Natural Curiosity
Fiscal Policies & Procedures

Developed using template from

CompassPoint
NONPROFIT SERVICES

August, 2021

Development and Use of this Policy – CompassPoint

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

- Protect the assets of the organization;
- Ensure the maintenance of accurate records of the organization's financial activities;
- Provide a framework for the organization's financial decision making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for staff; and
- Ensure compliance with federal, state, and local legal and reporting requirements.

How is this document organized?

This document is organized into six sections, representing the significant components of a financial management system: Accounting Procedures, Internal Controls, Financial Planning & Reporting, Revenue/Accounts Receivable, Expense/Accounts Payable, and Asset Management. Suggested policy areas are included under each header. Most organizations will have at least some policies and procedures in each area, although not every policy included here will be relevant for every organization. Similarly, some organizations will need to insert additional policies that are specific to its area of work. Underneath each header is a section for both a broad policy statement and for the specific procedures related to implementing the policy.

The goal of this tool is to serve as a basic framework and a starting point for discussion. Although some sample policies are included, this document is designed primarily to be a conversation starter, with prompting questions included in each section. Effective fiscal policies and procedures drive out of three interrelated activities: 1) an informed discussion of the organization's potential areas of risk and system needs, 2) decision-making about an appropriate level of policies and procedures to address those risks and needs, and 3) documenting those decisions and revisiting them regularly.

Development and Use of this Policy – CompassPoint

How should we use this document?

Do not feel that you must write a policy in each area. This is a framework to guide your thinking and discussion process. You only need to implement policies that make sense for your nonprofit, given the nature of your operations and extent of your resources available for financial systems. Start with the areas that present the most potential risk or confusion to the organization.

Some things to keep in mind throughout the process of discussion and documentation:

- Policies should be clearly documented and easily understood by individuals outside of the particular department or the organization;
- Write policies that you can realistically maintain given the organization's resources;
- Staff members involved in processes should be listed by job title;
- Agency forms relevant to the policy should be cited; and
- Relevant time frames should be indicated.

Who should be involved?

The most important part of developing policies and procedures is that they are discussed, agreed upon, and regularly reviewed by both the decision makers in an organization and by those who will be implementing them on a day-to-day basis. In most organizations this will be a combination of Board members (often delegated to a Finance Committee), management staff, and front line financial staff. How this process occurs can vary significantly depending on the size, structure, and culture of the organization.

In most cases, the high-level policy questions should be discussed between Board members and management staff. The full Board of Directors has ultimate approval of the broad policy decisions as recommended by this informed work group.

The day-to-day procedural steps are often best determined between management staff and front line financial staff. Together they are in the best position to determine the most efficient and effective ways to implement a given policy direction. The Board Finance Committee may serve as another set of eyes on the procedures to ensure that they adequately address the broad policy goal, but they often do not have the operational perspective needed to write them.

Ultimately the Executive Director has responsibility for administering the policies and ensuring compliance with the procedures once they have been approved by the Board of Directors. It is good practice to train staff regularly on the policies and procedures. This can often be done in conjunction with a review process, which should occur every two years at a minimum.

Resources for more information

- http://www.compasspoint.org/downloads
- http://www.councilofnonprofits.org/resources/financial-management
- http://www.nonprofitsassistancefund.org

Natural Curiosity Fiscal Policies & Procedures

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Approved by the Board of Directors, 19 August, 2021

Accounting Procedures

This section covers basic accounting procedures for the organization. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

Basis of Accounting

Policy: The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

Procedures:

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the week after the close of the month. Invoices received after closing the books will be counted as a current-month expense.

- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year, are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.

- Revenue is always recorded in the month in which it was earned or pledged.

Journal Entries

- Journal entries are made as close to the time of transaction as possible, no later than 7 days after the transaction.

- Journal entries are posted monthly

- The Treasurer is responsible for writing and posting Journal entries, no later than 7 days after receiving notice and documentation of transactions by party responsible for the transaction.

- A Financial oversight committee consisting of three members, appointed by the President, will review journal entries monthly

- Approval or disapproval by the Treasurer will appear with each Journal entry.

Bank Reconciliations

Policy: All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month. These duties will be performed by the Treasurer.

Procedures:
- All bank statements and cancelled checks will be opened, reviewed and initialed by the CEO upon receipt.
- Once reviewed, bank statements are submitted to the CEO for reconciliation.
- The President will review and approve reconciliation reports by signing and dating the report in the upper right hand corner.

Monthly Close

Policy:
- Books will be closed by the 5^{th} day of the following month.

Procedures:
- Closing the books requires a query of all organization members potentially responsible for debits and credits, to ensure a complete record of the month's transactions.
- The Treasurer is responsible for closing the books.
- The CEO is responsible for overseeing the steps taken to close the books and the closing of the books.

Recordkeeping

Policy:
- Financial records and documentation (receipts, invoices, grant award letters) will be kept for 7 years.

Procedures:
- Paper print outs of accounting records will be kept in a locked file cabinet in the Treasurer's office or home.
- The Treasurer will file accounting records monthly.
- Financial records will be archived annually and shredded after 7 years by the Treasurer.

Internal Controls

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

Lines of Authority

Policy:

- **Fiscal Responsibility and Authority of the Board**
  -The Board shall vote to approve or amend an annual organizational budget prepared by the President, CEO, and Treasurer at an annual January meeting of the Board. This budget should include a line item for unexpected one-time expenses not included in specific program budgets.

  -The Board will vote to approve or amend specific project budgets (such as for educational programs), which fit within the approved annual budget structure, during regular meetings or during meetings especially called by the President for that purpose.

  -The Board will vote to approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are greater than $1,000.00, if within the annual organizational budget limit for one-time expenses.

  -The Board has the authority to modify fiscal policy and the responsibility to review fiscal policy annually.

- **Fiscal Responsibility and Authority of the President**
  -The President will partner with the CEO and Treasurer to prepare an annual budget for the organization.

  -The President will partner with the CEO to review specific program budgets before they are submitted to the Board for approval.

  - The President and CEO, jointly, may approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are between $500 and $1,000.00, if within the annual organizational budget limit for one-time expenses.

- **Fiscal Responsibility and Authority of the CEO**
  -The CEO will partner with the President and Treasurer to prepare an annual budget for the organization.

  -The CEO will partner with the President to review specific program budgets before they are submitted to the Board for approval.

  -The CEO may approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are between $0 and $499, if within the annual organizational budget limit for one-time expenses.

- **Fiscal Authority and Responsibility of Program Directors**
  -Program Directors must prepare program budgets for review by the President and CEO prior to review and approval by the Board.

  -Program directors may have a cash contingency line item in their budget.

  -Program Directors may spend in accordance with Board approved budgets for the execution of their programs without further approval.

  -Program Directors may cover unexpected expenses within the financial capacity of the organization without prior authorization from CEO, President, or Board if such expense is necessary for the health and safety of those being served by the organization or organizational staff or contractors if it is not possible or feasible to receive such prior authorization. Such expenses require written justification to be submitted to the Board for review and post-hoc authorization and comment. Justification and Review to be requested by the CEO and filed with the Treasurer.

Procedures:

- All budgets, annual and program, must be approved by the Board and such approval must be documented in meeting minutes and on final drafts of the budgets themselves, filed with the Treasurer.

- The Treasurer shall record all the organizations debits and credits via Journal entry as near to the time of transaction as feasible and not more than 5 days after being notified of the transaction.

- The Treasurer, in Journal entries, will document whether expenses are in line with established budgets via their written approval in the Journal entry.

- The Fiscal policies shall be created by the President in partnership with the CEO and amended and approved by the Board.

- The Board alone has the authority to change fiscal policies of the organization.

- The Board shall review fiscal policy annually and decide whether to update or amend.

- The Treasurer shall document receipt of all income whether via check, cash, or electronic transfer via Journal entry. Separately, the CEO shall verify, monthly, that all received income has been deposited into the organizations account(s).

- The President shall solicit, annually, an objective third party to review all the vendors receiving fees/checks/cash from the organization. The third party's review will be submitted to the board in a written document to be filed with the minutes by the Secretary.

- Employees, contractors, and members of the organization may only be reimbursed for expenses that are approved in advance, in writing, including those items in approved budgets, except where the use of personal funds was necessary to preserve the health and safety of those served by the organization or employees or members of the organization or the use of personal funds was necessary to preserve the continuance of a program or to preserve the continuance of the organization and no other reasonable alternative to cover these expenses was available. A written justification for the request of reimbursement, not approved a priori, must be submitted to the Board for review and decision.

- Cash revenue by sale, donation, or fundraiser, or any other source must be counted by both the Treasurer and the CEO before Journal entry and counted again, by both, before deposit.

- Bank statements are to be reconciled with Journal entries monthly by the CEO.

- Paper checks must be written by the Treasurer but signed by the President or CEO. Treasurer sets up electronic check and President or CEO approve and send check. If neither President nor CEO are available for signing checks (e.g., due to international travel), either may designate another board member to sign checks (electronic or paper).

- Debit cards may be used by the President, CEO, and Program Directors but not the Treasurer. Debit card use must be done in accordance with other fiscal policies and reviewed by the Treasurer monthly.

- Surprise audits may be called by the President, the CEO, or the Board at any time. The President will select a committee of no less than two organizational members, not to include the Treasurer or CEO, to perform these audits. The committee will provide a written report of the audit to the Board. The written report will be reviewed at a meeting of the board and included in meeting minutes by the Secretary.

Conflict of Interest

See separate Conflict of Interest Resolution document.

Physical Security

Policy: The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

Procedures:

- Blank checks are to be kept in a locked file cabinet by the Treasurer.

- Passwords to accounting software are to be kept by the Treasurer and shared with the

CEO.

- Passwords to accounting software may be given to the Board or to auditing committees upon request.

- Passwords to accounting software must be changed every 6 months or immediately following request of the passwords and their completed use by the Board or an auditing committee.

- Cash and checks for deposit will be kept in a locked cash box, in a locked cabinet, desk, file cabinet or other secure holding container until deposited.

- Equipment owned by the organization, particularly equipment for programs, will be kept in various locations as per the logistical needs of the organization or program requirements, but these locations must be approved by the board as part of annual budget approval or individual program approval.

Financial Planning & Reporting

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Organizations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted, and permanently restricted.

Budgeting Process

Policy: The organization's annual budget is prepared and approved annually for all departments. The budget is prepared by the CEO in conjunction with the President and the Treasurer. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

Procedures:

- The President will work together with the CEO, Treasurer, and all Program Directors to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- The Director of Operations will ensure that the budget is developed using the organization's Standard accounting principles as adopted by the organization.
- The President, CEO, and the Treasurer will present a draft budget to the Finance Committee, to be selected by the President, at least 60 days prior to the end of the fiscal year and at least 30 days prior to its submission to the full Board of Directors.

- The Finance Committee shall review and approve a recommended fiscal year budget and submit it for approval to the Board of Directors. The budget shall contain revenues and expenses forecasted by month or by quarter. A chart describing monthly cash flow shall be included.

- The Board of Directors will review and approve the budget at its last meeting prior to the start of the fiscal year.

Internal Financial Reports

Policy: The organization prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month.

Procedures:

- The Treasurer is responsible for producing the following year-to-date reports within 30 days of the end of each month:
  -Statement of Financial Position,
  -Statement of Activities,
  -Budget v. Actual and updated Cash Flow Projection.

- The President, CEO, and Finance Committee shall review financial reports each month, and the Finance Committee presents reports to the full Board of Directors on a quarterly basis.

- On a quarterly basis, the CEO prepares a narrative report that summarizes the organization's current financial position and includes explanations for budget variance greater than 10 percent.

Audit

Policy:

- The organization shall secure an independent audit for any fiscal year in which revenue exceeds $500,000 in compliance with N.M. Stat. § 57-22-6. A charitable organization that has revenue in excess of $500,000 "shall be audited by an independent auditor."

- An independent audit in compliance with NM Stat. 57-22-6 shall be completed by 1 April of the following year.

- A new CPA firm will be hired every 5 years.

Procedures:

- The Finance Committee will be responsible for securing independent audits, including hiring an external CPA firm and oversight.

- The chair of the Finance Committee will serve as the staff liaison to the audit firm.

- The chair of the Finance Committee will present the audit report to the Board within 30 days of receipt of the audit report in written form and an oral presentation.

- The audit report will be made available to the public on the organization's website.

Tax Compliance

Exempt Organization Returns

Policy:

- The CEO is responsible for preparing the Federal Form 990 and may employ an outside organization for assistance.
- Tax forms will be filed by 1 April each year.

Procedures:

- The CEO will serve as the staff liaison to the tax preparer.
- The Finance Committee will review the tax returns prior to filing.
- The Chair of the Finance Committee has final approval authority of the tax returns before filing.
- Federal Form 990 will be made available to the Board after approval by the Chair of the Finance Committee in paper or electronic form.
- Federal Form 990 will be made available to the public via the organizations website.

Quarterly/Annual Payroll Reports

Policy:

- The Treasurer shall outsource the preparation of the payroll tax reporting.

Procedures:

- The Treasurer is responsible for preparing the employee W2's by January 31st each year.
- The CEO oversees the preparation of employee W2s to ensure accuracy and timeliness.
- The Chair of the Finance Committee files the payroll tax reports (941 and DE6).
- The Treasurer oversees the filing of the payroll tax reports to ensure accuracy and timeliness.

Revenue & Accounts Receivable

Invoice Preparation

Policy: All grants and projects are invoiced each month to capture all billable time and expenses and ensure a regular healthy cash flow for the organization. All final invoices for the prior month are completed by the 15th of the following month (ex: June 15th for May).

Procedures:

- The Treasurer gathers relevant expense documentation, prepares all invoices, and submits to the CEO for approval by the 10th of each month.
- Following approval, the Treasurer makes two copies of the invoice. One copy is mailed to the client/customer no later than the 15th of the month and one copy is filed in the client folder.
- As part of the monthly close process, the Treasurer reviews an Accounts Receivable Aging report and alerts the CEO of invoices more than 60 days overdue.
- The CEO determines appropriate collection efforts for long outstanding invoices.
- The President is also notified of any receivables that are more than 90 days outstanding and/or more than $1,500.

Revenue Recognition

Policy: All contributions will be recorded in accordance with GAAP, with specific attention to standards FASB 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.

Procedures:

- The CEO reviews all revenue in excess of $5,000 and indicates on the letter or copy of the check how the revenue shall be recognized (as earned/contributed, conditional/unconditional and restricted/unrestricted). If there is a question or uncertainty about how to recognize a particular contribution, the CEO will ensure that the donor is contacted to clarify the intent of the contribution.
- The Treasurer is responsible for posting revenue to the general ledger in accordance with the determination made by the CEO.

Cash Receipts

Policy:

- Funds come into the organization primarily through ecommerce and occasionally through checks and cash received in mail or at fundraising events. These are initially received and recorded by the CEO and then sent to the Treasurer for deposit and recording in the accounting record.

Procedures:
- The CEO opens mail, including e-mail or other electronic notifications of revenue received and records this in a ledger.

- The CEO's ledger, checks, cash, and electronic notifications of revenue received are passed to the Treasurer who posts this information in the accounting system.

- Checks are endorsed, then copied, by the CEO before sending to the Treasurer for recording in the organizations accounting system. Check copies are filed by the CEO in a separate filing system from that maintained by the Treasurer.

- Checks and cash are kept in a locked cash box, inside a locked container (desk drawer, file cabinet, safe, etc.) in the CEO's home/office before being sent to the Treasurer, and are likewise secured by the Treasurer prior to deposit.

Deposits

Policy:
- Checks and cash are deposited by the Treasurer weekly.

Procedures:
- The CEO reviews bank statements against their record of revenue received monthly

Expense & Accounts Payable

Payroll

Policy:
- Pay periods are monthly and pay is sent by the 3rd of the following month
- Payroll is handled internally by the Treasurer

Time Sheet Preparation & Approval

Policy: The organization may use time sheets for contractors. Employees will either be salaried or paid by the task.

Procedures:
- Hourly contractors must complete time sheets and submit them to the Treasurer and the CEO on the due date, either on paper or electronically, based on the schedule produced at the beginning of the year.

- The CEO will correct if necessary, sign, copy (or keep an electronic copy) and submit timesheets to the
Treasurer within three (3) working days from the time sheet due date.

- The Treasurer is responsible for issuing paychecks and recording pay.

- Sick time and vacation time is approved by the CEO and the President upon written request. Vacation time shall not exceed one month.

Payroll Additions, Deletions, and Changes

Policy:
- The Finance Committee has authority to approve payroll changes.
- Written approval by the Finance Committee Chair is required for payroll changes to be implemented.

Procedures:
- The CEO and President must approve the addition or deletion of employees from the payroll system in written communication with the Board and the Treasurer.
- The CEO and the President must approve salary increases in written communication with the Board and the Treasurer.
- Employees can request payroll changes (i.e. changes to withholdings, etc.) as necessary via written request to the Finance Committee and CEO, who must approve it, and the Treasurer.

Payroll Preparation & Approval

Policy:
- Payroll is prepared by the 3rd of each month.
- The Treasurer and the CEO have primary and secondary responsibility, respectively, for payroll (CEO prepares payroll if Treasurer is unavailable).

Procedures:
- Treasurer records time sheets into the payroll system in spreadsheet format.
- The CEO reviews the payroll register to ensure accuracy and legitimacy before it is submitted.

Pay Upon Termination

Policy:
Upon voluntary and involuntary termination payroll is processed and distributed to the employee at the end of the regular pay period (month).

Procedures:
- The CEO calculates the final paycheck and ensures the accuracy of any accrued PTO to be paid.
- The Treasurer reviews the final paycheck and distributes the check to the employee.

Purchases & Procurement

Policy:

Any expenditure in excess of $5,000 for the purchase of a single item should have bids from three (3) suppliers if reasonable. Written justification for this being requirement being unreasonable must be submitted to the Board for approval prior to purchase. These bids will be reviewed by the CEO and the bid award must be specifically approved in advance by the President and the CEO.

Procedures:

- Purchase orders are required for purchases over $1000.
- The Board will vote to approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are greater than $1,000.00, if within the annual organizational budget limit for one-time expenses.
- The President and CEO, jointly, may approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are between $500 and $1,000.00, if within the annual organizational budget limit for one-time expenses.
- The CEO may approve or deny one-time expenses for goods or services that facilitate the mission of the organization but are not included in approved program budgets and are between $0 and $499, if within the annual organizational budget limit for one-time expenses.
- Program Directors may spend in accordance with Board approved budgets for the execution of their programs without further approval.
- Program Directors may cover unexpected expenses within the financial capacity of the organization without prior authorization from CEO, President, or Board if such expense is necessary for the health and safety of those being served by the organization or organizational staff or contractors if it is not possible or feasible to receive such prior authorization. Such expenses require written justification to be submitted to the Board for review and post-hoc authorization and comment. Justification and Review to be requested by the CEO and filed with the Treasurer.
- The Treasurer , in Journal entries, will document whether purchases and procurements are in line with the organizations Financial Policy and approved budgets via their written approval in the Journal entry.

Independent Contractors

Policy:

- The organization will use independent contractors when the work to be performed is outside the skills, expertise, or time availability of organization employees, or, when the use of independent contractors is the most reasonable and expedient way to accomplish an objective in line with the organization’s mission. For example, all members of the organization may be capable of clearing trail, but a hired contractor may perform this work in a manner much more expedient for the implementation of a field course.

Procedures:

- The CEO and the President have the authority to establish contracts under $5,000. The establishment of contracts up to $5000 requires approval of both President and CEO.

- The Board must approve contracts greater than $5,000 as proposed by the President and the CEO jointly.

- Program Directors wishing to have contracts established must present, in writing a proposal to the CEO and President, who may approve, if less than or equal to $5000, or after review, pass the proposal to the Board for approval if the contract is greater than $5000.

- The President and the CEO are responsible for verifying that the person is appropriately classified as an independent contractor and not employee.

Invoice Approval & Processing

Policy:
All invoices must be approved by the CEO. Approved invoices will be paid within 30 days of receipt.

Procedures:

- Invoices and bills will be opened and reviewed by the Treasurer. The President or CEO will be notified immediately of any unexpected or unauthorized expenses.

- The Treasurer will receive and open invoices.

- Invoices that correspond to approved budget line items may be paid by the Treasurer without further approval.

- The Treasurer will enter bills into the accounting system.

- Invoices for purchases or procurements not aligned with previously approved budgets must be routed by the Treasurer to the appropriate person or body for authorization prior to payment being issued.

- Copies of all invoices paid will be filed by the Treasurer. After one year these documents will be archived and they will not be destroyed.

Cash Disbursements

Policy:

- Itemized invoices are required of vendors before cash disbursement.

Procedures:

- Checks cannot be issued without an invoice received and approved.

- Checks are prepared by the Treasurer, signed by both Treasurer and CEO, and mailed by the Treasurer.

- The Treasurer will record all expenditures at the time expenditure is made in the accounting system.

Petty Cash

Policy:
The Treasurer and CEO may each keep a petty cash box not to exceed $100. Petty cash will be used primarily to purchase office supplies, snacks, delivery tips, etc. Petty cash will be kept in a lockbox that is locked in a cabinet.

Procedures:

- The petty cash custodians will be given $100 to be kept in a lock box locked in their desk or similar secure location.

- When cash is used a record must be entered in the individual's petty cash spreadsheet. Receipts for all purchases are kept in the lock box.

- When cash is low the custodian will submit a check request form signed by the President with a print out of the tracking spreadsheet and all receipts attached.

- A check will be cut in the amount to bring petty cash back to $100. It is the custodian's responsibility to cash the check and keep track of funds in the box.

Employee Expense Reimbursements

Policy:

- Employees, contractors, and members of the organization may only be reimbursed for expenses that are approved in advance, in writing, including those items in approved budgets, except where the use of personal funds was necessary to preserve the health and safety of those served by the organization or employees or members of the organization; or, the use of personal funds was necessary to preserve the continuance of a program or to preserve the continuance of the organization and no other reasonable alternative to cover these expenses was available. A written justification for the request of reimbursement, not approved a priori, must be submitted to the Board for review and decision by majority vote.

- Dollar limit for reimbursement will be at the discretion of the Board on a case by case basis.

Procedures:

- Requests for reimbursement must be made within one month of expenditure.

- Requests for reimbursement must be made to the President and the CEO via letter or email with a narrative justifying why the use of personal funds was necessary.

- A priori reimbursement requests must be approved by the CEO.
- A priori reimbursement requests by the CEO must be approved by the Chair of the Finance Committee or President.
- Reimbursement checks will be prepared by the Treasurer and signed by both the Treasurer and the CEO.

Travel Expenses

Policy:

- Travel expenses are eligible for reimbursement for the following purposes: 1. For professional training related to accomplishing the mission of the organization; 2. To travel to or prepare for a program, public lecture, or fundraiser offered by the organization; 3. To travel to professional conferences where research conducted by the organization will be presented; 4. To travel to special meetings of the Board, if remote participation is would fail to permit the accomplishment of meeting objectives (extended meetings/workshops);
- Travel expenses may be covered by the organization and require a pre-approved budget submitted by the traveler(s) to the board.
- Reimbursement for travel expenses must be approved by the CEO and the President, jointly, if under $500, but must be approved by the Board if greater than $500 OR if the reimbursement is for the President or CEO.

Procedures:

- Reimbursement requests and written approvals will be filed by the Treasurer.
- Reimbursements will be recorded in Journal entries by the Treasurer.
- Reimbursement checks must be prepared by the Treasurer and signed by two of the following, Treasurer, CEO, or President, where the recipient of the reimbursement cannot also be a signatory.

Credit Cards

Policy:

- Credit cards will be held by this organization.
- Debit cards are not to be used for cash withdrawal unless absolutely necessary or without prior approval by Treasurer, President, or CEO.
- Debit cards, and credit cards, will be issued to President, CEO, and Program Directors as needed.
- Expenditure limits must conform to policies on spending limits noted elsewhere in this document.

Procedures:

- Receipts are to be collected by the person responsible for the expenditure immediately, and sent to the Treasurer for coding and filing.

- Receipts will be coded by the budget and line item they correspond to as well as the purchaser's name.

- If unrecognized or unauthorized purchases via check or debit card appear on bank statements an inquiry will be conducted by the Finance Committee. A written report summarizing the findings of the inquiry will be given to the Board. If the Board may then decide if disciplinary action is warranted.

Expense Allocations

Policy:

- All activities of the organization, Programs, Fund Raisers, Lectures, Employee Training, that require funding as well as all anticipated costs of the organization (liability insurance, travel reimbursement) will be associated with a budget and budget line item approved by the Board. All expenditures will be allocated to the appropriate budget in Journal entries made by the Treasurer and verified by the CEO.

- The Treasurer is responsible for developing and maintaining the cost allocation system.

- The CEO must approve the cost allocation system used by the Treasurer. Any changes to the cost allocation system must be made by the President, CEO, and Treasurer jointly.

Procedures:

- Costs are allocated by budget and budget category.

- The Treasurer is responsible for creating cost allocation entries.

- The CEO is responsible for posting cost allocation entries quarterly.

Asset Management

Cash Management and Investments

Policy:

- The Treasurer is responsible for administering investment accounts with oversight from the CEO and President.

- Investment accounts, should the organization have them, will be with TIAA-CREF and their financial advisors will be consulted to assist with management.

- The organization will tend towards low risk preference for the majority of its investment accounts.

- The organization will only invest in entities, industries, schemes, that are aligned with their mission of conservation and education (e.g. renewable energy, sustainability programs, social justice as part of conservation).

Procedures:

- Banking will be done with US Bank. US Bank is noted as one of the best banking options for nonprofit organizations, earning highest interest on accounts, including checking.

- The Treasurer, CEO, and President will have access to banking records and accounts.

- The Board may approve the transfer of funds of $5000 or greater into investment accounts if this money is not required to meet approved or proposed budgets. The President will make proposal to the Board for such transfers when the President feels this action Is in the financial interest of the organization.

Capital Equipment

Policy:
- The Treasurer and the CEO will work with third parties, such as a CPA, to determine at what dollar amount and years of useful life is an item, such as a piece of field equipment, is capitalized rather than expensed

Procedures:
- The inventory of capitalized equipment will be kept in various locations to facilitate execution of programs, but primarily this will occur at 532 Elenora Street, Hillsboro, NM 88042.

- The CEO has oversight for capitalized items kept, including inventory and condition.

- Depreciation schedules will be developed by the Treasurer in consultation with a third party, such as a CPA.

- Depreciation will be posted to the general ledger by the Treasurer annually.

- Disposal of assets no longer in use will be done by donation to similar nonprofits, educational institutions, donation institutions (Goodwill) or by sale to organizations or individuals by the CEO if value is less than $100. If the value of the item is greater than $100 but less than $1,000 donation or sale must be approved by the CEO, President, and Chair of the Finance Committee. Sale or donation of items valued at more than $1000 must be approved by the Board.

Employee Retirement Accounts

Policy:
- The organization will offer a retirement account to its salaried employees.

- Employer contribution to the employees retirement account will be 10% of employees annual salary.

Procedures:
- The Treasurer is responsible for ensuring retirement policy and execution are in compliance with ERISA requirements

- The Treasurer is responsible for ensuring that appropriate retirement contributions are withheld from employees’ paychecks and sent to the appropriate accounts. The CEO has oversight over this process.

Operating Reserve

Policy:
The target minimum operating reserve fund for the organization is three (3) months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

Procedures:

- The amount of the operating reserve will be calculated each year after approval of the annual budget, reported to the Finance Committee and Board of Directors, and included in regular financial reports.

- The operating reserve will be funded with surplus unrestricted operating funds.

- The operating reserve will be held in a separate account from the general funds or investment accounts.

- The operating reserve can be used any individuals previously described in this document as having authority to make expenditures and for those purposes previously described if there are insufficient funds in the general cash accounts and if approved by the Board.

- The status of the operating reserve will be monitored by the Treasurer and CEO.

- The status of the operating reserve will be reported to the Board by the CEO quarterly.

- The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

- The organization’s goal is to replenish the operating reserve funds used within twelve (12) months to restore the operating reserve fund to the target minimum amount.