

## **Financial Oversight Policy –**

Board Approved 05/16/23, (prev. Updated 11/22/21; 3/31/16; 3/27/15, 10/24/12)

Prepared by - Director of Finance

**Purpose:** To maintain all aspects of financial management to ensure the effective and efficient running of the organization. To ensure the financial records are maintained in Generally Accepted Accounting Principles, GAAP compliance and in compliance with all applicable state and federal statutes. Every effort will be made to protect against fraud. The size of the organization limits the ability to create significant separation of responsibilities in a cost-effective manner, so it is the fiduciary responsibility of the Director of Finance to protect the organization with policies whenever practical.

### **1. Financial Management:**

**Financial Review –** Ensure the organization has an annual audit performed by a qualified outside financial advisor and that the audit meets the requirements of the State of New Jersey and IRS. This report must be presented to the Board of Trustees upon completion.

**Auditor:**

Change auditor approximately every 5 years to ensure there is another perspective in the review process. Prepare all financial records for the audit. Assist auditor as needed for the fiscal year-end audit.

**Budget –**

An inclusive annual operating budget is generated prior to the start of the fiscal year and approved by the Finance Committee, the Executive Committee and the Board of Trustees. This is a critical process for the effective management of programs and strategic planning. The board is provided the budget in advance of the meeting so they have time to review it. In addition, the board meeting is used to discuss the changes and details to ensure that we remain focused on the mission. The Budget should remain in line with the strategic plan and is targeted to have annual revenues in line with annual expenses. Any significant deviations must be addressed and approved. Development Director and Executive Director are key in finalizing the results. All programs are reviewed and changes are addressed versus prior year so that they will be captured accurately in the Budget. Education and Stewardship Director and Water Quality Director are requested to provide their specific changes and needs for programming. The Budget Process begins immediately after the close & reconciliation of March results.

**Budget Deficit Policy, formerly Financial Trigger Policy – see specific policy** – Ensure that the policy is followed, reviewed and communicated as needed.

**Funds for Stewardship and Enforcement –** Ensure the funds necessary for the Stewardship and Enforcement of land and easements of GSWA are segregated and tracked as per the requirements of Accreditation by the Land Trust Alliance.

**Sale or Transfer of Assets – see policy Sale and Transfer of Assets**

**Accounts Payable and Vendor Selection-**

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Blank checks are maintained on site. Any check with an account number is stored in a locked cabinet. Voided checks, should be posted in QuickBooks and then shredded.

Ensure routine review of expenses and recommend cost savings. Review vendors and on larger vendors, secure quotes when it is functionally and financially practical. New Vendors are reviewed before adding them to prevent fraud. Invoices are to be approved by either the staff member that made the purchase or Executive Director. Check authorization is held by both the Executive Director and the Financial Director. It is preferred that the Executive Director sign all the checks. When this is not possible, the Financial Director will sign them after Executive Director approval and advise the Executive Director. Checks over \$10,000 will be approved by both the Director of Finance and the Executive Director or the Chairman of the Board or Treasurer. Checks over \$50,000 will be approved by both the Director of Finance, Executive Director and Chairman of the Board or Treasurer.

Revenue – Ensure donations received by mail are opened by someone that does not have access to financial data. Ensure all funds are received and entered into two systems by two different people. Ensure two separate systems are maintained and cross checked routinely, at a minimum post gala, December year end and prior to fiscal year end.

On occasion, cash is received at some of our programs. The amount has never been significant however, should this change, or the amount become significant, there will be two systems of recording receipt and of depositing the funds. At the annual gala, cash is to be collected by the Finance Director at the end of the night. The receipt is then cross checked to the detailed receipt data recorded that evening. All revenue is stamped for deposit only and deposited as quickly as possible. Any confidential information is stored in a locked cabinet; and will be shredded with cross hatch once the audit has been completed.

Any funds solicited specifically for the Endowment or donated specifically for the Endowment must be noted and recorded separately and not included in operational results but will be recorded in the IRS Form 990 – Non-Profit Annual Filing.

Payroll:

Maintain all payroll records and post all payroll requirements as received – including Workman's Compensation, Disability, 403B, etc. Ensure all records are maintained confidentially and stored in a locked cabinet.

Month End - Ensure the reconciliation of financial accounts and Close Month End in a timely fashion; Report Month End data to Chairman, Executive Director, Director of Development as requested.

Provide original Bank Statements to Executive Director – to initial -see bank statement policy  
Ensure timely reconciliation of credit card receipts in Donor Perfect with funds deposited in the bank account

Cash Flow (CF)- Ensure the organization has sufficient liquid funds to run operations effectively. Monitor Cash flow weekly; make suggestions on CF and money market investments as needed. Make transfers from MM Account to Checking as needed based on Daily Cash flow needs. As a small operation, ensure that any statement with a transfer is initialed by the Executive Director.

Investments - See *Investment & Endowment Policy* – Vanguard Account Client Services: 800-662-2739

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The Board Treasurer will remain the overseer of the account, however the only registered agents are Director of Finance. At any random time the Executive Director, Treasurer and Board may request data on the Investments. Ensure the Finance committee reviews the Investments and makes recommendations to the Board. Ensure the board is presented the account status at board meetings. The Investment & Endowment Fund is predominantly board restricted, however some funds are specifically restricted as Endowment Funds. Ensure those restricted funds are tracked on an excel spreadsheet and maintained and reported in the audited reports.

Credit Card Security Management – *see specific policy*. At the end of each month, ensure any full credit card numbers received from donors in written form are made illegible and remain in a locked cabinet until shredded. After close of the fiscal year and after the audit, shred all financial records with credit card numbers. Shred all original checks for the prior fiscal year with a cross hatched method.

Record Maintenance

Ensure all records are maintained to meet any audit requirements, financial reviews, IRS requirements, GAAP requirements and are maintained in a manner that will ensure the privacy of our donors and business activity. All records that are deemed confidential to an individual donor are password protected and stored in a manner to ensure the confidentiality of the information and is purged according to the Records Policy. Any court order would supersede any purge of confidential data.

Back- up – Ensure routine back up of financial data to G:\Quickbooksbackup\ so that there is no significant loss of data. The data is stored on the desktop and on the G drive. Ensure the data is also backed up on the cloud. The data must at all times be password protected and the password is stored under lock with two keys. One with the Executive Director and the other the Financial Director.

QuickBooks and other pertinent financial records –

Ensure financial data is maintained and backed up in a timely fashion both locally and on the cloud and at all times is password protected with the password maintained in a locked cabinet accessible by the Director of Finance and the Executive Directory. Occasionally make an offsite back up to a flash drive and store in a secure, safe location which could be with the Auditor.

G:\Finance\ – Ensure all necessary financial forms are maintained on the shared directory to include but not limited to: 990 Forms; Tax Exempt Forms 501(c); NJ Registration of Charities in good standing; Annual Reports; Financial Reports; Certificate of Incorporation; Tax Reports; NJ State Sales Tax Exemption ST-5 as well as the Budget and Strategic Plan. This ensures we continue to keep an open and accessible view of our financial position. Post the 990 and audited report on the website.

**Additional Responsibilities of Director of Finance:**

2. Safety – GSWA has a proactive, open-door policy on all safety issues. Any issue is immediately addressed. Safety is addressed at every staff meeting.
3. Human Resources – oversee Human Resource Policies and Issues as they arise. Mediate and address in a timely fashion any Human Resource based issues. Seek outside counsel if needed. Ensure that the Employee Handbook is reviewed and updated as needed. Ensure all new

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employees review and acknowledge the Handbook. Manage all aspects of compensation as per the Executive Director and Board directive. Ensure all employee records are maintained in a locked cabinet. The outsourced payroll company is to provide any key changes in regulations, etc. This information is also requested from the auditor to ensure we are up to date on payroll and human resource legislation requirements.

Board Meetings – Ensure all pertinent financial data is disclosed to the board in a timely fashion. Present financial data at each meeting and as requested by the Officers of the Board, Executive Committee, Finance Committee and Executive Director.

4. Risk Management and Insurance - *see Risk Management Policy*

**Insurance:** Review all coverage and make changes as needed or recommended.

Secure certificates of Insurance when possible from the Deer Hunting Club, Gala Venue and other offsite events. Periodically solicit competitive quotes.

5. **Fraud:** Review procedures and modify as needed – see Financial Policies

**Approved and Adopted by the Board of Trustees on the \_\_\_19th\_ day of May 2023.**