

# BMTD Financial Policy

## Accounting and Budgeting

1. The district prepares and adopts an annual budget that incorporates all general fund resources, grant funds, other revenue sources, cash on hand, savings, debt service funds, expenses, transfers, reserve funds, and investments.
2. The district uses fund accounting procedures and practices for budgeting, bookkeeping, and financial reporting. This includes rollovers when necessary.
3. The budget will be presented to the board by end of fiscal year. With board approval the budget will then be published.

## Transaction Reports

1. The district bookkeeping or district secretary/treasurer prepares a monthly transaction report or equivalent (i.e., general ledger report, profit and loss statement, QuickBooks report) as directed by the board.
2. The transaction report contains a listing of all transactions conducted since the last report, including a minimum of the following items:
  - Check numbers, dates, amounts, payees, and purposes of all checks written.
  - Deposits, dates, depositors, and purposes of deposits.
  - Summary of general journal entries, deductions, charges, and transfers. No misc category is to be used.
  - Interest of other earnings received.
  - Loan interest and principal paid (if applicable)
3. The board reviews transaction reports, monthly bank statements, and bank reconciliations at each meeting.
4. The transaction report is attached to and made part of the minutes at each regular board meeting.

## Accounts

1. A new account will only be opened with board approval. This will also include designation of signers on the account.
2. Documentation of the board decision for new account and signers must be written in meeting minutes and presented at following meeting.
3. No signer can cash checks made payable to BMTD.
- ~~5.~~ ~~No signer can take less cash from a BMTD deposit.~~
- 6-5. District bookkeeper may not spend over \$100 on any one transaction without board approval. Not to exceed 3 emergency occurrences per month.**

## Checks and Payables

1. The district will designate individuals to sign checks and make financial transactions up to the limits established by the board.
2. All district checks must bear authorized signatures of two bonded, unrelated persons.
3. No district check may be signed with a blank payee line or amount.
4. No debit cards are allowed since they do not require two signatures.
5. All persons signing checks shall review and approve all supporting documentation for each check prior to signing.

### **Deposits**

1. The district maintains a prenumbered receipt book or deposit ledger. Receipts are issued for all funds received as soon as funds are received.
2. All cash or check receipts shall be endorsed upon receipt, recorded and deposited in a timely manner.
3. At a minimum, funds are deposited at the end of the week to keep cash from being kept in the office over the weekend.
4. All bank deposit slips are reconciled to receipts.
5. All checks are endorsed immediately upon receipt.

### **Internal Financial Controls**

1. The district board will designate an individual to periodically review on a quarterly bases all financial records for assurance they are consistent with the **district's** bookkeeping entries and financial reports. For example:

- Bank checking and savings statements.

The district will review statements for missing checks shown by asterisks, unusual items or amounts not listed on transaction reports, direct deposits, transfers, non-check withdrawals, and bank charges. Canceled checks will be reviewed for appropriate bank stamp and signatures.

2. Blank checks are not signed.
3. Bank statements are mailed to the board office manager or treasurer's home.
4. All checks (canceled or voided) are kept for reconciliation purposes.
5. All checks must be presented for signature at the time of a board meeting only.

### **Audit Report or Review**

1. Annual audits or reviews are performed and discussed with the board.
2. The board will review the audit report including sections identifying areas of material weakness and recommend corrective actions.
3. The board takes official action at a board meeting to address concerns and recommendations identified in the audit.
4. The audit will be performed by a certified accountant chosen and voted on by the board at end of every fiscal year.

### **File Management**

1. Statements and invoices are filed referencing check number, date paid, account Number or grant number. Check stubs or copies of checks are attached to statements.
2. **The district maintains copies of all paid bills, invoices, deposits, bank statements, grant agreements and documentation, contracts, and loan information.**

### **Security**

1. Appropriate staff and board are bonded.
2. **The district uses lockable**, fireproof file cabinets for cash, checks, back-up media, contracts, and other important financial documents.
3. **All blank checks and receipts, cash boxes, and credit cards are properly safe guarded to ensure that only authorized persons have access.**
4. Only printed checks are used.
5. Passwords and security procedures exist to access computers, files, and financial information. Must be kept in a locked file cabinet at the district office.
6. Petty cash funds are not used.