**FINANCIAL MANAGEMENT POLICY**

**Purpose**

It is important for Central Missouri Community Development Corporation to establish a sound financial management policy and to establish standards for fiscal management and integrity.

**Basis of Accounting**

The corporation uses a cash basis of accounting. The accounting procedures used by the corporation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

**Bank Reconciliations**

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

**Internal Financial Reports**

The corporation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month.

**Revenue**

All applicable grants and projects are invoiced each month. All contributions received will be deposited promptly by the chairperson, vice-chairperson, secretary or treasurer and will be recorded. Contributions will be recorded to the appropriate revenue lines and coded as designated in the corporation’s Chart of Accounts.

**Expenses**

All invoices must be approved by the treasurer or another officer if the treasurer is unavailable. Approved invoices will be paid within 30 days of receipt. Checks written and submitted for payment shall be signed by at least two officers. Each officer shall be an authorized signer on all corporation bank accounts. Expenses will be recorded to the appropriate expense lines and coded as designated in the corporation’s Chart of Accounts.

**Annual Budgeting Process**

The corporation’s annual budget is prepared and approved annually. The budget is prepared by the treasurer in conjunction with the chairperson, vice-chairperson and secretary. The budget is to be approved by the Board of Directors prior to the start of each fiscal year or as soon thereafter as possible. If the current fiscal year budget is not approved by the start of the current fiscal year, the prior fiscal year budget shall remain in effect. The budget is revised during the year only if approved by the Board of Directors.

**Exceeding Budgeted Guidelines**

**Costs may exceed what was approved in the corporations budget; however, no corporation costs shall be incurred or procured which will cause the overall expenses to exceed the corporation’s overall total income or cash available for payment.**