

DANE COUNTY TOWNS ASSOCIATION FISCAL POLICIES AND PROCEDURES

As used herein, the term “Association” means the Dane County Towns Association.

The term “Board” means the Board of Directors of the Association.

The term Membership means the Towns of Dane County.

SECTION 1. GENERAL FINANCIAL POLICIES

1.1 The Association's fiscal period begins January 1 and ends December 31.

1.2 The financial records of the Association shall be maintained on a cash basis of accounting.

1.3 All persons involved in handling the financial affairs of the Association have a fiduciary duty to the Association and its members to account for all moneys that are under their control and to manage those funds consistently with these policies and the direction of the Association.

1.4 The Association shall designate a qualified person or firm to manage the receipt of payments and disbursement of expenses.

1.5 It is the policy of the Association that the funds of the Association shall be used strictly for the purposes authorized by the Membership or Board of the Association, and that there shall be complete accountability and openness as to all expenditures and receipts.

SECTION 2. ACCOUNTS AND DEPOSITORIES.

2.1 The Association shall designate as depositories one or more financial institutions which offer insurance against loss of deposits.

2.2 All receipts and disbursements of the Association shall be made from accounts recognized as depositories.

2.3 All financial records of the Association must be properly maintained in a secure manner. Records shall be open to inspection by the Association's officers or member Towns.

SECTION 3. REPORTING AND RECONCILIATION OF ACCOUNTS.

3.1 On a monthly basis, the bookkeeper will report the balances of all accounts, and report on all income and expenses to the President and Board of Directors of the Association.

3.2 Annually, or whenever requested by the Board of President, the bookkeeper shall provide a full report of all assets of the Association, including cash, investments, fixed assets, and other assets.

SECTION 4 –DISBURSEMENTS

4.1 All disbursements are to be made by issuing checks drawn on the established Association accounts, except as stated in section 4.2

4.2 a. No checks may be made out to "cash".

b. If it is necessary to provide cash for a specific purpose, the amount needed shall be disbursed by check to a specific person, who shall be responsible for furnishing receipts for the use of the cash and refunding any unexpended cash. A request for disbursement must be supported by original documentation that justifies the purpose of the disbursement and is

attached to the request. The recipient of the cash shall be responsible for any shortfall in the balance returned to the Association.

4.3 Authorized check signers must be re-affirmed at the commencement of the term of the Board of Directors following the annual meeting in the odd-numbered year.

4.4 Checks or withdrawals of less than \$2,750 may be signed by one of the following: the President or an authorized staff person. Checks over \$2,750 must be signed by two of the above individuals.

4.5 A person who has no check signing authority shall handle and be responsible for recording of financial transactions and the maintenance of financial records of the Association. Persons who have checking signing authority shall not have access or authorization to modify financial records of the Association.

4.6 The Association shall carry a fidelity bond or appropriate insurance coverage for any director, officer, or employee who handles agency funds.

4.7 Expense reports other than per diems paid for regular meetings of the Board or the Members of the Association shall be approved by an officer or the Board of Directors.

SECTION 5 – PURCHASE AND CONTRACTS

5.1 All purchases (excluding professional services and recurring, budgeted obligations) over \$250 must be pre-approved by the Board of Directors.

5.2 The Association shall not have a credit card or a debit card. If a particular transaction may be made only by credit card, the individual involved shall use a personal credit card and submit the expense for reimbursement.

5.3 Any unbudgeted purchases or expenditures in excess of the line item in the budget require prior authorization by the Board of Directors.

5.4 The Board of Directors must approve or specifically authorize a contract, lease, or commitment for the Association that is longer than one year or over \$3,000.

5.5 The Association should obtain and document at least three competitive bids for all purchases of goods greater than \$1,000.

SECTION 6 – CASH ADVANCES OR OTHER PAYMENTS TO STAFF

6.1 Cash advances are paid to officers or staff at a rate of \$50 per day only if the officer or staff person is traveling out of state on business for the Association. An expense report is due from the staff person within five days of their return.

6.2 The Association will reimburse staff for reasonable business expenses incurred in connection with the business of the Association that have been properly approved and are submitted for payment with proper documentation.

6.3 No loans or advances on payroll will be made to a staff person or officer.

6.4 Board members and officers may be reimbursed for reasonable travel expenses submitted in writing within 30 days of attendance at a meeting outside Wisconsin approved in advance by the Board. Reasonable travel expenses may include airfare (least expensive fare class), airport shuttle service, taxi, and/or mileage reimbursement. Mileage will be paid at the prevailing IRS approved rate for round-trip mileage. Airfare will be reimbursed only for trips exceeding a two-hour, one-way driving time.

6.5 The President will approve all payments under sec. 6.4 in advance of reimbursement. Reimbursement will be made within 15 days of submission for reimbursement.

SECTION 7 – RECEIPTS AND DEPOSITS

7.1 Deposits will be made within one work week of their receipt. A scanned copy of the bank's deposit receipt will be provided to the Board by email. The bookkeeper will match the total from the check log to the total from the bank's deposit receipt, and initial them on the corresponding forms. The bookkeeper will file the matching check logs and bank deposit receipts.

7.3 Funds received by the Association will be deposited timely to a financial institution that the Board of Directors has authorized, provided however, that each institution in which funds are deposited must be an institution where such deposits are insured by an agency of the federal government.

7.4 Acceptance of donations, such as charitable lead trusts, perpetual trusts held by third parties, charitable remainder trusts, charitable gift annuities, pooled income funds and donations of land, property, partnership interests, assets subject to lien, etc., require prior approval by the Board of Directors.

7.5 All contributions should be acknowledged in writing within five business days of receipt.

SECTION 8 – ANNUAL AUDIT REQUIREMENT

8.1 The financial statements of the Association will be audited annually.

8.2 The Board of Directors will be responsible for determining the auditor selection criteria and proposal process and for performing that process. The Board of Directors will recommend for approval to the full board the auditing firm identified through the proposal process.

8.3 The finance committee will review the audited financial statements and recommendations of the auditor, as well as management's response to the recommendations. The finance committee will present the audit to Board of Directors with a recommendation to accept the audit.

8.4 The Board of Directors reviews the audit, recommendations of the auditor, and management's response to the recommendations. The Board of Directors shall vote to accept or not accept the audit, and refer it to the Membership of the Association for review.

SECTION 9 – BUDGET

9.1 An annual operating and capital budget will be prepared by staff and recommended by the Board of Directors.

9.2 The proposed budget shall be prepared in the format prescribed for towns by Chapter 65 of the Wisconsin Statutes. The preliminary budget shall be provided to the Board of Directors on or before August 1 of each year.

9.3 The Board shall review and approve the Budget. The Budget shall be forwarded to the members for their review on or before September 1. The Budget shall be presented to the Membership for review and approval. If a quorum is not present, the Budget may be approved by a mail ballot.

9.4 The Board may amend the budget during the year.

SECTION 10 – BORROWING

10.1 Any action by and on behalf of the Association in borrowing money, establishing or canceling lines of credit, and or mortgaging, pledging, or authorizing liens on the property of the Association must be specifically authorized by the Membership.

SECTION 11 – OPERATING AND CONTINGENT RESERVES AND INVESTMENTS.

11.1 The Association shall maintain an undesignated general fund balance as an Operating Reserve in an amount of 20 to 35 percent of annual expenditures.

11.2 Reserve funds in excess of the operating reserve shall be placed in a Contingent Reserve for use in financing special projects, litigation and other actions approved by the Board of Directors.

11.3 The Association may invest reserve funds in depositories or funds approved by the Board of Directors and which are lawful depositories for Towns under Chapter 66 of the Wisconsin Statutes.

SECTION 12 – CONFLICT OF INTEREST POLICY

12.1 The Association will not enter into contracts or transactions with any other corporation, partnership, association, or other Association in which the Association's directors are directors, officers, or have financial interest (there is potential conflict of interest) without prior approval by an affirmative vote of a majority of disinterested directors.

SECTION 13 – PROHIBITED EXPENDITURES

13.1 Association funds may not be expended:

- a. For support of any political candidate for any office.
- b. For issue advertising or other communications which indirectly support a candidate for office without explicitly calling for the viewer to vote for a candidate.
- c. In litigation or administrative action involving an individual Town or Towns without the consent of the Town involved.
- d. For grants to other associations, Associations or individuals unless the purpose of such funding is specifically identified in a grant agreement, and relates directly to the Association's mission.
- e. For any purpose which is not directly related to the Association's primary purpose of improving town government and defending town interests.