

FISCAL POLICY

OF

THE FEDERATION OF COMMUNITY COUNCILS

FOR MANAGEMENT OF

THE COMMUNITY COUNCILS CENTER

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FISCAL POLICY

The intent of this policy is to set basic fiscal policy. This policy provides a basic framework within which the Federation of Community Councils (Federation) Treasurer can develop specific procedures as necessary to operate the office and conduct the operations of the Federation on a fiscally responsible basis. Questions as to interpretation should first be directed to the Executive Committee, then to the Board if not resolved.

1.00 BUDGET

The Federation budget is a fiscal plan of operations for the year. The preliminary budget for the Municipality of Anchorage (MOA) monies serves as a basis to prepared the request for funding for the MOA contract under which the Federation operates.

1.01 Responsibilities

The FCC Treasurer, as chair of the Finance Committee, is the officer responsible for developing the proposed Annual Budget as well as oversight of the execution of the budget and any necessary adjustments subject to the approval of the Board of Directors.

1.02 Content

Budget documents submitted to the Municipality must, at a minimum, explain the general categories of expenditures and income envisioned for the next year.

1.03 Due Dates

Budget documents are to be submitted to the Board by mid-June of the year preceding the budget request. Upon approval by the Board, the MOA portion of the budget shall be submitted as soon as possible.

1.04 Coordination

After the proposed budget is approved by the Board of Directors, the Chair, the Treasurer and any other designee appointed by the Chair should meet with the Assembly's representative to the Federation and then with each of the other Assembly members, if possible. It is highly desirable for the Chair and the Treasurer to be accompanied by a Council Officer, preferably the President, from the councils within that particular Assembly Member's District.

1.05 Review

The Treasurer shall review the current expenditures and income in relation to the annual budget monthly and ensure that an accurate report is submitted to the Board of Directors each month. The Finance Committee shall review the budget on a quarterly basis to determine any necessary adjustments. Such adjustments, if necessary, must be approved by the Board.

1.06 End of Year Balance

The Finance Committee shall ensure that any projected balance in the MOA account at the end of the year is to be submitted, along with a recommendation for spending, to the Board at the December meeting.

2.00 CURRENT YEAR FINANCES

2.01 Accounting Practices

The Treasurer shall maintain a Chart of Accounts which shall be used to post all FCC transactions. All accounting activity shall be performed by a contracted Bookkeeper who prepares all payroll and other expenditure checks of the FCC and maintains the check register. The Bookkeeper keeps a separate accounting of the MOA funds, the Federation's funds and any other grants requiring separate accounting. The Bookkeeper also reviews the transactions of the FCC including the Accounts Receivable, determines the paycheck amounts based on hours worked and salaries previously set, cash disbursements, and reviews receipt deposits on a monthly basis to ensure accuracy. Any inconsistencies are to be immediately brought to the attention of the Treasurer. At the end of each year the financial activities are to be reviewed by a Certified Public Accountant who is to submit a report of findings to the FCC Board. Each month the Bookkeeper will provide a budget recap, of monthly and year-to-date actual versus budget, to the Board through the Treasurer/Executive Committee.

2.02 Contractual Policies

All FCC contractual obligations, changes to contractual obligations, and periodic renewals thereof require Executive Board approval before the FCC is committed by the Manager. This includes benefits plans, maintenance plans and new contractual purchases. All of these events will be brought by staff, in a timely manner, to the Executive Board for approval before signing the contract.

2.10 Fund Management

2.11 Municipality of Anchorage Contract

Money received from the MOA and other receipts earned part of the MOA contract (see Section 2.14) require separate accounting under the Chart of Accounts. These funds must be managed in accordance with the MOA contract.

2.12 Other Federation Funds

Federation Corporate funds, earned through donations, service provided, and other means, are accounted for separately from MOA and other grant monies in the Chart of Accounts. These corporate funds are used at the discretion of the Board, generally for equipment, travel not provided for by the MOA funds, emergency operating funds, venture capital, and other discretionary uses. If a MOA contract for the year has been approved by the Municipality but not yet funded, Federation funds may be used to continue operations until receipt of the MOA funds (the Federation funds are loaned to the MOA account until MOA payment is received and then returned to the Federation account as soon as possible). Loans to the MOA account at other times of the year require Executive Committee approval.

2.13 Grants

Grant Funds must be accounted for separately. Journal entries must document the source of grant deposits and expenditures separately to allow for sufficient accountability to the grantor.

2.14 Service Fees/Donations

One half of the receipts resulting from use of MOA provided equipment or supplies are to be credited to a separate MOA Non-Council Use Income account; the other half is to be credited to a separate Federation Non-Council Use Income account. Interest earned on the savings account shall be divided according to the proportion of Municipal and Federation savings in the account. Interest earned on the checking account shall be credited to the MOA interest earned account. Donations for postage and newsletters are to be credited to the proper MOA Expense account. Other receipts, such as non-specific donations and workbook sales, are to be credited to the proper Federation Income account. When receipts are deposited, a list is to be made of each of the component receipts, their source, and the account to be credited along with a total to be deposited in the checking and/or savings account.

2.20 Banking

2.21 Accounts

A single bank account (a combined savings/checking accounting) is to be maintained at a reputable banking institution doing business near the Federation office. This account must allow checking at a minimal or no charge and provide a competitive rate of interest on the savings account. The account is to be set up so that a statement is generated immediately following the end of each month. The amount to be maintained in the savings portion of the account should be as high as possible without incurring extra transfer charges. No checks are to be written directly from savings.

2.22 Signatory Authority

All bank checks require two signatures and are to be signed by one of the members of the Executive Committee signatory on the account, preferably the Treasurer, and the Manager. In the absence of the Manager, any two members of the Executive Committee signatory on the account, preferably one being the Treasurer, may sign checks.

2.23 Deposits

Bank deposits are to be made at any time that receipts total more than two hundred and fifty dollars (\$250.00) and on the last banking day of each month, so long as there are receipts awaiting deposit. Before deposit, receipts are to be maintained in a secured cabinet or safe. If the cabinet or safe is to be used for more than that purpose, the receipts are to be kept in a separate locked cash box.

2.30 Petty Cash

The Manager may maintain a fund of no more than one hundred and fifty dollars (\$150.00) in a secured cabinet or safe. If the cabinet or safe is to be used for more than that purpose, the fund will also be kept in a locked cash box. This may be used for minor purchases, postage due, and other similar needs of the Federation. This is to be replenished as necessary through a check written against the Federation bank account. The amount of the check necessary to return the balance of the fund to the beginning balance must be backed up by receipts for items purchased or documentation as to why no receipt is available. These receipts or notes should identify the item paid for and the general purpose. No money is to be loaned from this fund and this fund shall not incur a deficit balance at any time.

2.40 Accounts Receivable

The Manager has a discretion to maintain outstanding accounts for services rendered and supplies provided. These are to be billed periodically so the balance does not exceed twenty dollars (\$20.00) or monthly if balances exceed \$20.00 per month. Any account delinquent in payment more than thirty days after billing shall be denied charge privileges until the account is current. The Manager shall provide the Finance Committee a list of receivables quarterly and advise at the next Finance Committee meeting if any accounts are delinquent.

2.50 Audit

In accordance with the Bylaws, the Board of Directors shall authorize the services of a Certified Public Accountant to audit the books of the Federation for the previous year. This audit shall normally take the form of a "Review Report" (as a general review of annual books and certification of accuracy is known in the accounting trade). This report shall be submitted to the Board. Additional reviews/audits may be requested by the Board.

2.60 Records

Records of financial transactions are to be maintained during the current year in the office of the Federation and for at least six (6) years thereafter or until any business documented by the record has been completed, whichever is longer. Records beyond the current year may be stored off-site in a suitable location.

3.00 Purchasing

The purchasing practices of the Federation are to be consistent and open to all prospective vendors.

3.01 General Purchasing

The Manager shall ensure that all purchases are of the necessary quality, capacity, safety, and performance capability.

3.03 Cost

Equipment and supplies are to be purchased at the lowest possible cost provided that the standards in Section 3.01 are met and pursuing additional savings is not negated by additional staff costs. When single items cost over two hundred fifty dollars (\$250), at least three price quotes shall be obtained (if available) and kept in writing for two years to document lowest cost. These records shall include, at a minimum, the name and address or telephone number and price quotes of vendors solicited.

3.04 Local Purchase/Small Businesses

Purchases are to be made from local suppliers or manufacturers and small businesses whenever the cost and suitability criteria above are met.

3.05 Unsuitability

The Federation may refuse delivery and/or payment for any purchases which differ from specifications ordered and/or do not perform as represented.

3.06 Favoritism

To the extent possible, specifications used to solicit quotations shall not favor one particular product or vendor over another. Board members may not influence the Staff as to which vendor is chosen for purchases.

3.10 Sole Source Purchase

When purchases are available only from a sole source, the competitive price quote process in Section 3.02 is waived. The basis for the determination of a sole source of supply must be documented and this documentation kept on file in the Federation office for at least one year.

3.20 Emergency Purchases

When an emergency requires immediate purchase that would otherwise require adherence to the policies above, the Manager may deviate from those policies so long as agreement on the expedited purchasing is obtained from two or more members of the Executive Committee. This agreement must be documented and this documentation kept on file in the Federation office for at least two years.

3.30 Maintenance Contracts, Subscriptions and Memberships

All maintenance contracts, subscriptions to periodicals, and memberships in organizations shall be reviewed annually by the Finance Committee during the budget development process.

3.40 Non-Budgeted Purchases

Proposed purchases for items not included in the budget must be submitted to the Executive Committee as an agenda item for approval at the next regular Board meeting. If a quorum is not reached at that meeting, the Executive Committee is then authorized to approve the needed budget revisions. Such submissions require adherence to the policies above and a proposed source of funding.