

**Friends of Lower Suwannee & Cedar Keys NWRs
Financial Review Committee Meeting**

Monday, February 28, 2022

Participants: Malcolm Cox (non-board member accounting consultant), Debbie Meeks (President), Linda Kimball (Treasurer), Peg Hall (Immediate Past President)

The purposes of the meeting were:

- 1. To review Friends 2021 financial statements to assure they are accurate and appropriate,**
- 2. To review Friends financial procedures and policies to assure they support Friends' commitment to accountability and transparency.**

Financial Statements

In preparation for discussion of the first topic, committee members had reviewed (1) Friends 12-31-21 Balance Sheet (2) Friends 12-31-21 Profit & Loss Budget vs Actual Statement. Additionally, Mac had reviewed the monthly statements of the Friends bank accounts and others had reviewed the Friends' 2021 Transactions Statement.

The Committee specified that Friends uses cash basis accounting and that the fiscal year is the same as the calendar year.

Mac stated that he found all statements to be accurate and appropriate, with no significant or material problems or issues. He specified that if, in the future, the use of any revenue is restricted by a donor, for example if we received a grant for a specified purpose, the statements should make that clear. Also, in that case, that records of expenditures should make clear when they are from the donor-restricted funds in order to be able to assure that all restricted funds are being used only for the restricted purposes. Until we have donor-restricted funds, he believes it is rightly assumed that the funds we have are "unrestricted" and there is no need to label them as such.

Policies and Procedures

With reference to the second purpose of the meeting, all Committee members had reviewed the report from last year's Financial Review Committee and the section of the draft policies and procedures manual, in preparation, that relates to financial issues.

Discussing internal controls, the Committee discussed whether all board members should receive and review monthly bank statements. Mac advised that is not necessary but that the president, or another designated officer, should review them in addition to the treasurer.

Discussing expenses and accounts payable, the Committee noted that a 2010 policy by the board mentions a requirement for double signature of checks "as called for in the Bylaws."

However, there is no such requirement in the Bylaws. Mac recommended that we revise that motion, do away with the double signature requirement, which the Committee judged would be difficult to carry out with our geographically disbursed board. In his opinion, the fact that all expenditures must either be in the budget, come before the board for approval, or be within the amount the board has allowed the president to approve, is adequate to assure good practice. Double signature is not needed.

The Committee discussed whether there needs to be a stated reimbursement procedure. Mac suggested that Friends procedure for general expenditures procedures would include those for which someone paid and needed to be reimbursed. As long as the reimbursement is documented, no additional procedure would be needed.

The Committee discussed the need for a reserve, or “rainy-day” fund. Friends has a policy to reserve the excess of revenues over expenditures from year to year in expectation of wanting funds to seed projects related to the Vista property, when we have full access. Mac suggested that our Vista reserve would meet the standard rainy-day reserve procedure. He also suggested that it is good practice to be using some of the excess of revenues over profits to expand activities and programs in the following year, as we are doing by carrying over some funds from 2021 to 2022.

The Committee updated last year’s procedure review:

	2021	2022
1. Federally-mandated policies		
a. Conflict of interest	in place	in place
b. Document retention policy	in process	in draft
c. Whistleblower protection	in process	in draft
2. Revenue-related procedures		
a. Cash from third-party payers i.e. Square, PayPal, e-merchant	in place	in place
b. Check receipt process	in place	in place
3. Expenditure-related procedures		
a. Reimbursement policies	in place	in place
b. Payment approval and processing	in process	in place
c. Bank statement reconciliation	in place	change, in draft
d. Sales-tax procedure	in place	in place
4. Budgeting procedures	in place	in place
5. Reserve policy	in place	in place
6. Financial report-related procedures		
a. Accounting basis	in place	in place
b. Recording of restricted vs unrestricted revenues and expenditures	in process	in place

c. 990 related procedures

in place

in place

The unanimous conclusion of the committee was that financial management of the Friends is in good order.

Malcolm Cox

Malcolm Cox

March 5, 2022
date

Debbie Meeks

Debbie Meeks

March 10, 2022
date

Linda Kimball

Linda Kimball

March 5, 2022
date

Peg Hall

Peg Hall

March 5, 2022
date