



SE Uplift Financial Management Policies

Version 4/5/21 - FINAL

I. Purpose of the Manual

This manual outlines the financial management policies of SE Uplift, an Oregon nonprofit corporation with 501-c-3 federal tax-exempt status. Any changes to these policies must be approved by the Executive Committee on behalf of the Board of Directors.

II. Fiscal Management Policies

- A. SE Uplift follows GAAP (Generally Accepted Accounting Principles) for nonprofit voluntary health and welfare organizations.
- B. Accrual Accounting: SE Uplift utilizes the accrual basis of accounting in which revenues are recorded in the period in which they were earned, and expenses are recorded in the period in which they were incurred, regardless of when cash is received or disbursed. Income from restricted grants and donations is recorded in the period in which the restrictions have been met through proper expenditure of the funds and/or the required services have been provided.
- C. Deferred Revenue: SE Uplift records deferred revenue when restricted funds are received in advance of the provision of the services or incurring of expenses for which the funds are provided.
- D. Equipment, Furnishings, and Real Property: SE Uplift records equipment with a useful life of more than one year and cost of more than \$1,500 as an asset. Equipment with a useful life under one year or a cost of \$1,500 or less is recorded as a supply expense.

Depreciation expense and an allowance for depreciation are recorded for all equipment, furnishings, and real property owned by SE Uplift.

- E. Donated Materials, Equipment and Services: SE Uplift maintains a record of donated materials, equipment and in-kind services.
- F. Cost Allocation: Upon receiving additional major program funding and/or grants SE Uplift will develop a written cost allocation plan to fairly allocate shared costs.

- G. Restricted Funds: Gifts from donors or grantors who restrict the use of funds are recorded as restricted gifts. The use of restricted gifts is linked to the purpose specified by the donor/grantor. Separate bank accounts are not required for each restricted funding source.
 - H. Fiscal Sponsorship Relationships: In accordance with its Fiscal Sponsorship Policies, SE Uplift may enter into agreements to provide fiscal sponsorship service for neighborhood associations and other groups within its service area for specific projects and activities. As Fiscal Sponsor, SE Uplift retains ultimate control over funds it receives on behalf of neighborhood associations or other groups. SE Uplift is responsible for assuring that all expenditures and activities comply with the requirements of the funders.
 - I. General Ledger: SE Uplift shall maintain a complete double-entry General Ledger reflecting the complete chart of accounts and segregating costs by function and by restricted funding source requirements.
 - J. Budget: The Board of Directors shall adopt a comprehensive organization-wide budget as recommended by the Finance Committee for each fiscal year. The budget shall reflect all anticipated revenues from all sources and all anticipated expenses. Board adoption of the budget shall constitute authorization for staff to incur the budgeted expenses. Unanticipated and/or emergency expenses in excess of 5% of the total approved budget need approval by the Executive Committee or Finance Committee.
 - K. Financial Statements/Reports: The Finance Committee and the Board of Directors will review financial statements at least quarterly, including a statement of financial activities and a statement of financial position.
 - L. The Board of Directors may select an independent CPA to conduct a bi-annual audit of all fund of SE Uplift. The auditor shall present the results of the audit to the Board or a designated Board committee.
- III. Fiscal Procedures and Practices
- A. Division of Duties
 - 1. To assure accuracy and appropriate internal control, SE Uplift fiscal procedures and practices are divided among the Executive Director, outside bookkeeper, and the Treasurer of the Board of Directors. The Executive Director has overall responsibility for financial management, and the Board of Directors is responsible for oversight.

B. Purchases and Disbursement:

1. Purchases: The Executive Director has authorization to purchase all materials, supplies, services and equipment as allocated in the board approve budget. Staff must get pre-authorization for purchases from the Executive Director or designee. Upon approval, staff must submit a check request form for vendor payment or be reimbursed for out-of-pocket expenses by submitting a reimbursement form. Debit purchases may be approved.

Processing Invoices: All invoices from outside vendors will be coded by staff and authorized by the Executive Director prior to check preparation.

C. Check Preparation:

1. Staff requests checks for payments with supporting documents from the bookkeeper.
2. The bookkeeper enters the check request into the accounting software and creates either a PDF of a check or a printed check for approval and signature by the Executive Director. Checks are kept in a secure location.
3. Check Signatures: The Executive Director, Board Chair and other persons authorized by the Board have authority to sign checks. Checks over \$500 require two signatures or one signature with an email approval from the Board Chair. All Board Chair email approvals shall be saved by the bookkeeper as proof of check approval.

D. Receipt and Deposits of Checks:

1. Receipt of Checks: The designated staff person opens the mail, enters check receipts on the check log. The Executive Director prepares for deposit and passes checks to the bank. While checks are on the SE Uplift premises, they are stored in a secure, locked location.
2. Review of Deposits: The Executive Director reviews the deposit against the check log and initials it.
3. Bank Deposits: The Executive Director or designated staff person deposits all funds in SE Uplift's bank account in a timely manner. The copy of the deposit slip, bank receipt along with copies of checks will be filed with the monthly bank statement by the bookkeeper.

4. Billings and Fiscal Reports to Funders: All financial reports to funders are prepared directly from the General Ledger of SE Uplift by the bookkeeper. Staff responsible for the supervision of the grant/contract-funded activities will prepare all required narrative portions of reports.

E. Payroll:

1. Pay Periods: SE Uplift utilizes a bi-monthly pay period. Payroll dates are the closest business day to the 15th and the last day of each month.
2. Processing of Bi-Monthly Timesheets:
 - a. Employees are responsible for submitting their daily hours worked on bi-monthly timesheets. The employee signs the time sheet and gives it to the Executive Director for authorization.
 - b. The designated staff person reports hours to the contract payroll company.
3. Payroll Service: The Executive Director reviews and authorizes staff timesheets. The payroll service contacts the Executive Director two business days prior to each pay date. The contract payroll company runs the bi-monthly payroll using direct deposit.
4. Payroll Tax Deposits: The contract payroll company computes all federal and state payroll tax deposit requirements and unemployment and workers' compensation amounts. With each bi-monthly payroll listing, the contract payroll company electronically deposits all require taxes.
5. Payroll Record: The contract payroll company supplies an electronic payroll record for each pay period and copies of all payroll tax reports electronically.

F. Financial Records and Statements

1. The bookkeeper manages the general ledger, bank accounts and all financial transactions. The Executive Director monitors these transactions for accuracy, including alerting the bookkeeper of potential errors. The bookkeeper prepares adjustments to correct errors.
2. The Executive Director and Treasurer have primary responsibility for monitoring the financial statements, including alerting the Board to financial choices or problems.
3. The Executive Director is responsible for assuring overall compliance with grant and contract agreements.

G. Filing and Backup System

1. The bookkeeper is responsible for maintaining vendor and monthly financial files on site and maintaining backup files offsite.

H. Bank Reconciliation

1. The bookkeeper reconciles the bank statements and develops a reconciliation report. The bookkeeper works with the Treasurer to go through a monthly reconciliation checklist. The checklist will include spot checks of debit card purchases and checks. This will be done by looking at them both in the books and online documentation.