**XXXX COUNTY IMAGINATION LIBRARY**

**FINANCIAL POLICIES AND PROCEDURES**

**Philosophy**

The purpose of financial management in the operation of all XXX County Imagination Library activities is to fulfill the organization's mission in the most effective and efficient manner and to remain transparent and accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, The XXXX County Imagination Library commits to provide accurate and complete financial data for internal and external use by the staff and the Board of Directors.

**Authority**

* The Board of Directors is ultimately responsible for the financial management of all activities.
* The Treasurer is responsible for the day-to-day financial management of the organization. The Board authorizes the Treasurer to pay bills, receive funds, and maintain bank and investment accounts. The Board further authorizes the Treasurer to take all necessary actions to maintain the day-to-day financial operations of [affiliate name] unless expressly prohibited in these Policies and Procedures.
* The Board authorizes the Executive Director to hire, fire, and supervise staff and independent consultants.
* The Treasurer is authorized to sign checks up to $250.00, unless prior authorization is given by the Board via an approved budget or other type of approval. Other than the payment of Dollywood Foundation book orders, expenses for amounts greater than $250.00 shall require the approval of the Board.
* Checks and other expenditures will not require a double signatory, but there should be double “notification” of all expenditures, with both the Treasurer and one other member of the Finance Committee notified of new expenses.
* Monies received shall be deposited in a timely manner, and records shall be kept of the amount and type of deposit as well as the category of receipt. Any and all donations shall be acknowledged in writing as soon as practical, and in any case shall always adhere to guidelines set by the IRS for the acknowledgement of donations to an exempt organization.
* The Treasurer is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Board on variances and the reason for these variances.

**Responsibilities**

The Treasurer, with assistance from the Executive Director, shall:

* Account for donor restricted funds and Board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
* Report the financial results of XXXX County Imagination Library’s operations on a schedule established by the Board, but at least quarterly.
* Ensure that all obligations are paid and required financial reports are filed in a timely manner.
* Record fixed assets with a purchase price of $2,500 and above in accounting records as capital assets. Depreciation of capital assets will not exceed five years for furniture and equipment and shall not exceed three years for computer and other technology equipment.
* Limit vendor credit accounts to prudent and necessary levels.
* Obtain competitive bids and/or research competitive pricing for items or services when prudent. Selection will be based on cost, service, and other elements. XXXX County Imagination Library may use any provider and is not required to accept the lowest cost.
* Ensure that federal 990 filings are made in a timely manner.
* Ensure that federal 990 filings are easily available to the public, preferably on XXXX County Imagination Library’s website.
* Keep the Board apprised of any unusual financial circumstances that may arise in between regularly-scheduled reporting.

The Board of Directors shall:

* Review and approve financial reports at each Board meeting.
* If requested, provide adequate training to members to enable members to fulfill their financial oversight roles.
* Review and approve an annual budget prior to the beginning of each fiscal year.

**Financial Transactions with Insiders**

* No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed with proper documentation.
* In no case shall XXXX County Imagination Library borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.
* Officers and Directors shall receive no funds from [affiliate name] other than reimbursements as outlined above.

**Budget**

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board-approved priorities, long-range organization goals, and specific objectives, the Finance Committee shall:

* Submit operating and capital budgets to the Board in time for reasonable review and approval prior to the beginning of each fiscal year. XXXX County Imagination Library’s fiscal year is based on the calendar year.
* Use responsible and reasonable assumptions and projections, with a general goal of an unrestricted surplus each year.

**Gift Acceptance**

* XXXX County Imagination Library will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Finance Committee shall ensure that the organization sell any stock donated as soon as practical upon receipt by the organization, unless otherwise designated by the Board.
* XXXX County Imagination Library shall accept contributions of goods or services other than cash that are related to its programs and operations. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

**Asset Protection**

In order to ensure that the assets of XXXX County Imagination Library are adequately protected and maintained, the Finance Committee shall:

* Have at least two people authorized as signers on any and all bank accounts, with both people responsible for checking the bank account monthly to ensure that no unusual transactions have taken place.
* Insure against theft and casualty losses to the organization at levels indicated in consultation with suitable professional resources.
* If approved by the Board, shall insure against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
* Ensure that suitable protection and maintenance of property, building, and equipment is planned and carried out.
* Avoid actions that would expose the organization, its Board, or staff to claims of liability.
* Ensure that intellectual property, information, and files are protected from unauthorized access, tampering, loss, or significant damage.
* Ensure that the receipt, processing, and disbursement of funds occur under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.
* Invest money in accordance with Board-approved investment policies. Unless otherwise approved by the Board, investments shall be made in a Certificate of Deposit, Money Market account, or any other suitable financial instrument at a commercial bank.
* Sell or liquidate any assets according to an estimate of reasonable value at the time of the sale.

XXXXX County Imagination Library’s Financial Policies and Procedures is approved by [AFFILIATE NAME]’s Board of Directors and is in full force as of [DATE].