

Fiscal & Internal Control Policy

Article 1. Purpose. The purpose of financial management in the operation of all Greater Lockport Development Corporation (GLDC) activities is to fulfill the agency's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. To accomplish this, GLDC commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

Article 2. Authority. The Board of Directors is ultimately responsible for the financial management of all activities. The Treasurer 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.

- The President/CEO is responsible for the day-to-day financial management of the organization. The Board authorizes the President/CEO to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- The President/CEO is authorized to sign checks up to \$500. Checks for amounts greater than \$500 shall require the additional signature of one board member.
- The President/CEO is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$5,000.
- The President/CEO is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee on variances and the reason for these variances.
- The Board of Directors must approve any use of the board designated cash reserve fund.

Article 3. Responsibilities. The President/CEO shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of GLDC operations according to the schedule established by the Finance Committee, but at least quarterly.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing more than \$5,000 per unit. Selection will be based on cost, service, and other elements of the contract.

GLDC may award the bid to any provider and is not required to accept the lowest cost proposal.

The Finance Committee shall:

- Review interim financial reports ahead of board meetings.
- Ensure President/CEO is effectively reporting on the financial activity of the organization to the Board of Directors.
- Review and make recommendations to the Board of Directors related to the acceptance of financial reports, board activity related to financials, and the adoption of the annual budget.

The GLDC Treasurer shall:

- Review monthly bank reconciliations.
- Participate in the Finance Committee.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.
- Ensure required annual audits are completed by required deadlines.

Article 4. 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. In no case shall GLDC borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Article 5. 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 five-year objectives, the President/CEO shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Article .6 Asset Protection. In order to ensure that the assets of GLDC are adequately protected and maintained, the President/CEO shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.

- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.