InterFaith Alliance of the Southwest
Financial Management Policy

Purpose: To establish clear guidelines for the management, oversight, and accountability of all financial activities within IFASW, ensuring the integrity of financial operations, compliance with legal requirements, and alignment with IFASW's mission and objectives.

Scope: Applies to all financial activities conducted by IFASW, including income from donations, fundraising, grants, and other revenue sources, as well as expenses related to the organization's operations and programming.

Financial Oversight and Accountability

Integrity and Transparency: IFASW will maintain transparency in all financial transactions, ensuring that funds are used in accordance with the organization's mission. Financial records will be regularly reviewed and open to audit.

Compliance with Laws: IFASW will comply with all relevant local, state, and federal laws, including tax laws, non-profit regulations, and financial reporting requirements.

Ethical Financial Practices**:** All financial practices will align with IFASW's commitment to integrity, transparency, and accountability. Conflicts of interest must be disclosed and managed according to IFASW's conflict of interest policy.

General Financial Policies

Accounting System: The organization follows generally accepted accounting principles, with financial statements prepared using the accrual or cash basis of accounting. The fiscal year runs from July 1 to June 30.

Administration: Responsibilities are separated to ensure that no one person has sole control over critical accounting functions. Accounting records are updated regularly and reviewed by the Executive Director or Council quarterly. A filing system will be maintained for all financial records. This filing system may be electronic or paper, or both.

Exceptions: Policies and procedures which are not specifically addressed by this document may be determined by the Executive Officers when the financial impact is not over $1000 for any fiscal year. The Council must approve any unaddressed policy or procedure with an impact of over $1000.

Roles and Responsibilities

The Financial Team: Consists of the Treasurer, the Finance Assistants, and the Executive Director of IFASW. Together, they work to safeguard the organization's financial health and transparency. They are responsible for maintaining accurate records and ensuring smooth financial operations.

Treasurer: Responsible for overseeing all financial activities, including the review of income and expenses, management of deposits, check preparation, and the creation of financial reports. The Treasurer assists with budget management and ensures that all financial transactions are properly documented. This role also manages online financial platforms, maintains donor records, prepares end-of-year tax letters, and reconciles online transactions. In addition, the Treasurer is responsible and maintaining records of all online donations.

Finance Assistants: Council members appointed to assist with counting donations collected at events and, when needed, preparing or issuing checks. They also will help in acquiring quotes for services needed.

Executive Director: Administers these policies and ensures compliance with financial procedures approved by the Council, including making spending decisions, creating procedures, and entering into contracts.

Financial Procedures

Income and Revenue Management: All income, including donations, grants, and event proceeds, must be recorded and deposited promptly. Online donations are processed and tracked by the Financial Team, with regular reconciliations.

Expense Management: All expenses must be documented with receipts or invoices, with purchases exceeding $200 requiring approval from the Financial Team.

Financial Reporting: The Treasurer provides regular income and expense statements which are shared with the Council. An annual financial report is prepared which is shared with donors and the general public.

General Accounting Policies

Banking: IFASW maintains separate bank accounts for operating expenses and savings. The Financial Team ensures that deposits and withdrawals follow proper procedures. No more than $100,000 shall be on deposit at any one financial institution in order to not exceed FDIC insurance limits.

Deposits and Check Signing**:** Deposits are completed by the Treasurer or a designated Council Member. A minimum of two check signers are appointed by the Council. Checks require approval from the Treasurer and the Executive Director. No blank checks are signed in advance and no checks may be written to "cash" or "bearer."

Disbursements and Reimbursements: Disbursements must be authorized and supported by appropriate documentation. Reimbursements for personal expenses require prior approval, with relevant receipts attached. Invoices are paid in a timely manner.

Petty Cash: A petty cash account is maintained with a limit of $200, used for small transactions and to provide change at fundraising events. Funds are replenished when the balance drops below $100.

Financial Controls

Authorization of Transactions: All financial transactions must be approved by the Treasurer or Executive Director. Checks over $500 require dual signatures. Expenditures over $200 must be approved by the Treasurer and Executive Director. For purchases greater than $1000 the Financial Team will seek quotes from three suppliers who provided the service or product solicited.

Reconciliation: Bank accounts and financial records must be reconciled monthly, including online donation platforms, bank accounts, and the general ledger.

Auditing: Once IFASW's budget exceeds $250,000, regular audits will be conducted by an independent auditor to ensure compliance with financial policies. The results will be presented to the Council and shared with funders as required.

Budgets

Once IFASW's income surpasses $10,000 annually, a budget for the fiscal year will be prepared by the Treasurer and Executive Director which will be approved annually by the Council prior to the beginning of the fiscal year. The budget will be reviewed mid-year and adjusted as necessary to reflect changing conditions. Proposed changes in the budget which exceed $1000.00 or 50% of the line item, whichever is greater will need approval from the Council.

In Kind Donations

The value of donated materials and services is determined by the Financial Team and is recorded at a reasonable estimate. The value does not exceed the value at which the organization could have purchased those materials and services.