

Louisburg Rec Commission
Financial Policy Manual

The purpose of financial management in the operation of all Louisburg Recreation Commission (LRC) activities is to fulfill the organization's mission most effectively and efficiently and to remain accountable to the community served. LRC commits to providing accurate and complete financial records.

Authority

The Board of Directors is ultimately responsible for the financial management of all activities of the LRC. The Board President is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

1. The Executive Director is responsible for the day-to-day financial management of the LRC. The Board authorizes the Executive Director to hire and supervise staff and independent contractors, receive funds, approve invoices, and maintain bank accounts.
2. The Executive Director is authorized to authorize invoices up to \$2,500 before remittal of payment. Invoices or purchases greater than \$2,500 shall require the approval of the Board Chair or Treasurer.
3. All invoices shall be sent to the LRC offices for approval before being sent to the accounting firm for payment.
4. The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as part of the budget.
5. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$5,000.
6. The Executive Director should manage expenses within the parameters of the overall approved budget, reporting to the Board of Directors on variances and the reasons for these variances.

Responsibilities

The Executive Director will:

1. Regularly meet with accounting firm to ensure the accuracy of financial records and regularly review documentation to ensure financial accuracy.
2. Provide all reimbursement requests to the Treasurer (or Board Chair in their absence) for approval at least 2 business days before monthly meetings for approval during consent agenda.
3. Report financial results of LRC operations at monthly Board meetings and be prepared to field answer questions regarding financial documentation.
4. Ensure all obligations are paid and required reports are filed promptly.
5. Make no contractual commitment for bank loans, corporate credit cards, or real estate leases or purchases without specific approval of the Board.
6. Provide documentation to accounting firm to record fixed assets with purchase prices greater than \$500 as capital assets in accounting records and work with Board and accounting firm to develop

a depreciation schedule of capital assets that will not exceed five years for furniture and equipment or three years for computer and other technology equipment.

7. Limit vendor accounts to frugal and necessary levels and execute the RFP process for vendor purchases.
8. Obtain competitive bids for items or services costing more than \$2,500. Selection will be based on cost, service, and other elements of the contract. LRC may award the bid to any provider and is not required to accept the lowest-cost proposal.

The Board of Directors shall:

1. Review financial reports at each meeting.
 - a. As part of the onboarding process, provide adequate training to all members to ensure members can fulfill their financial oversight role.

Financial Transactions

No advances of funds to employees, contractors, volunteers, or Board members are authorized. Necessary expenses, including travel for meetings and other activities related to carrying out responsibilities, will be reimbursed after approval.

In no case will LRC borrow funds from any employee, contractor, volunteer, or Board member.

Budget

To ensure planned activities minimize financial risk and are consistent with Board-approved priorities, long-range organizational goals, and specific five-year objectives, the Executive Director shall:

1. Submit operating and capital budgets to the Board in time for reasonable approval by the Board, school district, and city before each fiscal year.
2. Use reasonable assumptions and projections as background.

Gift Acceptance

LRC will accept contributions of goods or services other than cash that are related to the programs and operations of LRC. Any other non-cash item contribution must be reviewed and approved by the Board of Directors before acceptance.

Asset Protection

To make sure the assets of LRC are adequately protected and maintained, the Executive Director shall:

1. Maintain insurance records against theft and casualty losses to the LRC and against liability losses to Board members, staff, and the organization itself.
2. Plan and carry out suitable protection and maintenance of property, building, and equipment.
3. Avoid actions that would expose the organization, the Board, or staff to claims of liability.
4. Work closely with accounting firm to ensure funds are disbursed under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.