**NWNW Financial Management Policy**. Also see: *NWNW Financial Procedures*

The purpose of the Financial Management Policy is to describe and document how the

financial activities of NWNW will be managed. *NWNW Financial Procedures* provide detailed descriptions of the operational procedures implementing these policies

**General Authority**

Board of Directors (Review Board)

The NWNW Board of Directors is the governing body that is ultimately responsible for the policies and practices that assure compliance with federal, state, and local laws, rules and code, NWNW grants, contracts and business obligations, and safeguards NWNW assets. The Board is solely responsible for contractual commitments for bank loans, items or services, corporate credit or debit cards, or for real estate lease or purchase.

The Board may delegate administration of financial policies and procedures to the Executive Director. The Board may delegate ongoing oversight of financial operations to the Administration Committee and Treasurer but must periodically review the organization’s financial position and activities to ensure NWNW is serving its mission.

The board shall authorize the Treasurer and Executive Director to have signing authority over all NWNW financial accounts.

Executive Director

The NWNW Executive Director is the primary NWNW Officer responsible for oversight of NWNW's financial management. The Executive Director is responsible for the day-to-day financial management of the organization, as delegated by the Board.

The Board authorizes the Executive Director to supervise staff and independent professional services, prepare documentation for and make payment of bills, receive and deposit funds, maintain bank accounts, engage in contracts for operational services and occupancy. The NWNW Executive Director may delegate duties to staff but retains responsibility for fiscal management of the organization.

The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the President within 24 hours upon the discovery of any variances and the reason for these variances. The Executive Director is authorized to act after consultation with the NWNW President when emergency action outside the approved budget is required but will be reported to the Board of Directors within the notice of the next board meeting.

Responsibilities:

Prepare a draft operating budget jointly with the Treasurer and Administration Committee for preliminary review by the Board in April, and final approval in May, prior to each fiscal year.

Assist the contract bookkeeper in the preparation of draft annual tax filings (990's & CT-12) in September for submission to the CPA no later than October 1, to meet to the November 15 deadline. Prepare and submit 990n reports and CT-12’s for the neighborhoods which have their own federal non-profit status.

Maintain accurate financial records.

Account for NWNW unrestricted funds separately from restricted funds.

Closely monitor actual expenses compared to approved budgets and report the financial results of NWNW operations to the Board monthly.

Prepare documentation for the payment of all obligations, and pay all obligations, in a timely manner.

Ensure that contributions and donations are properly acknowledged in writing in a timely manner.

File reports required by federal, state, and local government, NWNW contracts and grants in a timely manner.

Obtain competitive bids for items or services costing more than $1000. Selection will be based on cost, service and other elements of the contract, and NWNW is not required to accept the lowest cost proposal.

Treasurer

The Board of Directors shall appoint a Treasurer. Unless stated in the Bylaws, the Treasurer will not be an officer of the board, but a delegated director.

The Treasurer will provide monthly oversight of the financial operations and will work with the Executive Director to oversee NWNW’s financial operations.

Responsibilities:

Prepare a draft operating budget jointly in cooperation with the Executive Director for preliminary review by the Administrative Committee and the Board in April, and final approval in May, prior to each fiscal year.

Periodically review check files, and financial transactions to assure documentation standards are being followed.

Review monthly the bookkeeper’s reconciliation of NWNW's bank statements.

Review monthly the Chart of Accounts and reconciliation of bank accounts with NWNW's accounting software.

Monitor monthly financial documents: Statement of Financial Position (Balance Sheet) and the Profit and Loss Budget Performance.

Quarterly, working in conjunction with the Executive Director and Bookkeeper, provide oral and written reports on the organization's financial status to the Administration Committee, to be presented to the Board at the following meeting.

Provide or arrange for adequate training of Board members to enable each member to fulfill their financial oversight role within 45 days of their appointment.

Review the draft annual tax filings (990's and CT-12) for completeness and accuracy prior to submission to the CPA. In conjunction with the Executive Director and Supervising Bookkeeper present final submitted document to the Board.

Schedule, secure financing for and oversee periodic financial reviews or audits of the organization's finances when prudent.

Administration Committee

The Administration Committee oversees the general and financial operations of NWNW, in conjunction with the Executive Director and Treasurer.

Responsibilities:

Receive quarterly financial reports from the Treasurer and Executive Director.

Report to the board quarterly.

Review the annual budget proposal and make recommendations to the board, including review of insurance coverage and renewals.

Review annual tax filings for approval prior to their submittal.

Periodically review financial management policies and procedures, to ensure that NWNW is meeting its financial reporting and management obligations.

Oversee financial reviews or audits.

Financial Checks and Balances

Specific financial activities are distributed among the Executive Director, Staff, Contract Bookkeepers and Treasurer to prevent any single individual from having control of financial activity, accordance with generally accepted accounting principles (GAAP) to the fullest extent possible. The following tasks will be assigned separately to the extent possible: preparation of disbursements, approval of disbursements, reconciliation of bank statements, preparation of reports, and access to financial software.

Bookkeeping Services

A contract bookkeeping service will be engaged. There will be a data-entry bookkeeper who prepares day-to-day financial activities, and a supervising bookkeeper who oversees the data-entry bookkeeper, provides quarterly reports (or as requested) prepares quarterly invoices and reports for the ONI grant, and prepares the annual reports for the CPA, who in turn prepares the annual state and federal reports.

**Due Care**

All participants in NWNW’s financial activities are bound by the duty of due care to actively investigate any concerns or errors, and to bring these to the attention of the Executive Director and Treasurer. If not simple error, easily reconciled, these shall be reported to the Administration Committee.

**Actions:**

**Adoption of Policy**

**Authorize Signing Authority**

(Letter to banking institutions, removing past signers and authorizing Treasurer.)

*NWNW Financial Management Policy*

Subject: Neighbors West-Northwest (NWNW) Financial

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