

## **MVDC POLICY #3**

### **Control, Management and Expenditure of Funds**

Control, management and expenditure of funds will be under the responsibility of the Board Treasurer or her/his designee as described below. This authority is formally accorded by the Board to the role of Treasurer and is not subject to re-authorization should the person occupying the position of Treasurer change. The authority so delegated by the Board to the Treasurer notwithstanding, the Treasurer reports to the Board of Trustees whose reporting requirements are separately detailed in the Board's by-law provisions. The by-laws also provide the procedure for the annual election of Treasurer or on an interim basis in the event of the timely departure of an elected Treasurer.

Budgets created annually by the Treasurer and revised from time-to-time to reflect changes in financial requirements are approved, in sequence, by the Executive Committee of the Board and by the entire Board. Approved budgets serve as the basis for all expenditures.

Under the current structure, two broad types of expenditures are recognized, each of which will carry some uniqueness. Because of the distinct differences between the two types of expenditures, two budget sub-sections will identify the projected funding for each expenditure category. Funds for each will be strictly segregated and will not be commingled. However, at the Board's discretion and formal budget revision and approval, funds may be transferred, e.g., from the General Operating Fund to the MVDC Fund (see below):

#### **Expenditures from the MVDC Fund under the Fiscal Sponsorship Agreement with the Martha's Vineyard Community Fund**

The MVDC Fund is used to provide monies for Programs and Projects formally approved (see Policy Statement entitled "MVDC Policy Guidance for New Committees, Projects and Programs") by the Board.

The annual budget will reflect, insofar as practicable, the multiple, specific expenditures anticipated in the course of each Program or Project for the current Budget Year. Matching specific, anticipated expenditures in a budget to the actual basis(es) for expenditure(s), e.g., invoices from service providers, will bring efficiency to the Treasurer's reporting to the Board and minimize the number of requested budget revisions by the Board. Importantly, this careful budgetary planning constitutes a process of payment pre-approval with the requirements that the Treasurer 1] accounts monthly to the Board for all expenditures and 2] brings to the Board in a timely manner any expected deviations from budget unless the possibility for such deviation was anticipated, noted and approved in the originally approved budget as a possible contingent cost.

The process by which the Treasurer or her/his designee approves invoices and interacts with the Martha's Vineyard Community Fund (MVCF) to initiate payments to be made by MVCF are documented in \_\_\_\_\_.

Expenditures from the MVDC checking account (Martha's Vineyard Bank) under the General Operating Budget

The Treasurer will directly manage, control and expend funds for MVDC's General Operating Budget. Annual budgets will be created in large measure following the requirements set down above for the MVDC Fund but with the recognition that general operating needs are somewhat less predictable. Expenditures which comply with the Annual Budget are approved by virtue of the Annual Budget being approved by the Board.

The Executive Committee is authorized to approve the Treasurer's request for unforeseen expenditures of up to \$500 and for individual line-item expenditures of up to 15% of one or more line items with the understanding that the budget deviation(s) will be presented to the full Board at its next meeting. For unforeseen expenditures over \$500 which must be made prior to the next full Board meeting, the Executive Committee will convene a special meeting by electronic means (e.g., Zoom, Skype, email, phone, etc.) to seek approval by a majority of a quorum of the Board.

Note: In addition to the Executive Committee's and full Board's oversights, an Annual Financial Audit will be conducted. The audit process will be described in a separate policy statement.