



Island Association Inc. Financial Policy Statement

1. Purpose: The purpose of this statement is to provide a Board and Membership approved description of how the Island Association handles financial transactions. It is intended to be informational as well as provide a guideline of standard practice in addition to those listed in the by-laws (Article IV Section 3&4) and the Articles of Incorporation. This policy will help the Island Association execute Board operations and fulfill its Mission in the most effective and efficient manner possible. It will also serve as an approved document that will strengthen the Board's accountability to itself, its members and the community. All financial activity will be handled according to this policy.

2. Policy Review: The board will review this policy annually at the first scheduled meeting following the Annual Meeting or at any other time during the year if the policy requires up-dating or amending. Significant policy changes will be shared with the Membership with a 1st class mailing and/or discussed at the June Membership Meeting or the Annual Meeting.

3. Description of Expenditures:

A. Expenditures that do not require a quorum vote by the Board of Directors. This type of expenditure is essential to the basic operation of the organization and has a limit of \$400.00 for each purchase. They are primarily made by the Administrative Assistant, Board Chair, Treasurer or board members assigned to the task by the Board Chair.

Examples of allowed expenditures essential to basic operation include: Paper, ink, office supplies, stamps, fees for box holder mailings, website fees, supplies or rental fees for fundraisers, reimbursement to board members or the Administrative Assistant for items listed.

B. Expenditures that require a quorum vote by the Board of Directors. This type of expenditure falls under the Board carrying out its Mission as a charitable organization or purchases over \$400.00.

Examples of this type of expenditures include: Scholarships, Grants and anything that would not be considered essential to the basic day-to-day operation of the organization.

4. Check signatures: Checks from both Bremer and Vanguard accounts require 2 signatures of board members. There will be a minimum of 3 check signers, preapproved by a vote of the Board of Directors, available to sign checks. It is the responsibility of the Board Chair and/or Treasurer to keep bank signature cards up-to-date. Ethical practices and perceived conflict of interest should be observed. For example, check signers can not co-sign a check when it is to reimburse a purchase they themselves have made, for a grant that they were directly involved in either writing or executing or for a scholarship that they or a family member is receiving.

5. Bremer bank card: The bank card or "check card" accesses general funds from the Bremer checking account. The card is restricted to the same uses and spending limit listed above in "expenditure type A". It is used primarily for website fees, office/postal supplies and food/materials purchase for fundraisers. The Administrative Assistant will have primary possession and responsibility for the card use. All receipts for check card purchases must be retained and given to the Treasurer or Administrative Assistant for proper record keeping. The pin number for the card should not be needed as it can be run as a "credit" for most in store purchases. The pin number will be kept by the Treasurer.

6. Description of Island Association Accounts: The Island Association will place its funds in secure accounts and only engage in the secure low risk investment of its funds.

A. Bremer checking account – This is the account into which all initial deposits are made. Deposits should be made a maximum of 10 days from the receipt of the check. Income sources are annual memberships, additional donations, additional designated account donations (EMT, Scholarship, Row PSA), fundraiser income (all or portions of which could also be for a designated account) and grant or other reimbursements. Receipts are sent to donors when the amount is 250.00 or more. Money earmarked for designated accounts is then transferred to the appropriate Vanguard account a minimum of once a year by the Treasurer. In the case of a larger donation earmarked to a designated account(s) the board may choose to place the funds directly into that Vanguard Account. The majority of expenditures are made from the Bremer checking account. These include those listed above under #3 as well as General Fund Grants.

B. Vanguard Prime Money Market “Designated Account” – This account holds various designated funds. These are currently EMT, Row/ PSA and Joni’s Beach. There is also an amount of “general funds” without designation that can be accessed if needed. Designated funds are created for charitable purposes by the Board or a Board approved recommendation by a Member or the Membership. Money contained in these accounts must be used for the designated purpose.

C. Vanguard Prime Money Market Scholarship Account – This account holds funds designated by members for the Scholarship Program. Checks are written from this account when students receive a scholarship. This account also holds the \$15,000.00 endowment given by anonymous donors.

7. Required tax filings: These are done on a yearly basis and are the responsibility of the Treasurer.

A. State of Wisconsin Nonstock Corporation Annual Report. The form for this report is mailed from the State to the Island Association P.O. Box. The fee is \$10.00 and board members must be listed, P.O. Boxes and street addresses (fire numbers and road name). The form is due on September 30th.

B. Form 990-N. This is the form the Island Association uses to file taxes. It is for tax exempt organizations with gross receipts of \$50,000 or less. This form is filed online (e-file) by the Treasurer and can be completed anytime after the Annual Meeting on September 1st. The Treasurer is responsible for keeping the login number and password to execute this filing.

8. Audit/Financial Review: The Island Association may, after informing its members, have an independent professional audit performed. In the past however the Board and Membership has agreed to use the expertise of its qualified members who volunteer their time to perform a financial review of the “books”. A minimum of two members would perform this task and give a report of their findings at the Annual Meeting. It is suggested that this type of member review be performed a minimum of every 4 years.

Financial Policy Statement drafted by Sara Owen, Board Chair. Original policy approved at the 2/26/13 Board Meeting. 1st revision approved 7/31/13. 2nd revision approved 9/17/13.