

Board of Directors Policy

Subject: Financial Operating Policy			Policy No: _____
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I. OBJECTIVE

To memorialize policies related to financial operations, including policies related to financial review, the creation of financial reserves, policies regarding check approval, and policies relating to restricted accounts for the Pagosa Springs Community Development Corporation (PSCDC). This policy is intended to support the goals and strategies of PSCDC.

II. POLICY

A. Financial Information Reviews

The PSCDC shall have a financial statement review by a CPA firm every three years. A Full financial audit is not required except when requested by the Board of Directors. The board may request an audit or a review at any time.

B. Operating Reserve

1. Purpose: The purpose of the policy relating to operating reserves is to build and maintain an adequate level of unrestricted net assets to support the organization's day-to-day operations in the event of unforeseen shortfall. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity such as organizational and staff development. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The organization intends that any shortfall in the operating reserves shall be replenished within a reasonable period of time.
2. Definitions and Goals: The Operating Reserve Fund is defined as the designated fund set aside by action of the Board of Directors. The minimum amount to be designated as operating reserve shall be an amount sufficient to maintain ongoing operations and programs for a three-month period of time. The Operating Reserve Fund serves a dynamic role and will be reviewed and adjusted each year in response to any internal and external changes. The reserve shall be reported to the Board of Directors, and included in the regular financial reports.
3. Accounting: The Operating Reserve Fund will be separately recorded and maintained in the PSCDC accounting system and financial statements as the Board Designated Operating Reserve. The Operating Reserve Fund will be funded and available in cash or cash equivalents.

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4. The Executive Director will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished. The Executive Director shall notify the Board of Directors should the Executive Director determine that it is necessary to use Operating Reserve Funds.

5. Use of the Operating Reserve Fund: The Executive Director will submit notification of intent to use operating reserves to the Board of Directors. The notification will include the analysis and determination of the use of funds and plans for replenishment. The organization’s goal is to replenish the funds used within six months to restore the Operating Reserve Fund to the target minimum amount. Variation from this goal shall be highlighted in the notification. The Board of Directors may modify the use of the Operating Reserve Fund before authorizing a transfer from the Operating Reserve Fund. The board must approve all disbursements from the Operating Reserve Fund over \$10,000.

6. The Executive Director is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. The Executive Director shall provide regular monthly updates to the Board of Directors of progress to restore the fund to the target minimum amount if necessary.

7. As part of the yearly review of the Operating Reserve Fund, the Executive Director will annually discuss what additional risk factors might be considered for the organization, the impact of budgeting on operating reserve levels, and any requirements with funders or chartering organizations.

8. This Operating Reserve Policy will be implemented in conjunction with the other financial policies of the organization and shall be consistent with the PSC Investment Policy.

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C. Check Authorization

The following people shall be authorized to sign checks: The Executive Director, the Treasurer of the Board, and the Chairperson of the Board of Directors.

Any of the three signers may sign checks up to \$999.99 – other than if the payee is the signer, where a check of any amount in such case shall be co-signed. Checks \$1,000 and above require two signatures.

Other than as outlined in this policy, the Board of Directors shall approve disbursements in excess of \$10,000 that are not already authorized via an approved budget before they may be made.

D. Restricted Funds

1. The purpose of this Policy regarding Restricted Funds is to ensure fulfillment of a donor’s wishes regarding restrictions on a donation. It is a further purpose of this policy to create agreement between the Alliance and the donor to make clear any restrictions on a donation. It is further a purpose of this policy to document and ensure the PSCDC properly recognizes any restriction on the use of a donation.
2. Types of Donated Funds: The PSCDC shall clearly identify donations as Unrestricted, Temporarily Restricted, and Permanently Restricted as required to fulfill the wishes of its donors.
 - a. Unrestricted: All PSCDC funding that carries no restrictions.
 - b. Temporarily Restricted: PSCDC funds with donor imposed time-limited restrictions. Time-restricted means that the donation can be used for a particular purpose for a specified period, or it must support a specific program or campaign. When the time restriction is expired, or the project is complete, the funds become unrestricted. Examples include certain PSCDC initiatives or the completion of a building project.
 - c. Permanently Restricted: Permanently restricted funds never expire and must fulfill the donor’s restriction.
3. The PSCDC shall create accounts necessary to fulfill the donor’s wishes regarding unrestricted, temporarily restricted, and permanently restricted funds.

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- 4. Acceptance Restricted of Donations: The donor has the sole right to determine if a donation is restricted or not. As such, it is the policy of the PSCDC to memorialize in writing, preferably through an explicit agreement, any restriction placed upon any contribution to the PSCDC including a clear definition of the terms of the restriction.
- 5. Further, it is a policy of the PSCDC to clearly identify fund raising efforts as Unrestricted, Temporarily Restricted, or Restricted. Contributions designated to fund certain PSCDC initiatives should preferably be clearly identified as "Temporarily Restricted" if it is desired that the restriction on the funds lapses such that the funds can be used as initiatives change.

E. Loan Fund

The PSCDC will establish a separate fund consisting of funds available to loan to third parties. The PSCDC will retain these funds in such separate fund and establish a Loan Policy which shall govern the use of these funds.

III. RESPONSIBILITY

The President of the Board of Directors is responsible for the administration of this policy.

_____ Date

_____ Secretary

Board of Directors Policy

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I. OBJECTIVE

To ensure that Board of Director (“Board”) meetings of the Pagosa Springs Community Development Corporation (“Corporation”) are conducted in an efficient and professional manner.

II. POLICY

Public Comment

- A. Members, media, and the public who attend the board meeting will be given an opportunity to speak at the beginning of each Board meeting. Any person wishing to speak should notify the Board President or Executive Director prior to the start of the meeting.
- B. Comments from the public will generally be kept to no more than five (5) minutes per individual. The Board President will use his/her discretion in managing comments from the public to ensure that the public has sufficient opportunity to address the Board while not impacting meeting efficiency.
- C. Comments from the public will be directed to the entire Board, not to any individual since the Board acts as a body.

Order of Meetings

- D. The Board meeting will run, as near as practicable, with an established agenda. The agenda shall be divided into a public and executive section.
- E. Matters that may be discussed during the public section of the agenda shall be matters that the Board determines, in its sole discretion, are not confidential, privileged, or should otherwise be protected from public disclosure. Any other matters will be discussed during the executive section of the agenda.
- F. Members, media, and the public may attend the public portion of the meeting, which shall be scheduled, as nearly as possible, to occur first in order.
- G. Any non-essential personnel, members, media, and the public shall be excluded from the executive portion of the meeting, which shall be scheduled, as nearly as possible, to occur second in order.

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H. The Board President shall have the authority to exclude any person from any portion of the meeting as deemed necessary to ensure an orderly and efficient meeting.

III. RESPONSIBILITY

The President of the Board of Directors is responsible for the administration of this policy.

Date

Secretary