, bonuses, and translations outside of normal hours are processed as part of wages.

All employees (hourly and salaried) are responsible for submitting complete time sheets on a weekly basis, with final time sheets due on each employee's last working day of the month. All time sheets must be signed and dated by employees and their supervisors. Incomplete time sheets are returned to employees for correction.

Personnel records are kept at SFF for all current staff.

Adopted by the SFF Board _____

Date

December
11, 2022

APPENDIX B—Business Record Retention Schedule

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Articles of Incorporation and Bylaws	Permanently
Audit reports	Permanently
Bank reconciliations	3 years
Bank statements	3 years
Budgets	7 years
Checks (for important payments such as taxes and special contracts)	Permanently
Checks (not covered above)	7 years
Contracts, notes and leases (active)	Contract period
Contracts, notes and leases (expired)	7 years
Correspondence (general, customers and vendors)	3 years
Correspondence (legal and important matters)	Permanently
Deeds, mortgages and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 years
Employment applications	3 years
Financial statements	Permanently
Fixed assets records	Permanently
Insurance records, accident reports, claims, policies, and certificates	Permanently
Internal audit reports	3 years
Invoices	7 years
Minutes	Permanently
Payroll records	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Tax exempt status documents	Permanently
Timesheets	7 years
Withholding tax statements	7 years