

KISHWAUKEE UNITED WAY FINANCIAL POLICY

COMPLIANCE

All fiscal policies and procedures will comply with the Corporation's Articles of Incorporation and By-Laws, as well as State and Federal Guidelines for Not-for-Profit 501(c)3 organizations.

FISCAL YEAR

The Kishwaukee United Way (KUW) fiscal year shall begin July 1 and end June 30.

AUTHORIZED SIGNATURES

The Treasurer in conjunction with the Executive Director and with the Approval of the Executive Committee and ratification by the Board of Directors, is fully authorized and empowered to establish accounts in any bank or financial or depository institution which have FDIC, SIPC, or FSLIC coverage. They are authorized to make deposits in, charge, transfer funds to, or withdraw funds from such accounts. Any checks or withdrawals of \$50 and over will require two signatures. Authorized signatures are the Executive Director, President, & Treasurer.

BUDGET

An annual budget for the operations of the Kishwaukee United Way shall be prepared by the Executive committee prior to the start of the fiscal year. This will be presented to the Board of Directors for approval. The annual budget will cover the fiscal year beginning July 1 of each year.

AUDIT

An annual audit shall be conducted by an accounting firm within six months of the close of the fiscal year. The accounting firm shall be recommended by the Audit Committee and approved by the Board of Directors at a Board meeting. The staff will meet with the auditor to arrange the annual audit, and the Audit committee will arrange for an interview with the auditor after the audit, arranging a presentation of the audit to the full Board. The auditor or suiting firm or the lead & reviewing partners are rotated every 5 years.

RECORDS

All financial records shall be kept in compliance with KUW's Document Retention Policy. Receipts & essential records will be kept in a fireproof lockbox in a secure location. The Kishwaukee United Way Processing Procedures document details the handling of pledges & contributions, employee campaign envelopes, tax letters and other relevant protocols.

PETTY CASH/CHECKS

The Kishwaukee United Way does not utilize a petty cash fund. There are no checks drafted to 'petty cash' or bearer and no checks signed in advance of purchases.

FINANCIAL REPORTS

Monthly financial reports of the corporation will be prepared by the executive director including cash & operating detail and presented to the treasurer. The treasurer will approve the reports, and present the report to the board each month.

DESIGNATIONS

Monies received by K UW designated to partner agencies of K UW will be treated as the 'first dollars in' to the agencies annual allocation. Should a designation exceed an agency's total allocation, the amount *exceeding* the allocation will be paid to the agency. Designation received by K UW designated to other UW's shall be processed in a timely manner and in accordance with Standard M Guidelines set forth by United Way of America. Designation payments will be made in 6 installments, beginning for example, in December 2005, and continuing in March 2006, June 2006, September 2006, December 2006 and concluding with the final payment in March 2007.

K UW acts as a pass-through organization for United Leukodystrophy.

DEPOSITORIES & INVESTMENTS

It shall be the responsibility of the treasurer to meet with staff to determine the corporation's cash flow, cash needs, and investments. The K UW Investment Policy details investment procedures. Every effort will be made to use financial institutions with FDIC coverage and located in DeKalb County. All time deposits (certificate of deposits) will be fixed rates. Stock gifts should be sold as quickly as possible and cash deposited. There is quarterly review of corporation assets at Board meetings.

IN KIND DONATIONS

Services: Our organization exercises control over the employment & duties of volunteers and interns. Applicants for volunteer service are interviewed and given job descriptions specific to their tasks.

Materials: Professional appraisals are performed and IRS Form 8283 is filed for any single gifts valued over \$5000. Documentation is sent to donors noting the value of their in-kind gift as identified by the donor in the correspondence, including documentation for tax deduction purposes when valuation is over \$250.

INSURANCE

The organization uses an independent insurance broker/representative to provide expert guidance on coverage. Organizational coverage includes the following policies: workman's compensation, and fraud & fidelity. Coverage is reviewed by the Board every three years.

PURCHASING/CREDIT CARDS

Any purchase of a single item costing more than \$500 shall receive board approval, if previously unbudgeted. Competitive pricing for items over \$500 is required, when appropriate. Credit cards will be issued in the agency's name at the discretion of the Board of Directors. Use of organizational credit cards shall be limited to organizational purchases such as office supplies, fees for conferences and meetings and event materials. Receipts of all transactions shall be presented to the Treasurer during the monthly operating review. Employees given permission to utilize the credit cards may not use cards for unauthorized purchases.

DESIGNATIONS/FEES

In concurrence with the United Way of Illinois Reciprocity Agreement and in the spirit of directing donor funds to where they were intended, no fees will be deducted from designations to other United Ways. Also, no fundraising fees, processing fees or pledge loss fees will be charged.

AUDIT COMMITTEE

The Audit Committee's structure & duties are defined by the KUW Audit Committee Charter.

LOANS

Personal loans to the Executive Director, staff, volunteers or board members are prohibited.

TRAVEL

Travel expenses to conferences, meetings and professional development opportunities are budgeted in the organizational chart of accounts in Conferences & Meetings. Appropriate reimbursable expenses include hotel rooms, mileage rates (at the current IRS rate), tolls or travel expenses (i.e., plane or train tickets, taxis, etc.) and meal per diems at the discretion of the Executive Committee. Employees are required to submit expense receipts for reimbursement within 30 days of the expenditure and require Executive approval for payment.

STOCK

This policy serves as a guideline to the Board and Staff of the Kishwaukee United Way (KUW) in accepting gifts of publicly traded securities. Gifts of certain appreciated property such as stocks, bonds, and mutual funds can represent significant tax advantages to donors. In addition to the regular tax savings, a donor can avoid capital gains tax on assets given for charitable purposes. This additional tax savings is why many people choose to make their gifts through this vehicle -- reducing tax liabilities by up to 30% of their adjusted gross income.

It is the policy of the KUW to immediately sell any gifts of stock to ensure that our donors receive the full value of their charitable contribution and to protect our organization against any possible investment loss.

The value of the gift will be arrived by taking the average for the high and low on the date of the gift divided by two, commonly referred to as the “mean value.” The mean value will represent what the donor is able to use for tax purposes. Readily marketable securities, such as those traded on a stock exchange, can be accepted by the KUW.

Volunteers, Board, and Staff will offer best practices and recommendations, but will not provide legal, accounting, securities, real estate, investment, insurance or other professional advice with regard to stock transactions made to the Kishwaukee United Way -- unless this is the individuals profession and such individual is accredited or licensed to do so and at such time discloses the appropriate conflicts and relationships to all parties.