

Financial Management

Policy Statement

It is the policy of The Mountaineers (the organization) to operate as a financially sound not-for-profit corporation.

Application

Budgeting

1. The organization will annually create an operating and a capital budget.
 - The Director of Finance shall establish the procedures for each annual budget cycle including the segmentation of the organization into organizational units (e.g., branch, division, administration, committees, etc.), the timing and the formats.
 - The budget of each organizational unit must be submitted to the Finance Committee for review and approved by the board.
 - All organizational units shall monitor revenues and expenditures on a regular basis and make program adjustments as necessary to ensure adherence to the approved operating and capital budget.
 - Any material unbudgeted capital purchases or negative profit variance to budget require review and discussion of the Finance Committee who will work with organizational units to determine appropriate actions and/or make a recommendation to the Board. The threshold for materiality shall be determined by the Director of Finance for each organizational unit. Unbudgeted capital purchases greater than \$20,000 and negative profit variances greater than \$10,000 shall always be considered “material” and must be approved by the board before any funds are committed or spent.

Financial Accounts

2. The organization shall maintain financial records in accordance with generally accepted accounting standards.
 - Branches shall maintain their cash in a centralized organization account as directed by the Director of Finance.
 - The Director of Finance will identify balances attributable to each branch.
 - The board shall establish reserve accounts when necessary to assure that funds will be available for dedicated purposes. Board authorization is required to spend funds in these accounts. The accounts and their purposes shall be reviewed periodically by the Finance Committee and Board.

Investment Guidelines

3. Cash in excess of immediate working (excluding the long-term building fund) capital needs may be invested with the primary objective of safety of principal and the secondary objectives of liquidity and investment yield. Investments are to be in US dollar securities holding the highest ratings available for their class.
 - Suitable investments shall be determined by the investment advisory committee.

- The purchase or sale of all investments and the movement of any funds into or out of any investment accounts must be authorized electronically by two of these three people: the organization president, organization treasurer, or executive director.
- The creation of any bank or investment accounts must be authorized by the organization president and Executive Director.
- The long-term building fund shall be invested as described in the policy titled “Long-Term Building Fund.”

Responsibility

The Board of Directors is responsible for:

- Reviewing and approving all annual and capital budgets prior to the beginning of each fiscal year.
- The ultimate fiduciary responsibility for the organization’s financial management.
- Necessary approvals, in this policy “Approved by the board” means approved in writing or by email by the president of the Board of Directors of The Mountaineers or captured in the recorded meeting minutes of the Board of Directors.

The Treasurer is responsible for:

- Proactive leadership in ensuring that the organization pursues sound financial management through effective internal controls, financial accountability and risk management.
- Ensuring that procedures are established and effective for managing the organization’s financial accounts.
- Presenting financial reports to the board as the board deems appropriate, with the assistance of the Director of Finance and the Finance Committee.
- Reviewing the operating and capital budgets. Assisting with establishing budget assumptions for all organizational units.
- Initiating a financial audit or review each year and reviewing any recommendations.
- Establishing an audit committee or equivalent function to ensure financial policies, internal controls and risk-reduction policies are current and are being followed and periodically tested.
- Serving as chair of the Finance Committee and appointing and removing members of the Finance Committee subject to the consent and approval of the board.

The Director of Finance is responsible for:

- Establishing effective procedures for the collection and disbursement of all funds belonging to the organization.
- Preparing monthly and annual reports of the corporation’s financial condition for review by the Finance Committee.
- Preparing the annual operating and capital budgets and reporting to the finance committee and board.
- Organizing, overseeing and executing the audit or review and acting on any recommendations.

- Providing timely updates on matters that could affect the financial condition of the corporation.

Branch and division treasurers are responsible for:

- Participation in preparing annual budgets for submission to the Finance Committee.
 - Budget monitoring as discussed above.
 - Ensuring that branch or division financial obligations are met.
 - Understanding financial results and status of all branch or division financial accounts.
- If a branch or division treasurer is not established this responsibility defaults to the chair.

The Finance Committee is responsible for:

- Monitoring the organization's financial processes and financial condition and for making recommendations to the board as necessary.
- Reviewing and recommending the corporation's annual budget based on annual budgets provided by the organizational units and submitting this to the board for approval.
- Reviewing organizations financial policies and procedures.
- Reviewing and making recommendations based on the audit or review report on the financial condition of the organization as conducted by an independent CPA firm, then presenting their findings to the Board.
- Voting matters, including recommendations to the board, will be decided by majority vote of members present or on conference call. Each member will be allowed only one vote, even if they hold multiple roles.