

## Financial Management

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### PURPOSE:

This policy establishes the requirements for the effective financial management of the Whidbey Camano Land Trust.

### POLICY:

The Board is responsible for assuring that the Land Trust's funds are managed in a way that is responsible and accountable. Good financial management enables the Land Trust to meet reporting requirements, helps assure the long-term sustainability of the organization, builds credibility with funders, is essential for well-informed decision making and helps avoid fraud and abuse. To ensure responsible financial management WCLT will:

1. **Prepare an annual operating budget** that is reviewed and approved by the Board. The annual operating budget will reflect the Land Trust's mission and goals and be based on the annual work plan. Annual revenue will be greater than or equal to expenses, unless reserves are deliberately drawn upon.
2. **Prepare a long-range financial plan** that provides overarching income and expense assumptions for the organization over time.
3. **Keep accurate financial records** in accordance with Generally Accepted Accounting Principles (GAAP) for non-profit organizations.
4. **Provide financial reports to the Board on at least a quarterly basis** for review at a board meeting. A monthly review of the financials reports will be conducted by the Executive Director and the Finance Committee. The financial reports will include: a year-to-date budget versus actual report, which details the types of support and revenue received and the expenses incurred; a statement of financial position, which presents all assets, liabilities and the net difference and the months of working capital.
5. **Authorize the Executive Director to make administrative decisions** to shift line item expenditures within the budget.
6. **Require Board approval for operating budget adjustments** that require additional allocation of unrestricted or restricted funds. The Executive Director will present budget adjustments to the Board after review by the Executive Committee and the Finance Committee.
7. **Conduct an annual financial audit**, performed by a qualified financial advisor, in accordance with generally accepted auditing standards and overseen by an Audit Committee.

8. **Institute a sound system of internal controls and procedures** for handling money.
9. **Establish financial operating procedures** that document day-to-day processes and procedures to implement this policy.

**Approved:** October 5, 2009

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President, Board of Directors