## Financial Procedures

### 1. Governance and Financial Oversight

**1.1. Board and Finance Committee Oversight**

* The Board of Directors provides overall financial oversight for the [Organization].
* The Finance Committee, appointed by the Board, will review budgets, financial reports, and compliance with financial policies.
* The Chief Operating Officer (or Treasurer) will provide monthly financial reports to the Treasurer, who will present them to the Finance Committee. The Treasurer will present quarterly financial reports to the Board. Board members will have ongoing access to monthly financial reports for transparency.

**1.2. Budgeting Policy**

* The Executive Director will draft an annual budget, reviewed by the Finance Committee, and approved by the Board.
* Quarterly reviews will assess budget-to-actual performance, with adjustments approved by the Board if variances exceed 10%.

**1.3. Fiscal Year**

* The fiscal year for [Organization] will run from January 1 to December 31.
* The budget for the next fiscal year will be approved at a board meeting by November 30.

2. Income Management Policies

2.1. Membership Dues and Fees

* [Organization] will track annual or monthly membership fees from individual members, industry partners, and affiliate organizations.
* Renewal reminders will be sent 30 days before expiration and followed up regularly to ensure continuity.

2.2. Donations and Grants

* Donations to [Organization] will be acknowledged within 10 days of receipt with a formal thank-you letter and receipt.
* Restricted donations will be tracked separately to ensure compliance with donor intent.
* [Organization] will maintain a grants tracking system to monitor compliance and reporting deadlines, ensuring that funded initiatives align with our mission to empower Columbus’s fashion ecosystem.

2.3. Sponsorships and Event Income

* Sponsorship agreements for [Organization] events and initiatives will be documented and tracked for deliverables and sponsor benefits.
* Event income, including ticket sales and donations, will be reconciled within 5 business days after the event concludes.

3. Expense Management Policies

3.1. Expense Reimbursement

* Employees, contractors, and Board members must submit reimbursement requests within 30 days with original receipts.
* [Organization] will follow the IRS mileage rate for travel reimbursements related to official business, such as attending conferences or coordinating events.

3.2. Procurement Policy

* Contracts over $2,500 require three quotes and approval by the Finance Committee.
* Purchases exceeding $x require prior approval by the Board.
* [Organization] will maintain a vendor list to ensure quality and cost-effectiveness in its partnerships and procurement processes.

3.3. Credit Card Use Policy

* Organizational credit or debit cards will be issued to the Executive Director and approved staff members for official expenses.
* Receipts for all credit card transactions must be submitted within 10 days of purchase.
* Monthly credit/debit card statements will be reviewed by the Finance Committee for accuracy and compliance.

4. Internal Controls

4.1. Segregation of Duties

* [Organization] will implement segregation of duties to prevent fraud. Financial transactions will require separate individuals for authorization, recording, and custody.
* Checks exceeding $1,000 will require two authorized signatures.

4.2. Cash Handling Policy

* Cash collected during events or programs will be counted by two individuals and deposited into [Organization]’s bank account within 48 hours.
* A receipt will be issued for all cash donations and deposits to maintain transparency.

4.3. Bank Reconciliation

* Bank reconciliations will be performed monthly by an independent party. If no independent party is available, this task will be assigned to a designated Board or staff member.
* Discrepancies will be promptly reported to the Finance Committee and resolved.

5. Financial Reporting

5.1. Monthly and Quarterly Reports

* The Executive Director will prepare monthly income and expense reports for the Finance Committee.
* Quarterly financial statements, including a statement of financial position, will be reviewed by the Board to ensure [Organization] remains fiscally sound.

5.2. Annual Financial Statements

* Annual financial statements will be prepared and reviewed by the Board.
* Financial statements will be made available to the public upon request to promote transparency and trust within the Columbus fashion community.

5.3. Audit and Review

* An independent audit or financial review will be conducted every two years.
* [Organization] will retain financial records for seven years to comply with IRS requirements.

6. Compliance and Ethics Policies

6.1. IRS Compliance

* [Organization] will file Form 990 annually by the IRS deadline.
* All contributions will receive written acknowledgment suitable for tax purposes.

6.2. Conflict of Interest Policy

* Board members and employees must disclose any potential conflicts of interest annually.
* Any related-party transactions must be reviewed and approved by the Board to maintain ethical standards.

6.3. Record Retention Policy

* [Organization] will retain financial records, contracts, and meeting minutes for seven years to ensure compliance and preserve institutional knowledge.

7. Fraud Prevention and Risk Management

7.1. Whistleblower Policy

* Employees, volunteers, and Board members are encouraged to report suspected fraud or unethical behavior without fear of retaliation.
* The Governance Committee or an independent third party will investigate all reports of fraud.

7.2. Fraud Monitoring

* The Finance Committee will conduct random checks of financial records annually.
* Any irregularities will be promptly reported to the Board for resolution.

8. Reserves and Investment Policy

8.1. Reserve Fund Policy

* [Organization] will maintain a reserve fund to cover at least three months of operating expenses, ensuring financial stability.
* Withdrawals from the reserve fund require prior approval by the Board.

8.2. Investment Policy

* Funds not required for immediate use will be invested conservatively to preserve capital while maintaining liquidity.
* The Finance Committee will review the investment portfolio quarterly to ensure alignment with [Organization]’s financial goals.

9. Fundraising and Donor Management Policies

9.1. Ethical Fundraising

* All fundraising activities will align with [Organization]’s mission to empower the Columbus fashion community and promote transparency.
* [Organization] will respect donor intent and ensure restricted gifts are used accordingly.

9.2. Donor Stewardship

* Donors will receive regular updates on the impact of their contributions, showcasing the tangible benefits of their support to the local fashion ecosystem.
* Major donors will be recognized through personalized engagement, exclusive events, and public acknowledgment where appropriate.

10. Technology and Data Security

10.1. Use of Technology for Financial Management

* [Organization] will use cloud-based accounting software to manage finances, restricting access to authorized personnel.
* Financial data will be backed up regularly to ensure continuity and prevent data loss.

10.2. Data Privacy and Protection

* Donor and financial data will be securely stored with encryption and password protection.
* Passwords will be updated quarterly, and access logs will be monitored for unauthorized activity to protect sensitive information.

**Adopted by the Board of Directors:** [Date]