

## **Dan and Margaret Maddox Fund Fiscal Policy**

### **Cash Receipts**

The Dan and Margaret Maddox Fund (Fund) will maintain the vast majority of assets in an investment account. Investments will adhere to the Fund's Investment Policy Statement.

Quarterly, or as needed, funds will be transferred to the Fund's operating account to facilitate business operations and to fulfill grant obligations. Transfers should be approved by at least two Directors with signature authority.

The Executive Director may not approve transfers from investments into the Fund's operating account.

### **Cash Disbursements**

All Fund financial resources should be spent prudently.

All bills will be paid on a timely basis.

Blank checks will be kept in secured location.

All checks will be used in the pre-numbered sequence.

Voided checks will be stamped "VOID" on signature portion of the check, and then retained with financial records.

Checks will always be made payable to a specific payee and will be coded to an expense account in the Fund's accounting system. Checks will be printed from the Fund's accounting system.

Payment vouchers will be attached to invoices or receipts or invoices will be stamped "PAID" to prevent duplicate payment.

The Executive Director will attach checks needing a second signature to supporting documentation and work with a Director with signature authority for final approval.

The Executive Director will file paid invoices and vouchers in monthly financial files in sequential order.

Expenses approved in the annual budget may be disbursed by the Executive Director.

Maddox bank cards may be used to pay budgeted Maddox-related expenses in accordance with the Bank Card Policy.

Grant disbursements will be approved in advance by the Board of Directors. Grant payments may be made by electronic fund transfer. Payments made by EFT will comply with the Fund's signature authority by using dual approvals within the bank's EFT portal. Signature authority for disbursements will be maintained in the Fund's financial files.

### **Reimbursements**

Approved expense incurred on behalf of the Fund should be reimbursed within 21 days of submitting an expense report and supporting documentation (receipts).

The Executive Director's expense reimbursements will be approved by two of the Directors with signature authority.

The Executive Director will review all expense reimbursement requests for reasonableness, trace the expense to supporting documentation and insure the expense is appropriate to an approved budget line item.

Reimbursements will follow all Cash Disbursement and Check Signature Authority processes.

### **Travel Reimbursements**

Business related travel on behalf of the Dan and Margaret Maddox Fund in personal automobiles will be reimbursed at the Standard Mileage Rate established by the IRS.

All out-of-town travel on behalf of the Fund must be approved in advance by the Chair of the Board of Directors. Business travel expenses will be paid by the Fund only if they are reasonable and necessary. Travel related expenses will follow the procedure outlined for reimbursements.

### **Check Signature Authority**

Those authorized to sign on the Fund's operating accounts include:  
Executive Director

Chair of the Board of Directors  
Vice Chair of the Board of Directors  
Secretary/Treasurer of the Board of Directors  
Immediate Past Chair of the Board of Directors

All checks greater than or equal to \$500 require two signatures.

At no time will a person authorized to sign checks approve any disbursement involving personal benefit or that might violate the Fund's Conflict of Interest Policy.

### **Reconciliation of Bank Account**

The Executive Director will prepare bank reconciliation for all Fund accounts, including investments within 30 days of the closing date of the bank statement. The Executive Director will sign and date the balance sheet after each month's reconciliation.

On a monthly basis, the contract accountant will review the bank reconciliations prepared by the Executive Director and the investment statements, including the computation of the changes in investments for the month. The contract accountant will review the monthly bank and investment statements for unusual items, mathematical accuracy and correct reporting of the monthly activity. The contract accountant will also review all checks written, along with the supporting documentation, to ensure that the payees seem reasonable, the amounts paid are accurate and reasonable, that the check signing protocol was followed and that the balance in the accounting system is consistent with bank and investment records.

The Treasurer of the Board of Directors will review the monthly financial statements, and document his(her) approval by signing and dating the interim financial statements.

### **Budget**

The Executive Director and Operations & Compensation Committee will prepare the budget annually.

The budget will be approved by the Board of Directors prior to close of the fiscal year.

The fiscal year will be January 1 to December 31.

## **Payroll and Related Expenses**

The Fund will utilize a payroll service.

All positions, salaries and benefits will be approved by the Board of Directors.

Any change in the Executive Director's salary must be communicated by the Chair of the Board to the payroll service. Monthly payroll will proceed automatically after the payroll service receives the initial authorization.

All other payroll changes may be authorized by the Executive Director in accordance with the approved annual budget.

Hourly contract employees may be utilized by the Executive Director in accordance with the approved annual budget.

The Executive Director will enter all payroll transactions from the payroll service into the accounting system on a monthly basis. The contract accountant will review the payroll transaction reports and agree to the posting in the general ledger.

## **Property**

The Executive Director will maintain a detailed fixed assets schedule reflecting sensitive minor equipment and all property costing or valued at \$500.00 or more. The fixed asset record will include description, date purchased, amount of purchase and serial numbers where appropriate.

Property costing or valued at \$500 or more will be depreciated over its useful life.

The Executive Director will maintain a depreciation schedule on all property costing or valued at \$500 or more.

## **Audit and Tax Preparation**

The Audit Committee will review the contract for an annual audit and tax preparation and present a recommendation to the Board of Directors for approval. The auditors will present the results of the audit to the Board of Directors for their review.

An audit and tax return should be available within nine months of the closing of the fiscal year.

## **Accounting Software**

The Maddox Fund will use accounting software to maintain financial records. Since inception, the Maddox Fund has utilized Intuit's Quickbooks Pro.

## **Computer Backup Procedures**

The Fund's computer system should undergo backup no less than weekly. An external hard drive may be used to create backup files and should be maintained in a secure location other than the location of the Fund's main computer system.

Files to be included in the backup processes include:

Accounting Software and data

Board of Directors business

Committee business

Approved: June 22, 2009

- Updated 1-1-2010: Text changed to update organization name and related text
- Amended 4-23-2012: Treasurer's review of the Executive Director's bank reconciliation was changed to be consistent with current practice. The review will be monthly rather than quarterly.
- Amended 10-22-2012 to reflect monthly role of Contract Accountant and to update Payroll and Related Expenses
- Amended 7-31-2017 to include audit software
- Amended 10-28-2019 to update signature authority with current officer structure
- Amended 4-27-2020 to update foundation's name, update approved bank card policy, create process for electronic fund transfer.