

# People's Kitchen of San Luis Obispo

## FISCAL POLICIES AND PROCEDURES

### A. Financial Records and Reporting

- The People's Kitchen of San Luis Obispo's fiscal period begins July 1 and ends June 30.
- The financial records of the organization shall be maintained on a cash basis of accounting in accordance with generally accepted accounting principles.
- The Treasurer or President will receive all correspondence from any/all financial institutions.
- On a monthly basis, the Treasurer will reconcile all accounts.
- The purpose of the accounting system is to systematically record, summarize, and report all financial transactions of the organization. The system shall be designed so that all aspects of People's Kitchen of San Luis Obispo operations are included in the system.
- Effective control and accountability must be maintained for all assets of the organization, including cash, investments, fixed assets, and other assets. The finance Committee of the Organization must adequately safeguard all assets of the organization and assure that all assets are used for authorized purposes.

### B. Cash Disbursements

- All disbursements are to be made by issuing checks drawn on the established agency cash accounts and two signatures will be required on every check that of the president and the treasurer.
- No checks may be made out to "cash".
- Where appropriate, the request for disbursement must be supported by original documentation that justifies the purpose of the disbursement and is attached to the request, a paid receipt or invoice will suffice for reimbursement.

### C. Purchases and Contracts

- The Board of Directors must approve or specifically authorize an officer of the Board or the President to enter into a contract, or commitment for the organization that is longer than one year and over \$1,000.
- The organization should obtain and document at least three competitive bids for all purchases of goods and services greater than \$3,000.

### D. Payments to Board of Directors

- No compensation will be paid to any member of the Board of Directors for services as a member of the Board.
- No loans will be made to any member of the Board of Directors.

## E. Cash Receipts and Deposits

- Deposits will be made at least once per month. A photocopy of the bank's deposit receipt shall be maintained by the Treasurer.
- Funds received by the organization will be deposited timely to the credit of the organization in a financial institution that the Financial Committee and Board of Directors has authorized, provided however, that each institution in which funds are deposited must be an institution where such deposits are insured by an agency of the federal government.
- The financial committee will evaluate and present a recommendation to the full Board of Directors regarding the acceptance of restricted contributions. Acceptance of unusual non-cash donations, such as charitable lead trusts, perpetual trusts held by third parties, charitable remainder trusts, charitable gift annuities, pooled income funds and donations of land, property, partnership interests, assets subject to lien, etc. need prior approval by the Board of Directors after review by the finance committee.
- All contributions should be acknowledged in writing within five business days of receipt.
- As a general rule, all stock gifts should be liquidated within three business days of receipt; any exceptions must be approved by the Finance Committee.
- Cashing of checks out of currency receipts is prohibited.

## F. Annual Audit Requirement

- Due to the size and scope of the organization no financial audit is required as this time annually.
- The finance committee will be responsible for determining the need for an audit or review on an annual basis and submit their recommendation to the Board of Directors annually for approval.

## G. Budget

- An annual operating and capital budget will be established and approved by the Board of Directors.
- The actual operating results of the organization will be compared to the budget on an annual basis and significant variances explained to the Board of Directors.

## H. Borrowing

- Any action by and on behalf of the organization in borrowing money, establishing or canceling lines of credit, and or mortgaging, pledging, or authorizing liens on the property of the organization must be specifically authorized by the Finance Committee and approval by The People's Kitchen Board of Directors.

## I. Investments

- The People's Kitchen of San Luis Obispo maintains a separate "Investment Policy."

## J. Conflict of Interest

- The Organization will not enter into contracts or transactions with any other corporation, partnership, association, or other organization in which its directors are directors, officers, or have financial interest (there is potential conflict of interest) without prior approval by an affirmative vote of a majority of disinterested directors.