
Ten Friends Financial Policies

— As approved by the Board 1/11/24 —

Financial Plan Objectives

The purpose of financial policies is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including those benefitting from its programs, partners, funders, employees, and the community.

Authority and Roles and Responsibility

Board

1. Provides leadership as necessary for the organization to achieve its mission
2. Approves initiatives, projects, and programs supporting the organization's mission
3. Approves financial policies
4. Approves gift acceptance policies
5. Approves investment policies
6. Approves grants and any donations that contain restrictions and performance obligations
7. Approves the annual budget
8. Approves annual financial statements, tax returns, and audits if necessary
9. Assists the organization in its efforts to raise funds necessary to meet its operational objectives

Authority and Roles and Responsibility

Executive Committee

1. The Executive Committee shall consist of the President, Secretary, Treasurer, and co-founder Mark LaMont
2. Approves all membership fees, rates, prices, or other revenues on a rate schedule to be updated periodically throughout the year and as noted in the external website and memorialized in Board meeting minutes
3. Approves all banking and finance relationships including opening and closing of financial accounts.
4. Responsible for the development and amendment of Board policies and presentation to the Board for approval.

Authority and Roles and Responsibility

Executive Committee

5. Receives, deliberates, and pre-approves the annual budget proposed by the Treasurer for the ultimate approval by the Board
6. Determines necessity of and provides approval for, annual audits, reviews, or compilations of the organization's financial statement
7. Authorizes and approves contracting with professional service firms such as CPA firms for tax preparation and financial reporting and support services, legal firms for legal services, and financial advisory firms for investment and related services
8. The Executive Committee can conduct business in person, via phone and email, and can memorialize its deliberations and decisions via email or minutes to meetings held

Authority and Roles and Responsibility

President

1. Sets the agenda for, and presides at, Board meetings
2. Establishes committees of the Board such as finance, communications, fundraising, marketing, investment, etc., as deemed necessary
3. In absence of a Secretary, provides minutes of meetings documenting Board deliberations and decisions made
4. Approves contracts
5. In coordination with the Treasurer, approves all investment purchases and sales

Authority and Roles and Responsibility

President and Mark LaMont

1. May approve programs and projects on behalf of the organization in unique or emergency situations when it is not practical to convene the Board for related deliberations
2. Has the option to approve expenditures up to \$5,000 not previously anticipated or otherwise included in the budget
3. Has the option to approve fundraising events in support of approved programs and projects when it is impractical to convene the Board for discussion

Authority and Roles and Responsibility

Secretary, or President or designee if there is no Secretary

1. Memorializes deliberations and decisions made in the minutes of board meetings
2. Prepares and/or maintains electronic and paper files of Board meeting minutes; federal and state legal, regulatory, and contractual communications and related documents; donor and grantor correspondence; financial records such as annual budgets, financial statements, and tax returns
3. Prepares and distributes donor acknowledgement letters with information as required by the Internal Revenue service

Authority and Roles and Responsibility

Treasurer, or designee

1. Prepares the annual budget for the ensuing year and makes changes pursuant to deliberations of the Executive Committee
2. Prepares summary of financial transactions for Board approval/review during Board meetings, and annually to support financial statements and tax returns
3. Provides summaries of financial transactions to the organization's internal or external accountant
4. Deposits donations and other receipts into authorized finance accounts.
5. Approves expenses incurred for payment included in the annual budget or unbudgeted expenses under \$1,000
6. Writes checks for all approved expenses
7. Prepares checks or wire transfers funding supported/approved initiatives, programs, projects

Authority and Roles and Responsibility

Treasurer, or designee

8. Shall provide an accounting at each Board meeting of all restricted resources received, spent, and remaining
9. Shall provide a report to the Board at each Board meeting on the status of all initiatives, programs, and projects with unmet obligations or needs, projected shortfalls if any, and proposals to meet them
10. Either prepares, or arranges for the preparation of, annual financial reports summarizing the organization's financial position, changes in financial position, and cash flows, including both restricted and unrestricted net assets
11. In coordination with the President, authorizes all investment purchases and sales

Authority and Roles and Responsibility

Pema and Nurbu Sherpa

1. Has the option to authorize the programs and projects for the Elevate Nepal initiative on behalf of the Board
2. Has the option to authorize fundraising events in support of the Elevate Nepal initiative on behalf of the Board
3. Has the option to approve expenditures up to \$5,000 in support of the Elevate Nepal initiative not anticipated or otherwise included in the budget

Annual Budgets

- Annual budgets are to be viewed as the organization's operational plan to communicate its desired level of support for its various initiatives, programs, and projects
- Annual budgets are to be prepared and approved in advance of the organization's ensuing fiscal year, or early in the fiscal year to which they relate
- Budgets are to be used as a means to communicate an estimate of expenditures necessary to meet the desired level of support for approved initiatives, programs, and projects as well as the planned revenues or other resources to be used to fund them

Conflicts of Interest

- The Board is responsible for providing periodic training on Board member responsibilities generally, potential conflicts of interest and how to address them
- No cash advances, loans, or other financial transactions with Board members shall occur prior to approval by the President except for pre-approved travel costs or other reimbursements of operational expenses
- Board members are to recuse themselves from any vote or Board action involving personal conflicts of interest

Gift Acceptance Policy

- The Board is responsible for the establishment and compliance with gift acceptance policies
- In absence of a separate gift acceptance policy document – the following guidance is to be followed
 - Gifts in the form of financial assets are to be liquidated immediately upon receipt absent any donor wishes to hold the assets. Acceptance of financial assets with donor stipulations to hold them will require advance Board approval before receipt.
 - Offers of non-financial assets are to be accepted only after approval by the Executive Committee, and only after deliberation as to the effort and cost involved to convert the donation to liquid financial assets
 - Gifts restricted to any new initiatives, programs, and projects require approval of the Board or the Executive Committee in advance of acceptance

Investment Policy

- The Board is responsible for the establishment and compliance with investment policies
- In absence of a separate investment policy document – the following guidance is to be followed
 - The organization's liquid resources are to be protected from loss and held in accounts insured by FDIC, other forms of security, or US Treasury securities
 - Resources supporting endowments or other long-term initiatives may be held in unsecured investments as approved by the Board considering potential return versus risk considerations
 - The organization shall handle its investments in compliance with any applicable Oregon laws including Uniform Prudent Management of Institutional Funds Act

Prioritization of Use of Resources

- The Board acknowledges that donations accepted that contain donor stipulated restrictions are to be tracked and classified in books as ‘restricted’ resources until spent
- The Board acknowledges that it has the authority to designate specified amounts of unrestricted resources to specific initiatives, programs, or projects and any such unspent resources shall tracked and classified as ‘board designated’ in the books until spent
- Any resources received without donor restrictions or board designations shall be reported as ‘unrestricted’ in the books until deemed spent
- Should a specific expenditure be eligible for funding from multiple categories of constraints, Board policy is to charge the expenditure, to the extent resources are available, first to restricted resources, then board designated, and then unrestricted