



## AGENDA

**BOARD OF DIRECTORS**  
**Finance Committee Meeting**  
**July 20, 2023**  
**4:00 P.M.**  
**Zoom Video Conference**

**\*\*PLEASE NOTE\*\***: Due to concerns regarding the current COVID-19/Novel Coronavirus outbreak, this CTV Finance Committee meeting will be held virtually using the Zoom online platform. To participate, please download the zoom app and join the meeting at:  
<https://us06web.zoom.us/j/2017133083>

1. Attendance

(Chair) Joe Hall, Tom Manheim, Guy Lasnier, Keith Gudger

2. Oral Communications

Any person may address the Committee during its Oral Communications period. All Oral Communications must be directed to an item not listed on today's Consent or Regular Agenda, and must be within the jurisdiction of the Committee.

3. Consideration of Late Additions to the Agenda; additions and deletions to the Regular Agenda.

## REGULAR AGENDA

4. Consider Approval of June 2023 Meeting Minutes \*

5. Consider Approval of June 2023 Financial Reports \*

6. Financial Update

7. Review Financial Policies \*

8. Adjournment.

Any person may address the Board Committee during its Public Comment period. Each presentation will be limited to three minutes and individuals may speak only once during Public Comment. A maximum of five minutes will be set aside for this period at this meeting. If the period runs beyond five minutes, the Board may, at its discretion, allow time at the end of the meeting for additional public comment. All comments must be directed to an item NOT listed on today's agenda and must be within the subject matter jurisdiction of the Board. Preference will be given to individuals who did not speak at the previous Board meeting. All speakers must address the entire Board and will not be permitted to engage in dialogue. Speakers are requested to sign the sheet designated for that purpose so that their names may accurately be reflected in the minutes of the meeting. Regular Agenda Items: Members of the public may speak on any item on the agenda. Each presentation will be limited to three minutes. The maximum time devoted to public input on any item will be determined by the Chair.

**\* Material Included in Packet**



**BOARD OF DIRECTORS  
Finance Committee Meeting  
June 22, 2023**

**325 Soquel Avenue  
Santa Cruz, CA 95060**

**4:00 PM  
Zoom Video Conference**

## **MINUTES**

The public notice of the meeting provided the Zoom login information for the meeting if any public member wished to attend or comment. All meeting votes were taken verbally on a roll call except for adjournment.

1. Attendance (All attendees participated virtually, and roll was taken verbally.)

Present: Joe Hall (Chair), Keith Gudger, Guy Lasnier, Tom Manheim

Absent: None

Staff: Becca King Reed, Mel Sweet

2. Oral Communications

Any person may address the Committee during its Oral Communications period. All Oral Communications must be directed to an item not listed on today's Consent or Regular Agenda and must be within the jurisdiction of the Committee.

There were no public comments.

3. Consideration of Late Additions to the Agenda; additions and deletions to the Regular Agenda.

There were no late additions or deletions to the Regular Agenda.

### **REGULAR AGENDA**

4. Consider Approval of the Minutes of the May 2023 Meeting

Joe Hall opened the discussion and asked if there were any corrections or comments. There were no comments or corrections noted. It was then moved by Keith Gudger and seconded by Guy Lanier that the minutes of the May 2023 meeting be approved. The motion passed unanimously on a roll call vote with Tom Manheim abstaining due to his absence from the May 2023 Finance Committee meeting.

5. Consider Approval of the meeting May 2023, Financial Report

Joe Hall opened the discussion and asked if Becca King Reed and Mel Sweet if they had any comments. Becca King Reed commented that the Operating Budget is 1.4% ahead of FY

2022-23 projections due to an interest payment which was required when the EIDL loan was paid off. She further mentioned that June operating income was expected to reduce this overage or perhaps eliminate it. Tom Manheim commented that County Board of Supervisor's meeting broadcast revenues were down substantially and wondered if the County Budget hearing would offset that revenue decrease. Becca King Reed mentioned that the June revenue in this category will be up substantially over the May income; however this would not offset the overall decrease in revenues in this category. She mentioned that the County Board of Supervisor's meetings were now shorter than in past CTV budget years.

Tom Manheim then shared his Account 4120 Facility & Equipment Use spreadsheet and commented that as of the May Financial Report this budget item was ahead of the budgeted revenue. He further commented this was due to the conservative budgeting that had been used to reflect the uncertainty of the Covid financial impact on CTV. Tom Manheim then asked if the new back office space was now rented. Becca King Reed commented that improvements had just been completed in the new space so it had not yet been rented, however there was day usage beginning in the space.

Keith Gudger then raised a question as to the funds deposited in Schwab not being invested in Treasury investments. Becca King Reed responded that the funds had been transferred from Santa Cruz County Bank to Schwab but Schwab had not placed these funds in Treasury investments as of the date of the May Financial Report. Keith Gudger mentioned that funds from another non-profit he is treasurer for had been pretty quickly invested by Schwab once received by Schwab. Becca King Reed could not explain the delay at Schwab but commented further that the CTV funds were now invested in a Treasury account. Joe Hall mentioned for due diligence purposes the Finance Committee should get some information verifying that the CTV funds were now invested in a Schwab Treasury account. Becca King Reed mentioned that she would send along the verification information following the close of the Finance Committee meeting.

There were no further comments or questions and it was then moved by Tom Manheim and seconded by Guy Lanier to recommend to the Board the approval of the May 2023 Financial Report. The motion passed on a unanimous roll call vote.

## 6. Financial Update

Joe Hall opened the item for discussion and asked Becca King Reed for any comments. Becca King Reed mentioned that most of the items she was going to cover were discussed in the previous Financial Report section.

Joe Hall asked if there was any information on the potential for a CTV LPTV Channel. Guy Lanier mentioned that there would be a new FCC opening for LPTV Channels this fall and he was going to have a meeting with the LPTV committee to discuss this opening.

## 7. Adjournment

A motion was made by Tom Manheim that the meeting adjourn. The motion passed unanimously on a voice vote.

Community Television of Santa Cruz County  
 Capital Profit Loss Budget Performance  
 June  
 2023

	Amended Budget 2022-23	May 2023	June 2023	June Year to Date	% of Annual Budget	Amount Remaining
<b>4000 · CAPITAL REVENUE</b>						
4100 · County PEG Fees	500,000.00	0.00	0.00	500,000.00	100%	0.00
4105 · County PEG Fees - Youth Grant	100,000.00	0.00	0.00	100,000.00	100%	0.00
<b>TOTAL INCOME</b>	<b>600,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>600,000.00</b>	<b>100%</b>	<b>0.00</b>
<b>5000 · CAPITAL EXPENDITURES</b>						
<b>5100 · Facility</b>						
7400 · Facility Lease	290,396.00	26,050.79	27,609.55	288,297.90	99%	2,098.10
6701 · Facility / Equip. Insurance	13,105.00	1,082.18	913.15	12,731.13	97%	373.87
7058 · Leasehold Improvements / Capital	12,196.00	0.00	3,991.56	8,567.21	70%	3,628.79
7300 · Facilities & Equipment Rental	1,000.00	0.00	0.00	532.43	53%	467.57
<b>Total 5100 · Facility</b>	<b>316,697.00</b>	<b>27,132.97</b>	<b>32,514.26</b>	<b>310,128.67</b>	<b>98%</b>	<b>6,568.33</b>
<b>5200 · Equipment</b>						
7215 · Copy Machine Lease	2,480.00	298.34	298.34	4,053.86	163%	(1,573.86)
7051 · Equipment Repair	4,564.00	0.00	0.00	250.11	5%	4,313.89
7056 · Equipment - Depreciated	90,928.00	(558.29)	10,404.87	101,915.04	112%	(10,987.04)
7057 · Equipment - Non Depreciated	24,306.00	927.51	1,890.66	25,505.98	105%	(1,199.98)
7060 · Equipment Grant Program	100,000.00	0.00	153.15	47,290.89	47%	52,709.11
7061 · Equipment Leases	0.00	0.00	0.00	0.00	0%	0.00
7062 · Software as a Service	17,250.00	1,344.55	1,959.54	18,227.42	106%	(977.42)
7700 · Telephone / Telecommunications / Internet	0.00	863.19	863.19	10,358.28		(10,358.28)
<b>Total 5200 · Equipment</b>	<b>239,528.00</b>	<b>2,875.30</b>	<b>15,569.75</b>	<b>207,601.58</b>	<b>87%</b>	<b>31,926.42</b>
<b>Capital Maintenance &amp; Repair</b>						
7063 - Building Maintenance	7383.00	1086.26	633.54	7,512.49	102%	(129.49)
7064 - Equipment Maintenance	12694.00	1061.28	1061.28	12,704.46	100%	(10.46)
7065 - Equipment Repair	23038.00	1899.47	1956.17	22,890.23	99%	147.77
<b>Total Capital Maintenance &amp; Repair</b>	<b>43115.00</b>	<b>4047.01</b>	<b>3650.99</b>	<b>43,107.18</b>	<b>100%</b>	<b>7.82</b>
<b>5300 · Media Licensing</b>						
7059 · Music Library	660.00	0.00	330.00	660.00	100%	0.00
<b>Total 5300 · Media Licensing</b>	<b>660.00</b>	<b>0.00</b>	<b>330.00</b>	<b>660.00</b>	<b>100%</b>	<b>0.00</b>
<b>Total 5000 · CAPITAL EXPENDITURES</b>	<b>600,000.00</b>	<b>34,055.28</b>	<b>52,065.00</b>	<b>561,497.43</b>	<b>94%</b>	<b>38,502.57</b>
<b>NET INCOME/LOSS</b>	<b>0.00</b>	<b>(34,055.28)</b>	<b>(52,065.00)</b>	<b>38,502.57</b>		

Community Television of Santa Cruz County  
Operating Profit Loss Budget Performance  
June

2023

	Amended Budget 2022-23	May 2023	June 2023	June Year to Date	% of Annual Budget	Amount Remaining
<b>4300 · OPERATING REVENUE</b>						
4101 · County BOS Meetings	23,732.00	1,342.50	2,737.50	14,272.25	60%	9,459.75
4103 · City of Capitola Gov. Meetings	10,314.00	904.00	1,779.75	14,229.50	138%	(3,915.50)
4104 · SCMTD Meetings	3,440.00	364.00	339.00	4,357.65	127%	(917.65)
4106 · City of Santa Cruz Gov. Mtg.	35,238.00	3,060.25	4,668.00	45,252.75	128%	(10,014.75)
4108 · SCCRTC Meetings	5,058.00	452.00	593.25	5,949.75	118%	(891.75)
4109 · SCWD Meetings	0.00	0.00	897.00	897.00	0%	(897.00)
4120 · Facility & Equipment Use	105,750.00	10,509.79	11,469.27	118,007.96	112%	(12,257.96)
4121 · SLVWD Meetings	7,859.00	904.00	678.00	7,690.00	98%	169.00
4122 · PVUSD	12,072.00	703.00	957.25	11,112.50	92%	959.50
4130 · Classes	0.00	0.00	0.00	0.00	0%	0.00
4165 · Donations	3,645.00	10.62	0.00	2,593.02	71%	1,051.98
4180 · Interest Earned	0.00	538.88	144.69	6,321.64	0%	(6,321.64)
4185 · Misc. Income	30,840.00	1,269.20	21,452.50	24,281.70	79%	6,558.30
4190 · Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00	0%	0.00
4200 · Production Services	4,000.00	0.00	0.00	3,530.00	88%	470.00
4250 - Closed Captioning	34,920.00	2,325.00	4,800.00	27,187.50	78%	7,732.50
4260 - Equipment Lease	8,600.00	567.42	567.42	7,392.36	86%	1,207.64
4700 - CA Relief Grant	0.00	0.00	0.00	0.00	0%	0.00
CTV Reserves	0.00	0.00	0.00	0.00	0%	0.00
<b>Total 4300 · OPERATING REVENUE</b>	<b>285,468.00</b>	<b>22,950.66</b>	<b>51,083.63</b>	<b>293,075.58</b>	<b>103%</b>	<b>(7,607.58)</b>
<b>TOTAL INCOME</b>	<b>285,468.00</b>	<b>22,950.66</b>	<b>51,083.63</b>	<b>293,075.58</b>	<b>103%</b>	<b>(7,607.58)</b>
<b>6000 · OPERATING EXPENSES</b>						
6100 · Advertising	8,000.00	20.00	20.00	613.24	8%	7,386.76
6300 · Bank Charges	2,000.00	292.48	243.96	2,835.36	142%	(835.36)
6350 · Interest Expense - EIDL	0.00	2,513.13	15.34	4,472.47	0%	(4,472.47)
6600 · Dues & Subscriptions	1,000.00	0.00	0.00	609.63	61%	390.37
7100 · Office Supplies	800.00	35.62	13.07	256.16	32%	543.84
7105 - Production Expenses	200.00	0.00	0.00	198.00	99%	2.00
7200 · Postage/Freight	500.00	307.90	418.65	1,632.14	326%	(1,132.14)
7205 · Printing	100.00	0.00	0.00	18.51	19%	81.49
7401 · Facility Supplies	2,000.00	648.55	293.47	2,418.96	121%	(418.96)
7640 · Licenses / Fees / Misc. Taxes	100.00	107.08	100.00	324.40	324%	(224.40)
7700 · Telephone/Telecommunications/Internet	2,920.00	306.76	334.31	3,708.45	127%	(788.45)
<b>Total 6000 - Operating Expenses</b>	<b>17,620.00</b>	<b>4,231.52</b>	<b>1,438.80</b>	<b>17,087.32</b>	<b>97%</b>	<b>532.68</b>
<b>6800 · Contracted Services</b>						
6900 · Contract Services-Audit Services	1,500.00	1,630.00	0.00	1,630.00	109%	(130.00)
7001 · Contract Services-Production Support	0.00	0.00	0.00	0.00	0%	0.00
7007 · Contract Services-CMAP	0.00	0.00	0.00	0.00	0%	0.00
7010 · Contract Services-Consulting	3,500.00	600.00	600.00	2,429.40	69%	1,070.60
7110 · Contract Services-Legal	3,000.00	0.00	0.00	1,826.00	61%	1,174.00
7910 - Contract Services-Equipment Technicians	2,520.00	0.00	0.00	0.00	0%	2,520.00
7920 · Contract Services-Captioning	12,000.00	0.00	529.88	11,984.54	100%	15.46
<b>Total 6800 · Contracted Services</b>	<b>22,520.00</b>	<b>2,230.00</b>	<b>1,129.88</b>	<b>17,869.94</b>	<b>79%</b>	<b>4,650.06</b>
<b>7000 · Staff Development &amp; Fundraising</b>						
7405 · Training/conferences	500.00	0.00	0.00	0.00	0%	500.00
7800 · Travel/Meals	100.00	0.00	0.00	101.92	102%	(1.92)
8600 · Special Events Expense	1,000.00	0.00	0.00	0.00	0%	1,000.00
<b>Total 7000 · Staff Development &amp; Fundraising</b>	<b>1,600.00</b>	<b>0.00</b>	<b>0.00</b>	<b>101.92</b>	<b>6%</b>	<b>1,498.08</b>

Community Television of Santa Cruz County  
 Operating Profit Loss Budget Performance  
 June

2023

	Amended Budget 2022-23	May 2023	June 2023	June Year to Date	% of Annual Budget	Amount Remaining
<b>7500 · Operating Salaries &amp; Benefits</b>						
7525 · Salaries - Executive Director	80,720.00	6,729.33	10,053.43	84,076.06	104%	(3,356.06)
7530 · Salaries - Coworking Community Coordinator	29,535.00	1,927.11	2,806.14	29,325.95	99%	209.05
7535 · Salaries - Accountant	11,032.00	931.84	1,095.36	10,809.06	98%	222.94
7542 · Salaries - Media Services Coordinator	50,778.00	4,245.14	4,941.90	51,514.57	101%	(736.57)
7585 · Salaries - Government Technicians	20,000.00	2,611.54	1,993.52	20,581.80	103%	(581.80)
7589 · Salaries - Extra Help Trainers, Technicians	2,000.00	0.00	0.00	994.33	50%	1,005.67
7621 · Payroll Taxes	24,429.00	1,848.19	1,862.08	21,126.10	86%	3,302.90
7635 · Workers Comp	2,034.00	125.40	631.64	2,297.04	113%	(263.04)
7630 · Health/Dental/Vision	18,200.00	1,576.32	1,798.38	16,690.67	92%	1,509.33
7632 · Severance/Vacation Payouts	5,000.00	0.00	0.00	760.00	15%	4,240.00
<b>Total 7500 · Operating Salaries &amp; Benefits</b>	<b>243,728.00</b>	<b>19,994.87</b>	<b>25,182.45</b>	<b>238,175.58</b>	<b>98%</b>	<b>5,552.42</b>
<b>TOTAL EXPENSES</b>	<b>285,468.00</b>	<b>26,456.39</b>	<b>27,751.13</b>	<b>273,234.76</b>	<b>96%</b>	<b>12,233.24</b>
<b>NET INCOME/LOSS</b>	<b>0.00</b>	<b>(3,505.73)</b>	<b>23,332.50</b>	<b>19,840.82</b>	<b>6.8%</b>	

# Community Television of Santa Cruz County

## Balance Sheet

As of June 30, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1021 Petty Cash Fund	110.82
1075 Checking - Santa Cruz County Bank	237,874.36
1080 Savings - Santa Cruz County Bank	243,266.08
1081 CDAR 1025929272	0.00
1082 CDAR 1025929809	0.00
1083 ICS Santa Cruz County Bank	250,026.60
1084 CDAR 1026064054	0.00
1085 CDAR 1026064062	0.00
1086 Schwab	1,102,268.81
<b>Total Bank Accounts</b>	<b>\$1,833,546.67</b>
Accounts Receivable	
1114 Temp A/R	0.00
1115 Accounts Receivable	31,563.74
1116 Grants Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$31,563.74</b>
Other Current Assets	
1117 A/R - Temp. Restricted	0.00
1125 County Reserve Acct. Restricted	0.00
1200 Prepaid Insurance	
1201 Health	0.00
1202 Accident	300.00
1203 Crime Coverage	0.00
1206 Workers Comp Deposit	583.96
1209 Liability / D&O (SLIP)	0.00
1210 Property Liability (SPIP)	525.52
<b>Total 1200 Prepaid Insurance</b>	<b>1,409.48</b>
1260 Prepaid Expenses	26,352.82
1300 PFG Common Stock	4,931.00
1400 Undeposited Funds	0.00
Repayment	
Health Insurance	0.00
<b>Total Repayment</b>	<b>0.00</b>
<b>Total Other Current Assets</b>	<b>\$32,693.30</b>
<b>Total Current Assets</b>	<b>\$1,897,803.71</b>
Fixed Assets	
1600 Production Equipment	1,323,471.84
1700 Accum Depr-Production Equipment	-1,107,756.25
<b>Total 1600 Production Equipment</b>	<b>215,715.59</b>

# Community Television of Santa Cruz County

## Balance Sheet

As of June 30, 2023

	TOTAL
1602 Board of Supervisors Equipment	0.00
1620 Office Furniture/Equipment	122,181.80
1720 Accum Depr-Furniture/Equipment	-120,741.54
<b>Total 1620 Office Furniture/Equipment</b>	<b>1,440.26</b>
1625 Leasehold Improvement	207,697.15
1725 Accum Depr-Leasehold Improv.	-162,208.48
<b>Total 1625 Leasehold Improvement</b>	<b>45,488.67</b>
1670 Broadcasting Equipment	28,933.89
<b>Total Fixed Assets</b>	<b>\$291,578.41</b>
<b>TOTAL ASSETS</b>	<b>\$2,189,382.12</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	8,529.45
<b>Total Accounts Payable</b>	<b>\$8,529.45</b>
Credit Cards	
2120 American Express	12,427.61
<b>Total Credit Cards</b>	<b>\$12,427.61</b>
Other Current Liabilities	
2110 Sales Tax Payable	94.07
2111 Sales Tax (Manual entry)	0.00
2140 Accrued Vacation	14,572.58
2150 PPP Loan	0.00
24000 Payroll Liabilities	1,034.98
CA PIT / SDI	482.10
CA SUI / ETT	-149.42
Federal Taxes (941/944)	2,505.52
<b>Total 24000 Payroll Liabilities</b>	<b>3,873.18</b>
Board of Equalization Payable	0.00
Direct Deposit Payable	0.00
<b>Total Other Current Liabilities</b>	<b>\$18,539.83</b>
<b>Total Current Liabilities</b>	<b>\$39,496.89</b>
Long-Term Liabilities	
2400 Business Equipment Loan 33736	0.00
2410 EIDL Loan	0.00
<b>Total Long-Term Liabilities</b>	<b>\$0.00</b>
<b>Total Liabilities</b>	<b>\$39,496.89</b>



# Community Television of Santa Cruz County

## Balance Sheet

As of June 30, 2023

	TOTAL
Equity	
3000 Opening Bal Equity	0.00
3015 Net Assets-Temp Restricted	0.00
3900 Retained Earnings	532,346.07
3905 Retained Earnings - Capital Reserves	1,559,195.76
Net Income	58,343.40
<b>Total Equity</b>	<b>\$2,149,885.23</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,189,382.12</b>

<b>EQUITY:</b>	
Capital Reserves.	\$1,257,200.27
Capital Reserves - Youth Grant	\$340,498.06
Operating Reserves.	\$235,848.34
Other Assets.	\$316,338.56
<b>TOTAL.</b>	<b>\$2,149,885.23</b>



Community Television  
of Santa Cruz County

# **FINANCIAL POLICIES & PROCEDURES**

October 2016

325 Soquel Ave. - Santa Cruz - California 95062  
Phone: 831-425-8848

**Community Television of Santa Cruz County  
FINANCIAL POLICIES & PROCEDURES**

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# **I. INTRODUCTION**

It is the policy of Community Television of Santa Cruz County, Inc, to operate the organization in a sound and prudent fiscal manner consistent with the regulations for nonprofit organizations and according to general accounting principles.

The Board of Directors shall provide for the policies and procedures to assure internal controls, proper division of responsibilities, and financial accountability.

The original policies were developed by the original Chief Financial Officer [a.k.a. Treasurer] of Community Television working with an independent accountant, were reviewed by members of the Finance Committee, and were ratified by the Board of Directors on May 19, 1994.

All employees and members of the Board of Directors are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest.

# **II. RESPONSIBILITIES**

Financial duties and responsibilities are separated so that no one person has sole control over cash receipts, disbursements, payroll, the signing of checks, and reconciliations.

## **1. The Board of Directors**

All financial policies, procedures, and activities of Community Television of Santa Cruz County, Inc. (CTV), are under the management or direction of the Board of Directors. The Board of Directors approves financial policy, delegates administration of the policies to the staff, and reviews the operation and activities. The Board of Directors shall elect a Treasurer and appoint a Finance Committee to carry out the financial policies and procedures of the organization.

## **2. The Executive Director**

Under the supervision of the Treasurer and the Finance Committee, the Executive Director has the responsibility for the financial management of the organization, subject to the established policies and procedures.

## **3. The Treasurer**

Acting under the supervision of the Board of Directors, the Treasurer (the Chief Financial Officer of the Corporation) shall have charge and custody of, and be responsible for, all the funds of the organization. The Treasurer shall be responsible for keeping or causing to be kept accurate financial records of the organization. He or she shall deposit, or cause to be deposited, all monies in bank accounts as designated by the Board of Directors. The Treasurer shall disburse or cause to be disbursed the funds of the organization based upon proper source documents for such disbursements.

The Treasurer shall present the Board of Directors with reports on the financial status of the organization on a monthly basis. The Treasurer shall serve as a voting member and Chair of the Finance Committee.

## **4. The Finance Committee of the Board of Directors**

The Finance Committee shall work with the Executive Director and others in the preparation of an annual budget and present the budget to the Board of Directors for approval. The Finance Committee shall meet quarterly to review the financial state of the organization, and shall report to the Board of Directors whether the organization is meeting its projected budgetary goals and shall make necessary recommendations. The Finance Committee shall make recommendations regarding selection and fees paid for accountancy services and auditing. It shall also review and recommend approval of the annual audit.

# **III. POLICIES AND PROCEDURES**

## **1. Fiscal Year**

The fiscal year of the organization shall be July 1 to June 30.

## **2. Annual Budget**

An annual budget will be presented to the Board of Directors for its approval no later than the 15th of May preceding beginning of the fiscal year. The budget will cover the period from July 1 to June 30. The budget will be presented in four parts: Operating Budget, Capital Budget and Cash Flow Projections. The Annual Budget will be formatted and follow such other guidelines as are required by the City and County of Santa Cruz.

## **3. Receipts**

All receipts shall be deposited into the appropriate bank accounts within ten working days. One individual within the organization, other than the person responsible for preparing bank deposit forms, shall be responsible for the opening of mail and recording all funds received in a Daily Cash Receipts Log. This individual shall also be responsible for stamping all checks, "For Deposit Only." The bank deposit forms shall be prepared by an individual other than the person responsible for opening the mail and maintaining the Daily Cash Receipts Log.

Copies shall be made of all checks or money orders received, as well as deposit slips. The deposit slips shall be recorded in the Daily Cash Receipts Log. The Treasurer and Executive Director (or their designee) shall periodically reconcile the Daily Cash Receipts Log against the bank deposits.

## **4. Budget Management**

The Executive Director is responsible for managing the operating and capital budgets, and is authorized to make transfers within major expense categories as follows:

**a. 7500~7600 PERSONNEL SERVICES SERIES**

Personnel Services (7500 and 7600 series) is controlled by the overall total appropriation for the series. However, savings engendered by hiring a regular employee below the position's specified salary range must be approved by the Board of Directors.

**b. 6100—7400 & 7700—7900 SUPPLIES AND SERVICES SERIES**

Supplies and Services (6100—7400 & 7700—7900) is controlled by the overall total appropriation for the series.

**c. 1600—1700 FIXED ASSETS**

Fixed assets (equipment, etc.) are controlled by the dollar amount allocated for each item. [During the start-up phase of the Corporation, which ended on December 31, 1995, the Executive Director, with the approval of the Corporation Chair, was authorized to make transfers among equipment and furniture items in order to obtain the best packages for the Corporation.]

Transfers between major expense categories must be approved by the Board of Directors.

**5. Disbursements**

Upon approval of the annual budget, all disbursement shall be authorized by the Executive Director when presented with an invoice, check request form, or reimbursement form. The Executive Director is not authorized to make expenditures over \$10,000 for items other than personnel that are not clearly identified in the Annual Budget, including but not limited to:

- a. Borrow or obtain credit in any amount greater than \$10,000 or execute any guaranty greater than \$10,000;
- b. Expend funds for capital equipment in excess of budgeted expenditures for any fiscal year;
- c. Execute any contract or make any commitment for the purchase or sale of Employer's assets in excess of \$10,000 per month;
- d. Execute any lease of real or personal property for greater than \$10,000 per year;
- e. Exercise any discretionary authority over the management of any employee welfare or pension plan benefit, or arrange the disposition of assets of any such plan.

Expenditures over \$10,000 must be approved by the Board of Directors, on the recommendation of the Finance Committee. All invoices, check request forms, or reimbursement requests shall be examined by the preparer of checks, and by those signing checks, for reasonableness and appropriateness.

**6. Checks and Bank Accounts**

All CTV bank accounts shall be established by the Treasurer as authorized by the Board of Directors. Checks will require the signatures of two individuals, one of whom must be an officer of the Board, and the other of whom may be the Executive Director, or, in the absence of the Executive Director, the

Assistant Director. Checks presented for signature by authorized individuals must be accompanied by supporting documentation. Duplicate copies of checks shall be attached to the documentation for review by the Bookkeeper and permanent recording.

Bank reconciliation will be reviewed by the executive director and/or treasurer, and the bookkeeper monthly. The bookkeeper will reconcile monthly. When possible, someone other than the person posting transactions should reconcile bank accounts. Someone who doesn't reconcile should always review the reports. The Executive Director will approve reconciliation reports by signing and dating the report in the upper right hand corner.

## **7. Bookkeeping Services**

CTV shall insure that a bookkeeper shall be responsible for preparing monthly financial reports, reconciling all checking accounts and the Daily Cash Receipts Log, and maintaining general ledgers, depreciation records, and other financial documents for the organization.

## **8. Payroll Services**

CTV shall be responsible for generating payroll checks on a twice-monthly basis, making all appropriate withholding transfers, benefit payments, and quarterly state and federal tax deposits, and providing appropriate accounting records. Paychecks must be signed by either the Executive Director or the Treasurer of the Corporation unless the funds are directly deposited.

## **9. Petty Cash**

Petty cash expenditures will be used for small non-recurring purchases not appropriate for a purchase order. All petty cash expenditures require receipts and must be approved by the Executive Director. The Petty Cash Fund shall be set at \$100, but may be adjusted upward to \$500 by the Executive Director, with the approval of the Treasurer.

## **10. Contracts**

All contracts and agreements for legal, professional consulting, leases, and accounting services in excess of \$10,000, and all contracts for services provided by any Board member, shall be approved by the Board of Directors upon recommendation of the Finance Committee. New insurance policies and contract for financial audits must be approved by the Board of Directors.

Payment will be made upon receipt of invoice from the contractor and approval of the Executive Director. All contracts must be signed by the Executive Director.

## **11. Purchase Orders**

Purchase orders are issued if requested by the vendor or for emergency purposes. All purchase orders must be signed by the Executive Director.

## **12. Competitive Pricing**

Items costing more than \$6,000 shall require at three price quotes if possible unless there is only a sole source for the item.

### **13. Reimbursements**

Expense reimbursements to staff for all travel and other expenses will be made only when authorization for the travel and other expenses has been given in advance by the Executive Director. Mileage reimbursement to an employee using his or her own vehicle will be computed at the rate currently approved by the Internal Revenue Service. No reimbursement will be made for everyday commuting expenses to and from home and office.

A detailed report listing miles dates, and destination must be submitted by the employee to the Executive Director prior to issuing of payment to the employee. Employees using their personal vehicles for CTV business must provide proof of insurance prior to their first use as a condition of reimbursement and are required to maintain appropriate insurance throughout their employment with CTV. Other expense reimbursements must be submitted on an appropriate form and be accompanied by receipts. Reimbursement for meals, lodging, and other expenses shall conform to rates set in the CTV Personnel Manual.

Volunteers may be reimbursed for actual expenses and mileage according to the same schedule, provided authorization has come in writing from the Executive Director prior to the activity that may require the reimbursement.

### **14. Financial Reports**

Current monthly Financial Reports will be presented to the Board of Directors at each Board meeting by the Treasurer. The financial reports presented will be an Income Statement and Budget comparison and Balance Sheet.

### **15. Biennial Audit**

CTV shall contract with an independent public accountant or public accounting firm for a biennial audit within two months of the end of the fiscal year. The biennial audit, along with an audit management letter, shall be reviewed by the Treasurer and Finance Committee and presented to the Board of Directors for approval. The audited financial report and all books of accounts shall be open to inspection by any member of the Board of Directors at all reasonable times.

### **16. Fixed Asset Accounting Policy**

A depreciation schedule listing all fixed assets acquired will be maintained. Items depreciated will be items purchased for \$1,000 or more. Items under \$1,000 shall be expensed. Depreciation shall be on a straight-line basis over the estimated useful life followed by the Internal Revenue Service.

### **17. Compensation**

Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties.

Directors may not be compensated for rendering services to the organization in any capacity other than Director unless such other compensation is reasonable and fully disclosed in advance to, and authorized



by, the Board of Directors.

## **18. Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the organization.

## **19. Prohibition Against Association Profits and Assets**

No member, Director, officer, employee, or other person connected with the organization, or any private individual, shall receive at any time any of the net earnings or profit from the operations of this organization; provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the organization in effecting any of its public purposes, provided that such compensation is otherwise permitted by and is fixed by resolution of the Board of Directors. Upon the dissolution of the organization, after all debts have been satisfied, such assets then remaining shall be distributed in a manner consistent with the Agreement with the City and County of Santa Cruz.

## **20. Credit Cards and Online Accounts.**

The Executive Director will approve all credit / debit card and online account reports by signing and dating the upper right hand corner.

## **21. Monthly Checklist**

The compliance checklist must be filled out and signed monthly by the Executive Director and Treasurer.

### **Monthly Checklist**

<b>Procedure</b>	<b>E.D.</b>	<b>Treas.</b>
Bank reconciliation complete and initialed.		
All check requests approved (initialed).		
Petty cash reconciled (initialed).		
Balance sheet reviewed and approved.		
Profit and Loss sheet reviewed and approved.		
All checks compared to check requests.		
Invoices reviewed.		
Credit card report reviewed and approved / initialed.		
Online statements reviewed and approved / initialed.		
Deposits reviewed and approved.		
Regular government income received.		
Monthly payables paid.		

These Financial Policies and Procedures may be amended by the Board of Directors by majority action.

Last Revised: 10/16/2016