

United Way of Henry County & Martinsville Financial Policies

Revised: October 19, 2016

Board Approval: October 17, 2001

Purpose: The Board of Directors of United Way of Henry County & Martinsville takes its fiduciary responsibility seriously and has adopted sound financial policies and procedures to protect all funds and assets of the organization. The Finance Committee is responsible for formulating and revising for the Board's consideration and for monitoring their implementation. These financial policies and procedures deal with financial accountability, cash management, reserves and any other significant financial issue as determined by the Board.

Management and oversight of the United Way Endowment Fund are not referenced within these policies. Refer to the "Endowment Policies" document for details.

Financial Accountability Policies

The Board of Directors recognizes that an important part of its role is to ensure financial accountability. Therefore, the following financial policies have been put in place:

- All monies will be deposited into the organization's appropriate checking account within one working day upon receipt.
- All securities will be sold as soon as practical.
- All checks will be accompanied by an original invoice with signed delivery of receipt and approval by the Executive Director.
- Monthly Statement of Activities (P&L) will be prepared and reviewed by the Executive Director, Board President, Treasurer and Finance Committee Chair. Reports will be submitted to the Finance Committee for review prior to going to the Board for consideration to accept as presented.
- A timely audit will be performed. Records will be taken to the auditor within 30 days from year-end.
- The Board approves the auditor every three years.
- Expenditures \$5,000 or more will be approved by the Board upon the recommendation by the Executive Director.

Collection Policies

The Finance Committee will establish and employ procedures to collect all pledges in a professional manner, in accordance with a given payment schedule, taking into consideration the original intent of the donor to make a gift to United Way and any subsequent events that may have altered that original intent. Care will be taken to apply these procedures so that they will not impair the organization's relationship with the contributor or affect the image of the organization. On a monthly basis, all outstanding pledges will be reviewed by the Treasurer and Executive Director. A letter will be sent to individuals who have not adhered to their payment schedule. Accompanying the letter will be a copy of the original pledge form reminding them of their pledge. In the event of a donor's death, the pledge will be deemed uncollectible.

United Way accepts donation of stock. Stocks are sent directly to the organization’s brokerage account and the broker is instructed to cash out stock immediately. An official donation receipt is provided which is inclusive of the cash value of the stock at the time of the donation.

United Way accepts credit card contributions from the website, which is a secured program by Click & Pledge, a well-known nonprofit software provider.

Operating Funds Investment Policy

United Way will place operating cash and reserves in depositories within Martinsville-Henry County that are covered by FDIC insurance. The Finance Committee may select such depositories based on services provided and overall financial return. Deposits in one bank or savings institution should not exceed FDIC coverage limits. If this were to occur, the Finance Committee will review and make a recommendation to the Board for consideration.

Operating Reserve Fund Policy

The Reserve Fund is designed to ensure the financial stability of the organization during each operating year. The Board has determined an amount equal between 15 percent and 25 percent of total liabilities and net assets at year-end as reflected in the most recent audit.

Custody of Records Policy

United Way will adhere to IRS’s retention of records’ recommendations:

Business Record Retention Schedule	Years
Accounting and Fiscal	
• Accounts Payable Records	7
• Accounts Receivable Records	7
• Fiscal agents Audit Reports (as it pertains to the board)	P
• Form 990s	P
• Audit reports internal, by the state and DOL	7
• Income statements and Reconciliations	7
• Financial Statements	P
• Fixed Assets Records	P
• General Legers	P
• Invoices	7
• Payroll records	7
Contracts with grantees (after completion of services)	7
Personnel	
• Earnings Records	7
• Employee Personnel Files	7
• Employment applications	7
• Insurance records	P

• Retirement plans	P
• Timesheets and cost allocations of time	7
• Travel records	7
Corporate	
• Budgets	7
• Contracts (after expiration)	7
• Correspondences general	7
• Correspondences legal	P
• Insurance policies (after expiration)	P
• Inventories	P
• Leases (after expiration)	P
• Legal briefs	P
• Minutes	P

P = Permanently