



BUDGET & FINANCE AGENDA

Monday, February 5, 2024 - 4:00 pm - 5:00 pm
Mish ee twie 1305- 3rd floor Conf. Room -- [Zoom](#)

CALL TO ORDER

1) CONSENT AGENDA

- A. December 2023 Minutes

2) FINANCIAL REPORTS – *Brenda Magaña-Galvan*

- A. Unrestricted Project Activity Report
- B. Operating Income Statement
- C. Income Statement per Restrictions
- D. Balance Sheet
- E. Monthly Gift Report (January)
- F. Quarterly Expenditure Report

3) OLD BUSINESS

- A. Numerica Credit Union Account

4) NEW BUSINESS

- A. **Action:** Endowment Allocation
- B. RFP for Audit Services
- C. Fiscal Procedures Manual

5) OTHER BUSINESS

- A. Report to the Full Board

ADJOURNMENT

Upcoming Events:

Knight at the Wild- 2/9
Business After Hours- 2/29

Upcoming Meetings:

Development- 2/7
Executive- 2/12
Full Board- 2/26

Time

12pm
4pm
12pm

[Board Portal- click here](#)

[Zoom Link- Click here to join](#)



BUDGET & FINANCE COMMITTEE MINUTES

Monday, December 4, 2023

Members Present: Brenda Alcala, Xavier Arinez, Jennifer Babcock, Bárbara Guzmán, Barry Leahy, Ron Lodge, Lyle Markhart

Members Absent: Bianca Ebreo, Don Gurnard, Steve Wilkinson

Staff Present: Rachel Evey, Ellora La Shier, Brenda Magaña-Galvan, Mireya Sanchez

CALL TO ORDER 4:03pm

1) CONSENT AGENDA

- A. November 2023 minutes approved by consent without changes.
- B. Financial Reports- no questions or additional commentary on financial reports provided.

2) NEW BUSINESS

- A. Audit Presentation- *Michael Yale*- presentation materials sent to all board members.
 - i. Overall performance of the audit went well with no difficulties encountered. These financial statements do not contain an official auditor's report as they are currently in draft form. Financial overview shows important takeaways for investments, assets activity, contributions as well as all other receivables and expenses. Unrealized losses resulting from market fluctuations in Fall 2022 are responsible for most of the major differentiation. Net assets are around 92% designated (restricted).
 - ii. Financial Statements- Assets- total ended up around \$11.9MM which is an increase of approximately \$900K from the previous year. Unrestricted public support and revenue is approximately \$1.6MM, restricted public support and revenue is \$1.4MM. Expenses- total expenses \$1.7MM. Change in assets approximately \$1.35MM.
 - iii. Cash from operating activities at \$157K from a negative balance FYE 2022. Cash provided from investing activities \$534K. Total net change in cash activity \$798K.
 - iv. Net investment return of \$849K.
 - v. Contributions and other receivables- total contributions receivable \$168K, total other receivables (CFNCW, estate gift) \$67K.
 - vi. Endowment total assets \$9.9MM including restricted and unrestricted.
 - vii. Contribution of nonfinancial assets- total \$301K. Comprised of donated personnel services and facility use from WVC. Facility use has not been recorded previously.
 - viii. Total net assets with donor restrictions = \$10.4MM increase of just over \$1.4MM from previous year.
 - ix. Highlights of statement- only noteworthy change is to the nonprofit leasing policy, which did not have any effect on financial operations.
 - x. Only recommendations are the internal controls should be tested regularly by a board member or someone else with accounting experience who is not a staff

member handling accounting function. The second recommendation is that continuing education be provided for the Foundation's personnel to help staff members recognize different kinds of revenue.

3) OLD BUSINESS

- A. Numerica Credit Union Account- approval received, all documents are being compiled and the opening of the account will take place via docusign. The account is only being opened to accept the Zacher Kalcic trust gift. Knowing that there are concerns regarding NCUA insurance and how that can add fees to future transfers, foundation staff will consider all banking options with an RFP going out to several local options.

4) OTHER BUSINESS

- A. Report to the Full Board- audited financial statements will be reviewed and approved at that meeting.

ADJOURNMENT 5:00pm

Minutes taken by Mireya Sanchez

2024-25 Endowment Allocation					
PROGRAM FUNDS					
CFNCW Fund ID	Fund Name	Average Fund Balance	4.0% Allocation	4.5% Allocation	5.0% Allocation
WF308	Allied Health & Science Exceptional Faculty Award Endowment	\$ 555,936.72	\$ 22,237.47	\$ 25,017.15	\$ 27,796.84
WF316	Jack and Irene Batjer Memorial Endowment	\$ 68,533.91	\$ 2,741.36	\$ 3,084.03	\$ 3,426.70
WF343	Francis and Margaret Crane Endowment for Agriculture	\$ 1,743,644.70	\$ 69,745.79	\$ 78,464.01	\$ 87,182.20
WF396	Frank J. and Loretta Hoff Schultz Endowment	\$ 90,708.21	\$ 3,628.33	\$ 4,081.87	\$ 4,535.41
WF444	Rudolph M. Hemmerling Exceptional Faculty Award Endowment	\$ 211,885.98	\$ 8,475.44	\$ 9,534.87	\$ 10,594.30
WF524	Douglas and Beverlie McQuaig Student Loan Fund	\$ 56,080.26	\$ 2,243.21	\$ 2,523.61	\$ 2,804.01
WF563	Tod Rauth Jones Nursing Endowment*	\$ 297,134.13	\$ 11,885.37	\$ 13,371.04	\$ 14,856.71
WF745	WVC Foundation Endowment	\$ 668,806.52	\$ 26,752.26	\$ 30,096.29	\$ 33,440.33
	Total Program Allocation		\$ 147,709.23	\$ 166,172.87	\$ 184,636.49
SCHOLARSHIP FUNDS					
CFNCW Fund ID	Fund Name	Average Fund Balance	4.0% Allocation	4.5% Allocation	5.0% Allocation
WF240	Don E Odell Music Scholarship	\$ 21,081.93	\$ 843.28	\$ 948.69	\$ 1,054.10
WF301	Robert and Barbara Alexander Nursing Scholarship	\$ 39,441.22	\$ 1,577.65	\$ 1,774.85	\$ 1,972.06
WF324	Steve and Ruth Beidler Scholarship	\$ 40,287.34	\$ 1,611.49	\$ 1,812.93	\$ 2,014.37
WF336	Bowers Gracey Allied Health Scholarship	\$ 441,398.38	\$ 17,655.94	\$ 19,862.93	\$ 22,069.92
WF338	W. G. "Bill" Bumps Business Scholarship	\$ 37,074.33	\$ 1,482.97	\$ 1,668.34	\$ 1,853.72
WF339	Theresa F. Stadler Breen Memorial Scholarship*	\$ 69,997.17	\$ 2,799.89	\$ 3,149.87	\$ 3,499.86
WF340	Dr. Ernest and Audrey Ann Chan-Nui Memorial Scholarship	\$ 19,801.96	\$ 792.08	\$ 891.09	\$ 990.10
WF341	Charles H. Walter Jr. Scholarship	\$ 42,267.52	\$ 1,690.70	\$ 1,902.04	\$ 2,113.38
WF356	Everett and Marilyn Dalton Memorial Scholarship Endowment	\$ 416,056.66	\$ 16,642.27	\$ 18,722.55	\$ 20,802.83
WF358	Ken and Sharon Doop Helping Hands Scholarship	\$ 37,955.54	\$ 1,518.22	\$ 1,708.00	\$ 1,897.78
WF362	Dream On Scholarship Endowment*	\$ 70,930.66	\$ 2,837.23	\$ 3,191.88	\$ 3,546.53
WF364	A. L. Eickmeyer Memorial Scholarship	\$ 34,081.87	\$ 1,363.27	\$ 1,533.68	\$ 1,704.09
WF372	George C. and Florence E. Eikelberner Scholarship	\$ 46,004.77	\$ 1,840.19	\$ 2,070.21	\$ 2,300.24
WF380	Jay and Geraldine Eller Scholarship	\$ 12,640.19	\$ 505.61	\$ 568.81	\$ 632.01
WF385	Lee & Sara Lippert Scholarship Endowment	\$ 66,997.01	\$ 2,679.88	\$ 3,014.87	\$ 3,349.85
WF388	Yue Eng Memorial Scholarship	\$ 30,669.36	\$ 1,226.77	\$ 1,380.12	\$ 1,533.47
WF412	George F. and Mary Ellen Miller Memorial Scholarship	\$ 134,654.77	\$ 5,386.19	\$ 6,059.46	\$ 6,732.74
WF420	General Scholarship	\$ 80,162.43	\$ 3,206.50	\$ 3,607.31	\$ 4,008.12
WF436	Richard Glenn Harper Memorial Scholarship	\$ 151,194.64	\$ 6,047.79	\$ 6,803.76	\$ 7,559.73
WF456	Marian A Johnson Memorial Scholarship	\$ 39,560.90	\$ 1,582.44	\$ 1,780.24	\$ 1,978.05
WF458	Earl Thomas Jones Nursing Scholarship	\$ 91,404.26	\$ 3,656.17	\$ 4,113.19	\$ 4,570.21
WF460	Kate Schultz Scholarship	\$ 78,143.75	\$ 3,125.75	\$ 3,516.47	\$ 3,907.19
WF468	Gertrude Keagle Scholarship	\$ 24,843.77	\$ 993.75	\$ 1,117.97	\$ 1,242.19
WF479	Richard Lapo Memorial Scholarship Endowment*	\$ 32,072.87	\$ 1,282.91	\$ 1,443.28	\$ 1,603.64
WF481	Leo Garcia Scholarship for Tree Fruit/Horticulture	\$ 50,152.89	\$ 2,006.12	\$ 2,256.88	\$ 2,507.64
WF500	Jack and Edna Maguire Education Scholarship	\$ 404,872.63	\$ 16,194.91	\$ 18,219.27	\$ 20,243.63
WF508	Howard M. Mann Scholarship	\$ 84,502.71	\$ 3,380.11	\$ 3,802.62	\$ 4,225.14
WF516	Marcile McKee Scholarship	\$ 58,116.54	\$ 2,324.66	\$ 2,615.24	\$ 2,905.83
WF538	Clarence and Della Murray Allied Health Scholarship	\$ 71,320.98	\$ 2,852.84	\$ 3,209.44	\$ 3,566.05
WF540	NCW Fieldmen's Association Scholarship	\$ 50,373.90	\$ 2,014.96	\$ 2,266.83	\$ 2,518.70
WF544	Spirit of the Rainbow Scholarship	\$ 14,367.01	\$ 574.68	\$ 646.52	\$ 718.35
WF546	Mildred M. Phelps Scholarship Endowment	\$ 64,964.52	\$ 2,598.58	\$ 2,923.40	\$ 3,248.23
WF548	Henry, Rose, and Lillian Prebble Scholarship	\$ 2,364,582.09	\$ 94,583.28	\$ 106,406.19	\$ 118,229.10
WF564	Dorothy Richardson Scholarship	\$ 19,258.30	\$ 770.33	\$ 866.62	\$ 962.92
WF565	RLS Productions Scholarship	\$ 55,150.86	\$ 2,206.03	\$ 2,481.79	\$ 2,757.54
WF572	J. B. Schons Scholarship	\$ 12,353.01	\$ 494.12	\$ 555.89	\$ 617.65
WF575	Robert C. Schooler Memorial Scholarship	\$ 16,185.77	\$ 647.43	\$ 728.36	\$ 809.29
WF580	George L. Sellar Scholarship Endowment	\$ 59,534.63	\$ 2,381.39	\$ 2,679.06	\$ 2,976.73
WF596	Corky K. Spanjer Scholarship Fund	\$ 379,292.40	\$ 15,171.70	\$ 17,068.16	\$ 18,964.62
WF598	Terry Sorom Memorial Scholarship*	\$ 19,807.88	\$ 792.32	\$ 891.35	\$ 990.39
WF600	Larry K. Stephenson Scholarship	\$ 49,089.50	\$ 1,963.58	\$ 2,209.03	\$ 2,454.48
WF604	Sumner-Seyster Scholarship	\$ 13,538.90	\$ 541.56	\$ 609.25	\$ 676.95
WF608	John B. Taylor Music Scholarship	\$ 20,229.68	\$ 809.19	\$ 910.34	\$ 1,011.48
WF612	Van Eaton Scholarship	\$ 210,863.13	\$ 8,434.53	\$ 9,488.84	\$ 10,543.16
WF615	Lovell R. Webb Scholarship	\$ 39,831.81	\$ 1,593.27	\$ 1,792.43	\$ 1,991.59
WF617	Charles and Monita Wells and Family Scholarship	\$ 17,370.40	\$ 694.82	\$ 781.67	\$ 868.52
WF620	Joe and Mimi Welty Scholarship	\$ 12,094.63	\$ 483.79	\$ 544.26	\$ 604.73
	Total Scholarship Allocation		\$ 245,863.14	\$ 276,595.98	\$ 307,328.87
	Grand Total Allocation		\$ 393,572.37	\$ 442,768.85	\$ 491,965.36
Average fund balance is based on 20 quarters ending on 6/30/23. Funds established prior to 20 quarters are noted with *					
CFNCW held funds not included in endowment spending policy: Wells House Fund, Hu Blonk Memorial Scholarship, Lifeline Ambulance Scholarship, Sorom Scholarship, Yue Eng Scholarship, and Don O'Dell Scholarship.					



Request for Proposal: Auditing Services

The Wenatchee Valley College Foundation invites you to submit a proposal for auditing services.

Additional information about our organization, project & scope of services are provided in subsequent pages.

Questions Regarding RFP

Inquiries concerning this RFP should be submitted to Executive Director, Rachel Evey, at REvey@wvc.edu using the subject line: "Auditing RFP Inquiry" within 30 days of receipt of this request.

Submission of Proposals

Documents must be submitted in PDF format via e-mail to REvey@wvc.edu.

Award of Services

The Foundation intends to select a new annual auditor within 60-90 days of the date of this request. All candidates will be informed of a decision within 30 days of that decision.

Note

All costs related to the submission of this RFP must be assumed by the submitting institution. No expenses will be reimbursed.

SECTION I. Organizational Overview & Introduction

The Wenatchee Valley College Foundation (hereafter “The Foundation”) is a nonprofit incorporated in 1973 as a 501(c)3 and serves as philanthropic support for Wenatchee Valley College and its students.

The Wenatchee Valley College Foundation envisions an educated, inclusive, prosperous, and healthy community. Our mission is to provide equitable access to education and invest in student success through philanthropy.

The Foundation provides support to Wenatchee Valley College by way of scholarships, direct student support, faculty and staff professional development, capital improvements, program support and projects associated with the overall advancement of WVC.

It is the Foundation’s policy to rebid engagements at least every five years. Audited financial statements are publicly available on the Foundation’s website at www.wvc.edu/foundation.

SECTION II. Scope and Objectives

Important components for an auditor include a team or single auditor that can offer the following range of services, knowledge of nonprofit accounting and auditing principles, and has a commitment to corporate social responsibility.

The Foundation seeks to contract with a CPA/Audit provider for full-service auditing and tax preparation functions.

Required Services and Capabilities

- Conduct audit beginning with FYE 6/30/2024. The audit should begin by September. Audited financial statements should be presented to the Foundation budget and finance committee meeting by December.
- Audit the financial statements of Wenatchee Valley College Foundation, Inc., which comprise the statements of financial position at the end of the fiscal year (June 30), the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively known hereafter as the “financial statements”).
- Audit supplementary information accompanying the financial statements, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.
- Audit additional procedures in accordance with standards generally accepted in the United States of America (USA) and Washington state (GAAS).
- Provide an opinion in relation to the financial statements as a whole in a report combined with the auditor’s report on the financial statements:

- Schedule of Financial Position by Fund
- Schedule of Activities by Fund
- Obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the USA.
- Conduct all services with professionalism and respect for the Foundation staff, board members, and partners.

Auditor's Responsibilities for Audited Financial Statements

- Evaluate the appropriateness of the Foundation's accounting policies and the reasonableness of significant accounting procedures. This evaluation should include a review of the presentation of financial statements to determine whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Reasonable assurance includes information about whether financial statements are free of material misstatement from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Foundation, management, or employees acting on behalf of the Foundation.
- Obtain an understanding of the Foundation and its environment, including systems of internal controls in order to test documentary evidence supporting transactions recorded in accounts, direct confirmation of receivables and certain assets and liabilities using correspondence with selected individuals, funding sources, creditors, and financial institutions.
- Disclose the use of any third-party services that may require sharing of the Foundation's confidential information. Ensure communication with this third-party will maintain the security of the Foundation's information, and secure confidentiality agreements where appropriate to prevent the unlawful or unauthorized release of our confidential information to others.
- Auditor will issue a written report upon completion of the audit of the Foundation's financial statements. The Report will be addressed to the Budget and Finance Committee and Management of Wenatchee Valley College Foundation, Inc.

Auditor's Responsibilities for Federal Returns

- In accordance with applicable professional Statements on Standards for Tax Services, prepare and file annual tax returns on behalf of the Foundation for the fiscal year ending June 30 of each year engaged.
- Tax services include filing extensions when necessary and full preparation and filing of 990 in accordance with requirements for nonprofit entities.
- Advise management regarding tax positions taken in the preparation of the information return and allow management to make final decisions with regard to filing changes or adjustments to filing needs, or to assign another individual with suitable skill, knowledge, or experience to accept responsibility for them.

SECTION III. Proposals

To be considered for this contract, please submit the following.

General Information

- Firm Name
- Contact Person
- Title
- Mailing Address
- Telephone Number
- E-mail

Organizational Overview & Qualifications

- Describe the auditing firm operations, including local history and scope of practice.
- Identify key measures of strength, including any applicable ratings.
- Provide ownership information, including a statement of any recent or foreseen mergers and/or acquisitions.
- Have a staffed branch location in Wenatchee, WA and/or East Wenatchee, WA.

Services and Fees

- Describe the services available to meet the needs outlined above (Sec. II), including all associated fees and "out-of-scope" services.
- Describe methodology in conducting an annual audit (e.g. remote, in-person, conducting interviews, etc.).
- Provide a brief explanation of your commitment implementing new technologies.
- Provide a sample of your standard contract terms.
- Describe community support in North Central Washington and commitment to social responsibility.
-

References

- Contact information for three (3) professional references including at least two (2) non-profit clients, for whom the firm has provided similar auditing services.

SECTION IV. Selection Criteria

The Foundation's decision to select a candidate will be based on, but not limited to, the following priorities:

- Services and capabilities
- Cost of required services
- Availability of local services
- References from similar organizations
- Commitment to community and social responsibility

SECTION V. Additional Terms

Applicant Rights

All materials submitted in response to this RFP become the property of the Foundation upon delivery and shall be appended to any formal documentation, which would further define or expand the contractual relationship between the Foundation and the contracted vendor.

Each applicant, as an express condition for the Foundation's consideration of such proposal, agrees that the contents of every other proposal submitted by other applicants with respect to this RFP are confidential, proprietary, and trade secret information in all technical areas and waives any right to access such proposals during the RFP process.

No submissions or supporting documentation will be returned to the submitting applicant. Neither party shall be liable for disclosures that are required by law.

Conflict of Interest

Proposing contractors/firms are asked to identify any conflicts of interest in serving the Foundation or Wenatchee Valley College and to clarify, if applicable, how conflicts will be managed/mitigated to ensure the best interests of the Foundation are met.

Reservation of Rights

This RFP does not commit the Foundation to award a contract, to pay any costs incurred in the preparation of the proposal to this request, or to contract for services. The Foundation reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified contractor or firm, or to cancel in part or in its entirety this RFP if, at the sole discretion of the Foundation, the organization determines that it is in its best interest to do so.



Fiscal Procedures Manual

Approved on ~~November 21, 2022~~ April 15, 2024

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II. AGENCY OVERVIEW

WVCF-Wenatchee Valley College Foundation was incorporated in 1973 for the exclusive purpose of encouraging, promoting, and supporting educational programs, scholarly programs, scholarly pursuits, athletics, alumni relations, and future developments in connection with Wenatchee Valley College (Bylaws April 2018). The foundation is a 501(c)3 non-profit corporation organized under Washington law. Tax ID 23-7319272. It is functionally integrated with Wenatchee Valley College and governed by a volunteer board of directors. is a not-for-profit corporation organized under Washington law and is fiscally and organizationally separate from the college district. The foundation provides supplemental funding for Wenatchee Valley College, its programs and students through scholarships and other financial aid. The college, through its campuses in Omak and Wenatchee and community out reach programs in other communities, serves the citizens of Chelan, Douglas, and Okanogan Counties.-'s mission is to provide equitable access to education and invest in student success through philanthropy.

III. FISCAL OVERVIEW

The purpose of this manual is to ensure effective control over and accountability for all funds, property, and other assets. It is expected that the policies contained within this manual and the procedures outlined in the work plans will provide the internal controls which will safeguard assets, provide accurate and reliable accounting data, promote operational efficiency, and encourage adherence to managerial policies.

This manual refers to other board-approved documents including, but not limited to, gift acceptance procedure, endowment spending policy, executive director spending policy, and gift fee assessment policy.

IV. STANDARDS FOR FINANCIAL MANAGEMENT SYSTEM

WVCF primarily utilizes two softwares for financial management. Network for Good is used for donor records and giving history. Financial Edge NXT is used for financial management systems will provide the following:

- Accurate, current, and complete disclosure of financial activities.
- Records will identify adequately the source and application of funds. These records will contain information pertaining to board designated (unrestricted), and donor designated (temporarily restricted; and permanently restricted) balances, assets, outlays, income, and interest.
- Effective control over and accountability for all funds, property, and other assets. WVCF will adequately safeguard all such assets and assure they are used solely for authorized purposes.
- Comparison of outlays with budget amounts for each unrestricted account.
- Maintain accounting records that are supported by source documentation.

V. FINANCIAL AND PROGRAM MANAGEMENT

The policies set forth in this section define the WVCF financial management systems. All transactions shall be made in accordance with the best principles of financial trusteeship and fiscal good management. To maintain the financial integrity of WVCF, adequate controls over

financial transactions are strictly enforced. Staff involved in the accounting cycle and financial reporting of the foundation is required to receive annual continuing education such as not-for-profit accounting and auditing update. To help strengthen knowledge of applicable current standards as well as gaining an understanding of new upcoming standards.

a) Allowable Costs

All costs incurred by WVCF will be reasonable, necessary, and allocable. All costs incurred will be consistent with WVCF's policies and procedures and conform to limitations or exclusions as set forth in funding source restrictions. Costs incurred will be appropriate as determined by generally accepted accounting principles and will be adequately documented.

b) Audits

WVCF's financial records will be audited annually by a Certified Public Accountant, selected by the WVC board of directors. Auditors will also review and ensure that the internal procedures and controls are in place. Auditors will present their financial report to the budget and finance committee and the State Auditor, as required by state policy regulating community and technical colleges.

c) Fund Allocation

All funding sources received are for the purpose of WVCF's operation, to support the college's programs, and to increase endowment balances. Expenditures are charged to funds based on the nature of the expenditure. The accounts and funds classifications are broken down in three categories (see account classification section for further information). Based on the ASU update there should only be two classifications (further detail in the FUND AND ACCOUNT CLASSIFICATION section). Any income received for a temporarily restricted fund will be charged a 5% administrative fee.

d) Funding Source Revenue

WVCF receives funding from individual donations, businesses, corporations, foundations, and grants. All donations are administered according to donor restrictions. Where applicable, a contract will be agreed upon between WVCF and the donating party.

e) Insurance Coverage

WVCF shall provide appropriate insurance coverage for its board of directors, staff, and other associates as appropriate, in addition to coverage for all related activities, as directed by the board of directors. Insurance coverage will be re-evaluated on a periodic basis.

f) Budget Creation and Revision

The executive director will present a rough draft of the upcoming fiscal year budget to the budget and finance committee in March/April. Once the budget and finance committee revises the budget thoroughly, the executive director will present it to the full board for final approval in June. All significant budget revisions, as defined by the executive director spending proposal,

will need submission to the board of directors for approval via formal meeting or email, as allowable by the bylaws.

g) Reporting and Record Keeping

WVCF is responsible for managing and monitoring each program, scholarship (award), fund, and/or activity supported by donors. The procedures for monitoring and reporting on WVCF's financial performance and the necessary standard reports are described in this section.

h) Financial Reporting

1. Board of Directors

The foundation accountant will prepare monthly financial reports per fiscal procedures manual and provide them to the budget and finance committee for review and eventual distribution to the executive committee and full board of directors. The following is an outline of frequent reports generated and their reporting cycle. For specific reports not listed, WVCF will complete reports per funding source requirement or request.

- Generated Monthly
 - Unrestricted Project Activity Report (~~Excel Spreadsheet~~), 2-month lag
 - Beginning Balance (Last day of Previous Fiscal Year)
 - Previous Net Change (Prior Month/s Ending Balance)
 - 4 Categories per Unrestricted Fund:
 - Revenue (Summary for Period)
 - Expense (Summary for Period)
 - Transfer (Summary for Period)
 - Investment Activity (Below – Summary per Account for Period)
 - Investment Income – Dividends (CF)
 - CF Administrative Fees
 - Broker Investment Fees
 - Unrealized Gains and Losses
 - Ending Balance (Sum of Beginning Balance, Previous Net Change, 4 Categories (Revenue, Expense, Transfers, & Investment Activity))
 - Income Statement, 2-month lag
 - General Operations Income Statement – Detailed (Budget vs. Actuals)
 - Per Fund Restrictions (Without Donor Restrictions & With Donor Restrictions)
 - Balance Sheet Per Fund Restrictions (Without Donor Restrictions & With Donor Restrictions), 2-month lag
 - Gift Report, 1-month lag
- Generated Quarterly:
 - Detailed Unrestricted Expenditure Report

- Detailed Project Expenditure Report (when requested, such as during a capital campaign)
- Close of Fiscal Year
 - Tangible Assets Report
 - Project Activity Report (All Active Funds Included)
 - Project ID
 - Project Description
 - Beginning Balance (July 1)
 - Net Change
 - Ending Balance (June 30)

2. Internal Reports

Internal reports will also be prepared by the foundation accountant for staff review as directed by the executive director. This may include reports requested by WVC departments that receive funding from WVCF due to donor designation.

3. Annual Filings

- Filed by foundation staff:
 - Online via <http://www.sos.wa.gov/ccfs>
 - Annual Report
 - Charitable Organizational Renewal
 - Trust Renewal Form
 - MISC 1099
 - NEC 1099
 - IRS Form 1096
- Filed by auditor (selected by board of directors):
 - IRS Form 990
 - Audited financial statements

4. ~~Athletics Department~~

~~The foundation accountant will provide reporting for the athletic funds after the month has been reconciled. Reports will be uploaded to the “foundation — athletic” shared folder by 25th of each month.~~

i) Retention and Access Requirements

Financial records and supporting documents shall be retained as detailed by the WVCF Document Retention Policy.

VI. FISCAL PROCESSES

The foundation accountant is responsible for maintaining all fiscal and accounting records utilizing a double entry accounting system for all funds. Specific fiscal responsibilities include: prepare and track all orders, pay vendors and staff expenses, prepare and send invoices for pledge payments,

Commented [RE1]: @Brenda Galvan do we want to keep this in procedures? Can we add the athletics to financial edge with viewing so we can modify or eliminate it?

Commented [BG2R1]: I think we can remove it until we have a better process since that folder hasn't been used in a while.

Commented [RE3]: What did we mean by this? NFG and FE?

issue checks, maintain vendor files, prepare deposits, record investment (endowment) activity, reconcile bank statements, and provide budget information to the executive director.

To ensure fiscal processes are being followed by foundation staff, board members are encouraged to perform surprise internal control inspections. This is usually performed by a board or committee member who has some experience with financial matters. Staff, including management, should not be given prior notice of the inspection.

Commented [RE4]: Recommended by auditors after FY21-22 audit

Commented [BG5R4]: Looks good! No questions from me!

a) Accounts Payable

1. Payment Processing

o Internal

Invoices are submitted electronically via the expense management module in Financial Edge NXT by the staff. The executive director's expenses are submitted by the executive assistant. The executive director will approve the invoice electronically if the original invoice and if enough supporting documentation is attached. The accountant will verify the correct expense account code was used and the amount on the invoice matches with the amount submitted. Vendors with regular monthly charges are paid on or before their due date.

Physical checks require a signature from the executive director or executive assistant. If the amount exceeds \$5,000, then a second signature is required from a board member (see check signing requirements for further detail). When checks are processed, the second check stub is filed in alphabetical order in the Account Payable drawer. The only stubs that include physical support are those that exceed \$5,000. All invoices are stored electronically as an attachment on the payment in Financial Edge NXT. Checks are ran twice a month (middle & end of every month).

o Credit Card Payments

Credit card statements are submitted by the corresponding cardholder via the expense module in FE NXT along with the receipts as support. The executive director's credit card statement will be submitted by the executive assistant. Once statements have been approved by the executive director the accountant will verify the payment method as "bank draft." Once verified, the accountant will process payment via the Cashmere Valley Bank online banking site selecting the proper credit card accounts.

o Department

Payment requests from the college departments (e.g. Athletics, Machining, Nursing, etc.) must be submitted to the foundation accountant for fund balance verification. The accountant will submit a request via the expense management module in Financial Edge NXT with the request/invoice attached. If monies are lacking in the specified fund then the requesting department will be notified and no further action will be taken until further notice.

All payment requests are reviewed/approved by the executive director electronically. If the executive director is absent, the executive assistant is appointed.

o Scholarships

The business office will invoice WVCF quarterly for scholarship award reimbursement. With foundation coordinator oversight, payment should be processed by the accountant via FE NXT payables under invoices. To expedite the invoice process, the invoice can be copied from a prior quarterly issued payment. If copied, cells need to be updated to reflect the appropriate college invoice.

○ Endowment Allocation

In alignment with the board approved annual endowment allocation, a distribution request in early fall shall be submitted to the Community Foundation of North Central Washington. The annual allocation shall be held at Cashmere Valley Bank for the fiscal year to process invoices from WVC for scholarships and programs. The approved allocation spreadsheet should be signed and dated by a board officer and the executive director. The spreadsheet and minutes shall be used as support documentation for the distribution request.

Any requests not included in the annual endowment allocation should follow the endowment agreement. If the request is over \$20,000, support via email should be obtained from a board officer.

At the end of each fiscal year, the balance of each fund at Cashmere Valley Bank shall be transferred to the appropriate fund at the Community Foundation of North Central Washington if it exceeds \$100. The Cashmere Valley Bank balance is typically made up of new gifts, the annual allocation amount, and any unused allocation amount.

2. Reimbursement

Staff may request reimbursement for items purchased solely for use of the foundation with personal funds via the expense management module. The request must have proper support documentation (i.e. receipt) attached in cases where use of foundation credit card or check payment was not feasible or timely. For mileage reimbursement, an internal mileage form will be properly completed with support documentation such as accurate mileage from a second source (e.g. google maps). All reimbursements are subject to electronic approval from the executive director.

3. Check Signing Requirements

All checks require one signature from either the executive director, executive assistant, or a board member who is an authorized check signer. If the check exceeds \$5,000.00, two signatures are required. Authorized signers are the executive director, executive assistant, foundation president, foundation vice president, and foundation treasurer. For internal control purposes, the check signing process must guarantee that there is not a conflict of interest; i.e. the individual signing the check is not the person receiving the check.

4. Void Checks

Reasons for voiding a check include, but are not limited to, lost check, incorrect check, or printer problem. If a vendor requests a reissuance of a lost or stolen check, the accountant will process the request with the “stop payment” fee deducted from the check. If the check has been processed and

updated in the computer system, it must be voided and either reissued or reversed to maintain accurate expenditure totals. Check must be stamped or nullified "VOID" and filed with copies of the canceled checks. Checks must be voided in Financial Edge system at year-end if there is a 7-month outstanding date.

b) Cash Receipts

1. Cash Log

Foundation staff (other than the accountant) receive all checks or cash and ~~emails-creates~~ a cash log ~~to pertaining positions~~ with date, donor name, amount, and fund ID of the gift's designation. Each cash log entry is initialed by two foundation staff members other than the accountant. In the event that two foundation staff members are not available, one may be a qualified Wenatchee Valley College staff member (e.g., executive assistant, fiscal analyst, etc.) The ~~A scan of the cash log, checks received, and any check support documentation is then uploaded to Sharepoint for digital documentation. -includes a scanned copy of the checks received.~~

2. System Recording and Deposit

All cash and checks will be forwarded to the foundation accountant physically and electronically. The foundation accountant will assign the proper revenue account and fund distribution, record this information in a new deposit in the treasury navigation bar in Financial Edge NXT, and complete a deposit slip in duplicate. The scanned check will be attached to each individual pertaining contribution. Deposits will be deposited at the bank by a foundation staff other than the accountant. Deposits are made on a regular basis (once a week on Thursday's) and/or as needed.

Funds received that do not have a designation listed by the donor are considered unrestricted and designated by the foundation board of directors.

3. Tax Receipts

In a timely manner, the accountant or executive assistant will record gifts in the corresponding Network for Good constituent record. Tax receipts will be produced and mailed by the executive assistant. The executive director ~~make-will~~ personally recognize the gift via phone call, video message, or handwritten note.

4. Posting Entry

The foundation accountant compares the recorded deposit entry total from Financial Edge NXT to the bank's deposit slip and, if totals match, then the entry is posted.

5. Filing

Documentation for all cash, checks, other corresponding documents that were included with the check, and bank deposit slip will be scanned and saved in the secure folder in SharePoint: *Departments Files – Accounting – Cash Receipts – FY – Month – Listed by Deposit Number (Automatically Generated by Accounting Software)*

Commented [RE6]: [@Brenda Galvan](#) [@Mireya Sanchez](#)
This section needs to be updated? Did we determine the physical check log then saved to Sharepoint is the best method going forward rather than emails?

Commented [MS7R6]: Brenda and I discussed keeping the weekly checklog process in SharePoint that was used with Cindy, as it's less time-consuming than a daily email. Thoughts?

6. Online Payments

Donor credit cards are automatically charged when they submit their gift via the foundation's online donation form through Network for Good. An automated e-receipt and "thank you for your gift" message is sent to the donors. Recurring gifts are automatically processed by Network for Good based on the start date and frequency selected by the donor.→

VII. BANK RECONCILIATION

Bank statements are ~~received directly, unopened, by a foundation staff member and submitted directly to~~ accessed online through Cashmere Valley Bank's website by the foundation accountant. The monthly bank reconciliation is conducted by the foundation accountant, and the reconciled balance is compared to the general ledger. The executive director reviews the bank reconciliation by going over the checklist and signing the coversheet if he/she agrees. The reconciliation cover sheet, software reconciliation report, bank statement, cash log, and merchant service disbursement report will be filed in the drawer labeled "reconciliation" in the corresponding month and fiscal year and scanned (saved in SharePoint in the appropriate folder). The prior month will be reconciled by the 25th of the following month.

The same reconciliation process will be followed for other financial accounts such as Stifel or Wells Fargo.

VIII. GIFT-IN KIND

All in-kind gifts shall be documented and acknowledged in the appropriate form. Refer to the WVCF gift acceptance ~~policy~~ procedure for further ~~procedure~~ detail.

IX. JOURNAL ENTRIES

The foundation executive director has oversight of all journal entries. The batch validation report from Financial Edge NXT along with proper support is required by the executive director to electronically approve the journal entry batch in FE NXT. All journal entries require solid support documentation and must record their purpose and intention. The validation report and support should be attached to the proper journal entry batch via FE NXT before submitting for approval. The posted journal entry report from FE NXT should be stored electronically in the proper accounting folder in SharePoint: department files – accounting – journal entries – FY – month entry was created. After the prior month has been closed, reconciled, and presented to the budget and finance committee, any further adjusting entries must be communicated to the board. If changes are made after reports have been communicated to the full board, the board will be notified that year-to-date adjustments have been made.

X. INVESTMENTS

The Community Foundation of North Central Washington holds the WVCF endowments and long-term funds. The WVCF accountant receives a monthly report with a breakdown of dividends, interest, realized gains/losses, unrealized gains/losses, administrative fees, investment fees, transfers, and gifts. A journal entry will be created monthly to apply the appropriate fees to the corresponding funds. Endowments will be invested for 1 full fiscal year prior to its first allocation.

Historically, WVCF has utilized Stifel and Wells Fargo for CD's and a Stifel account for liquidating stock gifts. The gift will be recorded at fair market value at the time of the donation. If the gift is held as stock, any gain or loss will be recorded as investment income. Refer to the WVCF gift acceptance policy-procedures for further procedure detail.

XI. PLEDGES

Pledges will be recorded as they are received in Network for Good on the donor's record and in Financial Edge NXT. Pledges must have written support documentation (e.g. agreement, letter, email, etc.) to be recorded. Pledges will be reviewed by WVCF staff on a quarterly basis to ensure records align between databases and determine any necessary correspondence with the donor. the WVCF database.

Commented [RE8]: @Brenda Galvan Which database? FE or NFG? Both?

Commented [BG9R8]: Network for Good and FE NXT

Commented [BG10R8]: Mainly FE NXT

XII. FUND AND ACCOUNT CLASSIFICATION

The fund and account classifications are broken down into three categories and are identified with a 5-digit sequence as follows: unrestricted funds: 1 - - - - ; temporarily restricted: 2 - - - - and permanently restricted: 3 - - - - . All funds are overseen by the board of directors. The use of the unrestricted funds is at the discretion of the board. The temporarily restricted funds correspond to programs in the college and other one-time designated scholarships. Any gift received for a temporarily restricted fund is assessed a 5% fee. The permanently restricted funds are labeled as endowments. The WVCF manages each endowment according to the contractual agreement signed by the executive director and the donor. All temporarily and permanently restricted funds must be administered in accordance with their contractual obligations, as applicable.

Based on the ASU update there should only be two classifications: without donor restrictions and with donor restrictions. Due to this update funds/accounts that have a "1" as a leading number are without donor restrictions and funds/accounts that have a "2 or 3" as a leading number are with donor restrictions.

a) Unrestricted Fund

WVCF has three unrestricted funds (aka board designated funds). Unrestricted contributions of \$100,000 or more will be deposited into 1745. All other unrestricted contributions will be deposited into 1100.

1. 1100 - General Support

- Expenses are administration, programming, events, and gifts/grants/awards. All expenses are in alignment with the annual unrestricted budget approved by the board.
- Revenue is from unrestricted contributions, assessments/investments, and allocation from the WVC Foundation Endowment (1745).

2. 1732 – Reserve

- In alignment with the annual unrestricted budget approved by the board, transfer from 1732 to 1100 is initiated to cover expenses. Transfer is after the annual allocation from 1745 to 1100.
- Revenue is from investment activity. Additional contributions may be made to this fund by the public.
- The target balance for 1732 is three months of operating (administration, programming, and events) expenses.

3. 1745 – WVC Foundation Endowment

- This fund holds the assets from fund 1720 (Arneil, James & Kathleen Trust) and 1745 (Ted Zacher – Unrestricted Board Designated Fund). The board approved the consolidation of the two funds as a board-designated endowment in March 2021.
- Expense for this fund will follow the foundation endowment spending policy. The annual allocation will be made to 1100. At any time, the board may approve to allocate funds beyond the endowment spending policy target rate.
- Revenue is from investment activity. Additional contributions may be made to this fund by the public.

b) Donor Restricted Funds

The foundation accountant, with assistance from the foundation’s investment partners at the Community Foundation of North Central Washington, will provide information as stated on the endowment spending policy to the budget and finance committee by spring quarter in late fall quarter. The budget and finance committee will determine the appropriate spending target per the endowment spending policy.

The foundation accountant will provide financial standing per fund to the foundation coordinator for annual reporting to the founder/advisor.

XIII. YEAR END CLOSE

A separate “year-end checklist” is kept on file and will be used as a guide for the foundation accountant in year-end closing procedures. The document will be reviewed annually by the accountant, executive director, and board treasurer in advance of the closing of the fiscal year by the budget and finance committee.

XIV. DROP BOX

The locked drop box, located near the front reception desk of the Wenatchi Hall administration wing, is checked for deposits daily by a foundation staff member other than the foundation accountant. Departments use this drop box to submit checks, cash, or invoices to WVCF. If any checks/cash are submitted, the proper “cash log” procedures will be followed.

XV. EMPLOYEE GIVING

When staff/faculty choose to contribute to the foundation annual fund, they complete a payroll deduction form, which is submitted by foundation staff to -and submit it to- the college business office for automatic withdrawal. At the middle of each month the business office remits a consolidated check for employee withdrawals along with a breakdown report. The check is deposited in the annual fund (operating) unless it contains instructions for a specific designation.

XVI. ~~HUFO~~ WVC FOUNDATION HOLDING ACCOUNT

To reduce duplication of payment, most department expenses filter through the college business office. The college will apply the expenses to the foundation ~~HUFO account (holding)holding~~ account (146 143 1U071) and request reimbursement at a future date. Before the department expenses are finalized, they require a fund balance confirmation by the foundation accountant and be accompanied by the executive director's signature.

~~All WVC grant budgets are identified by the digits 1V or 1U, (i.e. 1Vxx or 1Uxx.) The second two letters are chosen randomly and are designed to reflect the abbreviated name of the grant/contribution. For example, "FO" represents the Foundation.~~

Commented [RE11]: With ctcLink, I have no clue what these are now. Do you want any new language, @Brenda Galvan ?

XVII. ~~MEMO OF UNDERSTANDING~~ WVC-WVCF ANNUAL AGREEMENT

Per annual agreement with WVC, the college "shall employ, equip and provide supplies and office space" ~~to foundation employees. covers the foundation's overhead costs such as computers, chairs, desks, and filing cabinets.~~ See college agreement for further details.

The ~~WVC~~ foundation will supplement its operating budget (administration, programming, and events expenses) with funds available in 1100 – General Support. is responsible for purchasing all disposable materials such as pens, staples, calculators, notebooks and other expenses such as cost of advertising, sponsorships, meals and mailings. Please see signed agreement for further details.

XVIII. REMOTE OPERATIONS

In the circumstance that the WVCF must operate remotely, staff will follow the following temporary fiscal procedures.

a) Donation Log

A trusted foundation staff member who is not the accountant will check the mail and digitally scan the checks to the accountant and executive director. The accountant will retrieve the checks and deposit them. The group email between the staff member, executive director, and accountant will serve as the donation log during remote operations. The donation log (email chain) will be saved as PDF on the foundation shared drive. Staff will check mail on a weekly or bi-weekly basis.

b) Tax Receipts

During remote operations, donors will be called or emailed by the executive director to inform them that their donation was received. The executive director will confirm the purpose and the amount of the donation verbally.

c) Journal Entries

During remote operations, the foundation accountant will electronically attach the support along with the validation report to the corresponding journal entry batch, email the executive director the list of journal entries needed to be revised and approved. Using the attachments, the executive director will approve or deny the journal entry digitally through Financial Edge NXT (Blackbaud software). The physical signature for approval will be backdated to the date of the digital approval once the foundation is no longer operating remotely.

d) Reconciliations

During remote operations, monthly reconciliations will ~~be follow~~ follow the regular fiscal procedures. The foundation accountant will physically submit the reconciliation documentation to the executive director, who will then provide a physical signature to approve the reconciliations.