**SAMPLE** **LAND** **TRUST,** **INC.** **(SLT)**

**FINANCIAL** **CONTROL** **AND** **MANAGEMENT** **POLICY**

**A.** **Budget** **–** In early January, the Treasurer develops a proposed annual Budget for the forthcoming fiscal year and reviews it with the Finance Committee. The proposed Budget is then forwarded to the Board of Directors in advance of its scheduled January meeting. The Treasurer reviews the proposed Budget with the Board and incorporates any additions or amendments that the Board directs. Following this review the Board adopts the Budget.

The Treasurer, with the participation and oversight of the Finance Committee, presents a mid-year report and budget review at the July Board meeting. This review comprises both year-to-date and projected full year results versus Budget. The full Board reviews and

authorizes any anticipated significant divergences from Budget.

**B.** **Financial** **Records** **–** The financial records of the Sample Land Trust are maintained in accordance with Generally Accepted Accounting Principles (GAAP) using Quickbooks for Nonprofits software. QB files are backed-up at least monthly, and a copy of the back-up file is maintained off-site.

SLT’s checking account is reconciled monthly by the Treasurer and independently verified by the Vice President. SLT’s investment account comprises short-term

investments of funds not needed for current operations. Copies of all statements and transaction confirmations are sent by the funds’ manager directly to the Chair of the Finance Committee by mail.

Conformance with the above is affirmed in an annual statement signed by the Vice President, Treasurer, and Finance Committee chair.

**C.** **Financial** **Reports** **and** **Statements** **–** Summary financial reports and statements are provided to the full Board of Directors with the semi-annual Budget reviews. Detailed financial reports, including Balance Sheet and Income Statements are provided on a bi- monthly basis to the Finance Committee. SLT’s outside accounting firm prepares the annual IRS Form 990 Information Return. The Finance Committee reviews the IRS Form 990 in detail and presents its review to the Board of Directors.

**D.** **Financial** **Review** **or** **Audit** **–** SLT’s current activities do not reach the level at which an audit is required under Connecticut law. The Finance Committee annually contracts with an outside independent CPA who reports to the chair of the Finance Committee and provides a financial review of the Annual Financial Statements and the IRS 990 Form, which are then presented to the Finance Committee and the Board of Directors.

**E.** **Expenditures** **–** The Treasurer is authorized to expend moneys in accordance with the authorized Budget. Unbudgeted expenditures greater than $1,000 must be authorized in advance either by the full Board of Directors or, in an exigency, the Executive Committee. In the case of expenditures authorized by the Executive Committee, the full Board of Directors is notified no later than its next regularly scheduled meeting. Checks in excess of $2,500 must be co-signed by the Treasurer and either the President or the Chair of the Finance Committee.

**F.** **Investment** **Management –** SLT maintains an investment account. The funds are managed by a professional investment firm and are invested in a diversified portfolio of equity, bond and money funds in accordance with a long-term growth risk profile determined by the Finance Committee.

**G.** **Reserve** **Funds –** SLT is the sole beneficiary of three funds held by the Sample Foundation (SF): (1) Sample Land Trust Fund; (2) John Doe Fund; and (3) Jane Doe Fund. Each of these Funds is maintained by the SF in accordance with SF policies and stipulations made by the donors. Earnings of said Funds, and in some cases as designated by the donors, the principal of the Funds, is available to the SLT by application to the SF Board for grants. With the agreement of the SF, the SLT Board of Directors has placed restrictions on these Funds to assure reserves for perpetual maintenance, stewardship and legal defense of SLT properties and conservation easements. These restrictions are in accordance with a Resolution adopted by the SLT Board of Directors on \_\_\_\_\_\_\_\_\_\_\_\_\_. Additional funds will be restricted by the SLT Board as appropriate when additional properties and/or easements are acquired by SLT.

**H.** **Insurance** **–** SLT maintains comprehensive insurance coverage, including (1) Property, Liability and Crime; (2) Commercial Umbrella; (3) Volunteer Accident; and (4) Officer and Director Liability insurance. Coverage is arranged through a reduced-rate program sponsored by the Land Trust Alliance.