THE LAMOILLE FAMILY CENTER, INC.

FISCAL POLICY and PROCEDURES MANUAL

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FISCAL POLICY and PROCEDURES

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POLICY STATEMENT and MANAGEMENT RESPONSIBILITIES

The Lamoille Family Center Board of Directors adopted the following policy with the intention of establishing the necessary controls for the maintenance and security of the organization's financial records.

The policy is that:

- There is a systematic recording and reporting of all financial transactions in a timely manner to aid management in its decision-making and to meet the requirements of funding sources, the IRS, and other authorized external agencies;
- There is proper oversight of all assets held by the organization, including, but not limited to, ensuring that all systems are used only for legal and authorized purposes;
- There is respect for the confidentiality of all client and employee personal information;
- All grant and program contracts into which Management enters are appropriate to the mission of the organization; and
- The LFC Board specifically approves Conflict of Interest, Whistleblower and Gift Acceptance policies.

The Board of Directors assumes responsibilities as noted herein to ensure the policy and procedures are in force and carried out effectively by:

- Approving an annual organization-wide budget;
- Reviewing and approving the annual audited financial statements;
- Designating, as is appropriate, that the organization's net assets be held for specific uses;
- Reporting annually on any potential conflicts of interest that they might have that could affect the organization's operations;
- Granting to the Executive Director authority to enter into all purchases and contracts, make cash disbursements and accept grant funds;
- Charging the Executive Director with oversight of all financial reporting, ensuring that financial statements are prepared and presented to the Board of Directors for their review on at least a quarterly basis; and
- Instructing the Executive Director to seek the counsel of the Treasurer on such matters as the Board has designated as of significant importance, including any recommended changes to the Fiscal Procedures.

Adopted on: October 23, 2013

SECTION 1 – FINANCIAL RECORDS AND FINANCIAL REPORTING

- Lamoille Family Center, Inc. is a nonprofit, 501c3 organization with a fiscal year of July 1 to June 30.

- The financial records of the organization shall be maintained on an accrual basis of accounting in accordance with generally accepted accounting principles, Vermont State Statutes, and Federal A-133 Audit requirements.

- All financial transactions of the organization must be included in the accounting records. All financial records of the organization must be properly maintained in an area with access limited to only designated fiscal staff and the Executive Director. An electronic backup of accounting records is to be made at least weekly to be kept off site in a secure situation.

- The main purpose of the accounting system is to systematically record, summarize, and report all financial transactions of the organization in a timely manner. Additionally, it is meant to provide the internal reporting necessary for sound managerial analysis and decision-making, and to meet all requirements of grantors, the IRS, and other outside agencies and external users of financial information. The system shall be designed so that all aspects of the organization's operations are included in the system.

- Effective control and accountability must be maintained for all assets of the organization, including cash, investments, fixed assets, and other assets. The Lamoille Family Center must adequately safeguard all assets of the organization and assure that all assets are used for authorized purposes.

- Items with a value of $1000 or greater and a useful life greater than a year will be capitalized as long term, fixed assets and depreciated over their estimated life.

- Obsolete equipment should be listed and submitted to the Executive Director for approval for write off.

- A physical inventory count of all fixed assets will be compiled annually. The physical count will be compared to inventory records and all discrepancies reported to the Executive Director.

- All equipment purchased is to be marked for identification as Lamoille Family Center, Inc. property with numbered tags and the recorded on the asset depreciation schedule. When anything is added or removed the Financial Manager must be informed and adjustments made in the accounting records.

- All confidential information kept on Lamoille Family Center, Inc. computers should be protected through the use of passwords and/or security software. Use of accounting programs, data, and passwords should be restricted to individuals designated by the Executive Director.

- The confidentiality of payroll and employee related information must always be maintained.

- All computers will have licensed software. No personal software will be allowed.

- All Finance computers are intended solely for business purposes. All files on Finance computers are the property of Lamoille Family Center, Inc. and are open to investigation by management at any time.

Financial Reporting

- Preliminary monthly financial reports are to be prepared for the Executive Director and Program Managers by the 15th day of the following month. Program Managers will review, identify any areas in question, approve financials, and return to Executive Director for final approval within 5 business days. Final monthly financial statements are then to be reviewed by the Board of Directors within 2 weeks. Changes to any prior months will be made only with the Executive Director's approval.

- Reports itemizing by employee all amounts of vacation and sick time used, as well as available accrued balances are to be submitted to the Executive Director and/or Program Managers for their review on at least a quarterly basis.

- Reports including the items below are to be prepared and submitted to the Executive Director as requested:
    - A/R aging report
    - A/P report
    - Current balance of bank accounts

- Within thirty days after the end of the fiscal year, grants and activities that span fiscal years will be analyzed to determine the proper allocation between the years. The Executive Director and Program Managers will meet with the Financial Manager to make the final allocation decisions. The Executive Director and Program Managers will receive reports of these transactions once allocations have been made.

SECTION 2 – ACCOUNTS PAYABLE AND CASH DISBURSEMENTS

- All disbursements are to be made by issuing checks drawn on the established agency cash accounts through the computerized accounting system.

- No checks may be made out to cash.

- The Executive Director and/or Program Manager will review all employee timesheets and payroll records bi-weekly.

- Where appropriate, requests for reimbursement must be supported by original documentation that justifies the purpose of the reimbursement and is attached to the request.

- All bills and requests for reimbursement must be reviewed, coded, and initialed as approved for payment by the Executive Director or designee prior to electronic payment or check signature. Expenses will be direct charged to programs and funding sources whenever possible. General administrative costs will be allocated by formula and will bill each program/grant its appropriate share of these expenses.

- The Executive Director and/or Financial Manager will review confirmations of all on-line electronic payments, including credit card charges. The Treasurer or Chair of the Board of Directors shall review the credit card charges of the Executive Director on at least an annual basis.

- All staff expense reports must be submitted promptly, must be complete, itemized, and accurate, with original receipts attached.
  - Mileage reimbursement will be made at a rate approved by the Board on at least an annual basis.
  - Per Diem costs while on business shall not exceed the federal rate for the given area of travel.
  - Travel expenses will be reimbursed only when the travel has been authorized.

- To avoid incurring late fees, the agency intends to pay all payables by the due date provided funds are available. Any exceptions need to be pre-approved in writing by the Executive Director and updated monthly if warranted.

- All checks that are written require original signatures.

- Signed checks shall be mailed promptly, and the original supporting documentation shall be maintained in a proper filing system at the Lamoille Family Center, Inc. offices for a minimum of ten years.

- A corporate resolution authorizing check signers (with Board approval) shall be maintained at the organization's office. One signature is required on checks, except those checks over $5,000, which require two signatures.

- The organization shall carry appropriate insurance coverage for any director, officer, committee member, or employee who handles agency funds or finances.

- Expense reports for the Executive Director must be approved by the Treasurer or Chairperson of the Board of Directors.

- Unused checks and the checkbook shall be secured at all times in a secured area.

SECTION 3 – PURCHASES AND CONTRACTS

- Requests for purchases must be approved in advance of purchase by the appropriate Program Manager and/or the Executive Director. Executive Director must approve any purchases of $1,000 or more.

- Unbudgeted purchases of $5,000 or more require prior authorization by the Treasurer, if available, or another officer of the Board of Directors.

- Corporate credit cards are issued to designated staff that must adhere to the following practices including the above expense authorization guidelines.
  - Managerial approval is required prior to use of a credit card by anyone other than the individual whose name is on the card.
  - Individuals with designated authority to use a corporate credit card are responsible for coding the charges and submitting the coded receipts to finance within five business days.
  - Accounting will match receipts to the invoice. Bills from credit card companies are to be reconciled, approved by the Executive Director, and paid by the monthly date due in order to avoid unnecessary finance charges.
  - Any abuse of credit cards must be reported to the Executive Director immediately.

- The Executive Director, with guidance and review by the Board of Directors, may enter into program grants and contracts appropriate to the mission of the organization. Real estate and equipment purchases/leases exceeding $ 5,000 will be discussed with the Treasurer for approval in advance of any commitments.

- The organization should obtain and document annually at least three competitive bids for purchases of goods and services greater than $5,000 for all known project expenses.

- The organization currently has the following insurance coverage: Workers Compensation, General Liability, Professional Liability, An Umbrella Policy, General Business, and Board Liability. During policy renewal, the Executive Director will update the insurance agent on any major changes in the assets and/or business practices that could impact the type and extent of coverage. If a change is significant and occurs during the policy year, the agent is contacted immediately so that coverage can be adjusted. Every three to five years the Executive Director arranges for an insurance assessment including but not limited to all of the above coverage. The insurance agent is then asked to alter the insurance coverage as indicated by this report.

- Purchase orders are required by some vendors. Approval for items listed on the purchase order must be obtained prior to purchase subject to the same procedures as check requisitions. Items may not be added to a purchase order after it has been approved.

- Upon delivery, the office manager is to verify quantities of merchandise received, recording any discrepancies on the packing slip/invoice before giving to the person purchasing the item and copying Accounting. Any damage should also be noted.

- The individual purchasing the item will handle any discrepancies with the vendor and note changes on the invoice. The purchase order and packing slip/invoice must be submitted to Accounting within 10 days of receipt of the items so that any discounts may be taken. When damaged goods, incomplete orders not noted by shipper or unsatisfactory services occur, the individual purchasing the item shall notify Accounting and vendor of the facts.

- Purchases of real estate and equipment with a value in excess of $1,000 and a useful life exceeding one year will be capitalized as long-term fixed assets and depreciated over their estimated life.

SECTION 4 – CASH ADVANCES OR OTHER PAYMENTS TO STAFF

- Cash advances are allowable for per diem based on projected travel schedule. Per Diem expenses within Vermont are paid in accordance with State of Vermont travel guidelines. Per Diem expenses for out of state travel shall not exceed guidelines established for federally funded grant projects. Authorization must be given by the Executive Director.

- The organization will reimburse staff for reasonable business expenses, not covered by per diem, incurred in connection with the business of the organization, that have been properly approved and are submitted for payment with proper documentation.

- No cash advances will be made to any employee without prior approval of the Executive Director.

- Traffic fines incurred while on Lamoille Family Center, Inc. business are the responsibility of the individual.

SECTION 5 – PAYMENTS TO BOARD OF DIRECTORS

- No compensation will be paid to any member of the Board of Directors for services as a member of the Board.

- Board Members may be reimbursed for reasonable travel expenses submitted in writing within 30 days of attendance at a Board of Directors meeting, or committee thereof. Reasonable travel expenses may include airfare (not first class), airport shuttle service, and taxi and/or mileage reimbursement. Mileage will be paid at current mileage rate used at the Lamoille Family Center, Inc.

- The Executive Director will approve all payments in advance of reimbursement. Reimbursement will be made within 15 days of submission for reimbursement.

- No loans will be made to any member of the Board of Directors.

- Board members or relatives may not be employed as staff members at the Lamoille Family Center, Inc.; they may be paid as independent contractors for occasional service that is unrelated to their duties as members of the Board. These arrangements are to fit within the organization's conflict of interest policy and require approval by the Executive Committee of the Board.

SECTION 6 – ACCOUNTS RECEIVABLE, CASH RECEIPTS AND DEPOSITS

- The Executive Director (or Treasurer, if Executive Director is unavailable) shall receive all bank statements unopened and examine them for propriety and for irregularities. Once this review of the reports is complete, the statements are given to Accounting.

- All bank accounts are reconciled monthly. Accounting insures the reconciled cash balance listed on the bank statement equals the accounting system's General Ledger Cash Balance at month end. The detailed bank reconciliation report for each account is stapled to the bank statement, initialed by the Executive Director (or Treasurer, if Executive Director is unavailable), and filed in the front of the folder for that account.

- Accounting compares the statements with the General Ledger activity in accounting software (currently QuickBooks) and adds any items to the GL that are missing, such as interest and service charges. If there is activity in the GL but that activity is not listed on the bank statements, Accounting notifies the Executive Director. Similarly, if there are unusual items charged or credited to the bank account that were not posted in the accounting system during the month, Accounting and the Executive Director review the circumstances and notify the bank of errors or obtain appropriate documentation. The entries are posted to the accounting system with a notation of a future credit if an incorrect bank charge is to be refunded. Accounting insures that all banking activity has been entered into the General Ledger by the 10th of the following month.

- Quarterly, Accounting reviews outstanding items listed on the Bank Statement reports. Those that are older than 75 days are researched. If they are duplicate or erroneous items, they are backed out of the General Ledger in the current month. If they are expected to clear, the items are allowed to remain. If they are payroll checks older than 180 days and the employee cannot be located, Accounting should consider referring them to the State's Abandoned Property Fund.

- Funds received by the organization will be deposited in a timely manner within three banking days to the credit of the organization in a financial institution that the Board of Directors has authorized, provided however, that such institution in which funds are deposited must be an institution where such deposits are insured by an agency of the federal government.

- Deposits will be coded, approved, and entered into financial records within three business days of the deposit being made to the bank.

- All currency received shall be documented by a duplicate copy receipt with one copy given to the payer and one copy retained by the Lamoille Family Center Inc.

- Cash receipts in the form of checks as well as currency are to be safeguarded until deposited and kept locked in a safe place.

- Checks payable to the Lamoille Family Center, Inc. are never cashed or endorsed over to any other party.

- Money for federal grants is to be drawn-down based on actual expenses or in advance as permitted by the grant requirements.

- State/federal grants and contracts, and fee-for-service and other current projects are to be invoiced monthly within 10 days of the end of the previous month, unless specified differently in grant documents.

- Procedures are to be in place to identify, evaluate and to determine the acceptance of restricted contributions. Acceptance of unusual non-cash donations, such as charitable lead trusts, perpetual trusts held by third parties, charitable remainder trusts, charitable gift annuities, pooled income funds and donations of land, property, partnership interests, assets subject to lien, etc. need prior approval by the Board of Directors.

- All contributions should be acknowledged in writing within ten business days of receipt.

- As a general rule, all stock gifts should be liquidated when received; any exceptions must be approved by the Treasurer or Chairman of the Board of Directors.

- No checks will be cashed from petty cash.

Accounts Receivable Collection Policy

- Each month accounting staff will review current and aging Accounts Receivable reports, and a summary will be prepared and distributed to the Executive Director.

- For Receivables not collected within 30 days, Accounting staff and/or the Executive Director will make a follow-up phone call or send a reminder letter.

- Within one month following that letter, accounting staff will send a demand collection letter to be approved in advance by the Executive Director.

Write-Off Policy

- Anything over 11 months old and under $5,000 can be written off with the authority of the Executive Director.

- If the amount is more than $5000, the Board of Directors shall approve the write-off.

- If management or the Board of Directors believes that an item has any potential to be collectible, it will be kept on the books and followed up.

SECTION 7 - PAYROLL AND PAYROLL TAXES

The organization processes all of its payroll, required payroll taxes, payroll reports, and employee benefit plans in-house using an automated timesheet application titled SpringAhead, which links directly to its QuickBooks Accounting software.

The organization pays employees biweekly. Therefore, employees receive twenty-six pay checks yearly. The working week ends Friday and employees are paid the following Thursday, thereby having a six day lag between the end of the work week and the pay date. If an employee begins working during a pay period, the number of working days is calculated and the pay for that pay period is based on days or hours worked during the pay period.

Only the Executive Director can initiate the hiring of a new employee. Before a person is placed on the organization's payroll, written notification of hire and employment details such as full vs. part time, hourly rate of pay, position title, program in which the person will work, etc. is given or emailed to the Accounting Staff by the Executive Director. Accounting Staff create a file in the payroll system for the new employee and the employee will be included in the next payroll after employment commences.

Accounting Staff ensure the proper processing of the employee upon hiring. Upon employment, an employee is given W4 and I9 forms to complete. Proof of authorized citizenship and/or working papers are verified and forms are retained in the employee's individual file in the Accounting office. Other employment forms, such as those for Direct Deposit and employee benefit plan enrollment, are completed by the new employee upon hiring and this information is recorded in the payroll system by Accounting Staff prior to filing the forms in the secured employee file.

Only the Executive Director can adjust an employee's pay/pay rate. If an employee is to receive a raise or any adjustment to their pay, the Executive Director notifies the Accounting in writing that the pay for an employee is to be adjusted, the date of the adjustment and whether it is permanent.

The Executive Director or his authorized agent is charged with ensuring that documents containing employee's personal information (such as resumes, references, background checks, emergency contacts) are kept in a secure environment.

Automated Time Sheets

LFC uses "SpringAhead" web-based time tracking software. Each employee signs "in" by entering their User ID and Password online at the SpringAhead website. Instructions as to how to access this system and how to properly enter one's time are provided by Accounting Staff at the beginning of employment. Accounting Staff also track employees' available leave time balances via FoxPro software and notify employees periodically to ensure that amounts entered on timesheets do not exceed those currently available.

After employees enter their hours of work and leave time for the current pay period by the program codes applicable to their job duties, they click “submit” and forward the timesheet to their supervisor for review and approval. Supervisors will request that any inaccuracies be fixed prior to their certifying the timesheet and adding it to the list of approved documents.

Once all employee timesheets appear in the approved report, Accounting Staff upload the file to QuickBooks, posting all the time sheet information and other payroll update information into the QuickBooks system for final calculation to be completed. Payroll processing must be completed by Tuesday noon to ensure that Direct Deposits will reach the employees’ bank accounts by the Thursday pay date. In the event that an employee’s supervisor or the Executive Director is unavailable to approve an employee’s time sheet by the processing deadline, Accounting Staff may approve the timesheet but are required to send e-mail notification to the employee’s supervisor that they have done so. The supervisor should follow up to verify the accuracy of the timesheet and make adjustments if necessary during the following pay period.

Before the final pay checks and direct deposits are issued, Accounting Staff make adjustments if an employee has any expenses to be reimbursed or repaid, or any advances to be issued or repaid. These adjustments are recorded via journal entry into the QuickBooks accounting system.

Payroll Processing

The checks and payroll reports are printed on Tuesday, with the checks dated for Thursday. Accounting Staff verify the accuracy of the charges to programs by comparing reports by “job” and “class” in the QuickBooks software. Once the payroll is approved, all live checks are signed by the Executive Director. Vouchers are generated for payments made by Direct Deposit. Accounting Staff distribute the checks, place the pay stubs or direct deposit vouchers in employee’s individual files, and file the payroll reports chronologically in the locked file in the Accounting office. Electronic notification informs employees that they can view their pay check online via the SpringAhead website.

Federal payroll taxes are paid via ACH from the organization’s checking account on the Tuesday following pay day. Accounting staff log onto the government website www.eftps.gov to initiate this transfer on the Wednesday before pay day. State taxes are paid via check on a monthly basis.

Accounting issues and submits the Quarterly Tax returns as well as the year-end tax returns to the various tax authorities. Accounting Staff file the copies of these reports in the locked Finance file cabinet in the Accounting office.

Annually the Accounting Staff also issue and submit 1099's to Subcontractors and Consultants, and a 1096 with the IRS copy of the 1099's to the IRS and the State of Vermont.

Monthly reviews of budget-to-actual financial statements by the Executive Director serve as a cross check as to the accuracy of payroll expenses being charged to individual grants and programs.

SECTION 8 – MONTH-END CLOSING PROCEDURES

Within 15 days after the end of each month, accounting staff must enter all accounts payable/billing and accounts receivable/invoice transactions to the applicable period and proper program/grant (class/job). All bank statements should be reconciled and entries made to record any interest income or finance charges. Employees are asked to submit all travel expense reimbursement requests for the period.

General journal entries must be made to record monthly expenses for depreciation and prepaid expenses such as property taxes and insurance.

Allocations for occupancy and distribution of general administrative expenses to programs must be computed and entered via journal entry. Occupancy expenses are allocated based on the FTE equivalent employed in each program, and administrative costs are distributed based on the ratio of each program's expenses versus the total expenses of the organization. It is essential that the above steps have been completed to ensure that all expenses have been posted before these calculations are made.

Accounting staff must log on to the Child and Adult Care Food Programs website of the State of Vermont's Department of Education in order to submit the amount of expenses incurred in operating the Child Care Center and Day Care Home Food Programs for the previous month to ensure that their totals are sufficient to qualify LFC for reimbursement of claims submitted by Food Program staff.

Monthly financial statements, in a budget-to-actual format, are generated by accounting staff for each class and subclass and presented to the Executive Director for his review. Currently, Excel spreadsheets are also being used to make it easier for the Director to determine amounts of income that have been recorded, against which there will be obligations in coming months. This adjustment to reduce current income keeps management from making decisions concerning expenditure levels based on overstated revenues.

After accounting staff make any corrections deemed necessary during review with the Executive Director, reports are generated for budget discussions between senior program managers and the Executive Director. These can serve as a basis for decisions regarding staffing levels and program activity expenditures.

Accounting staff use the expenditure information on monthly, and especially quarterly, financial statements to complete all reports required by grant funders. Since narrative reports of program activities are also required for most grants, a process has been established whereby financial reports are submitted to the Executive Director, who scans and combines them with narrative reports for electronic submission. If requests for funding are part of the submission, accounting staff will have the original paper form returned to them by the Executive Director so that an invoice and receivable can be created in the QuickBooks system. Periods can be marked as closed at this point in QuickBooks to ensure that info used to complete grant reports does not change "after the fact."

SECTION 9 – ANNUAL AUDIT REQUIREMENT

- The financial statements of the organization will be audited annually by an independent certified public accountant.

- The Executive Director will be responsible for determining the criteria and proposal process for selection of the audit firm. The Executive Director will recommend an audit firm, and the full Board will make a decision to engage a specific audit firm.

- The audit will go out for bid at least every five years though a change in auditors every five years is not required unless required by law or grant requirements.

- The Board of Directors (acting as Audit Committee) will review the audited financial statements and recommendations of the auditor, as well as management's response to the recommendations. The Treasurer will present the audit to the Board of Directors with a recommendation to accept and approve the audit.

SECTION 10– FORM 990 REVIEW

- The IRS Form 990 is a required document for nonprofit, tax exempt 501(c)(3) organizations to file annually. This form serves two functions:

    - Informs the IRS about the nonprofit's activities and financial status to demonstrate the nonprofit continues to meet the qualifications for tax-exemption.

    - Informs the public about crucial aspects of the nonprofit since most of the pages are available for public inspection by potential donors, grantors, media, nonprofit-watchdog and other groups.

- The following process will be employed by the Lamoille Family Center, Inc. to review the IRS Form 990, which is initially prepared by the Center's independent auditing firm.

    - Financial Manager and the Executive Director make a thorough review of Form 990.

    - After their review and input, the Form 990 is presented to the Board of Directors for their review and approval. The process will be documented in Board minutes as it occurs.

- Form 990 will be reviewed in its entirety. However, sections for particular consideration include:

    - Governance section
    - Expanded Program Service Accomplishments section (ensuring that this reflects the organization's impact)
    - Key employee, director, and contractor compensation
    - Statement of Functional Expenses

SECTION 11 – BUDGET

- The Executive Director shall work with management and the accounting staff to develop an annual operating budget and shall have the Board of Directors use the following timeline to review both the draft and the final budgets:

    - A draft budget is to be presented to the Board of Directors for review, adjustment and approval in the final quarter of the prior fiscal year.

    - The actual operating results of the organization will be compared to the budget on a quarterly basis and significant variances explained by the Executive Director to the Board of Directors.

SECTION 12 – BORROWING

- Any action by and on behalf of the organization in borrowing money, establishing or canceling lines of credit, and or mortgaging, pledging, or authorizing liens on the property of the organization must be specially authorized by the Board of Directors.

- The organization should ensure that it maintains access to sufficient funds to allow for continuity of operations either via a line of credit agreement or other flexible account of a financial institution.

- Based upon the Executive Director's recommendation, the Treasurer (or a member of the Executive Committee) must provide written pre-approval for any borrowing against the line of credit. Management will be responsible for paying down the line of credit as soon as funds are available and reporting back to the Treasurer within two working days that this has been accomplished. Accounting will update the Executive Director and on a monthly basis if there is an outstanding balance on the line of credit.

SECTION 13 – RESERVE ACCOUNTS

- The organization shall develop and implement a plan approved by the Board of Directors, to build toward designating restricted fund accounts for such purposes as capital expenditures and operating reserves.

- An amount should be built into the annual budget to build reserve accounts (when possible).

- In rare occasions when the reserves may be needed to meet temporary cash flow needs, the Executive Director and/or the Treasurer shall approve in writing a transfer of savings prior to the actual transfer. Savings will be replenished from operating funds as soon as possible.

SECTION 14 – CONFLICT OF INTEREST POLICY

- No member of the Board of Directors, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Lamoille Family Center. Each individual shall disclose any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.

- Any member of the Board, any Committee, consultant, or Staff who is also an officer, board member, committee member, or staff member of a borrower, loan applicant, contractor, vendor, or supplier of or to the Lamoille Family Center, shall immediately identify his or her affiliation with such agency or agencies. Further, in connection with any committee or board action specifically directed to that agency, he/she shall not participate in the decision affecting that agency, and the decision must be made or ratified at a meeting of the full board.

- Any member of the Board, any Committee, Staff, or Consultant, shall refrain from obtaining any list of clients for personal or private solicitation purposes at any time during the term of their affiliation.

- Members of the Board of Directors, or any of its Committees, will be asked on an annual basis to certify in writing that they are in compliance with this policy and identify any organizations to which they are affiliated that may pose a potential conflict of interest.

SECTION 15 – WHISTLEBLOWER POLICY

- General:
  The Lamoille Family Center requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the Family Center must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

- Reporting Responsibility:
  If an employee reasonably believes that some policy, practice, or activity of the Lamoille Family Center is in violation of the law, a written complaint must be filed by that employee with the Executive director or the Board Chair.

  It is the intent of the Lamoille Family Center to adhere to all laws and regulations that apply to the organization, and the underlying purpose of this policy is to support the organization's goal of legal compliance. The support of all employees is necessary to achieve compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of the Lamoille family Center and provides the Lamoille Family Center with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

- No Retaliation:
  The Lamoille Family Center will not retaliate against an employee who in good faith has made a protest or raised a complaint against some practice of the Lamoille Family Center, or of any individual or entity with which the Lamoille Family Center has a business relationship, if it is made based on a reasonable belief that the practice is in violation of law or a clear mandate of public policy.

  The Lamoille Family Center will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of the Lamoille Family Center that the employee reasonably believes is in violation of a law or a rule or regulation mandated pursuant to law, or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

- Accounting and Auditing Matters:
  The Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Executive Director shall immediately notify the board of any such complaint and work with the Board until the matter is resolved.

- 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.

- Handling of Reported Violations:
  The Executive Director or Board Chair will notify the sender 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.

SECTION 16 –GIFT ACCEPTANCE POLICY

- The Lamoille Family Center (LFC) accepts all undesignated gifts, unless there is a question as to whether the donor has sufficient title to the asset given or is mentally competent to transfer the asset legally.

- All checks must be made payable to "Lamoille Family Center" and not made payable to an employee, volunteer or any other agent for the credit of the Lamoille Family Center.

- LFC will accept designated gifts only as those gifts are consistent with our purpose and our non-profit status. Without exception, all designated gifts accepted will be used per the requested designation.

- Gifts received through annual direct mail appeal letters are generally considered undesignated, unless the appeal itself is requesting funds designated for a specific program or project.

- Gifts received through capital campaigns and special projects will be designated as such. All designated capital campaign gifts accepted will be appropriately recorded and applied to campaign use. All designated special project gifts accepted will be used per the requested designation.

- The Lamoille Family Center accepts major gifts consistent with our purpose and our non-profit status. A "Major Gift" is defined as a gift having value *equal to or greater than* **$10,000.00**, and includes:

  - One time cash gifts *(from individuals and corporate sources)*
  - Bequests
  - Terminated trusts
  - Real estate with fair market value *(FMV)*
  - Stocks, bonds and mutual funds with FMV
  - Marketable tangible assets
  - Life insurance policies

Unless designated *(in part or in whole)* to the operating budget, a special program, a special project, these gifts will be invested into board-designated asset accounts.

- Major non-cash, deferred gifts will be received within a structure designed to maximize the benefits both to the donor and to the Lamoille Family Center. In every case, LFC will first look to the donor's interest. LFC will not look to encumber itself with gifts which may prove to generate more cost than benefits.

- Lamoille Family Center willingly accepts all appropriate in-kind contributions of skilled services and tangible assets consistent with our purpose and our non-profit status, in accord with our established acceptance policies and procedures.

- In situations where advisors are retained by the Lamoille Family Center to prepare documents or render advice in any form to LFC and/or a donor to LFC, it shall be disclosed a.) that the professional involved is in the service of LFC and is not acting on behalf of the donor, and b.) that any documents or other advice rendered in the course of the relationship between LFC and the donor should be reviewed by counsel for the donor prior to the completion of the gift.

- Securities traded publicly on the New York, American or NASDAQ stock exchanges, or other readily marketable securities, will be accepted. It may be anticipated that such securities will be immediately sold. In no event will an employee or volunteer working on behalf of the Lamoille Family Center commit to a donor that a particular security will be held unless authorized by the Executive Director with the advice and consent of the Board of Directors.

- Non-publicly traded securities may only be accepted after approval of the Board of Directors. Such securities subsequently may be disposed only with the approval of the Board of Directors. Prior to completion of any gift of this kind, the Lamoille Family Center will not commit to re-sell it to any specific party or parties.

- No gift of real estate will be accepted without prior approval of the Board of Directors. No gift of real estate will be accepted without first receiving a qualified appraisal by a party chosen by The Lamoille Family Center who will have no business or other relationship to the donor.

In general, real estate located within the United States of America will be accepted unless the Board of Directors determines the property is not suitable for acceptance as a gift.
In general, real estate located outside the United States of America will not be accepted as a gift unless its value appears to be a.) in excess of $100,000.00 and b.) there is reason to believe it a highly marketable property. The Board of Directors may make exceptions to this specific policy statement if conditions warrant.

Regarding a gift of real property, the Board of Directors will review an acceptable deed and necessary documentation. The cost of obtaining necessary documents and fees associated with environmental studies; property taxes; maintenance, management and insurance appraisals; title reports and legal fees should be borne by the donor.
The Board of Directors will not accept real estate to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved.

Special attention will be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income and tax issues for the Lamoille Family Center.

- Jewelry, artwork, collections and other personal property will not be accepted unless the employee, agent or volunteer working on behalf of the Lamoille Family Center has reason to believe the property has a value in excess of $ 1,000.00. Such property can only be accepted by the Executive Director or such other person or persons authorized by the Board of Directors.

- No personal property will be accepted unless there is reason to believe the property can be quickly disposed. No personal property will be accepted that obligates the Lamoille Family Center to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to safeguard properly will be accepted without prior approval of the Board of Directors.

If there is reason to believe particular personal property has a value of $1,000.00 or more, it may be accepted only after receipt and review of an appraisal qualified under terms of the IRS code governing gifts of this type property. Only the Board of Directors or the person(s) authorized by them may represent to a donor that property will or will not be held by LFC for a specific period of time, or for purposes related to a specific period of time, or for purposes related to its 501(c)(3) purposes. Donors should be notified at the time of receipt of a gift that LFC will – as a matter of corporate policy – cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

- Other property of any description – including mortgages, notes, copyrights, royalties, easements – whether real or personal, will be accepted only by action of the Board of Directors or the person(s) duly acting on their behalf. Appropriate inquiry will be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the purpose of the Lamoille Family Center, prior to its acceptance.

- Gifts through wills (bequests) will be encouraged actively by the Lamoille Family Center. In the event of inquiry by a prospective donor about their giving a specific gift by bequest, representations as to the future acceptability of property proposed to be left to the Lamoille Family Center in a will or through any other gift arrangement will be made only in accordance with our above stated policies for acceptance of specific personal and intangible (non-cash) assets. Gifts from the estates of deceased donors consisting of property that is not acceptable will be rejected only by action of the Board of Directors. The legal counsel of the Lamoille Family Center will communicate expeditiously the decision of the Board of Directors to the legal representatives of the estate.

Attempts will be made to discover bequest expectancies wherever possible in order to reveal situations that might lead to unpleasant donor relations in the future.

Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Board of Directors and every attempt be made to encourage the donor to conform his/her plans to LFC policy.

These gift annuities shall follow the regulations of the State of Vermont Department of Financial Regulations.

The minimum initial contribution for a gift annuity is $10,000.00. The percentage of return on all Charitable Gift Annuities administered through LFC will be made monthly, quarterly, semi-annually or annually (as directed by the donor), on or about the 30th day of the month.

- In general, Lamoille Family Center will not serve as sole trustee of a charitable trust for the benefit of the organization. This policy may be waived only by a written and ratified resolution from the Board of Directors. The Board of Directors will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the Board of Directors may any corporate fiduciary be recommended to a donor.

The fee for management of a charitable trust will be paid by LFC upon approval by the Board of Directors. The Board of Directors, employees or others acting on behalf of LFC will not encourage others to make gifts of any property to charitable trusts not in keeping with the types of property generally accepted by a corporate fiduciary as suitable contributions to charitable trusts, and not in keeping with the guidelines as to suitable beneficiaries as generally accepted by a corporate fiduciary..

No representations will be made by any employee or other persons acting on behalf of LFC as to the manner in which charitable trust assets will be managed or invested by a corporate fiduciary who may be recommended by LFC, without the prior approval of such representation by the fiduciary.

Charitable remainder trusts and all other deferred gifts will be encouraged as a method of making gifts to LFC while retaining income which may be needed by the donor or other persons chosen by the donor for any number of personal purposes. Such trusts will not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate federal and/or state securities regulations.

The minimum amount required to establish a charitable remainder trust for which LFC serves as co-trustee is $ 100,000.00.

- Donors generally will not be encouraged to make gifts of real property to LFC under which they maintain a life interest in the property. Such transfers are often not in the best interest of the donor involved, and there is potential for negative publicity for LFC should the donor have a need to sell the property to generate funds, only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

Such gifts may be accepted by approval of the Board of Directors in situations where a.) the asset involved appears to be a minor portion of the donor's wealth, and b.) the Board is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

- Donors will be encouraged to name Lamoille Family Center as the “last beneficiary” to receive all or a portion of the benefits of insurance policies they have purchased on their lives.

As a matter of course, Lamoille Family Center will not agree to accept gifts from donors for the purpose of purchasing insurance on the donor’s life. LFC will endorse no insurance product for use in funding gifts. In no event will LFC furnish lists of its donors to anyone for the purpose of marketing life insurance for the benefit of donors and/or LFC, as this practice a.) represents a potential conflict of interest, b.) may cause donor relation problems, and c.) may subject LFC to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

- A permanent endowment for approved purposes may be established with a minimum gift of $ 25,000.00.

- No designations on how deferred gifts may be used by LFC will be honored without prior approval by the Board of Directors in the case of current gifts, or subsequent approval by the Board of Directors in the case of gifts received by bequest or by any other gifts effective at death.

- No fee or commission will be paid to any person as consideration for directing a gift to the Lamoille Family Center.