

# Financial Policies and Procedures

Approved September 15, 2021



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# ACCOUNTING

# ACCOUNTING

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## **Accounting Method**

UNA utilizes the accrual basis of accounting, which recognizes revenues when they have been earned and expenses when they have been incurred.

## **Accounts Payable and Accruals**

UNA accrues unpaid expenses on its financial records if such expenses are in excess of \$500 individually or \$1,000 in aggregate. Accruals are done monthly as part of the close process. Expenses needing to be accrued are to be submitted to the accountant once UNA is made aware of the accrued expense.

## **Amortization and Leasehold Improvements**

UNA amortizes computer software and leasehold improvements exceeding \$5,000 individually. Computer software will be amortized over its estimated useful life. Leasehold improvements will be amortized over the lesser of their estimated useful life or the remaining length of the lease term. Expenditures under this amount will be considered ordinary repairs and expensed in the period incurred.

## **Budget**

An annual budget will be approved and adopted by the UNA Board of Directors. The budget shall be presented to the Board for approval at the January meeting. The Chief Executive Officer (CEO) is responsible for following the approved budget and ensuring that expenses be managed reasonably in accordance with the annual budget. Should amendments be required, it is the responsibility of the CEO to seek approval in advance if expenses are anticipated to exceed budgeted amounts by more than a minor amount. To monitor the budget, the Treasurer will provide the budget vs. actual in the financial reports which are provided regularly to the Board of Directors.

# ACCOUNTING

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## **Capitalization Cutoff Points**

UNA expenses assets in the period purchased if these assets cost \$5,000 or less individually. Assets costing in excess of \$5,000 individually will be capitalized and depreciated in accordance with UNA's depreciation policies. Repairs and improvements to real property and leasehold improvements will be capitalized if they cost in excess of \$5,000 individually and significantly extend the useful life of the asset. Capitalized assets will be added at least annually to the depreciation schedule to ensure accurate depreciation postings and asset carrying values.

## **Chart of Accounts**

UNA maintains a chart of accounts. The chart of accounts will be reviewed annually by the CEO and the Accountant. Any changes or updates will be made by the Accountant.

## **Deferred Revenues**

Revenues that have not been earned will be included with deferred revenues on the financial statements and recorded as revenue when earned. This includes revenues for future events/classes, which will be counted as earned revenues in the month of the event/class and unexpired portions of the exchange portion of membership revenue, which are amortized using the straight-line method over the life of the membership term

## **Depreciation**

UNA depreciates fixed assets, other than real property, using the straight-line method over the estimated future life of the property. Fully depreciated fixed assets will remain on UNA's statement of financial position until they are disposed of or otherwise deemed worthless.

# ACCOUNTING

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## **Financial Statement Preparation and Distribution**

UNA prepares and distributes monthly financial statements to the UNA Board of Directors that will include the Statement of Financial Position (Balance Sheet), the Statement of Activity (Income Statement), the Budget vs. Actual report, and reasonable supplemental schedules requested by the Board of Directors and/or Executive Committee.

## **Leases**

UNA records leases as either capital leases (as fixed assets) or operating leases in the financial records, based on appropriate qualifying criteria and applicable accounting guidance.

## **Long-Term Debt**

UNA includes the current portion of long-term debt (the amount due to be paid within 12 months) within the current liabilities on the financial records. Only the non-current portion of long-term debts will be included in the long-term debt section of the financial records.

## **Prepaid Expenses**

UNA treats payments of expenses that have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period. Payment of any expense of \$500 or less will not qualify as a prepaid expense.

# ACCOUNTING

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## **Travel Expenses**

- All travel expenses for UNA business are to be reasonable and practical.
- No first class/business air travel is allowed.
- Alcohol is not an expense that can be reimbursed or expensed.
- No companion coverage is allowed.
- Mileage for use of a personal vehicle will be reimbursed at the then-current IRS-approved rate.
- An expense report is required to be submitted within 30 days of travel. Appropriate documentation, such as receipts and invoices, must be provided to substantiate each transaction and be submitted with the expense report.



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# FINANCIAL



# FINANCIAL

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## **Access to Records**

It is the policy of UNA to make available, on its website, for its members and the general public the following records of UNA:

- IRS Form 990
- The tax-exempt declaration/letter provided by the Internal Revenue Service (IRS)
- Reviewed Financial Statements prepared by a reputable accounting firm

## **Bank and Credit Card Reconciliations**

Bank and credit card statements are delivered electronically to UNA. Upon receiving/opening those statements, the CEO will do an initial review of expenses and deposits. Following that initial review, these monthly statements will be provided to the Accountant.

While reconciling the bank and credit card statements, the Accountant presents any questions to the Chief Executive Officer and assures they are answered and all expenses are accounted for prior to full reconciliation. Once reconciliation is complete, the accountant provides the reconciliation to the Chief Executive Officer for their review and approval. Once approved, the CEO's designated staff person will then provide the reconciliation to the Treasurer of the Board of Directors for their approval and review. The Treasurer will address any questions to the CEO and/or their staff designee.

# FINANCIAL

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## **Check Disbursements and Invoices Paid**

UNA utilizes online banking services, including the bill pay service, provided by the banking institution.

All online check disbursements will require an invoice, receipt, or other appropriate documentation and an accompanying check request form which indicates a description of the service, the account code and the class code. UNA is utilizing a form manager through its database and website which allows for staff to upload the appropriate documentation which can then be viewed by the Accountant. For invoices paid to independent contractors, a current W-9 is required. A W-9 is required for any and all payments to be made to those who are not staff. This includes speakers, trainers, professionals UNA hires to complete a project or job, etc.

# FINANCIAL

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To assure adequate protection against fraud or financial misconduct, UNA follows the specific process for accounts payable. Specifically:

- The CEO's staff designee (the person responsible for the administrative functions at UNA), upon receipt of the invoice/receipt and check request form, will enter the payee into Bill Pay.
- Through the internal accounting process which is created in an excel document, stored on SharePoint, and has all supporting documents included therein, they then will notify the Accountant that a check needs to be paid.
- The Accountant then enters all applicable information into the accounting software and indicates on the excel document described above, that the payment is ready.
- The CEO will then review the submissions for accuracy, assure that the appropriate documentation is provided, and then submit the payment on Bill Pay. This step requires the CEO to follow the process for payment as outlined by the financial institution.
- When payment limits exceed policy (see below), and a board member is needed, the board member will be provided all of the necessary access to online banking platforms and information related to the payment request so that they can check for accuracy, assure appropriate documentation, and submit the payment on Bill Pay.
- Once payment has been submitted, the CEO (or Board Member) will mark (through initials) on the Excel document described earlier that the expenditure has been paid and they will also document the payment confirmation code.

# FINANCIAL

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## **Check Endorsement/Stamp**

It is the policy of UNA to endorse checks with either a stamp or written description indicating: "For Deposit Only"

## **Check Signers and Bank Account Access**

It is the policy of UNA to give bank access and authority to approve certain expenditures to the following officers and positions:

- Two members of the UNA Executive Committee as designated by the Chief Executive Officer (CEO) and approved by the Executive Committee
- Chief Executive Officer

Checks issued for payment of UNA's debts will require the following approvals:

- Debts up to \$5,000 will require the approval of ONE of the above authorized individuals.
- Debts greater than \$5,000 will require the approval of TWO of the above authorized individuals.
- Checks made to the CEO at or above \$500 will require the approval of ONE of the above authorized individuals, excluding the CEO themselves.

Individuals responsible for check preparation and preparing bank reconciliations are prohibited from having access to bank and investment accounts. Any individual with access to funds held by the UNA must undergo a background check. Employees and board members that leave the UNA will be removed from the accounts at the time of their departure. As a point of information, UNA has decided to require authorization from designated individuals as indicated above. UNA understands that this is an organizational decision and not one that the banking institution enforces.

# FINANCIAL

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## **Contract Signing Authority**

UNA grants the authority to sign contracts to the Chief Executive Officer, as long as the financial implications of the contract are included in UNA's adopted operating budget. If the financial implication of signing a contract is not included in UNA's budget, Board of Directors' approval is required before authority to sign the contract is granted.

## **Control of Checks Received**

UNA endorses and deposits all incoming checks upon receipt. UNA prefers that deposits are made directly at the financial institution however, when not possible, mobile deposit may be used. When possible, those persons responsible for opening incoming mail and endorsing checks are prohibited from having any control over the accounts and records to which incoming payments may apply.

## **Credit Card Usage**

UNA safeguards the Organization's credit by requiring that the credit card balance be paid off timely and in full each month. All credit card rewards are to be redeemed for the benefit and use of UNA. The CEO may use discretion on which staff are provided a credit card and the spending limit on the credit card. Staff are encouraged to use the credit card over requesting reimbursement via a check request. Receipts for all purchases will accompany the expense report, which is provided to the Accountant and approved by the CEO each month. The credit card account is reconciled each month in accordance with the same process and policy of the monthly bank statements. Once the Accountant has reconciled the credit card account, the CEO then signs onto the credit card's online banking system and pays the bill. An electronic email confirmation is sent to the CEO. The CEO then emails the confirmation of payment to the Treasurer of the UNA Board of Directors and the Accountant. The Board Treasurer also is provided a detail of the Credit Card activity each statement, looks for unusual activity, and ask questions of the CEO and staff, as necessary.

# FINANCIAL

## Document Retention and Destruction

In accordance with Utah state code, the UNA adheres to 16-6a-16-1601.

The following table provides guidance and minimum requirements to retain documents.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit or review reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

# FINANCIAL

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## **Financial Statements**

UNA authorizes the Chief Executive Officer to distribute the reviewed financial statements to the Board of Directors and, if applicable, to organizations entitled to receive a copy (as outlined in agreements with organizations).

## **Fiscal Agency/Sponsorship**

UNA is the designated fiscal sponsor for the Utah Philanthropy Day celebration. This designation is reviewed regularly by the lead executives of the host organizations (UNA, UServeUtah, and Association of Fundraising Professionals Utah Chapter) and is affirmed with a signed Management Agreement. This management agreement can be signed in one, two, or three-year terms as determined by the Utah Philanthropy Day Executive Committee (the lead executives of each host organization). Beyond Utah Philanthropy Day, UNA will not consider fiscal sponsorship at this time.

## **Independent Contractors**

UNA evaluates the criteria established by the IRS and the State of Utah when assigning individual independent contractor status. Contractors will provide a W-9 and sign an Independent Contractor Agreement annually. UNA will issue IRS Form 1099 to independent contractors annually when required by IRS regulations.

Independent Contractors that will be involved in fundraising must register with the Department of Consumer Protection (in the State of Utah) as a professional fundraiser as mandated by state law. The permit they receive must be provided to UNA each year. Payment to the contractor will not be made until this permit is submitted.

# FINANCIAL

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## **Purchasing and Vendor Policy**

It is the standard procedure and guideline that UNA purchases products and services from different vendors. UNA wishes to ensure that UNA receives the best value and quality for the product and services purchased therefore a wide range of vendors are accepted including vendors owned by women, veterans, persons with disabilities, minorities, etc..

All new vendors should be vetted to ensure that they align with UNA values and mission in their work. In many cases it may be required to inviting multiple vendors to bid so that a proper selection can be made. All Vendors will be required, if UNA utilizes their services, to provide a copy of their up to date business license and an updated W9. Payments will be made in accordance with the Check Disbursements and Invoices Paid policy herein.

Please note that this process is applicable to new vendors for products or services over \$5,000. There are exceptions that would not be vetted by UNA. Those exceptions include:

- Taxes
- Interest and bank payments
- Government payments
- Ongoing organizational supply needs (i.e. office supplies and program expenses)
- Renewal of existing contract relationships (software maintenance, membership dues, fundraising agreements, accounting, etc.)



# FINANCIAL

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It is the policy of UNA to assure competitive bidding as outlined below:

- <5,000: no bid is required as long as the price seems reasonable, but comparative pricing is always recommended
- Over \$5,000: Must compare two or more bids delivered electronically
- Over \$25,000: Must solicit bids via a formal request process.
  - The formal request process must include all evaluation factors and their relative importance.
  - Contract should be awarded to the responsible firm whose proposal is most advantageous based on price and other factors outlined in writing to guide the bid evaluation process.
  - All participating vendors should be notified about the outcome of the request process.

As indicated herein, UNA grants the authority to sign contracts to the Chief Executive Officer, as long as the financial implications of the contract are included in UNA's adopted operating budget. If the financial implication of signing a contract is not included in UNA's budget, Board of Directors' approval is required before authority to sign the contract is granted.

# FINANCIAL

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## **IRS Forms - Form 990**

UNA allows public access to its IRS Form 990 (less the Schedule of Contributors) for the three most-recent filed tax years. This policy will conform to whatever the current status of IRS rules and regulations regarding public access to Form 990 (less the Schedule of Contributors) may be at the time the request is made. IRS Form 990 will be reviewed by the UNA Board of Directors prior to submission each year.

## **IRS Forms - Form 1099**

UNA completes IRS Form 1099 for vendors when required by law. A log of vendor Federal Identification Numbers will be maintained. Vendor Federal Identification Numbers are maintained within the accounting software. Form W-9 must be submitted and entered into the accounting software before initial payment is made.

## **Loans Prohibited**

UNA prohibits loans to employees, board members, individuals, and members of UNA under all circumstances.

## **Lobbying Expenditures**

UNA has taken the Election h designation with the IRS. UNA records lobbying expenditures and to report on Form 990 as required by Internal Revenue Code. The Organization will monitor the significance of lobbying expenditures in accordance with its IRS Section 501(h) election. When a lobbying activity occurs, UNA staff will account accordingly in their time and activity logs.

## **Paid Indicator**

UNA consistently and reasonably indicates that payment has been issued in accordance with the Checks and Invoices Paid policy.



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# INVESTMENTS

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## **Investment Policy – General Issues**

UNA invests the excess funds, as determined by the CEO and Board of Directors, with a reputable and noted brokerage company or FDIC/NCUA/SIPC Insured financial institution. The selection of the investment company will be made by the Chief Executive Officer with the approval of the Board of Directors of UNA.

## **Investment Criteria**

UNA invests the funds in a way to maximize the return while minimizing the risk of loss. Prior to investing in securities, the Chief Executive Officer and Executive Committee will evaluate the organization's risk tolerance and the profile of potential investments. Liquidity will be a criterion of the investment that UNA will consider.

## **Donor Restrictions**

UNA complies, to the best of its ability, with specific restrictions that any donor may make as to type of investments their donation may be held in. It is the policy of UNA to accept donations in accordance with the Organization's Gift Acceptance Policy.

## **Investment Performance**

UNA reviews annually the performance of the investments and, based on this review, determines if any changes are necessary in the investment criteria or in the brokerage company or investment advisor. The review will be made by the Chief Executive Officer. The Board of Directors and professional investment advisors may assist with this review, as determined necessary based on the size and complexity of investments.

# INVESTMENTS

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## **Asset Management and Investment Policy**

This Asset Management and Investment Policy for the UNA establishes the organization's expectations, objectives, and guidelines for the management of its assets and investment of its reserve funds. UNA may use its financial reserves to provide cash for operations, special projects, and capital expenditures as approved by the Board of Directors.

## **Policy Review and Decision-Making Process**

The authority to review and propose for approval changes in this policy is the responsibility of the Executive Committee, with final approval from the Board of Directors. The authority for investment discretion and decisions lies with the CEO of the UNA, in consultation with the Executive Committee.

## **Definitions and Goals for Funds**

### **Operating Fund**

This fund is meant to cover the regular operating expenses of the UNA. The Operating Fund must be kept on a strictly cash basis and can be held in checking, savings, or money market accounts. As of September 2021, the Operating Fund is in a Checking Account. Due to the uncertainty of cash flow it is recommended that four months of budgeted expenses remain in the account. It is the practice of UNA that the CEO may transfer balances (from the Savings Account) in and out of this account to accommodate this threshold.

# FINANCIAL

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## **Designated Savings Account**

To provide liquidity for ongoing operations, and accommodate for the changing of grant cycles or other receivables, UNA maintains a savings account that can be used for cash flow purposes. When possible, this reserve should hold enough funds to cover at least 3 months of budgeted expenses.

## **Certificate of Deposit Investments**

As of September 2021, UNA invests in tiered CD's through a local credit union. The ongoing goal of these investments is that they will be an investment above and beyond the amount allocated for in the Board Designated Reserve Fund. If such a surplus exists it may be invested in short-term instruments with an emphasis on ensuring liquidity for cash-flow purposes. As of September 2021 there are 5 CD terms in effect (6 month, 12 month, 3-5 month, 6-11 month, and 12-17 month). These CD's are set to auto renew at the close of each term and may not be utilized for any purpose without prior authorization from the Board of Directors. This is optional and can be used when circumstances allow.

## **Board Designated Reserve Fund**

To provide liquidity for ongoing operations, the UNA maintains an ongoing reserve fund of money that is restricted to uses expressly authorized by the Board of Directors and may not be utilized without prior authorization from the Board of Directors. . When possible, this reserve should hold enough funds to cover at least six months of budgeted expenses.

# FINANCIAL

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## **Investment of Board Designated Reserve Fund**

The primary investment objective of UNA's Board Designated Reserve Fund is to preserve and protect assets of the organization while earning an appropriate rate of return for each category of assets. In order to ensure that outstanding liabilities are covered and for short-term cash flow purposes, the first \$200,000 of the reserve fund should be kept in liquid, cash equivalent accounts. Funds beyond the initial \$200,000 may be invested according to the Asset Allocation Guidelines indicated below.

## **Asset Allocation Guidelines**

### **Investment Objectives (in order of importance)**

1. Capital Preservation
2. Liquidity
3. Current Income
4. Growth

### **Allowable Asset Classes**

- Certificates of Deposit from domestic issuers
- U.S. Treasury & agency securities
- Corporate bonds and notes, rated "A" or better by Moody's and Standard & Poor's
- Money market mutual funds
- Exchange Traded Funds
- Mutual funds

### **Risk Tolerance**

The first \$200,000 of the Board Designated Reserve Fund shall be conservative and conservative to moderate for the balance of the Board Designated Reserve Fund.

# FINANCIAL

## Target Rates of Returns

While rates of return will fluctuate over time, gains net of fees should outpace inflation. Additional growth is desired, but preservation of capital is the primary objective.

## Allocation of assets (for funds beyond initial \$200,000)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Cash Equivalent	0%	55%	5%
Fixed Income	0%	90%	70%
Equities	0%	40%	25%

## Endowment Fund (also included in the Contributions section)

UNA has an endowment with the Community Foundation of Utah and may accept donations of a perpetual nature that would be placed in its endowment fund. The purpose of the endowment fund is to provide a constant and continuous source of revenue for UNA. The policy in the endowment fund is that all dividends and interest earnings are available to UNA for operating purposes, all gains and losses are maintained as part of the corpus of the fund. UNA recognizes that the amounts contained in the endowment fund must be managed in accordance with the Uniform Prudent Management of Institutional Funds Act of the State of Utah. Any disbursements of the endowment will be made to UNA in accordance with the policies of the Community Foundation of Utah.

To assure the financial future of UNA, an endowment was started. The Board of Directors can decide, at any time, to make an annual draw from the endowment however, it is recommended than an exploration of a drawdown take place no earlier than January 2036.





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# CONTRIBUTIONS

# CONTRIBUTIONS

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## **Introduction**

It is expected that UNA will receive donations from various individuals, corporations, and other entities. These donations may come in the form of cash, stocks, materials, services, or other types of assets. Donations often are given with specific restrictions as to their use or may be of a nature that would prove harmful to UNA. The following sections will illustrate the policies of UNA as to the acceptance, recording of restrictions, and reporting of donations. It is the policy of UNA to accept donations in accordance with the Organization's Gift Acceptance Policy.

## **Donation Types and the Use of Discretion**

The desire of UNA is to receive donations and in-kind goods and services that will help to build its financial strength and carry out its purpose. Some donors may view any donation as one that should be accepted, however, UNA reserves the authority make determinations regarding any liabilities and assets the donation may place on the organization. As a result, UNA may determine that some donations are not to be accepted.

The policy of UNA is to accept donations of cash or items that could be easily converted to cash (i.e.: publicly-traded stocks, bonds). Stocks in private companies or other complex assets, may be accepted through the endowment that UNA holds through the Community Foundation of Utah.

# CONTRIBUTIONS

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## **Procedure for Valuing/Recording in-kind Contributions**

UNA will record in-kind contributions meeting the recognition criteria of Generally Accepted Accounting Principles, including donated goods, donated use of facilities, and donated services that are specialized in nature or that create or enhance nonfinancial assets. Upon accepting in-kind donations, the organization will request documentation from the donor to substantiate the nature and value of the in-kind donation. The value of in-kind donations will be evaluated for reasonability based on similar goods or services in the regular market. If documentation is not provided by the vendor, the Organization will make a good-faith effort to determine the nature and value of the donation based on similar goods or services in the regular market.

## **Donor Imposed Restrictions**

It is the policy of UNA to comply with and accept donor restricted contributions if those restrictions fall within the purpose and operations of UNA. It is the policy of UNA to accept donations in accordance with the Organization's Gift Acceptance Policy. If a donor imposes a restriction that UNA is unable to comply with, the donor will be immediately notified and if a resolution is not made, the donation will be returned to the donor.

The types of restrictions that are typical are as follows:

- Time restriction
- Purpose restriction
- Both purpose and time restrictions

UNA should receive in writing from the donor their specific restriction requests and a determination made as to the acceptability of the restrictions. UNA will deem all contributions that are accompanied without explicit donor instructions as to restrictions to be unrestricted thus used for any purpose within the operations of UNA. The recording and reporting of individual donor restricted contributions will be maintained in the accounting system of UNA.

# CONTRIBUTIONS

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## **Endowment Fund (also included in the Investments section)**

UNA has an endowment with the Community Foundation of Utah and may accept donations of a perpetual nature that would be placed in its endowment fund. The purpose of the endowment fund is to provide a constant and continuous source of revenue for UNA. The policy in the endowment fund is that all dividends and interest earnings are available to UNA for operating purposes, all gains and losses are maintained as part of the corpus of the fund. UNA recognizes that the amounts contained in the endowment fund must be managed in accordance with the Uniform Prudent Management of Institutional Funds Act of the State of Utah. Any disbursements of the endowment will be made to UNA in accordance with the policies of the Community Foundation of Utah.

To assure the financial future of UNA, an endowment was started. The Board of Directors can decide, at any time, to make an annual draw from the endowment however, it is recommended than an exploration of a drawdown take place no earlier than January 2036.

## **Donor Recognition**

It is the policy of UNA to acknowledge all donations with a thank you notice that complies with the current IRS guidelines. As a policy, UNA will acknowledge each donation at the time of receipt and provide an annual notification of all donations made to each individual donor.

## **Record Keeping for Contributions**

It is the policy of UNA to maintain records of all contributions by donor, all donor-imposed restrictions, and the history of contact with each contributor.



## TOPIC 5



# GIFT ACCEPTANCE

# GIFT ACCEPTANCE

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## **Gift Acceptance Policy**

### **Policy and Purposes**

This Policy represents the policy of the Utah Nonprofits Association (the "Organization") governing the solicitation and acceptance of gifts by the Organization. The Board of Directors ("Board") of the Organization and its staff solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will further and fulfill the Organization's mission. The mission (or a summary of the mission) of the Organization is: To Unify, Strengthen, and Elevate the Nonprofits in Utah.

Purposes of this Policy include:

- guidance for the Board, officers, staff and other constituencies with respect to their responsibilities concerning gifts to the Organization; and
- guidance to prospective donors and their professional advisors when making gifts to the Organization.

The provisions of this Policy shall apply to all gifts received by the Organization. Notwithstanding the foregoing, the Organization reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

# GIFT ACCEPTANCE

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## **Use of Legal Counsel**

The Organization. The Organization shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- Any proposed transfer of non-publicly traded securities;
- Any acceptance of estate bequests;
- Documents naming the Organization as trustee;
- Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring the Organization to assume an obligation;
- Transactions with a potential conflict of interest;
- Gifts of real estate;
- Pledge agreements; and
- Any gift with donor restrictions;

Donor. For non-standard gifts, in order to avoid potential any conflicts or potential conflicts of interest, the Organization should encourage prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

# GIFT ACCEPTANCE

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## **General Policy**

The Organization shall not accept gifts that:

- Violate the terms of the Organization's organizational documents;
- Would jeopardize the Organization's status as an exempt organization under federal or state law;
- Are too difficult or expensive to administer;
- Are for purposes that do not further the Organization's objectives; or
- Could damage the reputation of the Organization.

Subject to the sections below, all final decisions on the acceptance or refusal of a gift shall be made by the Board, or their staff designee.

## **Policy Regarding Specific Types of Gifts**

### *Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash).*

The Organization will accept unrestricted gifts of cash without prior review by the Board, provided that, for donations of \$50,000 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to the Organization.



# GIFT ACCEPTANCE

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## *Gifts Subject to the Board Review Prior to Acceptance.*

All gifts, other than unrestricted gifts of cash, must be reviewed by the Board, or their staff designee, prior to acceptance, unless the Board authorizes certain de Minimis gifts or categories of gifts to be accepted without its review. The following guidelines also apply:

**Tangible Personal Property:** The Board, or their staff designee, shall review and decide whether to accept gifts of tangible personal property by considering the following factors:

- Whether the property furthers the mission of the Organization;
- The marketability of the property;
- The restrictions on the use, display, or sale of the property; and
- Carrying costs and possible liability for the property.

## **Marketable Securities**

- Unrestricted marketable securities may be transferred to an account maintained by the Organization at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities will be accepted into our endowment and will be managed in accordance with the policies outlined with the Community Foundation of Utah.
- If the marketable securities are restricted by applicable securities laws, the Board, or their staff designee, shall make the final determination on the acceptance of the restricted securities.
- The organization will only accept donations where there is a liquidity event in 30 days or less, or approved by the Board.

# GIFT ACCEPTANCE

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## Closely-Held Securities:

Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Board, or their staff designee, of the Organization after review by legal counsel. The Board, or their staff designee, shall review and decide whether to accept closely held securities based on the following factors:

- Restrictions on the security that would prevent the Organization from ultimately converting the securities to cash;
- The marketability of the securities; and
- Any undesirable consequences for the Organization from accepting the securities.
- The organization will only accept donations where there is a liquidity event in 30 days or less, or approved by the Board.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board, or their staff designee, of the Organization with advice of legal counsel when deemed necessary.

# GIFT ACCEPTANCE

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**Bequests:** Donors may make bequests to the Organization under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP.

**Charitable Remainder Trusts:** The Organization may accept designations as remainder beneficiary of a charitable remainder trust. The Organization may accept appointment as trustee of a charitable remainder trust.

**Charitable Lead Trusts:** The Organization may accept designations as income beneficiary of a charitable lead trust. The Organization may accept an appointment as trustee of a charitable lead trust.

**Retirement Plan Beneficiary Designations:** The Organization may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP.

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## Life Insurance:

The Organization may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once the Organization is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the Organization will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Organization may:

- Continue to pay the premiums;
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

Donors may name the Organization as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with GAAP.

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## **Additional Provisions**

- a) Gift Agreements. The Organization shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition and use of earnings derived from the gift.
- b) Pledge Agreements. Acceptance by the Organization of pledges by donors of future support of the Organization (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.
- c) Fees. The Organization will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to the Organization. The organization will assure that legal counsel reviews any donation, other than cash and publically traded securities.
- d) Valuation of Gifts. The Organization shall record gifts received at their valuation on the date of gift, except that, when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP.
- e) IRS Filings upon Sale of Gifts. To the extent applicable, the Board shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by the Organization. "Charitable deduction property" means any donated property (other than money and publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations (e.g., the property listed in Section B on Form 8283). The Organization shall file this form within 125 days of the date of sale or disposition of the asset.
- f) Written Acknowledgement. The Organization shall provide written acknowledgement of all gifts made to the Organization and comply with the current IRS requirements in acknowledgement of the gifts.



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# CONFLICT OF INTEREST

# CONFLICT OF INTEREST

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## **Introduction**

UNA is a nonprofit corporation and has been granted tax exempt status from the IRS under code section 501(c) 3. Under this exempt status the operations of UNA cannot be deemed to benefit any one individual or group of individuals. To further the IRS's intent to enforce this notion a new level of sanctions have been created to penalize any individuals and UNA for what is known as Private Inurement or self-dealings.

UNA is intent on complying with the IRS rules and has therefore implemented a formal conflict of interest policy and requires that all members of the Board of Directors and staff sign annually.

## **Conflict of Interest Policy**

Conflicts of interest can be real or perceived; UNA intends, by policy, to limit the potential for complaints or challenges from outside or inside persons. The conflict of interest statement, contained herein, will be reviewed and modified periodically for changes in UNA operations and changes in Board of Directors and/or staff members. It is the responsibility of the Chief Executive Officer to ensure that a properly executed conflict of interest statement is on file for required parties.

# CONFLICT OF INTERST

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## **UNA Conflict of Interest Statement**

*(Included in UNA Employee Handbook and in Board of Director's annual affirmation documents)*

As an employee or board member of UNA, I understand that I have an obligation to the organization I serve, to the general public, and to myself to maintain the highest standards of ethical conduct. I will not commit acts contrary to these standards nor will I condone the commission of such acts by others within UNA. I understand that I have a responsibility to:

### **Confidentiality**

I will keep confidential information confidential unless legally obligated to do otherwise.

I will refrain from using or appearing to use confidential information acquired in the course of my service for unethical or illegal advantage either personally or through third parties.

### **Conflict Of Interest**

I will avoid direct or indirect, actual or apparent, conflicts of interest and *advise all appropriate parties of any potential conflict*. Such conflicts might occur if: My personal business or my friend or relative provides goods or services to UNA for consideration; or a vendor or business acquaintance with whom I have an outside business relationship provides goods or services to UNA for consideration.



# CONFLICT OF INTEREST

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I will refrain from engaging in any activity that would prejudice my ability or the ability of others to carry out duties ethically.

I will refuse any gift, favor, or hospitality that would influence or would appear to influence my actions or the actions of others, e.g. a referral fee or preferential discount, gift, or other valuable consideration from a vendor, paid promoter, fund-raising event sponsor, or any other outside party, for referring UNA business to such party.

If I am requested by UNA to perform a service, or provide a product for the organization, competitive bids will be sought and/or comparable valuation determined. I will recuse myself from any board vote from which I could potentially benefit. If the contract is awarded, the board member will be paid accordingly for the service or product.

## **Integrity**

I will perform my duties in accordance with relevant laws, regulations, organizational policies and standards; and I will permit a criminal background check if one is required by UNA policy.

I will refrain from either actively or passively subverting the attainment of UNA's legitimate and ethical objectives.

I will refrain from engaging in or supporting any activity that would discredit UNA.

I will represent the interests of all people and agencies served by this organization and not favor special interests inside or outside the organization.

# CONFLICT OF INTEREST

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I \_\_\_\_\_,  
attest and agree to be bound by the foregoing standards. I have not been party to an unethical or conflicting action that has not been previously disclosed. I also agree to report any potential future conflicts of interest or observed unethical activity of which I have become aware to the appropriate parties. I do not currently have pending against me any criminal proceedings, nor have I been placed under arrest for or been convicted of a criminal offense within the past year.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**



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# WHISTLEBLOWER AND/OR GRIEVANCE

# WHISTLEBLOWER

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## **Whistleblower or Grievance Policy**

*(Included in UNA Employee Handbook and in Board of Director's annual affirmation documents)*

The Utah Nonprofits Association's Standards of Ethics requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of UNA, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### **A. Reporting Responsibility**

It is the responsibility of all directors, officers, and employees to comply with the Standards of Ethics and to report violations or suspected violations in accordance with this Whistleblower Policy.

### **B. No Retaliation**

No director, officer, or employee who in good faith reports a violation of the Standards of Ethics shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within UNA rather than seeking resolution outside UNA.

# WHISTLEBLOWER

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## C. Reporting Violations

UNA has an open door policy and suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with their supervisor or they are not satisfied with their supervisor's response, they are encouraged to speak with Chief Executive Officer first. When necessary, they may speak with the Compliance Officer, designated as the UNA Treasurer. Supervisors and managers are required to report suspected violations of the Standards of Ethics to UNA's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when one is not satisfied or uncomfortable with following UNA's open door policy, individuals should contact the Compliance Officer directly.

The process of making a formal report of a violation is:

1. Person identifies who is best to receive the complaint and they will then contact that person either by phone or email.
2. The Supervisor, the CEO, or the Board Treasurer will let the person know they have received the complaint. They will also communicate a reasonable time for a resolution.
3. The Supervisor, the CEO, or the Board Treasurer will investigate the claim/complaint. In some cases this will mean that other parties will be asked to clarify information.
4. Action is then taken to resolve the complaint. Necessary parties are kept abreast of the situation and informed along the way.
5. Where appropriate, the person making the complaint will be made aware of a decision. Decisions will not be disclosed if they violate another person's privacy.

# WHISTLEBLOWER

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## D. Compliance Officer

UNA's Compliance Officer is the board Treasurer. The Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Standards of Ethics and, at the discretion of the Compliance Officer, shall advise the Chief Executive Officer and/or the Executive Committee.

If an employee is not comfortable speaking with the Compliance Officer, or the Compliance Officer is unavailable and the matter is urgent, the employee may contact the UNA Board Chair.

## E. Accounting and Auditing Matters

The executive committee, assembled as needed, of the Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Compliance Officer shall immediately notify the executive committee of any such complaint and work with the committee until the matter is resolved.

## F. Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Standards of Ethics must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Standards of Ethics. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

# WHISTLEBLOWER

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## G. Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## H. Handling of Reported Violations

The Compliance Officer will notify the sender, if known, and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. As necessary, the Compliance Officer will notify the sender when the issue has been resolved and where appropriate, will communicate any next steps.

**Adopted and Approved  
September 15, 2021**



**UTAH**  
**NONPROFITS**  
ASSOCIATION