



Assistance League® of Omaha Finance Policy

Purpose

The chapter shall have only one Treasurer and may have Assistant Treasurers, as needed. For internal control purposes, the Treasurer shall not serve as chairman of the Finance Committee. The Treasurer for the previous fiscal year will serve as the Finance Chairman.

The chapter Board shall retain exclusive fiduciary responsibility and control over the use of all chapter assets and shall not delegate final decision-making powers over the use of such assets to any committee or other body outside of the Chapter Board.

Assets

All accounts at financial institutions shall be titled in the name of the chapter, shall be registered to the legal mailing address of the chapter and all statements shall be delivered to the legal address of record. If statements are accessed online, the chapter Treasurer shall maintain a confidential record of the username, password and security questions. Only an officer of the corporation may change the username, password and security, questions and answers. The chapter Board shall approve the opening and closing of all accounts, including auxiliary accounts. Annually, the chapter Board shall approve the authorized signers on all accounts. Authorized signers on auxiliary accounts sign include three (3) elected members of the chapter Board.

Checks shall be signed by two (2) of the three (3) authorized elected members of the chapter Board. For internal control purposes, check signers shall not be related.

Accounts at financial institutions shall be opened and closed by two (2) officers of the corporation. A motion shall be passed at the same time as the motions for account signers stating that only the President, Treasurer and Secretary, as officers of the corporation, are empowered to open and close accounts. This motion shall be provided to all chapter financial institutions at least annually along with the motion for signers.

Electronic transactions, including, but not limited to, payment of bills and transfers between accounts, shall be authorized by the chapter Board. Annually, the chapter Board shall approve specific electronic transactions, person authorized to initiate such transactions and procedures for their completion.

Total deposits of the chapter in any one financial institution shall not exceed the maximum insured amount.

The chapter must have unrestricted cash and cash equivalents, investments or other current assets (which may include program service and thrift shop inventories) sufficient for one year's total operating expenses.

Net Assets

Unrestricted net assets shall not be more than three (3) times the size of the past year's total operating expenses or three (3) times the size of the current year's operating expenses, whichever is higher. If this ratio is greater than three (3), unrestricted net assets may be

adjusted by subtracting the value of any fixed assets (e.g., land, buildings, equipment, etc.), net of any related indebtedness, and the ratio recalculated.

Annually, the chapter Board shall designate unrestricted net assets sufficient for one (1) year's total operating expenses.

The chapter Board may designate a portion of unrestricted net assets for expansion, building, equipment or other use. Currently, \$5,000 is designated each year for the Building Maintenance Reserve Fund.

Contributions received with donor-imposed restrictions, shall be used only for that purpose.

- a. Donor restrictions are met when expenses have been incurred, even if unrestricted resources are available for the same purpose.
- b. Donor-restricted contributions whose restrictions are met in the same reporting period shall be reported as unrestricted support.

Gifts of long-lived assets shall be reported as time restricted, which restriction expires over the useful life of the asset.

Gifts of securities shall be liquidated within 30 days after receipt unless otherwise advised by financial investment experts.

Expenses

All chapter membership dues paid to National, shall be paid through Assistance League's online Chapter Hub. Nonrefundable per capita national dues are to be paid annually, in advance and are due by June 1. Payment of dues collected after May 31 (for delinquent or new members) shall be paid to National within thirty (30) days following receipt by the chapter. Pro rata dues (one-half of annual per capita dues) for new members joining after December 1 be paid within thirty (30) days following receipt by the chapter. Pro rata per capita dues for the current fiscal year shall be waived for new members joining between March 1 and May 31.

The chapter shall spend at least sixty-five percent (65%) of total expenses on program activities.

- a. For purposes of this calculation, total support and revenue shall be reduced by the cost of direct benefits to attendees of fundraising events and cost of merchandise sold.

The chapter shall spend no more than thirty-five (35%) of total support and revenue (excluding program service revenue and investment income) on fundraising expenses.

- a. For purposes of this calculation, total support and revenue shall be reduced by the cost of direct benefits to attendees of fundraising events and cost of merchandise sold.

Thrift shop/pass-through expense may not be more than 10% of all dollars expended for philanthropic programs (including allocations) or 10% of all dollars reported as thrift shop gross surplus.

Each program with expenses of 10% or more of total program service expenses shall be listed separately on the Statement of Activities in the annual audited or reviewed financial statements.

Cost of direct benefits to attendees of fundraising events and cost of merchandise sold shall be reported as line items deducted from related revenue.

Indirect costs shall be allocated to each philanthropic program, fundraising and management and general as appropriate.

The use of philanthropic funds may include, but is not limited to, transportation, registration, lodging and prepaid meals for members' attendance at educational programs (e.g., National Conference, Leadership Training, Treasurers' Workshop, national committee meetings, local seminars).

All requests for reimbursement must have complete receipts. Any airfare reimbursement over \$500 to attend the National Assistance League Training must be approved by the Board before purchase.

Donors

The chapter shall have a donor privacy policy which sets forth the duties and obligations of the chapter as it relates to the contribution of a donor. Refer to the Donor Privacy Policy on the Assistance League® of Omaha website.

Gift Acceptance

The chapter should create a Gift Acceptance Policy to define the type of gifts that the chapter will accept and the manner in which such gifts shall be administered. Refer to the Gift Acceptance Policy on the Assistance League of Omaha website.

Membership Development

Member social activity expenses shall be funded only by member social revenues to avoid private inurement, that is prohibited by the Internal Revenue Service (IRS).

Budgeting

Annual chapter (including auxiliaries) budgets (operating and capital expenditures) shall be approved by the chapter Board and membership prior to the beginning of the fiscal year. Annual auxiliary budgets shall be approved by the auxiliary governing body and member and presented to the chapter Finance/Budget Committee to be included in the annual chapter budgets.

An unbudgeted expenditure in excess of \$100 shall have prior approval of the chapter Board and membership as stated in the bylaws.

Audit/Review Tax Returns

For financial statement disclosure purposed, the chapter shall report hours of volunteer time spent on Assistance League business, and may include travel time.

The chapter shall have an annual audit when total support and revenue exceeds \$750,000 averaged over three (3) years. If total support and revenue averaged over three (3) years is less than \$750,000, a review by certified public accountant is sufficient. The audited or reviewed financial statement shall comply with National Policies for Chapters and Financial Information and Procedures. State requirement supersede this policy.

The chapter shall make available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles and IRS Form 990 with names and addresses of donors redacted on schedule B (Schedule of Contributors).

Annually, the chapter shall file the appropriate IRS Form 990 and other required tax returns. Per IRS instructions, IRS Form 990 shall be signed by a current officer (President or Treasurer) as of date return is filed.

Within four and one-half (4 ½) months following the end of the fiscal year, the chapter shall submit digital copies of the following documents to FCReview@assistanceleague.org: the audited or reviewed financial statements, the completed Financial Compliance report, the completed IRS Form 990 and, if an audit is performed, the management letter from the CPA.

Endowment Funds

Endowment originating documents and subsequent amendments shall be submitted to the National Finance Committee for review prior to finalization and implementation. Endowments shall be funded only with assets that have been restricted in writing by the donor for that endowment.

Investment

The chapter Board shall establish an investment policy to define investment goals and create an effective structure. Refer to the Investment Policy on the Assistance League® of Omaha website.

Record Retention and Destruction

The chapter shall have a written, mandatory policy on document retention and periodic destruction, including electronic files. Refer to the Document Retention and Destruction Policy on the Assistance League of Omaha website.

Whistleblower

The Whistleblower Policy shall ensure that ALO Board members, members, employees and volunteers can “blow the whistle” by reporting good faith suspicions of illegal, unethical or other inappropriate activity without the fear of retaliation. Refer to the Whistleblower Policy on the Assistance League of Omaha website.

Conflict of Interest Disclosure

The chapter is required by National Policies for Chapters to have a conflict of interest policy. The policy should address conflicts of interest of its officers, directors, members and paid staff to ensure that no person benefits inappropriately from any transaction in which the chapter is involved. Refer to the Conflict of Interest Disclosure Policy on the Assistance League of Omaha website.

Ethics

All matters in regard to finances shall be handled in an ethical, fiscally sound manner. The chapter Board shall establish a code of ethics policy to serve as a guide for dealing with ethical dilemmas, prejudices and gray areas that are encountered in everyday work. Refer to the Ethics Policy on the Assistance League of Omaha website.