

Nebraska Journalism Trust

Policy 4: Financial and asset management

General

The purpose of this document is to describe all accounting policies and procedures of the Nebraska Journalism Trust. These policies and procedures may need to be modified as the organization develops. The Board of Directors will approve these financial policies and procedures and revisit them annually for possible revision. The Board of Directors formulates these financial policies and delegates administration of the financial policies to the Executive Director.

The Executive Director has management responsibility for the Nebraska Journalism Trust. This includes financial management, with input from the Project Manager and Accounting Specialist. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.

Relevant job titles to these financial policies are:

- Executive Director (ED)
- Project Manager (Consultant)
- Accounting Specialist (Consultant)
- Justworks (Payroll vendor)

Relevant systems include:

- CRM Software: Little Green Light
- Accounting Software: QuickBooks Online
- Online Donation Platforms: Stripe and PayPal

Financial duties and responsibilities are separated to the extent possible so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, credit card accounts, and other functions. The Accounting Specialist will maintain a current and accurate log of the chart of accounts, customer accounts, and accounting categories.

The Board of Directors will review these policies and procedures as needed but at least annually. The Board of Directors must approve changes to the financial procedure manual prior to implementation.

Cash Receipts

Donations may be received by the online donation platform, ACH, or by check:

- Online Donation Platforms (Stripe and PayPal):
 - Stripe and PayPal transactions are synced into Little Green Light, which syncs into QuickBooks Online.
 - Stripe donations are deposited into the bank daily PayPal, twice monthly.

- Accounting Specialist and Project Manager reconcile the donations made through Stripe and PayPal monthly.
- Donations received by check:
 - The Executive Director opens the mail.
 - The Executive Director sends an e-mail to the Project Manager/Accounting Specialist with the deposit information including images of the checks. The Project Manager enters the checks into the Little Green Light. Little Green Light syncs to QuickBooks Online, entering the transactions.
 - The Executive Director endorses donation checks to read as follows:
 - FOR DEPOSIT ONLY
 - Nebraska Journalism Trust
 - The Executive Director deposits the checks into the bank and makes deposits regularly.
 - The Accounting Specialist has access to the Stripe, PayPal, Little Green Light, and bank account to review all deposit slips along with the donation software and copies of checks.
 - Documentation of all receipts will be kept by the Accounting Specialist (this includes a copy of check, letter, bank receipt, individual donor receipt, etc.).
- Donations received by ACH:
 - The Executive Director will be notified by the funder of an ACH deposit.
 - The Executive Director provides the funder with the bank information for and sends an e-mail with the information to the Project Manager and Accounting Specialist.
 - The Accounting Specialist confirms the ACH has been received. Project Manager records the donation in Little Green Light which syncs it into QuickBooks.

Cash Disbursements

Invoices: The Executive Director will receive invoices either by mail or e-mail. Subcontractor invoice payments are processed through Justworks by the Executive Director. A copy of the subcontractor invoice is maintained. Vendor invoices are provided to the Accounting Specialist and payment is processed through the online bill pay system through the bank. A copy of the invoice is kept in Dropbox.

Accounting Specialist will record the invoice in the accounting system and will apply payment made through the online bill pay or Justworks. The payment will be updated in the accounting system and the invoice will be moved from the Invoice to be paid folder to Invoice Paid. Invoices are kept in folders by vendor. The Executive Director and the Treasurer have online bank access and can review bill payments made.

Check Authorization: Prior to payment, the Executive Director will approve all invoices via email. The Accounting Specialist will code the invoice with an appropriate expense or other chart of accounts line item number or name.

- The Executive Director will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled.
- The Accounting Specialist is responsible for timely follow-up on discrepancies and payment.
- Accounting Specialist will record the invoice in the accounting system and will apply payment made.
- Authorized signers on bank account(s) include the Executive Director, President and Treasurer of the Board of Directors.
- The Executive Director will be responsible for all blank checks. Checks will be kept locked away at the place of business.
- The Executive Director or President or Treasurer of the Board of Directors will sign all physical checks.
- Voided checks will have “VOID” written boldly in ink on the face. Voided checks will be kept on file by the Executive Director.

In no event will:

- Blank checks (i.e., checks without a date or payee designated) be signed in advance;
- Checks be made out to “cash,” “bearer” etc.;
- Checks be prepared on verbal authorization.
- In the event that it is necessary to issue a duplicate check for checks in an amount over \$50, a stop payment will be ordered at the bank on the original check.
- The Executive Director shall not sign any check payable to himself/herself.

Credit Card: Designated employees will be issued a credit card to be used for budgeted organization expenses. This card is the property of Nebraska Journalism Trust and can never, under any circumstances, be used for personal expenses.

Each cardholder will submit on a monthly basis the credit card statement, original receipts, and a brief description of what the charge was for to the Accounting Specialist. If receipts are missing, there will be progressive disciplinary actions:

- First time a receipt(s) is missing, written warning from the Accounting Specialist.
- Second time receipt(s) are missing, the designated cardholder will have the charge(s) taken out of their check.
- Third time receipt(s) are missing, the designated cardholder will have the charge(s) taken out of their check and the designated cardholder will lose their card privileges for 1 month.
- Fourth time receipt(s) are missing, the designated cardholder will have the charge(s) taken out of their check and the cardholder will permanently lose card holder privileges.

The Executive Director and Accounting Specialist will review the credit card statement monthly. Per discretion of the Executive Director, each cardholder will be given a credit limit not to exceed \$5,000.

Petty Cash: The purpose of petty cash is for payment of incidental expenses when there is insufficient time for processing through the general checking account. Examples include but are not limited to: office supplies, cleaning supplies, postage, employee expense reimbursement or incidental independent contractor payments. Petty cash should not exceed \$300.

The Executive Director shall have access to petty cash. The Executive Director cannot authorize their own petty cash disbursement. Use of petty cash shall require original receipts for all purchases. The Petty Cash will have a simple ledger for review by the Accounting Specialist with reconciliation no less often than once a month.

The Executive Director will approve the replenishment of the Petty Cash fund, and the Accounting Specialist will produce a check in exchange for the accumulated petty cash receipts. Accounting Specialist will record the replenishment of Petty Cash in the accounting system.

Bank Reconciliations

Bank statements will be downloaded directly via the Internet by the Accounting Specialist. The Accounting Specialist will reconcile the bank statement monthly.

The Treasurer of the Board of Directors will review monthly bank statements of all accounts.

The Executive Director shall verify the reconciliation of bank accounts on a monthly basis and record his/her review by initialing the paper statements. On all checks outstanding over 60 days, the Accounting Specialist should follow up with the payee.

Purchasing

Single Item Purchase Requests Over \$5,000: Any purchase over the amount of \$5,000 will be submitted to the Board of Directors by the Executive Director for approval of purchase.

Payroll and Contracted Personnel Payments

Nebraska Journalism Trust uses a third-party payroll provider, Justworks. Employees will be paid every two weeks. The Accounting Specialist will download payroll reports and record the information into QuickBooks Online. Employees are paid by direct deposit. Executive Director will review payroll reports submitted every two weeks.

Payroll Taxes

Justworks will prepare and transmit the payroll tax reports and W-2 forms. Justworks will prepare and distribute IRS Forms 1099.

Benefits

Payroll will be prepared in accordance with the personnel policies and benefit plan. The Employee Benefits section of the Employee Handbook will contain the Retirement and Healthcare plans specific information for employees.

Nondiscrimination Policy

The Nebraska Journalism Trust does not and shall not discriminate on the basis of race, color, religion or creed, gender, gender expression, age, national origin or ancestry, disability status, medical condition, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff and other employment-related decisions, including the hiring of freelance content contributors, selection of volunteers and vendors, and the selection of partners in the distribution of content.

Travel & Expenses

Nebraska Journalism Trust will reimburse employees and independent contractors if applicable based on their contract, for reasonable business travel expenses incurred while on assignment away from the office. Business travel must be approved in advance.

The Executive Director will approve the reimbursement of mileage to and from an employee's residence for certain programs only, and for independent contractors if applicable based on their contract.

Nebraska Journalism Trust will reimburse employees and independent contractors if applicable based on their contract, for purchases for supplies and related business items if the purchase is a budgeted item or the Executive Director has approved the purchase in advance, in accordance with the authorization limitations.

Employees and independent contractors will submit the expense reimbursement request with a total amount, attached receipts and the employee's signature. Reimbursements will not be granted without a receipt. The employee or contractor will submit the request within 30 days of the expense being incurred for payment authorized by the Executive Director.

The Executive Director must approve employee travel and workshop expenditures prior to their occurrence.

Authorization limits and contracts

- Budgeted Transactions and contracts/MOUs: \$25,000
- Executive Director: \$5,000
- Executive Director can take on incidental, one-time expenses so long as the annual budget remains within 5% of the board-approved total budget with that category.

Fixed Assets

Fixed assets shall be defined as all items (purchased or donated) with a unit cost of \$2,500 or more and a useful life of more than one year. A depreciation schedule shall be prepared at least annually for the audited financial statements.

Capitalized assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives which can range from:

- Leasehold improvement: lease term of 5 years whichever is shorter

- Equipment – 3 years
- Furniture – 5 years.

The Accounting Specialist will maintain an inventory log, which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.

The Log will be reviewed by the Executive Director annually. The Executive Director should be informed in writing of any change in status or condition of any property or equipment.

Disposal of Surplus Property and Donations

Surplus property means property that is no longer in use, is damaged beyond repair, or that the Executive Director believes will have no future value to the program and the Board of Directors declares as surplus. If Nebraska Journalism Trust wishes to dispose of equipment or other surplus property, the Board will declare the property surplus and shall direct the staff to sell, donate or destroy and dispose of the property. The minutes shall reflect this decision.

The Accounting Specialist will record all fixed assets in the accounting system. An entry must be made whenever property is disposed of or acquired.

Leases

Real Estate: The Executive Director will review leases prior to submission to the Board of Directors for approval. All leases will clearly delineate terms and conditions and must include a termination clause. All real estate leases will be approved by the Board of Directors and signed by the Board President. The Executive Director or his/her delegate will keep a copy of each lease on file. The Accounting Specialist will be notified of each lease and lease specifications. He/she will make proper general journal entries for it.

Equipment: The Executive Director will review all leases. The Executive Director will approve and sign all leases, which clearly delineate terms and conditions. The Executive Director or his/her delegate will keep a copy of each lease on file. The Accounting Specialist will be notified of each lease and lease specifications. He/she will make proper general journal entries for same.

Insurance

Reasonable, adequate insurance coverage shall be maintained to protect Nebraska Journalism Trust assets. The Executive Director, together with the Board of Directors, will make a determination and recommendation about needed insurance to include Director's and Officer's insurance.

Reports

Once a month, the Accounting Specialist will prepare financial reports that the Executive Director and the board's financial committee will review. The financial reports will include but not limited to a Balance Sheet, Statement of Activities - budget vs actual, expense allocation, cash flow.

Specific program reports will be prepared for the board, by the Project Manager or Accounting Specialist, at the financial committee's request, to monitor relevant activity during the year. Nebraska Journalism Trust will maintain its accounting records on the full accrual basis in a manner that facilitates the preparation of audited financial statements.

Grants and Contracts

The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Executive Director will maintain originals of all grants and contracts in a file. The Accounting Specialist will prepare initial entries as appropriate to record each award.

Nebraska Journalism Trust uses Little Green Light to track grant awards. Little Green Light shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant deliverables; all restrictions on expenditures; all required financial and program reports and due dates; and the chart of accounts line- item number for the revenue deposited.

The Accounting Specialist will prepare financial reports to funding sources as requested.

The Executive Director will review and approve all reports to funding sources prior to sending the reports to them.

It will be the responsibility of the Accounting Specialist to ensure that all financial reports are submitted on a timely basis.

In the event that funds designated for a specific purpose cannot be expended for that purpose (e.g. a program has been discontinued), the organization will inform the funder and either return the unspent funds or request to repurpose the funds. Funds will be repurposed only when the funder grants permission in writing.

Budgets

The Executive Director, the Accounting Specialist, and Project Manager will prepare the financial budget annually. The Board of Directors will approve the budget for the following year in the prior year's November meeting.

The Executive Director will ensure that the budget is on file and supply a copy of the approved budget to the Accounting Specialist. The Board of Directors must approve mid-year changes or deviations in the budget, should they exceed 10 % of the line item.

Loans

The Board of Directors must approve all loans.

Cash Reserves

An operating cash reserve is an unrestricted fund balance set aside to stabilize a nonprofit's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses. The Nebraska Journalism Trust's operating cash reserve will be recorded in the financial records as Board-Designated Operating Reserve. The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The target minimum amount for the operating cash reserve is 6 months of expenses.

The Executive Director will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. The Board of Directors will approve the Executive Director's request to use cash reserves. The request will include the analysis and determination of the use of funds and plans for replenishment. The Nebraska Journalism Trust's goal is to replenish the funds used within 12 months to restore the Operating Reserve Fund to the target minimum amount.

Upon approval for the use of Operating Reserve funds, the Executive Director will maintain records of the use of funds and plan for replenishment. He or she will provide regular reports to the Board of Directors of progress to restore the Fund to the target minimum amount.

Investments/Cash Policy

The policy of the Nebraska Journalism Trust is to allocate funds available beyond our expenses to a Cash Reserve. The goal will be to maintain a Cash Reserve of no less than one years' anticipated operating expenses and preferably two years' operating expenses.

The Board will review quarterly the anticipated operating expenses and the current cash/anticipated cash to determine the amount to move to the Cash Reserve quarterly.

Expenditure of funds from the Cash Reserve will require Board approval and will be reviewed quarterly also. This pool primarily consists of cash awaiting expenditure within the ensuing 12 – 36 months for operations of the Nebraska Journalism Trust, based on projected cash flow needs.

II. The investment objective of these funds, in order of priority, is to preserve the pool's nominal principal value, maintain an adequate level of liquidity, and generate interest income.

III. The chief executive officer in consultation with a designated member of the Board of Directors shall be responsible for the management of the pool. The chief executive officer may designate an operations staff member, if one exists, to survey investment options and make recommendations to the chief executive officer and board member.

IV. Permissible investments include:

- a) Direct obligations of the United States Treasury with a maturity no longer than 36 months,
- b) Obligations issued by Agencies of the United States Government with a maturity of no longer than 36 months
- c) FDIC Insured Certificate of Deposit with a maturity no longer than 36 months,
- d) Institutional quality money market funds are permissible

V. Quarterly reporting of the Cash Pool investments shall be made to the Board of Directors.

Form 990

At the end of the fiscal year, the outside CPA firm will prepare the Form 990. This form will be presented to the Executive Director, and the Board of Directors for their review and approval. The Executive Director will sign the return. The outside CPA will then file the return with the IRS by the annual deadline.

Audits

The Board of Directors shall arrange for an independent review of Nebraska Journalism Trust's financial records at least every year.

Approved December 13, 2022