

## **Financial Policy**

### ***Adopted March 23, 2017***

The purpose of financial management in the operation of all San Mateo Resource Conservation District (RCD) activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. To accomplish this the RCD commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

### **AUTHORITY**

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

The Finance Committee Chair 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. In such a case, the Chair will report on the action to the Board of Directors during its next publicly noticed regular meeting.

The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, and receive funds.

The Executive Director is authorized to enter in to 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 as required by the RCD's Procurement Policy.

The Executive Director is authorized to manage expenses within the parameters of the overall approved budget and/or the Board-approved strategic plan, reporting to the Finance Committee on variances and the reason for these variances.

### **RESPONSIBILITIES**

The Fiscal Officer shall:

- Account for donor restricted and board-designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of the RCD operations according to the schedule established by the Finance Committee, but at least quarterly.

- Maintain all bank accounts.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, district credit cards, or for real estate leases or purchases without specific approval of the Board of Directors.
- Record fixed assets with purchase prices greater than \$5,000 as capital assets in accounting records. Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit credit accounts to prudent and necessary levels.

The Board of Directors shall:

- Review financial reports at each regularly scheduled meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

### **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.

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

### **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:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

### **GIFT ACCEPTANCE**

The San Mateo Resource Conservation District 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.

The San Mateo Resource Conservation District shall accept contributions of goods or services other than cash that are related to the programs and operations of The San Mateo County Resource Conservation District. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

## **ASSET PROTECTION**

In order to ensure that the assets of The San Mateo Resource Conservation District are adequately protected and maintained, the Executive Director in conjunction with the Fiscal Officer 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.
- Avoid actions that would expose the organization, its board, or its 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.