

## 140 Finance Committee

### 140.1 Functions

- A. To know the operating plan and procedures of the Kiwanis Cal-Nev-Ha Foundation and its financial requirements.
- B. To prepare the annual budget and to present the budget to the Board for approval.
- C. To ensure the books and records of the Foundation are kept in conformity with generally accepted accounting principles.
- D. To examine and consider the reports of financial operations for the Foundation and to make recommendations concerning such reports to the Board.

### 140.2 Meetings

- A. The Finance Committee shall meet at such time and place as the Chairman of the Committee may designate.
- B. The annual budget meeting will be held prior to the first Board meeting of the year. The Foundation Secretary/Treasurer is authorized to pay normal operating expenditures prior to the approval of the budget by the Board.
- C. Special meetings may be called by the President, the Chairman or by a majority of the Committee.
- D. At least fifteen days written notice shall be given for either regular or special Committee meetings.

### 141 Review of Contract and Agreements

- A. To carry out its functions and responsibilities, the Finance Committee shall review all contracts and other documents pertinent to the financial structure of the Foundation.

### 142 Investments of Funds

142.1 The Finance Committee shall have a sub-committee known as the Investment Committee. The Investment Committee is responsible for the day-to-day management of the Foundation's investments. The investment decisions shall be made independent of the Finance Committee, but reported to the Finance Committee. The Investment Committee shall recommend changes in the investment strategies to the Finance Committee.

142.2 The Investment Committee shall have no less than three (3) members of which one member shall be the Foundation Secretary/Treasurer. The Committee shall be appointed by the Chairman of the Finance Committee subject to the approval of the Foundation President.

142.3 The Finance Committee shall review the Foundation procedure for the investment of funds.

- 142.4 Except as provided in subparagraph 142.5, investment of funds shall be in federally insured savings account of banks or savings and loan association, or United States government or agency obligations. Such investments will be made taking into consideration the probable time that such funds will be used, rate of return, liquidity, and safety of the funds.
- 142.5 Other investments at various levels of risk not included in the immediately preceding paragraphs will be submitted by the Chairman of the Finance Committee to the Board for approval.
- 143 Budgets
- 143.1 Preparation of the Annual Budget
- A. The Finance Committee appointed by the President/President-designate shall meet prior to the first Board meeting to prepare the budget for the twelve-month period beginning October.
- B. Prior to the budget preparation meeting of the Finance Committee, the Secretary/Treasurer shall send a budget request form to each incoming committee chairman, or if such chairman has not yet been appointed to the current committee chairman.
- C. All budget requests made by committees or officers shall be submitted to the Finance Committee Chairman prior to the budget meeting of the Finance Committee.
- D. The proposed budget shall be presented by the Finance Committee Chairman to the Board at its first meeting.
- 143.2 In the budget, as adopted by the Finance Committee, total estimated expenditures shall not exceed the estimated income.
- 143.3 A budget of estimated income and expenditures for the administrative year shall be approved and adopted by each Board at its first meeting.
- 143.4 Budget Changes or Modifications
- A. Any request for changes or modifications of the budget should be submitted in writing to the Finance Committee Chairman and should set forth the reasons for the changes or modifications.
- B. The request for changes or modifications of the budget shall be considered by the Finance Committee at its next meeting.
- C. Any changes or modifications of the budget must be approved by the Board.

#### 143.5 Requests for Funds not Budgeted

- A. Any request for funds not budgeted should be in writing to the Finance Committee Chairman and such request should be handled as a request for budget change or modification as provided in Section 143.4 above. Such request shall be considered on the basis of need and the financial status of the Foundation at the time the request is made.
- B. Expenditures authorized or obligations incurred by Foundation Officers, Committee Members or any persons for non-budgeted items will be the personal responsibility of the person authorizing the expenditure or obligation.
- C. Any request for purchases of non-budgeted items by Foundation Officers or Foundation Committee Chairmen shall be requested in writing to the Foundation office, and all purchases shall be authorized by purchase order to the vendor and signed by the Secretary/Treasurer.
- D. No funds within the budget may be transferred or used for any purpose other than the stated budget items without approval of the Finance Committee.

#### 143.6 Process for Compensation Determination

This Policy for Determining Compensation of the Kiwanis Cal-Nev-Ha Foundation (the "Foundation") applies to the compensation of the Foundation's Chief Employed Executive, other Officers or Key Employees.

The process includes all of these elements: (A) review and approval by the Foundation Board of Directors; (B) use of data as to comparable compensation; and (C) contemporaneous documentation and recordkeeping.

- A. Review and approval. The compensation of the Foundation's Chief Employed Executive, other Officers or Key Employees is reviewed and approved by the Foundation Board of Directors, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
- B. Use of data as to comparable compensation. The compensation of the Foundation's Chief Employed Executive, other Officers or Key Employees is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
- C. Contemporaneous documentation and recordkeeping. There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

144 Any proposed resolution or other action by the Board that has financial or budget implications shall be referred to the Finance Committee before any action is taken.

- 145 Books and Records
  - 145.1 Generally Accepted Accounting Principles
    - A. The Foundation books and records shall be maintained in accordance with generally accepted accounting principles and with proper internal controls.
  - 145.2 Inspections
    - A. The books and records of the Foundation at all times shall be open for inspection by the Finance Committee, the Finance Chairman, or any Board member.
  - 145.3 Closing of Books and Records
    - A. By October 31, every effort will be made by the Secretary/Treasurer to account for all of the prior year's receipts and expenses to permit the closing of the books and records, and to process any excess funds (or deficit) increasing (or decreasing) the appropriate reserve account.
- 146 Revenue
  - 146.1 Distribution of Income
    - A. Receipts designated to the Kenneth C. Ferror, M.D., Scholarship Fund shall be allocated to the three organizations as follows unless specified otherwise.
      - 1. 15% Circle K
      - 2. 50% Key Club
      - 3. 35% KIWIN'S
    - B. If a donation is received for a fund or program which does not exist, acceptance shall be made by the Board. Pending such decision, these funds shall be held and not cashed until accepted or rejected by the Board. The donor will be notified of the actions taken.
  - 146.2 The Kiwanis Cal-Nev-Ha Foundation shall not accept deferred revenue from Foundation fund raising programs.
- 147 Expenditures
  - 147.1 Board Reimbursement Policy
    - A. Board members will be entitled to a reimbursement of not more than \$100.00 per board meeting as provided in the annual budget.
    - B. If a meeting of the Board is held in conjunction with a retreat or other function at which the annual budget provides for the expenses of Board members, the \$100 reimbursement may not be claimed.
    - C. No reimbursement will be issued by the Secretary/Treasurer unless the Board member submits a voucher or expense report with adequate documentation of his or her expense.

147.2 President's Expense Allowance

- A. The annual budget may provide an expense allowance for the Foundation President.
- B. No reimbursement will be issued by the Secretary/Treasurer unless the President submits a voucher or expense report with adequate documentation of his or her expense.

148 Financial Reports

148.1 Quarterly operating statements and financial reports shall be prepared in a form approved by the Finance Committee and sent to members of the Finance Committee and to the Board with their Board meeting packet.

148.2 The Secretary/Treasurer shall present a financial report to the Board of Directors at each of its regular meetings.

148.3 The Finance Committee Chairman shall present a report on Foundation investment performance to the Board of Directors at each of its regular meetings.

149 Foundation Auditors

149.1 The auditor shall be appointed by the Board prior to the close of each fiscal year in accordance with Article X, Section 5 of the Bylaws, upon recommendation of the Audit Committee, and the auditor's report shall be rendered to the Board. The auditor shall be an independent certified public accountant.

149.2 The annual audit shall be conducted in accordance with generally accepted auditing standards, and the report shall contain an opinion and financial statements, prepared in accordance with generally accepted accounting principles for the fiscal year. The auditors also shall review the internal control of financial procedures, and the Foundation accounting procedures.