

SVC Foundation Financial Policy

Purpose: to outline the procedure by which fund accounts are managed, check approval process, and management of investment and checking accounts.

The key entities here are

- 1) SVC Foundation Board of Directors (SVCF BOD)
- 2) SVCF Officers - Chair, Treasurer, Secretary, and Vice Chair (SVCFO)
- 3) SVCF Treasurer (Treasurer)
- 4) SVCF Administrative Assistant and Bookkeeper. (AA&B)
- 5) SVCF CPA firm.

Budgets and expenditures

Each year, usually in the Fall timeframe, the Treasurer will propose to the SVCF BOD a budget for the following year, specifying the types of expenditures and maximum amounts. The SVCF BOD reviews, modifies as appropriate, and approves a Budget. Within the limits of this Budget, the transfers and dispersal of funds can be made when appropriate.

Transfers and dispersals are made by the AA&B with prior approval of the Treasurer as directed by the Budget or by SVCFBOD resolution. Amounts 10% greater than that included in the Budget should be approved by the SVCFO, acting as an executive committee and reported in the next BOD meeting. Larger exceptions should receive the approval of the SVCFBOD. (A unanimous email approval by the SVCFBOD is also sufficient). Approval by the Treasurer to the AA&B to disperse funds should be in written form or by a suitably documented email.

A bank account shall be maintained to hold operating funds. The Treasurer and AA&B will estimate the requirements for 1) minimum balance, 2) expenditures, and 3) expected cash flow into the account. Funds will be transferred to or from the investment account, to maintain the necessary operating balance. Normally this assessment would be made near January 1 of the year in question. Signatories to this account will be all the SVCFO and the AA&B.

An investment account will be maintained to generate income and capital appreciation in accordance with the SVCF Investment Policy. Signatories to this account will be the SVCFO.

Endowed and Special Fund Accounting

For each Fund, there will be a corpus account and a dispersal account. The corpus account will hold the initial and subsequent investment of funds, as well as any additional income that is not moved to the dispersal account.

For an Endowed Account, 5% of its corpus, or \$2500, whichever is greater, will be moved to the associated dispersal account on or about January 1st of the budget year. Scholarships awarded will be disbursed from this account. For a Special Fund, the amount to be transferred will depend on the terms of the agreement with the donor(s) of that fund.

At the end of each fiscal year, any earnings (or losses) accrued by the overall investment fund portfolio of the Foundation, will be pro rated to the individual funds based on their average balance during the year, excluding dispersal accounts. The pro rated amount will be added to the corpus of all accounts. Average balances will be determined by the Treasurer working with the AA&B in accordance with normal accounting practice.

Accounting for these funds will be in such a manner that a quarterly or annual statement of the fund balances and transactions can be prepared to be sent to the fund donors.

Approved by the SVC Foundation Board of Directors on October 5, 2012.