

SECTION 5 – FINANCIAL MANAGEMENT

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SECTION 5 – FINANCIAL MANAGEMENT
REVISION LOG

Approval Date	Board Initials	Revision Description

A. PAYROLL PROCEDURES

1. **Employee Payment Schedule:** Center employees shall be paid twice a month.,
2. **Controls** - It is the responsibility of the Center Manager, with assistance from the PSC treasurer, to establish procedures which will ensure the fidelity of this function.

B. FINANCIAL STATEMENTS DISSEMINATION

1. **Purpose:** Defines the protocol for distributing monthly financial reports, including balance sheet, profit and loss report with year-to-date budget-to-actual comparison to the Board, the Audit Committee, the members, government entities, grant funders, and the public.
2. **Confidentiality and Restricted Funds:** PSC shall honor donor privacy requests and ensure appropriate documentation and oversight of restricted contributions, including grants and donations,
3. **Dissemination:**
 - a. PSC financial statements shall be shared with members at annual and Board scheduled membership meetings and posted on the PSC lobby bulletin board and website.
 - b. The Monthly Balance sheet. Profit and loss statement, and year to date budget-to- actual shall be displayed on the PSC lobby bulletin board and on the PSC website.
 - c. Members seeking additional details may request them from the Center Manager.
4. **Annual Budget:** Each October, the Treasurer, Finance Committee, and Center Manager shall present a budget to the Board that allocates sufficient resources for staffing, operations, and mission delivery. The Board is responsible for ensuring the budget meets PSC's operational needs and includes asset acquisition and replacement.

C. CONTRIBUTIONS TO OUTSIDE ORGANIZATIONS

1. **Purpose:** Financial support for organizations that enhance or promote the general well-being of the Town of Parker.
2. **Budget Limitations:** Limited to 2% of the annual donation from the Town of Parker to the PSC, or \$500, whichever is lower.
3. **Proposal Submission:**
 - a. Board members may submit written proposals to the President, detailing the organization's impact and justification for funding.
 - b. The President reviews the proposal, discusses it with the proposer, and ensures necessary clarifications before presenting it to the Board at the next meeting.
 - c. If the President initiates a proposal, the same process applies.
4. **Approval & Fund Disbursement:**
 - a. The Board shall vote on all proposals. When majority approval is rendered by the Board, the President shall instruct the Treasurer to issue a check for the approved amount.
 - b. The check then shall be presented to the recipient organization.

D. PROCUREMENT OF GOODS AND SERVICES

1. **Purpose:** Guides purchasing decisions except where government procurement rules for grant disbursement apply. It does not override sound judgment and does not apply to routine expenses (e.g., utilities, groceries, office supplies).

2. **Signature Requirements:** Checks of \$200.00 or more shall require signatures from either the Center Manager and one (1) Board member or two (2) Board members, one of which must be bank authorized. Checks under \$200.00 may be signed by one (1) bank authorized person. Signature cards shall be on file at the Board-approved federally insured bank.
3. **Standing Contracts and Service Agreements:** Copies of the following contracts and service agreements are maintained in the office of the Center Manager:
 - a. Website and Newsletter Consultant
 - b. Accountant
 - c. Snow Removal
 - d. Landscaping Maintenance
 - e. Elevator Maintenance and Inspection
 - f. Kitchen Fire Suppression and Building Fire Protection Inspection and Monitoring
 - g. Parking Lot Rental (Parker Days)
 - h. Sanitary Sewer and Grease Trap Pumping
 - i. Insurance
4. **Purchase Guidelines:** These guidelines pertain to replacement or renewal of the above-mentioned Standing Contracts and Service Agreement as well as to new purchases and/or services.
 - a. For purchases or services exceeding five thousand dollars (\$5,000), the appropriate committee shall obtain at least three (3) competitive proposals or quotes to be presented to the Board for approval or rejection.
 - b. Preference is given to local vendors if pricing is fair and competitive.
 - c. All expenditures must be documented with receipts, statements, bid comparisons, etc.
 - d. Under \$5,000: Identify need, ensure fair and competitive pricing.
 - e. \$5,000–\$25,000: Assess alternatives before purchase, verify fair and competitive pricing.
5. **Quote/Proposal Procedures for \$25,000 to \$75,000:**
 - a. The appropriate committee shall prepare a Request for Quote or Request for Proposal (RFQ or RFP) with appropriate requirements and specifications.
 - b. The RFQ/RFP shall be sent to at least three vendors.
 - c. The committee shall review, evaluate, and compare qualifications and cost proposals.
 - d. Recommend qualified vendor to the Board for approval or rejection.
 - e. Notify all contenders of the final selection in writing.
 - f. Finalize a contract or service agreement with the successful contender for Board approval.
6. **Quote/Proposal Procedures for over \$75,000:** These projects generally are related to construction.
 - a. A formal sealed bid process shall be used for these projects.
 - b. The appropriate committee shall prepare an RFQ or RFP with project requirements and specifications.
 - c. The RFQ/RFP shall be publicly advertised.
 - d. Bids shall be opened at a formal meeting.
 - e. The committee shall review, evaluate, and compare qualifications and cost proposals.
 - f. Recommend the qualified vendor to the Board for approval or rejection.
 - g. Notify all bidders of the final selection in writing.
 - h. Finalize a contract or service agreement with the successful bidder for Board approval.

E. FINANCIAL CONTROLS

1. **General:** Internal financial controls are policies and procedures that uphold financial integrity, accountability, and manage risk through measures such as dual controls and segregation of duties.

2. Safeguarding Assets:

- a. The Center Manager, Assistant Manager, or any Board member acting in their stead shall be responsible for locking up cash, checks payable to PSC, credit card payments, and sensitive documents in a safe.
- b. The Center Manager and Treasurer are responsible to maintain secure access to bank accounts, financial, and informational systems.
- c. The Center Manager and Treasurer are responsible to ensure that only authorized individuals approve expenditures.

3. Checks and Balances: Require appropriate signatures on checks as specified in the Bylaws. Checks in the amount of \$200.00 or more require two authorized signatures which may be the Center manager and one Board member or two Board members, one of which is a bank authorized signer.

4. Policy Enforcement:

- a. The treasurer shall enforce written procedures for expense reimbursement, credit card use, and vendor payments.
- b. The Audit Committee shall randomly review all approved spending and contracts.
- c. The Audit Committee shall conduct monthly reviews of financials and bank reconciliations to ensure accuracy and oversight.

5. Fraud Protection and Detection:

- a. The Center Manager, Treasurer, Audit Committee, and Board shall monitor unusual transactions and budget variances.
- b. The Treasurer and Audit Committee shall review vendor lists to detect fictitious payees.
- c. The Treasurer and Audit Committee shall examine cancelled checks for accuracy and legitimacy.
- d. The Center Manager and Treasurer shall oversee credit card usage and balances; cards must be retrieved upon member departure.

6. Oversight and Accountability:

- a. Record committee actions and financial approvals.
- b. Train Board members to read and understand financials.
- c. Keep financial policies documented, covering controls, cross-training, and succession plans.