

Avalon Theatre Foundation

Financial Policy



PHILOSOPHY

The Avalon Theatre Foundation Board (ATF) will acquire donations and raise funds to promote, preserve, and enhance the Avalon Theatre for community use.

AUTHORITY

- The Board of Directors is ultimately responsible for the financial management of all activities.
- The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
- The Board Designee is responsible for the day-to-day financial management of the organization. The Board authorizes the Board Designee to pay bills, receive funds, and maintain bank accounts.
- The President and Treasurer are authorized to sign checks.
- The Board Designee is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans.
- The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$500.
- The Board Designee is authorized to manage expenses within the parameters of the overall approved budget, reporting to the President and Treasurer on variances and the reason for these variances.
- The Board of Directors must approve any use of restricted funds. Donor restricted funds must be used only for the purpose designated by donor.

RESPONSIBILITIES

The Board Designee shall:

- Account for donor-restricted and board-designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of ATF operations to the Treasurer before monthly board meeting.
- Pay all obligations and file required reports in a timely manner.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Limit vendor credit accounts to prudent and necessary levels.
- Any expenditure in equal to or in excess of \$5,000 for the purchase of a single item should have bids from two suppliers if possible. ATF may award the bid to any provider and is not required to accept the lowest cost proposal.
- Ensure that all donors and contributors shall receive proper acknowledgement of their contribution and in accordance with IRS Guidelines.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

CONFLICT OF INTEREST

Board of Directors are prohibited from activities that might present conflicts of interest. The powers of Directorship may not be used to personally benefit the Director at the

Corporation's expense. Loans to Directors are prohibited. If the Director has a financial interest in a transaction for the Corporation, the director must fully disclose the interest and abstain from voting.

FINANCIAL TRANSACTIONS WITH INSIDERS

No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including qualifying activities related to carrying out responsibilities shall be reimbursed. In no case shall ATF borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

INTERNAL AUDIT

The Treasurer shall reconcile all accounts quarterly. An internal audit shall be done annually with the President and Treasurer.

PETTY CASH

A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by check. The total of all petty cash funds shall not exceed \$500 that is replenished as needed.

BUDGET

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities and long-range organization goals, the Board Designee shall:

- Work with the President and Treasurer to establish operating and capital budgets to in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

GIFT ACCEPTANCE

ATF will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Board Designee shall sell any stock given to the organization immediately upon receipt by the organization.

ATF shall accept contributions of goods or services other than cash that are related to the programs and operations of ATF. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

ASSET PROTECTION

In order to ensure that the assets of ATF are adequately protected and maintained, the Board Designee shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.