

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.
- 6) SVCF Executive Committee

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, as requested by the appropriate Committee Chair, within the the approved Budget amount or as approved by the Treasurer or an SVCFBOD resolution if less than 10% above that budgeted. 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 include members of the SVCFO and the AA&B, along with others approved by the SVCF BOD.

An investment account will be maintained to generate income and capital appreciation in accordance with the SVCF Investment Policy. Signatories to this account will include members of the SVCFO & others approved by the SVCF BOD.

Scholarship Expense Recognition

All awarded academic and travel scholarships will be expensed at the time of award. On no less than an annual basis, and always within 2-weeks preceding calendar year end, remaining obligations will be reconciled with current accruals. The chairman of the scholarship committee shall be notified of any funds remaining undispersed 2-years after the date of award. Any unused and undispersed funds will be returned and credited to the foundation after 2 years from the date of the award.

Endowed and Special Fund Accounting

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. Average balances will be determined by the CPA. The AA&B will sanity check account balances, spot check transactions, such as disbursements, then cross-check with QuickBooks, or an equivalent, issuing to the Treasurer for review & ultimately, SVCF BOD approval ..

Accounting for these funds will be in such a manner that an annual statement of the fund balances and transactions will be provided to the SVC Chair who may then issue them to the fund donors.

Approved by the SVC Foundation Board of Directors on June 2020.