

HANNIBAL ARTS COUNCIL

INTERNAL CONTROLS POLICY

Ultimate supervision and control of the Corporation's funds and assets shall be exercised by the Board of Directors.

All transactions, including deposits, payments, withdrawals, and commitment of future expenditures shall be made in accordance with the Internal Controls Policy. These responsibilities fall under the Treasurer position.

The Treasurer, in coordination with the Executive Director shall draft an annual operating budget prior to the end of the fiscal year, make budget recommendations, review the Corporation's quarterly financial statements and periodically review the Internal Controls Policy.

The Treasurer shall also be the liaison between the organizational office and the accounting firm handling the organizational accounting. These duties may also include check writing, tracking bank statements, deposits and monthly reports to the Board. The Treasurer (and other authorized signers) may write and sign checks which have been appropriately approved per the Internal Controls Policy.

The Treasurer shall keep adequate and correct accounts of the properties and business transactions of the Corporation, including amounts of its assets, liabilities, receipts, and disbursements.

Expenses

1. All expenditures require authorization.
2. All expenditures should be documented with an invoice, check request or charge account invoice, coded with the appropriate expense and department codes, signed by an approved person, and submitted to the Treasurer or contracted accounting firm for the payment and remittance.
3. Expenditures and related invoices are to be signed by the Executive Director.
4. All checks should be signed by the Treasurer (or other authorized signers).
5. The Treasurer or contracted accounting firm will provide the Hannibal Arts Council office with up to \$350 per month in petty cash funds to be used for postage, facility cleaning, gallery start-up money and other miscellaneous expenses. To receive additional petty cash funds, a Petty Cash Reconciliation form must be filled out and submitted to the Treasurer or contracted accounting firm and the same process shall be followed as listed in section 1.
6. Employees are required to submit a check request for all organization-related expenses and follow the same process as listed in section 1.
7. All bank statements and canceled checks received will be reconciled by a person independent of the authorization and check-signing function.
8. All unpaid invoices will be maintained in an unpaid invoice file.
9. All expenditures are subject to review by the Board of Directors and Treasurer.

Income

1. All incoming revenue will be deposited into the respective financial institution.
2. Immediately upon receipt, incoming checks shall be stamped with the Hannibal Arts Council "For Deposit Only" stamp.
3. All program-related cash received will be accounted for by the Executive Director, appropriate staff, or Treasurer. Two individuals should oversee the process of counting and depositing major program-related cash received.
4. All deposits will be accompanied by a Deposit Form which codes each check or cash deposit with the appropriate revenue and department codes. This form is submitted to the Treasurer or contracted accounting firm.
5. All bank statements will be reconciled by a person independent of the authorization and deposit function.

Grant Administration

1. The Executive Director may act as the Authorized Signature for Missouri Arts Council grant submissions, grant contracts, and grant final reporting.
2. The Executive Director may act as the Authorized Signature for all grant submissions, grant contracts and grant final reporting.

Bank Accounts

1. Each year the Hannibal Arts Council will review the resolution document on all Hannibal Arts Council accounts (i.e. general operating fund, vision fund, scholarship fund, etc.).
2. The President and Treasurer should always be the authorized signers, along with an additional Board member.
3. It is not the policy of the Hannibal Arts Council to have staff members be the authorized signers on any Hannibal Arts Council accounts.
4. It is acceptable to allow Hannibal Arts Council staff to make deposits and have online access to view accounts.

Loan Agreements, Property, Assets

1. Supervision and control of the Corporation's funds and assets shall be exercised by the Board of Directors.
2. All transactions, including deposits, payments, withdrawals, and commitments of future expenditures shall be made in accordance with these Internal Controls Policy. These responsibilities fall under the Treasurer position.
3. The Finance Committee is commissioned by, and accountable to, the Board of Directors of the Hannibal Arts Council to: safeguard its assets; oversee the judicious discharge of its funds; and ensure prudent investments; thereby, asserting its fiduciary responsibilities and guaranteeing the fiscal solvency of the corporation.
4. The President shall sign all contracts and other instruments which have been approved by the Board of Directors or Executive Committee, including, but not

- limited to contracts for sale on property, loan documents needing an Authorized Signature, or a bank CD.
5. The Board of Directors or Executive Committee may vote to authorize individual Board member(s) to be the Authorized Signature(s) on a document, including, but not limited to contracts for sale on property, loan documents needing an authorized signature, or a bank CD.
 6. In very limited cases, the Executive Director could be the Authorized Signature. Examples of such documents include copier agreements, membership management system contracts, telephone company contracts, facility maintenance/cleaning contracts, etc., except in cases where the cost is over \$2500.
 7. Hannibal Arts Council approves the loan of HAC property/assets to other parties (i.e. artwork, chairs, tables, etc) and secure a signed Property Loan TO OTHERS Loan Agreement.
 8. Hannibal Arts Council staff approves the loan of property/assets to the Hannibal Arts Council (i.e. artwork, piano, etc) and secure a signed Property Loan FROM OTHERS Loan Agreement.
 9. The Hannibal Arts Council adheres to a Facility Use Policy for those wishing to utilize the facility for meetings, workshops, events, etc. It is up to the staff to determine if an individual, business or organization meets the requirements for facility use. The Facility Use Policy is periodically reviewed by the Property Committee.

Printed/Digital Records

All printed/digital records of the corporation shall be maintained at the office of the corporation. This includes, but is not limited to:

- Bank statements and deposit summaries.
- Invoices, check requests, receipts, check stubs, petty cash reconciliation reports.
- Monthly reports given to the Board - Monthly Financial Statements, Monthly General Ledger, Board Packet Materials.
- Copy of IRS Form 990, Sales Tax Exempt Form, Annual Registration Report, IRS Tax Exempt Authorization
- Corporate seal.

Adopted: March 2021

Amended: