



BUDGET & FINANCE COMMITTEE

AGENDA

Monday, October 4, 2021 - 4:00 pm-5:00 pm

Wenatchi Hall – Board Room (#2310)

<https://wvc.zoom.us/j/4675301522>

Call to Order

1) CONSENT AGENDA

A. September 2021 Minutes

2) FINANCIAL REPORTS 8/31/2021 - *Brenda Alcala*

- i. Project Activity Report (Unrestricted funds)
- ii. Income Statement
 - 1. Unrestricted Overview and Detailed
 - 2. Per Restrictions
- iii. Balance Sheet
- iv. Monthly Gift Report

3) OLD BUSINESS

A.

4) NEW BUSINESS – *Rachel Evey*

- A. WVC Foundation Endowment
- B. Fiscal Procedures Manual- *Handout in packet*
 - i. Financial Reports- Quarterly vs. Monthly

5) OTHER BUSINESS

A. Report to the Full Board

ADJOURNMENT

Upcoming Events:

Upcoming Meetings:

Development Committee – Oct. 11 12pm

Executive Committee – Oct. 11 4pm

Full Board Meeting- Oct. 18 12pm

Board Portal: www.wvc.edu/boardportal



BUDGET & FINANCE COMMITTEE

MINUTES

Tuesday, September 7, 2021

Call to order at 4:06 pm.

Members Present: Brenda Alcalá, Bianca Ebreo, Barry Leahy, Ron Lodge, Lyle Markhart, Brett Peterson, Robert Sandidge, Steven Wilkinson

Members Absent: Xavier Arinez, Don Gurnard, Bárbara Guzmán

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

1) INTRODUCTIONS

2) FINANCIAL REPORTS – *Brenda Magaña-Galvan*

- A. Reports Ending 6/30/2021: \$100,000 for the Building Futures campaign was recorded (Gift, Grants, & Awards to the College Account). Rachel Evey explained that the unrestricted budget was updated to include the Building Futures campaign being redirected there vs capital campaign fund. Ended June with \$38,300 variance over budgeted unrestricted income. Total unrestricted expenses under budget by \$96,500. Unrestricted deficit of \$120,200 vs. budgeted deficit of \$255,100. Discussion regarding changes year-over-year, cultivation of new donors vs. retention, and impacts of large events vs. stewardship of long-term relationships. Only outstanding pledge is the gym floor, which will be realized this FY. Ron Lodge explained to new members that the foundation fronted the funding for the gym floor replacement and forgave the “loan” balance since athletics did not raise as much as projected. Allocated scholarships recorded. FY 2020-21 has been closed & reconciled successfully.
- B. Fund Report FY 2020-21: Question regarding negative \$12,000 balance for Nelson Foundation Scholarship. Brenda Magaña-Galvan explained allocated annual scholarships have been recorded, waiting for funds to actually be received. Discussion regarding a new fund, explained it is recorded but not allocated yet so shows zero balance.
- C. Reports Ending 7/31/2021: Unrestricted funds increased by \$6,800 from June 2021. Unrestricted revenue under budget by \$690. In line with revenue and expenses, gifts, grants and awards will be dispersed when investment transfer is received from Community Foundation. Discussion regarding where these budget funds are allocated. Majority of expenses are operational, but also contributions to college. Expenses under budget by \$52,000. Large transactions for both temporary and permanent restrictions. Temporary are contributions we received for annual scholarship donations. Permanent is a new endowment which was established. Expenses: only temporarily restricted transactions. Annual and allocated scholarships have been recorded. Building Futures campaign pledges are being recorded as they are received. Building Futures campaign allocation is recorded as a liability from unrestricted. Overall, July 2021 received \$30,500 more than 2020.

3) OLD BUSINESS

- A. Unrestricted Budget FY 2021-22: Brenda Alcalá introduced the budget as approved by the board in June. Rachel Evey proposed that the vacant part-time communications

coordinator position be converted to a full-time foundation coordinator position. This would increase the unrestricted budget for 2021-22. The foundation executive committee voted to support both the position change and budget increase at their September 2021 meeting. An updated unrestricted budget will be presented at the next committee meeting for approval. Request to put FY 21-22 budget on the board portal for reference.

4) NEW BUSINESS – Rachel Evey

- A. Audit Update: WVCF has signed an engagement letter with Linder, Bailey & Goetz, local CPA firm. Expected to begin in October, to present the findings in December to B&F committee. Foundation reports are essential to the College's annual state audit since we are a major contributor. Discussion regarding cost of audit, which includes the prep of financial statements and end of year tax forms. Rachel Evey assured that review of audit providers and CPA has been discussed, and lead CPA's have been changed every 3 years as a best practice. Brenda Magaña-Galvan explained the move to digital accounting to provide ease of operations.
- B. Board Retreat: September 20, 2021: Hosted on campus in new conference center if completed. Discussed briefly the schedule for the day, including the new building tour. Rachel Evey discussed the grand opening of the new building on the 14th including name dedication and blessing ceremony. Also discussed Business After Hours on September 30th.

5) OTHER BUSINESS

- A. Reports to be presented to the Full Board at retreat.
- B. Discussion of vaccine mandate regarding mandatory vaccination for volunteers, including board members by October 18th. We will update the board members on procedures for attestation when we are informed.
- C. Discussion about timing of reports for each monthly meeting- clarification of the fact that we run 2 months behind to make sure we have full information to present.
- D. Discussion about Wells House lease. Discussion with the museum began in 2019. Ron Lodge has taken on the task of spearheading the budgeting and planning for it. Biggest hurdle is renovation to make the building accessible and usable, waiting on bids (wheelchair ramp, HVAC). All updates need approval from the historical society. Rachel Evey plans to open discussion for funding the renovations once plans are approved.

Meeting adjourned at 5:05pm.

Minutes prepared by Mireya Sanchez.

Wenatchee Valley College Foundation

Unrestricted Project Activity Report

8/31/2021

1100 - General Support

	<i>Beginning Balance</i>	\$82,879.63
	<i>Previous Net Change</i>	\$3,984.80
Revenue		\$30,823.05
Expense		(\$70,611.52)
*Transfers Project Transfers		\$0.00
	<i>Ending Balance</i>	\$47,075.96

1732 - Reserve

	<i>Beginning Balance</i>	\$68,907.38
	<i>Previous Net Change</i>	\$170.32
*Transfers Project Transfers		\$0.00
Investment Activity Investment Income - Dividends (CF)		\$38.39
Gain/Loss on Investments - CF		(\$1.36)
CF Administrative Fees		(\$122.58)
Broker Investment Fees		(\$23.66)
Unrealized Gains and Losses		\$1,102.57
	<i>Ending Balance</i>	\$70,071.06

1745 - Arneil/Zacher - Unrestricted Board Designated Fund

	<i>Beginning Balance</i>	\$974,411.25
	<i>Previous Net Change</i>	\$2,658.02
*Transfers Project Transfers		\$0.00
Investment Activity Investment Income - Dividends (CF)		\$598.59
Gain/Loss on Investments - CF		(\$21.14)
CF Administrative Fees		(\$1,908.70)
Broker Investment Fees		(\$368.90)
Unrealized Gains and Losses		\$17,191.51
	<i>Ending Balance</i>	\$992,560.63

TOTAL ENDING BALANCE \$1,109,707.65

Wenatchee Valley College Foundation

Unrestricted Income Statement - Overview

Period Ending 08/31/2021

	FY 2021-22 Budget	Actuals	Variance
	Year-to-date	Year-to-date	Year-to-date
INCOME			
Annual Fund	\$2,502.50	\$2,264.34	\$238.16
Assessments/Investments	\$30,290.00	\$28,499.15	\$1,790.85
In-kinds	\$40,570.66	\$36,115.90	\$4,454.76
TOTAL INCOME	<u>\$73,363.16</u>	<u>\$66,879.39</u>	<u>\$6,483.77</u>
EXPENSE			
Administration	(\$34,220.10)	(\$28,442.65)	(\$5,777.45)
Programming	(\$1,633.32)	(\$434.60)	(\$1,198.72)
Events	(\$1,000.00)	(\$380.24)	(\$619.76)
Gifts, Grants, & Awards	(\$45,000.00)	(\$41,000.00)	(\$4,000.00)
In-kinds	(\$40,570.66)	(\$36,115.90)	(\$4,454.76)
TOTAL EXPENSE	<u>(\$122,424.08)</u>	<u>(\$106,373.39)</u>	<u>(\$16,050.69)</u>
NET SURPLUS/(DEFICIT)	<u>(\$49,060.92)</u>	<u>(\$39,494.00)</u>	<u>(\$9,566.92)</u>

Wenatchee Valley College Foundation

Unrestricted Income Statement - Detailed

Period Ending 08/31/2021

	FY 2021-22 Budget	Actuals	Variance
	Year-to-date	Year-to-date	Year-to-date
INCOME			
Annual Fund			
Employee Payroll Contributions	\$502.50	\$345.00	\$157.50
Contributions/Donations	\$2,000.00	\$1,919.34	\$80.66
Total Annual Fund	\$2,502.50	\$2,264.34	\$238.16
Assessments/Investments			
Management Fees	\$26,500.00	\$26,879.84	(\$379.84)
Program Assessment	\$1,250.00	\$455.00	\$795.00
Investment Income - Dividends (CF)	\$2,500.00	\$1,161.33	\$1,338.67
CVB Interest	\$40.00	\$16.96	\$23.04
Gain/Loss on Investments - CF	\$0.00	(\$13.98)	\$13.98
Total Assessments/Investments	\$30,290.00	\$28,499.15	\$1,790.85
In-kinds			
In-kind Contributions-WVC	\$40,570.66	\$36,115.90	\$4,454.76
Total In-kinds	\$40,570.66	\$36,115.90	\$4,454.76
TOTAL INCOME	\$73,363.16	\$66,879.39	\$6,483.77
EXPENSE			
Administration			
CF Administrative Fees	\$4,333.32	\$4,056.97	\$276.35
Merchant Service Fees	\$200.00	\$118.00	\$82.00
Dues & Memberships	\$0.00	(\$39.00)	\$39.00
Broker Investment Fees	\$900.00	\$780.71	\$119.29
Office Supplies	\$250.00	\$68.87	\$181.13
Staff and Board Professional Development	\$1,000.00	\$30.44	\$969.56
Salaries and Wages	\$19,833.32	\$17,684.88	\$2,148.44
Payroll Taxes	\$1,578.50	\$1,381.99	\$196.51
Medical Benefits	\$3,833.32	\$2,808.00	\$1,025.32
Retirement Contributions	\$2,083.32	\$1,372.30	\$711.02

	FY 2021-22 Budget	Actuals	Variance
	Year-to-date	Year-to-date	Year-to-date
Wages and Benefits - Other	\$208.32	\$179.49	\$28.83
Total Administration	(\$34,220.10)	(\$28,442.65)	(\$5,777.45)
Programming			
Spring Appeal	\$300.00	\$212.75	\$87.25
Board & Committee Expenses	\$0.00	(\$188.80)	\$188.80
Networking	\$333.32	\$135.97	\$197.35
Stewardship	\$1,000.00	\$274.68	\$725.32
Total Programming	(\$1,633.32)	(\$434.60)	(\$1,198.72)
Events			
Alumni Events	\$1,000.00	\$380.24	\$619.76
Total Events	(\$1,000.00)	(\$380.24)	(\$619.76)
Gifts, Grants, & Awards			
Gifts Grants Awards to College	\$45,000.00	\$41,000.00	\$4,000.00
Total Gifts, Grants, & Awards	(\$45,000.00)	(\$41,000.00)	(\$4,000.00)
In-kinds			
In-Kind WVC Payroll	\$40,570.66	\$36,115.90	\$4,454.76
Total In-kinds	(\$40,570.66)	(\$36,115.90)	(\$4,454.76)
TOTAL EXPENSE	(\$122,424.08)	(\$106,373.39)	(\$16,050.69)
NET SURPLUS/(DEFICIT)	(\$49,060.92)	(\$39,494.00)	(\$9,566.92)

Wenatchee Valley College Foundation

Income Statement per Restrictions

Period Ending 08/31/2021

	Without Donor Restrictions	With Donor Restrictions		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues				
Employee Payroll Contributions	\$345.00	\$0.00	\$0.00	\$345.00
Contributions/Donations	\$1,919.34	\$0.00	\$0.00	\$1,919.34
In-kind Contributions-WVC	\$36,115.90	\$0.00	\$0.00	\$36,115.90
Management Fees	\$26,879.84	\$0.00	\$0.00	\$26,879.84
Program Assessment	\$455.00	\$0.00	\$0.00	\$455.00
Investment Income - Dividends (CF)	\$1,161.33	\$0.00	\$0.00	\$1,161.33
CVB Interest	\$16.96	\$0.00	\$0.00	\$16.96
Gain/Loss on Investments - CF	(\$13.98)	\$0.00	\$0.00	(\$13.98)
Contributions/Donations	\$0.00	\$27,288.68	\$0.00	\$27,288.68
Investment Income - Dividends (CF)	\$0.00	\$335.61	\$0.00	\$335.61
Gain/Loss on Investments - CF	\$0.00	(\$4.03)	\$0.00	(\$4.03)
Contributions/Donations	\$0.00	\$0.00	\$105,077.50	\$105,077.50
Investment Income - Dividends (CF)	\$0.00	\$0.00	\$10,618.81	\$10,618.81
Gain/Loss on Investments - CF	\$0.00	\$0.00	(\$127.75)	(\$127.75)
Total Revenues	\$66,879.39	\$27,620.26	\$115,568.56	\$210,068.21
Expenses				
CF Administrative Fees	\$4,056.97	\$0.00	\$0.00	\$4,056.97
Merchant Service Fees	\$118.00	\$0.00	\$0.00	\$118.00
Dues & Memberships	(\$39.00)	\$0.00	\$0.00	(\$39.00)
Spring Appeal	\$212.75	\$0.00	\$0.00	\$212.75
Broker Investment Fees	\$780.71	\$0.00	\$0.00	\$780.71
Board & Committee Expenses	(\$188.80)	\$0.00	\$0.00	(\$188.80)
Office Supplies	\$68.87	\$0.00	\$0.00	\$68.87
Networking	\$135.97	\$0.00	\$0.00	\$135.97
Gifts Grants Awards to College	\$41,000.00	\$0.00	\$0.00	\$41,000.00
In-Kind WVC Payroll	\$36,115.90	\$0.00	\$0.00	\$36,115.90
Stewardship	\$274.68	\$0.00	\$0.00	\$274.68

	Without Donor Restrictions	With Donor Restrictions		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Alumni Events	\$380.24	\$0.00	\$0.00	\$380.24
Staff and Board Professional Development	\$30.44	\$0.00	\$0.00	\$30.44
Salaries and Wages	\$17,684.88	\$0.00	\$0.00	\$17,684.88
Payroll Taxes	\$1,381.99	\$0.00	\$0.00	\$1,381.99
Medical Benefits	\$2,808.00	\$0.00	\$0.00	\$2,808.00
Retirement Contributions	\$1,372.30	\$0.00	\$0.00	\$1,372.30
Wages and Benefits - Other	\$179.49	\$0.00	\$0.00	\$179.49
Program Expenses	\$0.00	\$1,726.74	\$0.00	\$1,726.74
CF Administrative Fees	\$0.00	\$1,173.76	\$0.00	\$1,173.76
Broker Investment Fees	\$0.00	\$225.63	\$0.00	\$225.63
Gifts Grants Awards to College	\$0.00	\$5,850.00	\$0.00	\$5,850.00
CF Administrative Fees	\$0.00	\$0.00	\$37,088.33	\$37,088.33
Broker Investment Fees	\$0.00	\$0.00	\$7,138.63	\$7,138.63
Total Expenses	\$106,373.39	\$8,976.13	\$44,226.96	\$159,576.48
Gains				
Unrealized Gains and Losses	\$23,003.39	\$0.00	\$0.00	\$23,003.39
Unrealized Gains and Losses	\$0.00	\$6,647.73	\$0.00	\$6,647.73
Unrealized Gains and Losses	\$0.00	\$0.00	\$210,336.69	\$210,336.69
Total Gains	\$23,003.39	\$6,647.73	\$210,336.69	\$239,987.81
BEGINNING RETAINED EARNINGS	\$1,126,198.26	\$734,746.13	\$10,161,669.59	\$12,022,613.98
NET SURPLUS/(DEFICIT)	(\$16,490.61)	\$25,291.86	\$281,678.29	\$290,479.54
ENDING RETAINED EARNINGS	\$1,109,707.65	\$760,037.99	\$10,443,347.88	\$12,313,093.52

Wenatchee Valley College Foundation

Balance Sheet

As of 08/31/2021

	Without Donor Restrictions	With Donor Restrictions		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Assets				
CVB - Checking	\$41,522.54	\$0.00	\$0.00	\$41,522.54
CVB - Money Market	\$8,067.91	\$0.00	\$0.00	\$8,067.91
Investments - Stifel	\$109.33	\$0.00	\$0.00	\$109.33
Investments - CF	\$699,067.58	\$0.00	\$0.00	\$699,067.58
Fair Market Value Adjustment	\$463,564.11	\$0.00	\$0.00	\$463,564.11
Management Fees Receivable	\$13,459.10	\$0.00	\$0.00	\$13,459.10
CVB - Checking	\$0.00	\$424,746.11	\$0.00	\$424,746.11
CVB - Money market	\$0.00	\$11,404.80	\$0.00	\$11,404.80
Investments - CF	\$0.00	\$86,179.25	\$0.00	\$86,179.25
Fair Market Value Adjustment	\$0.00	\$249,808.83	\$0.00	\$249,808.83
Pledges Receivable	\$0.00	\$130,195.00	\$0.00	\$130,195.00
CVB - Checking	\$0.00	\$0.00	\$110,329.69	\$110,329.69
Investments - CF	\$0.00	\$0.00	\$6,169,067.04	\$6,169,067.04
Fair Market Value Adjustment	\$0.00	\$0.00	\$4,461,721.15	\$4,461,721.15
Total Assets	\$1,225,790.57	\$902,333.99	\$10,741,117.88	\$12,869,242.44
Liabilities and Retained Earnings				
Liabilities				
Credit Card Liability	\$192.56	\$0.00	\$0.00	\$192.56
Payroll Liabilities	\$13,515.36	\$0.00	\$0.00	\$13,515.36
WVC Annual Funding - Awards Payable	\$2,375.00	\$0.00	\$0.00	\$2,375.00
Other Payables	\$100,000.00	\$0.00	\$0.00	\$100,000.00
Scholarships Payable	\$0.00	\$84,796.00	\$0.00	\$84,796.00
Nurses for Tomorrow - WVC	\$0.00	\$57,500.00	\$0.00	\$57,500.00
Scholarships Payable	\$0.00	\$0.00	\$286,160.00	\$286,160.00
WVC Annual Funding - Awards Payable	\$0.00	\$0.00	\$11,610.00	\$11,610.00
Total Liabilities	\$116,082.92	\$142,296.00	\$297,770.00	\$556,148.92

	Without Donor Restrictions	With Donor Restrictions		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Retained Earnings				
Unrestricted	\$1,109,707.65	\$0.00	\$0.00	\$1,109,707.65
Temporarily Restricted	\$0.00	\$760,037.99	\$0.00	\$760,037.99
Permanently Restricted	\$0.00	\$0.00	\$4,102,974.10	\$4,102,974.10
Return to Endowment	\$0.00	\$0.00	\$6,340,373.78	\$6,340,373.78
Total Retained Earnings	\$1,109,707.65	\$760,037.99	\$10,443,347.88	\$12,313,093.52
Total Liabilities and Retained Earnings	\$1,225,790.57	\$902,333.99	\$10,741,117.88	\$12,869,242.44



Fiscal Procedures Manual

Approved on ~~October 19, 2020~~

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AGENCY OVERVIEW

WVCF 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. The foundation 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.

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.

STANDARDS FOR FINANCIAL MANAGEMENT SYSTEM

WVCF 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 unrestricted, 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.

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
 - Unrestricted Income Statement – Overview (Budget vs. Actuals)
 - Unrestricted Income Statement – Detailed (Budget vs. Actuals)
 - By Fund Restrictions (Without Donor Restrictions & With Donor Restrictions)
- Balance Sheet by 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
 - 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.

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
 - 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.

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

a) Accounts Payable

1. Payment Processing

- **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).

- **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.

- **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.

In alignment with the board approved annual endowment allocation, a distribution request **in early fall** should be submitted to the Community Foundation of North Central Washington.

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) receives all checks or cash ~~and records checks on the cash log stored in the foundation accountant's locked drawer~~ **and emails a cash log to pertaining positions. The cash log includes a scanned copy of the checks received.** ~~Income will be verified by two different foundation staff members, except the foundation accountant. Once recorded, the checks must be scanned to the foundation accountant's email.~~

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 will record gifts in the corresponding Raiser's Edge constituent record. The foundation accountant will print the tax receipt and submit it to the executive assistant. The executive assistant will mail out the tax receipt and provide a copy to the executive director as a prompt to mail personalized thank you cards or make a phone call.

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 in the database.

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 ~~the foundation shared drive at the following location~~ **in SharePoint:**
~~Departments – Foundation – Foundation Share – Accounting – Cash Receipts – FY – Month – Listed by Deposit Number (Automatically Assigned by Accounting Software)~~

Departments Files – Accounting – Cash Receipts – FY – Month – Listed by Deposit Number (Automatically Generated by Accounting Software)

6. Recurring Gifts

The foundation accountant processes recurring gifts on the 15th of every month. In order for a donor to set up a recurring gift, they are required to complete the Recurring Gift Form or enter their payment online, indicating a recurring gift. Recurring gifts are executed at monthly intervals until advised.

7. Online Payments

Donor credit cards are automatically charged when they submit their gift via the foundation's online form. An automated e-receipt and "thank you for your gift" message is sent to the donors, unless they select the recurring payment option. If the donor selects the recurring gift option, the

foundation accountant will follow the payment process prompts as outlined by the database. The Online Express (Blackbaud software) gifts will be processed so they reflect on the donor's (constituents) record.

BANK RECONCILIATION

Bank statements are received directly, unopened, by a foundation staff member and submitted directly to the foundation accountant. The monthly bank reconciliation is conducted by the foundation accountant, and the reconciled balance is compared to the general ledger. Before the reconciliation is initiated, the sub-ledgers are reconciled 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 22nd of the following month.

GIFT-IN KIND

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

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 (foundation share – accounting – journal entries – proper fiscal year – month the entry was created 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.

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 Wells Fargo for CD's and a Stifel account for liquidating stock gifts. Refer to the WVCF gift acceptance policy for further procedure detail.

DONOR RESTRICTED FUNDS

The foundation accountant will provide information as stated on the endowment spending policy to the budget and finance committee 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.

PLEDGES

Pledges will be recorded as they are received in the WVCF database.

FUND AND ACCOUNT CLASSIFICATION

The fund and account classifications are broken down in 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 are 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.

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 in advance of the closing of the fiscal year by the budget and finance committee.

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.

EMPLOYEE GIVING

When staff/faculty choose to contribute to foundation annual fund, they complete a payroll deduction form 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.

1UFO ACCOUNT

To reduce duplication of payment, most department expenses filter through the college business office. The college will apply the expenses to the foundation 1UFO account (holding) 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.

MEMO OF UNDERSTANDING

Per agreement with WVC, the college covers the foundation's overhead costs such as computers, chairs, desks, and filing cabinets. See college agreement for further details.

The WVC foundation 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.

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. Physical tax receipts will be sent after remote operations have ceased.

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 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.