**Proposed Changes for Financial and Accounting Policies and Procedures (May 2023)**

**Oversight of Operating Funds (page 4):**

We recommend raising the current operating account minimum balance from $50,000 to $360,000, which would cover three months of payroll.

Also edit the following paragraph that MMJ should alert the Finance Committee to “*explore options to address the potential cash shortfall”* rather than the current “obtain approval to ‘borrow’ under the bank line of credit or ‘borrow’ from the reserve funds” since there may be other options to consider.

**Diversification of Bank Deposits (page 5):**

            Our policy states that “the bank which holds Carver’s operating account may not also hold any other funds”. We recommend deleting that sentence as, in practice, we have four accounts at our main bank (Tompkins Community Bank).

            Please note that recently we signed an IntraFi Network Deposit Placement Agreement to ensure that all funds at the bank are FDIC insured.

**Expenditure Authorization Policy (pages 6 & 7)**

            Our policy currently states that any non-budgeted expense (or overage) that exceeds $5,000 must be reported promptly to the Finance Committee and amounts over $10,000 to the Board.

            We recommend adding the following language to clarify that management may need to spend restricted gifts that are made after the budget is complete:

*The exception to this policy is spending of restricted gifts, e.g. monies that have been contributed with a request that they be spent on a specific item or program.  These contributions are recorded and reported by the Development Department and coded as restricted gifts in Quick Books.  Management is responsible for monitoring the spending of restricted gifts to ensure that the spend is consistent with the restrictions of the donor.*

**Checking and Investment Account Signatories (page 8)**

Carver Center’s policy currently requires two authorized signatures on checks over $5,000 (note that this is a Carver Center policy that is not monitored or enforced by the bank). We recommend changing the policy to the following:

*Checks up to $10,000 may be signed by one authorized signer.  Amounts exceeding $10,000 shall require the signatures of two authorized signers or email notification for the expense ahead of time.*

**Capital Expenditures (page 10):**

            We recommend adding the following sentence to reflect current practice:

*Carver Center creates an annual Capital Expenditure budget which is approved by the finance committee and the Board of Directors.*

We recommend adding the following policy:

*Unbudgeted capital expenditures must be approved by the Chief Executive Officer up to $2,000; by the Finance Committee up to $10,000; and by the Board for amounts in excess of $10,000.*

Appendix Policy Number CC-ACC-002 Capital Expenditures:

            Because Carver Center now has an annual budget for capital expenditures, we recommend that we eliminate this appendix in its entirely as it is unnecessary with the approval requirements for unbudgeted expenses as per the above.