



**Policy Number: 6**

**Adopted: February 2011**

**Procedures for the Finance Committee of the Habitat for Humanity of Richmond and Westmoreland Counties.**

Article III Section 3.1 of the Habitat for Humanity of Richmond and Westmoreland Counties affiliate (HFHRWC) bylaws grants the Board of Directors the powers necessary for the administration of the affairs of the HFHRWC in accordance with Habitat bylaws, policies, principals and applicable laws.

HFHRWC Board of Directors has the responsibility to formulate financial policies, delegate's administration of the financial policies to the Treasurer, Finance Committee members and other officers with financial management responsibilities.

The corporation is organized as a nonprofit corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, as amended.

The HFHRWC Board of Directors has deemed it desirable to formally adopt a policy to formally document procedures for financial management of the HFHRWC affiliate.

- I. General: HFHRWC (Habitat for Humanity of Richmond and Westmoreland Counties)**
  - a. The Board of Directors formulates financial policies, delegate's administration of the financial policies to the, Treasurer and other officers with financial management responsibilities.
  - b. Current job descriptions for members with financial responsibilities will be maintained by the Treasurer, and Secretary.
  - c. Financial duties must be separated so that no one member has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts and other financial transactions.
  - d. The Financial Committee will be chaired by the Treasurer.
  - e. The fiscal year will formally close at the end of June each year. The Finance committee will present a closing report to the Board of Directors. (By-Laws section 7)
  - f. The Financial Committee will present a Budget and a Chart of Accounts to the Board of Directors in June for approval to be implemented at the beginning of each fiscal year, July. (By-Laws section 7)

- g. All travel expenses will be affiliate member responsibility unless approved by the Board of Directors.

**II. Cash Receipts ( cash, checks, drafts credit card transactions, mortgages, grants )**

- a. All mail will be processed by the Treasurer or Secretary unless otherwise approved by the Board of Directors.
- b. Treasurer will post all cash receipts to books, deposit all receipts to bank accounts and file all deposit slips in physical files in the HFHRWC office. The Treasurer will review the receipts monthly with the Board of Directors.
- c. All checks will be stamped for Deposit Only for Habitat for Humanity of Richmond and Westmoreland Counties with bank account number.
- d. All cash (not checks) received will be receipted with a receipt book which is maintained by the Treasurer and reviewed by the Treasurer. The receipts will be filed with bank deposits in physical files at the office of HFHRWC. A thank-you letter can serve as a receipt.
- e. Credit cards transactions may be placed on credit cards issued by the Treasurer. The limit is set by the Board of Directors. All reimbursements for charges on a personal credit card must be accompanied with a receipt.
- f. Reports will be generated monthly with the amount of deposits and the source as part of the Treasurer's monthly report to the Board of Directors.
- g. All receipts from mortgages will be recorded in a separate account and reported monthly as part of the Treasurer's report.
- h. All monies received via grant will be recorded separately in the financial systems and reported accordingly.

**III. Disbursements/Purchasing/Payroll**

- a. The Treasurer is responsible for all blank checks.
- b. All voided checks will be stamped VOID with date and by whom. The voided checks will be filed separately.
- c. All checks signers will be designed by the Board of Directors. A list will be maintained by Treasurer.
- d. All construction invoices must be approved the Chairperson of the Building Construction Committee or the President of HFHRWC.
- e. All invoices will be paid by check and posted in Financial Systems by the Treasurer.
- f. All invoices will be paid on a net 15 or 30 day schedule.
- g. The checks for disbursements will be signed by two designated signees. The Treasurer will review all disbursements with the Board of Directors monthly
- h. All disbursements over \$250 require two signatures.(By-Laws section 7.7)
- i. The Treasurer will have responsibility for payroll..
- j. The Treasurer will review bank reconciliation statements monthly.
- k. All office operational and administrative expenses will be the responsibility of the Treasurer.

- I. The Fundraising Committee will provide estimates for expenses for fundraising campaigns. The committee chairperson must submit estimates to the Board of Directors for approval prior to start date of the fundraiser.

**IV. Inventory/Assets**

- a. All property of the HFHRWC will be designated as an asset and recorded in the Financial Systems.
- b. Donations of equipment and valued items will be designated as an asset and recorded.
  1. In-Kind donations can be documented as assets. Items donated for Auction/Dinner are excluded. These items are not maintained inventory. Monies received for auction items are recorded as donations through fundraising.
- c. The Treasurer will report annually the net worth of the HFHRWC affiliate.

**V. Insurance**

- a. All insurance policies will be maintained by the Treasurer.
- b. Annually the Treasurer will review insurance coverage and cost with the Board of Directors. This review will be part of the fiscal year budget /chart of accounts review.

**VI. Audits/IRS Reporting**

- a. The Financial Committee will perform an internal audit and report its findings and recommendations to the Board of Directors. This audit will be conducted semi-annually at the mid and end of the current fiscal year.
- b. The Financial Committee will solicit estimates for external audit on an annual basis. The Board of Directors will have the responsibility to approve the recommended firm. The Treasurer will report the findings and recommendations to the Board of Directors.
- c. The Finance Committee will have responsibility to implement recommendations of internal and external audits.
- d. The Finance Committee will be responsible for completing IRS Form 990 and all other State of Virginia and Federal requirements.

**VII. Loans/Leases/Contracts**

- a. This affiliate must have Board of Director approval to enter into a contract for a loan or lease.
- b. All leases and contracts must have the approval of the Legal Committee.
- c. All leases will be maintained by the Treasurer. A review of the lease(s) with the Board of Directors will be part of the budget/chart of accounts review.
- d. All contracts with phone companies, electric companies, and internet services will be maintained by the Treasurer.

**VIII. Grants**

- a. The Treasurer will coordinate the applications of grants for HFHRWC.
- b. The Treasurer will coordinate all communications with granters.
- c. The Treasurer will be responsible for grant compliance.
- d. The Treasurer will review grant applications with the Board of Directors annually.

**IX. Reports**

- a. Monthly Financial Committee report to the Board of Directors.
- b. Meeting minutes for monthly Board of Director Meetings.
- c. Annual budget report.
- d. Annual Chart of Accounts report.
- e. Annual net worth report. (Balance Sheet)
- f. Annual review of insurance, leases, and contracts.
- g. Annual review of Grant applications.

**x. Investments.**

The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner and to invest and reinvest any funds held by it, according to the judgment of the board of directors without being restricted to the class of investments which a director or trustee is or may hereafter be permitted by law to make or any similar restriction; provided that no action shall be taken by or on behalf of the corporation if such action is a forbidden activity or would result in denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.  
(By-law section 7.6)