
Figure V.H. Financial Operating Policies

Gunnison Ranchland Conservation Legacy Financial Operating Policies

A. Budget Planning and Control

1. Generally accepted accounting procedures shall be practiced by the GRCL.
2. The GRCL accounts shall be kept on a modified cash basis.
3. An annual budget will be drafted by the Executive Director in November of each year in consultation with the Treasurer, for presentation to the Finance Committee in December. The budget draft approved by the Finance Committee will be presented to the entire board for approval in January.
 - a. Zero-based, not incremental, budgeting will be used to prepare the annual budget.
 - b. Two budget formats will be provided:
 - i. a detailed operating budget showing expenses and proposed revenues for functional categories, which is intended for internal organizational use
 - ii. a summary budget form for possible distribution to other entities, showing proposed and actual expenditures and revenues summarized by functional category.
 - c. A separate cash flow analysis shall be prepared with the budget

B. Check Authorization and Signing

1. In general, the Executive Director will approve invoices and reconcile the checking account(s). the Board Treasurer or President will sign checks, and staff will process invoices and write checks.
2. Exceptions:
 - a. The Executive Director may sign checks for routine purchases under \$100.
 - b. Two signatures (President and Treasurer) are needed for check amounts over \$2000.

C. Cash and Capital Assets

1. Financial accounts may only be opened with the approval of the Board President and Board Treasurer. All signature cards should include their signatures. The Executive Director should also be a signatory on the general checking account.
2. No more than \$100,000 total shall be kept in any single financial institution, including all branches thereof.
3. Any donations of securities, real estate, or other appreciated assets will be sold and the cash deposited in accordance with the GRCL Investment Policy.
4. As capital assets are acquired, the Finance Committee will propose policies relating thereto, for full approval by the board.

D. Audits

An external audit of the previous year's financial records shall take place annually. The Executive Director will provide a recommendation for potential auditor(s) to the Finance Committee, for eventual full board selection. The Finance Committee will review each annual audit and propose either acceptance or rejection to the full board.

E. Reporting

1. The Executive Director will provide monthly financial reports to the full board, to include:

- a. Financial status as relating to the budget, in monthly increments
 - b. Cash flow analysis, in the same increments as the budget status report
 - c. Summary of GRCL assets, including all accounts and providing total return figures (dividends and interest plus capital gains or less capital losses, less expenses) for investments or short-term reserve accounts.
 - d. A listing of donations received for the past month, including the name of the donor, contact information, amount given, date of the current donation, and a listing of any amounts given previously. This report should also include a summary of donations to date and how that compares with projected donations. A third part of the development report should list who gave previously but has not given in the current year.
 - e. All reports should be very clear and easy to read and understand.
2. An annual Unaudited Financial Report shall be provided to the board by February 1st of each year, summarizing all assets of the GRCL and the previous year's financial activity. A running comparison from year-to-year should be included as part of this report.
 3. The Finance Committee must be prepared to recommend action to the full board if financial activity deviates significantly from the budget proposals.

F. Funds and Reserves

1. The GRCL shall maintain an Operating Fund for daily expenses that meets most projected routine expenses for a 14-day period.
2. The GRCL shall maintain an Operating Reserve Fund that can cover six months of minimal expenses without additional revenue.
3. The GRCL shall hold funds for specific projects or purposes, such as 1% for Open Space funds that must be spent in specific locations, or known upcoming projects for which matching funds are accumulating. These designated held funds shall be invested according to the GRCL Investment Policy.
4. The GRCL shall observe the "Uniform Management of Institutional Funds Act" adopted in Colorado (West's C.R.S.A. §§ 15-1-1101 to 15-1-1109).

G. Financial Policies Relating to Fundraising

1. The GRCL shall comply with state charitable solicitation laws.
2. Donations shall be acknowledged within two weeks of receipt.
3. If a donor receives a premium or other substantial benefit in exchange for a contribution, the donor shall be informed that only the portion of the contribution in excess of the fair market value of the benefit is tax deductible.
4. All representations made in promotional, fundraising, and other public information materials are accurate and not misleading with respect to the GRCL's accomplishments, activities, and intended use of funds.
5. All funds are spent for the purpose(s) identified in the solicitation or in accordance with any stated wishes of the donor.
6. Overall costs of fundraising are reasonable as a percentage of funds raised.

H. Other (Loans, Insurance, etc.)

1. The GRCL shall provided liability insurance for the Board of Directors, staff and any capital assets.
2. Any need for loans or other additions to the financial policies shall be reviewed by the Finance Committee and a recommendation provided to the full board for consideration and approval.
3. These financial policies can be amended by the full board of the GRCL at any time.