



APPENDIX C

OLLI@UGA FINANCIAL POLICIES

Adopted by the OLLI@UGA Board of Directors, January 24, 2022

Note: Procedures for these policies are listed in italics. Procedures represent the current practices and are subject to revision by the Finance Committee.

OVERSIGHT AND RESPONSIBILITY – FINANCE COMMITTEE

The Board of Directors is the ultimate policy and strategy setting body of OLLI@UGA, and the Board of Directors bears the fiduciary obligations of OLLI@UGA. In exercising their duties, the Board of Directors shall consult the Finance Committee.

ACCOUNTING RECORDS

1. The Executive Director shall ensure that OLLI@UGA utilizes a double-entry system to record its transactions. *A commercially available low-cost accounting software is being used for this purpose.*
2. The Executive Director shall ensure that all OLLI@UGA funds are deposited into its accounts.
3. The Executive Director shall ensure that Financial Duties and Responsibilities are separated. No individual shall both initiate and authorize, or otherwise exercise sole control over, any financial action.
4. The Treasurer or any individual authorized by the Board of Directors may make withdrawals or transfers on behalf of OLLI@UGA, after receiving approval from the Executive Committee.
5. The Executive Director shall ensure that appropriate staff maintain adequate documentation to support all expenditures, deposits, and general entries.

a. Each deposit shall be identified in the accounting records as to the type of revenue that it represents and posted to the appropriate account in the chart of accounts.

b. All expenditures shall be identified as to purpose and be posted in the accounting records to the appropriate expense account.

6. The Treasurer shall present financial reports of OLLI@UGA to the Board of Directors at its monthly meeting. These reports shall include assets, liabilities, and equity, as well as reports of OLLI@UGA's operations.
7. The Finance Committee shall review the financial information each month, focusing on unexpected items, or items that deviated from budget forecasts.

BUDGETS

1. The Executive Director, with the assistance of the Treasurer and Finance Committee, shall prepare for OLLI@UGA an annual Budget for each fiscal year that is in accordance with sound financial management.
2. The Executive Director and the Treasurer shall present the proposed annual Budget to the Board of Directors for consideration and approval sufficiently in advance of the new fiscal year.
3. The Treasurer, Executive Director, or other persons responsible for budgets may propose changes to the annual Budget. The Board of Directors must approve any changes which represent 10% or more per line item and any amounts over \$1,000.

CHECKING AND PURCHASES

1. Funds shall be disbursed only for valid business purposes upon proper authorization.
2. The Board shall authorize individuals by position to make purchases by check or credit card and sign checks on behalf of OLLI@UGA. These designated individuals shall include the President, President- Elect, Treasurer, and other individuals as designated by the Board.
3. Check signers shall not sign blank checks.
4. *Each check signer shall determine if the purchased item has been approved by an authorized person (one who certifies that the item is within budgetary limitations by reviewing supporting documentation).*
5. *Checks shall be pre-numbered, the sequence shall be accounted for regularly, and unissued checks shall be controlled and kept in a secure location.*
6. *Voided checks shall have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks shall be kept on file.*
7. Credit Cards: Procurement of new credit cards and credit limits must be approved by the Executive Committee and Board of Directors, based on recommendations from the Finance Committee.

BANK RECONCILIATION

1. OLLI@UGA's bank account(s) shall be reconciled monthly by the OLLI@UGA bookkeeper, in accordance with accepted accounting procedures.
2. The Treasurer shall review and approve monthly bank reconciliation including examination of original bank statements or relevant online information.

PROGRAM SERVICE FEES

The Executive Director shall ensure that appropriate staff carry out the following responsibilities:

1. OLLI@UGA staff shall maintain sound accounting practices regarding program service fees, membership dues, parking fees, tuition, and special events.
2. Service fee rates, dues, fees, sales prices, and subscription rates shall be approved by the Board of Directors and publicly announced or published in rate schedules, catalogs, bulletins, etc.
3. Membership dues and tuition rates shall be proposed by the Finance Committee and approved by the Board of Directors.
4. *OLLI@UGA staff shall maintain an up-to-date schedule of all membership and dues rates.*
5. *Records shall be maintained that compare receipts and deposits to membership and participation data such as members on the roll, number of class enrollment, attendance at events, etc. These records shall be analyzed by the Executive Director and reviewed by the Finance Committee no less than annually.*
6. *Cash and check receipts from special events shall be counted by at least two people.*
7. *Cash and check receipts shall be deposited intact promptly or stored in a secure location until the deposit is made.*

GIFTS AND CONTRIBUTIONS

The Executive Director shall ensure that appropriate staff carry out the following responsibilities:

1. OLLI@UGA staff shall keep a record of all contributions, and gifts, including the donor's name, amount, date, and any related restrictions.
2. Acknowledgement letters to donors shall be issued that comply with IRS regulations.
3. Donated goods and services shall be recorded in the accounting records at fair market value. They shall be listed at the time they would have been purchased if they had not been donated.

4. OLLI@UGA staff shall publish the names of donors in its journals, newsletters, programs, etc. Someone independent of the OLLI@UGA bookkeeper must investigate complaints of errors or omissions. Donor complaints shall be resolved on a timely basis.

MANAGEMENT OF FUNDS

1. Cash and other financial assets of OLLI@UGA shall be managed according to purpose and segregated into Organization Funds designated by the Board as Operating Cash, Emergency Cash, and Investments.

2. The safety of Organization Funds is of high importance. Therefore, OLLI@UGA shall exercise care and avoid undue risk when approving placement of funds. Cash should be held in institutions insured by the Federal Deposit Insurance Corporation (FDIC) and investments should be held in institutions covered by the Securities Investor Protection Corporation (SIPC).

3. Operating Cash - In order to maintain sufficient liquidity for normal ongoing operations, OLLI@UGA shall maintain a minimum balance in its checking account to provide for anticipated monthly expenses throughout the fiscal year, giving due consideration to usual fluctuations in receipts and payments.

4. The Finance Committee shall determine the appropriate amount of Operating Cash after the Board of Directors has approved the annual budget. The Treasurer shall initiate, and the Finance Committee shall approve, transfers between Operating Cash and Emergency Cash.

5. Emergency Cash – OLLI@UGA shall maintain an Emergency Cash Fund in a savings account or a similar very low risk fixed-income instrument.

6. A minimum of \$40,000 is the primary objective for the Emergency Cash Fund and an additional objective for the future is to increase this emergency cash balance to approximately 20% of any current year budgeted operating expenses

7. Investments – Amounts that are considered to be in excess of current operating cash and emergency cash requirements are available for investment to assure OLLI@UGA's longer-term viability and success. The objective is to achieve a reasonable amount of growth with some balance to safety. Both equity and fixed income securities are eligible for investment, although with an increasing balance over time in Emergency Cash, it is prudent to allocate most of the investments to equities. All such investments should be relatively liquid; there should not be time constraints, or significant penalties, for liquidating any of the investments and redeeming the invested funds. Because the OLLI@UGA investment account seeks to reduce risk through diversification, it should primarily use mutual funds and exchange traded funds. The investment account should not include investments that make significant use of options, derivatives, commodities, and leverage.

8. An Investment Advisory Panel of no more than three members (plus the Executive Director, as an *ex officio* member) shall be appointed by the Finance Committee Chair, on an as needed basis, to monitor OLLI@UGA funds and make recommendations regarding the

investment of available monies other than Operating Cash and Emergency Cash to the Finance Committee for approval. The Finance Committee shall make investment recommendations to the Board of Directors, which will either approve such recommendations or return them to the Finance Committee for further consideration.

9. The Treasurer shall present monthly investment reports to the Board of Directors and discuss potential changes to the portfolio annually.

10. OLLI@UGA may receive grant or gift funds that have restrictions placed on the use of funds by the donor.

- a. The Board of the Directors shall determine whether to accept contributions, gifts, or grants, with the related restrictions or requirements.
- b. The Executive Director shall ensure that OLLI@UGA complies with all restrictions placed on such gifts.
- c. The OLLI@UGA bookkeeper shall separately account for those funds so that the use of the funds can be documented.

11. *The OLLI@UGA bookkeeper shall track restricted funds, differentiating between Permanently Restricted, Temporarily Restricted, and Unrestricted funds. Information about these funds shall be included in the monthly financial reports presented by the Treasurer to the Finance Committee, Executive Committee, and the Board of Directors.*

12. The Executive Director shall ensure that all granting agency required reports are prepared, presented to the Board of Directors for their review, and submitted within the established time frame. The status of each restricted fund shall be presented annually by the Treasurer to the Board of Directors.

SHARED INTEREST GROUP (SIG) FINANCIAL SUPPORT

Generally, SIGs shall be independently responsible for managing their group activities and financial transactions. OLLI@UGA shall incur no long-term liability resulting from a SIG activity or relationship.

FIXED ASSETS

1. Fixed Assets shall be defined as all items (purchased or donated) with a unit cost of \$2,500 or more or a useful life of more than one year.

2. A depreciation schedule shall be prepared annually according to accepted accounting principles.

3. *The Executive Director shall maintain a current list of each item which provides a description of the item, date of purchase or acquisition, cost of the item, and its location. The list shall be updated each time a new asset is added or discarded.*

4. *Property, equipment, and collections shall be located in an appropriately secured area.*

FINANCIAL PROFESSIONALS

1. The Board of Directors shall approve the use of licensed financial professionals to examine OLLI@UGA's financial statements as appropriate.
 - a. *The review may be required by a donor or granting agency or at other times when the Board deems it to be in the best interests of OLLI@UGA to do so.*
 - b. *The Finance Committee and the Treasurer, with the approval of the Board of Directors, shall engage licensed financial professionals who have experience with non-profit organizations, to perform necessary services (e. g., audit, review, compilation of financial statements, or other agreed-upon procedures).*
 - c. *The financial professionals shall issue reports to the Board of Directors.*

COMPLIANCE WITH TAX FILING REQUIREMENTS

1. The Executive Director shall ensure that appropriate tax forms are filed as required by various taxing authorities.

These forms may include but are not limited to:

- a. *Form 990 – Exempt Organization Tax Return (or the related Form 990-EZ or Form 990- N);*
 - b. *Form 990-T – Exempt Organization Tax Return for Unrelated Business Income, if applicable.*
 - c. *Form 1099 and the related form 1096, if applicable.*
2. The President, Treasurer, Finance Committee Chair, and the Executive Director shall review and approve Form 990 (or Form 990-EZ) for Board approval, prior to filing.
 3. The Executive Director shall ensure that OLLI@UGA complies fully with all requests for public inspection of Form 990 or 990-EZ, as required by IRS regulations.

PROCEDURAL REVIEW

The Finance Committee shall review financial policies and procedures annually and present recommended additions, deletions, or changes to the Bylaws and Policies Committee for review and then to the Board of Directors for approval.