

# Policy No. 2020-23

Adopted: 12/9/2020

Revised:

## Financial Policy of the Anderson Island Historical Society

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#### **1.0: Purpose**

The purpose of the financial policy is to provide guidelines from the Board of Directors, hereafter (Board) for the planning and implementation of all financial matters of the Anderson Island Historical Society, hereafter (Historical Society).

The Historical Society is organized under the laws of the State of Washington and will at all times be operated as a non-profit organization under the federal rules for a 501(c)(3) classification, for the benefit of its members. In addition to these legal requirements, the Historical Society is guided in its operations by regulations and operational practices prescribed by various regulatory bodies, its By-Laws and its members as a whole. Beyond these legal requirements, the Historical Society has an obligation to its members to ensure the financial integrity of the organization so that it can provide the services as further defined in the bylaws and mission statement and resolutions adopted by the board or members tempered by prudent business practices not only for today, but long into the future.

#### **2.0: Responsibilities**

**2.1 Origination, Review and Approval:** The origination of all financial policy, rules, financial planning, budgeting and adoption of such shall be the responsibility of the elected Board. The Board shall periodically review the Financial Policy and make any changes warranted.

**2.2 Laws and Regulations:** The Board and the President shall assure that the Historical Society acts within the lawful bounds of all governmental rules, regulations and laws as set forth in the charter and other legal documents.

**2.3 Taxes:** The Board and the President in conjunction with the Treasurer, shall assure that all taxes due to any government authority are paid as required and all reports required by the government are completed and issued on a timely basis.

2.4 Banking and Investment Accounts: Each checking, saving or investment account held by the Society shall have as signors the Treasurer and the President. Other persons may be added to an account as the Board designates. Signors shall be updated promptly as positions or roles change.

2.5 Accounting Procedures: The Board shall review financial statements monthly for the Historical Society and quarterly for the Gift Shop. The Board and the President shall assure that written procedures are in place to ensure that there are checks and balances in accounting processes. These procedures shall address, at a minimum, handling of cash and checks, reconciliations of accounts, proper documentation for expenditures, storage of financial information, back-up procedures for financial records and contingency planning to ensure that alternate persons are able to perform financial duties if needed.

2.6 Finance Audit: In lieu of a formal audit of the Historical Society financial position by external accountants, the President shall appoint an Audit Committee. This committee shall verify documentation for expenditures, review reconciliations for balance sheet accounts as needed and verify that appropriate tax and information returns have been filed. The Audit Committee will also annually review the Accounting Procedures Manual for the Historical Society and make recommendations for changes as needed. The Committee will report in writing to the Board on an annual basis.

2.7 Implementation of the Policy: The elected President of the Historical Society is responsible for implementing this Policy and for overseeing development of the practices and procedures necessary to maintain the financial integrity of the Society.

2.8 Recommendation to the Board: The President in concert with the Treasurer, is responsible for recommending revisions to this Policy to the Board as circumstances warrant.

2.9 Compliance with this policy: The Board and the President are responsible for ensuring compliance with this policy.

### **3.0: Planning Documents:**

3.1 In order to maintain a sound financial position and provide for the most effective management and security of the financial resources of the Historical Society, the Board directs the President to create and/or update or see to the creation and/or updating of the following planning reports and documents (hereinafter "reports"). These reports shall be created/updated on a regular basis with frequencies as necessary to assure that the Historical Society operates on a sound financial basis at all times. All reports shall be reviewed and approved by the Board. Note that from time to time there may be other planning reports not included below that may be necessary to meet this policy's intent. Such reports initiated by the Board shall not require a change to this policy to be valid and enforceable.

#### 3.2 Planning Documents:

Annual Capital Budget

Annual Operating Budget

## **4.0: Financial Goals and Performance**

4.1-Budgeting: The Historical Society shall always plan and budget in a way to assure operation on a positive cash basis. There shall be a separate budget for Capital expenses and for the Operating expenses. When expenditures exceed the approved budget amount, the overall appropriate budget shall be revised and adjusted to assure that a balanced Budget is maintained. For budgeting purposes, any non-operating expense over the threshold amount of \$1000 shall be deemed to be a capital expense. This amount may be revised by Board resolution from time to time as appropriate.

4.2- Debt: The Historical Society shall operate on a positive cash basis. Neither the Board nor its officers shall encumber the Historical Society with debt or promissory instruments of any kind without the approval of the current voting membership.

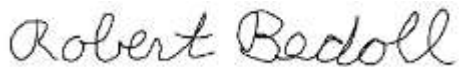
4.3-Banking and Investments: Optimal management of the Historical Society assets includes the fiduciary responsibility of selecting appropriate investments for general funds and other liquid assets. These investments should be of low risk and high liquidity and the Board shall approve the distributions regarding the Society's general funds and other liquid assets. Funds for short term liquidity shall be placed in a local banking establishment approved by the Board. Funds not needed for routine Historical Society operations shall be placed in Low risk savings and investment accounts approved by the Board. The elected Treasurer of the Board shall recommend the placement of all funds and shall have responsibility for the collection and distribution of such funds. The Treasurer shall report the status of all funds to the Board at each regularly scheduled official Board meeting.

## **5.0: Implementation**

Implementation of this policy shall be the responsibility of the Board which may rely on the initiative of the President, Vice President and Treasurer to assure that the provisions of this policy have been and are being met at all times. Failure to comply with any and all requirements of this policy shall be immediately brought to the attention of the Board and actions taken to immediately remedy any infraction.

Author: Carol Pascal, Vice President

Adopted by AIHS Board of Directors, Date: 12/9/2020



President: Robert Bedoll      Date: 12/9/2020

Secretary of the Board: Paul Oppenheim      Date: 12/9/2020