



Financial and Asset Management Policy and Process Manual

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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 formulates these financial policies and delegates administration of the financial policies to the Executive Director.

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 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.

Relevant job titles to these financial policies are:

- Executive Director
- Director of Operations and Finance
- Director of Advancement
- Project Manager (Consultant)
- Accounting Specialist (Consultant)

Relevant systems are:

- CRM Software: Little Green Light
- Accounting Software: QuickBooks Online
- Online Donation Platforms: Stripe and PayPal
- POS System: Square
- PEO System: Justworks
- Inventory and Asset Management: Asset Tiger

Fiscal Year

- January 1- December 31

Section 1 Budget

A. Overview

Nebraska Journalism Trust budget policy is essential for promoting fiscal discipline, aligning financial activities with organizational goals, and providing a foundation for sound financial management. It helps NJT make informed decisions, allocate resources efficiently, and adapt to changing economic conditions. NJT has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements and written out below.

B. Policies and Controls

- The budget year shall be the same as the fiscal year of the organization.
- Budget creation is a collaborative process involving leadership across the organization.
- A three year budget plan shall be presented to the Finance Committee for action no later than the first Q4 committee meeting. This approved budget shall be presented to the full board by the final board meeting of the fiscal year
 - A three year budget plan and projection is defined as a fully developed budget for the next fiscal year and summary level projections for the two subsequent fiscal years
- The general ledger and chart of accounts shall be reviewed as necessary but at least annually for potential revisions.

C. Process Description

1.1 Budgeting Creation Process

- The Director of Finance and Operations shall create a draft three year budget plan
- The Director of Finance and Operation will coordinate on budget creation with the Executive Director, Accounting, Director of Development, Project Manager, and program leadership.
- The Director of Finance and Operation will present the budget to the finance committee for approval.
- The Director of Finance and Operation and Treasurer of the Board will present the final version approved by the finance committee to the full board of directors for approval.

1.2 Chart of Accounts and General Ledger

- The general ledger is automated and maintained using our accounting software, Quickbooks.
- All GL codes follow the same format; AAAAAA-0000
 - AAAAAA – Denotes the Project Code or Class. This is limited to six characters though can be shorter, including letters, numbers or a combination of both.

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Project Code or Class	Subclass	Description
GENOPS		General Operations
SPN		Silicon Prairie News
FFPGEN		Flatwater Free Press General
	FFPGNE	Flatwater Free Press Greater Nebraska
	FFPLIN	Flatwater Free Press Lincoln
DOC		Documenter's
OPNGOV		Open Government or Freedom of Information Fund
FNDRSG		Fundraising

- **0000** – Denotes the Detail Code for any transaction. This is limited to four characters and is always four numbers. Detail codes are not specific to individual departments or companies.

Code	Description	Definition
Dues, Subscriptions, and Fees		
5410	Bank Fees	Fees applied by banking institutions
5420	Memberships and Subscriptions	Fees associated with recurring memberships and subscriptions to organizations, but not IT or marketing related products
5430	Merchant Account Fees	Fees applied by merchants such as Square, LGL, Stripe, Paypal, etc
5460	Professional Development	Fees associated with staff professional development
Communication		

5010	Marketing	Fees associated with costs for marketing
5360	IT Services	Fees associated with IT software
Contracted Services		
5110	Accounting Consulting	Fees paid to accounting consultants
5130	Fundraising Consulting	Fees paid to fundraising consulting
5120	Event Consulting	Fees paid to event consulting
5140	Legal Consulting	Fees paid to legal consulting
5150	Freelance Contributors	Fees paid to freelancers for any publication- photographers and journalists
5170	Design Consulting	Fees paid to design firm Hanscom Park
5180	Other Consulting	Fees paid to other consultants who do not fall into the above categories such as design
Facilities and Equipment		
5223	Liability Insurance	Fees paid for liability insurance
5230	Rent	Fees paid for rent
5320	Office Supplies	Fees associated with necessary office supplies
5340	Shipping and Postage	Fees paid for items related to ship as well as cost to ship and send items
5350	IT Equipment	Fees paid for physical IT equipment
5370	Business Expense	Fees associated with
5380	Parking	Parking stipend paid to employees
5600	Travel	Fees associated with approved travel

5700	Events	Fees associated with events hosted by organization
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Section 2 Revenue- Cash Receipts

A. Overview

Nebraska Journalism Trust receives, possesses, deposits, and records revenue in a timely and appropriate manner. Nebraska Journalism Trust ensures that appropriate segregation of duties, as included in the procedures below, is in place to ensure a checks and balances system for the revenue process.

B. Policies and Controls

- Receive and record cash on a timely basis
- Record revenue in accordance with donor stipulations and acknowledge receipt
- Store cash receipts in a secure, locked location prior to deposit.
- Monitor all receipts due to the organization for likelihood of collection and create adequate reserves for uncollectible amounts.
- Deposit cash and checks within one week of receipt.
- Guard donor credit card information securely.
- Analyze proposed donations of goods and services for usability prior to acceptance. If the goods or services cannot be effectively used by Nebraska Journalism Trust, reject or donate them to another public charity, or otherwise discard them.

C. Process Description

2.1 Cash Receipts

- Cash received through online donation platforms Stripe or Paypal will be synced into Little Green Light by Finance or Development, which then syncs into QuickBooks.
 - The accounting specialist will reconcile the donations from Stripe and Paypal monthly.
 - Stripe donations are deposited into the bank daily
 - PayPal donations are deposited twice monthly
- Donations received by mail will be collected by the Executive Director:
 - The Executive Director receives and opens the mail.
 - The Executive Director provides checks to the Director of Operations and Finance.
 - Director of Operations and Finance logs the check into Little Green Light. Little Green Light syncs to QuickBooks Online, entering the transactions.
 - The Director of Operations and Finance endorses donation checks to read as follows:
 - FOR DEPOSIT ONLY
 - Nebraska Journalism Trust
 - Account Number
 - The Director of Operations and Finance deposits the checks into the bank.

- 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 or Project Manager will be notified by the funder of an ACH deposit.
 - The Director of Operations and Finance confirms the ACH has been received, and records the donation in Little Green Light which syncs it into QuickBooks.
- Money collected through Square:
 - Square deposits funds into the bank per their next business day transfer schedule.

Section 3 Cash Disbursements

A. Overview

Nebraska Journalism Trust's Cash Disbursement policies and procedures ensure that cash is disbursed only for valid business purposes. It outlines the internal controls, as well as the related roles and responsibilities, for cash disbursements to suppliers of goods and services.

B. Policies and Control

- Nebraska Journalism Trust's goal for every purchasing transaction is to obtain the best value. Nebraska Journalism Trust is committed to the purchase and use of environmentally and socially responsible materials, goods, and services.
- Cash disbursements within the scope of this policy must be processed utilizing the services of payment services providers (PSPs), such as banks, micro-finance institutions, money-transfer companies, post offices, mobile money payments providers, and trusted payment broker networks unless exceptional and properly justified situations (for example, lack of availability of reliable payment services, lack of access by payees to banking or mobile telephony services) prevent it.
- The following are the authorization limits that do not require board approval:
 - Budgeted transactions and contracts/MOU's : \$25,000
 - Executive Director: \$5,000
 - The Executive Director can take on incidental, one-time expenses so long as the annual budget remains within 5% of the board-approved total budget within that category.

C. Process Description

3.1 Cash Disbursements

Requests for cash disbursements are submitted by original invoice, purchase request, or reimbursement request.

- Invoices
 - The Director of Operations and Finance will receive invoices either by mail or e-mail. Prior to payment, the Director of Operations and Finance approves all invoices via email and will code the invoice with an appropriate expense or other chart of accounts line item number or name.
 - Payment is processed through the most appropriate form for the invoice, to include an online bill pay system, bank transfer, or with a company credit card. The Director of Operations and Finance will maintain a copy of the invoice.
 - The Accounting Specialist will record the invoice in the accounting system. The payment will be updated in the accounting system.

- Purchase Requests
 - Purchasing products with Nebraska Journalism Trusts or any of its affiliates logo whether for commercial, promotional, or internal use may only be purchased after review from our branding and design consultants.
 - Purchase Request forms to be sent to the Director of Operations and Finance for approval and purchasing with a company credit card.
 - Any purchase over the amount of \$5,000 will be submitted to the Board Of Directors by the Executive Director for approval of purchase.
- Mileage and Reimbursement Requests
 - 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. Employees who incur approved business expenses are eligible to be reimbursed or have expenses paid as per diem.
 - Contractors will submit mileage and travel reimbursements on their invoice for the assignment. Employees of Nebraska Journalism Trust will submit mileage and travel reimbursements through Justworks. The employee's manager will approve reimbursements before it is submitted to the Director of Operations and Finance for final approval payment.
 - In addition to mileage, other authorized expenditure categories include parking, meals, lodging, conference registration fees, and supply / miscellaneous items.
 - Employees agree to have expenses submitted for approval by the 15th of the following month. Due to the nature of NJT's funding sources, expense reports submitted more than thirty (30) days after the end of a fiscal year may not be reimbursed.

3.2 Check Authorization

- The Executive Director will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled.
- The Director of Operations and Finance is responsible for timely follow-up on discrepancies and payment.
- Accounting Specialists will record the invoice in the accounting system and will apply payment made.
- Authorized signers on bank account(s) include the Executive Director, Director of Operations and Finance, and Treasurer of the Board of Directors.
- The Director of Operations and Finance will be responsible for all blank checks. Checks will be kept locked away at the place of business.
- The Executive Director or Director of Operations and Finance or Treasurer of the Board of Directors will sign all physical checks.
- 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 and Director of Operations and Finance shall not sign any check payable to himself/herself.

3.3 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, coded reconciliation sheet, and all original receipts over the amount of \$50 to the Accounting Specialist. If receipts are missing, there will be progressive disciplinary actions:

- First time a receipt(s) is missing, a written warning is issued
- 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 Director of Operations and Finance 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.

Section 4 Asset Management

A. Overview

The purpose of this policy is to address the acquisition, use, control, protection, maintenance and disposal of Nebraska Journalism Trust assets.

B. Policies and Controls

- Fixed assets are defined as all items (purchased or donated) with a unit cost of \$2,000 or more and a useful life of more than one year.
- Each fixed asset should be clearly identified
- NJT should perform a physical count of its fixed assets on a regular basis
- 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.
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C. Process Description

4.1 Capitalized Assets

Capitalized assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives.

The Director of Operations and Finance will maintain an inventory log to include the following details:

- description of the item
- date of purchase or acquisition
- price or fair value of the item
- The item's 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.

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.

4.2 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 Director of Operations and Finance will keep a copy of each lease on file. The Accounting Specialist will be notified of each lease and lease specifications, and will make proper general journal entries for it.

4.3 Insurance

Reasonable, adequate insurance coverage shall be maintained to protect Nebraska Journalism Trust assets. The Executive Director shall calendar when renewals are due for all insurance policies and shall provide those dates to the Board of Directors. Forty-five days before renewal, the Management Company shall inform the Board that the renewal is due and, unless otherwise directed by the Board, ensure that the payment is timely made. The Board of Directors will assist in insurance coverage needs, to include Directors and Officers insurance.

4.4 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. They will provide regular reports to the Board of Directors of progress to restore the Fund to the target minimum amount.

4.5 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.

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.

The Executive Director, in consultation with the Treasurer, shall be responsible for the management of the pool. The Executive Director may designate an The Director of Operations

and Finance, to survey investment options and make recommendations to the chief executive officer and board member.

Permissible investments include:

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

Section 5 End of Month

A. Overview

The purpose of Nebraska Journalism Trust's end of the month closing process is to accurately reconcile and report the organization's financial activities, ensure compliance with regulatory requirements, and a timely completion of financial reporting.

B. Policies and Controls

- The end of month closing process will begin the first day of the next month, and be completed by the end of the 3rd week of the following month.
- The finance team will have primary responsibility for reconciling all bank statements, ensuring accuracy of financial statements and reports.
- All accounting entries must be posted before the end of the closing period, the 15th of the following month.

C. Process Description

5.1 Asset Account Analysis and Revenue Recognition Activities

- Accounts Receivable
 - The Accounting Specialist will confirm that all revenue transactions are accurately recorded.
 - Establish prepaid expenses to recognize the expense in proper month
 - The accounting specialist will record any outstanding invoices or pledges.
 - Generate A/R aging report if any outstanding
 - Report will be given to the Director of Operations and Finance and Director of Advancement for strategizing collection.
- Fixed Assets
 - The Director of Finance and Operations will report any new purchases of \$2500 or more to the Accounting Specialist for recording on depreciation schedule.
 - The Director of Operations and Finance will report the disposal of fixed assets to the Director of Operations and Finance for removal from the depreciation schedule.
 - The Accounting Specialist will record depreciation expenses for the current month.
- Investments
 - The Accounting Specialist will post interest and dividend income to the General Ledger.
 - The Accounting Specialist will reconcile any investment activity for the period.

5.2 Accounts Payable and Liability Account Analysis

- Payroll
 - The Accounting Specialist will post payroll to the General Ledger from Justworks

- Accounts Payable (OTPS)
 - The Accounting Specialist will confirm that all expense transactions are accurately recorded.
 - The Director of Operations and Finance will review submitted coded credit card statements and receipts for accuracy. When complete they will be sent to the Accounting Specialist for posting to the General Ledger.
- Liabilities
 - The Accounting Specialist will review and ensure all other liability accounts are current and reconcile as necessary.

5.3 Reporting

- The Accounting Specialist will run the following preliminary reports to be reviewed and analyzed by the Director of Operations and Finance before finalizing :
 - Budget-to-actual report by class/program
 - Budget-to actual report by contract
 - Statement of Financial position
 - Notes to Financials
 - Cash Flow
 - Public Cash Flow
- Once reviewed and approved by the Director of Operations and Finance, they will be submitted to the leadership team. All reports will be made available to the Executive Director and Board of Directors. Budget-to-actual report of classes/program will be made available to all other organizational leadership.

Section 6 Audit

A. Overview

The purpose of Nebraska Journalism Trust's audit policy is to ensure the organization undergoes periodic examinations or audits of fiscal and administrative management to ensure that funds and resources are used and reported in accordance with the appropriate methods prescribed by law and generally accepted accounting principles. As such, audits are a means of determining whether the activities of operating units are safeguarding the assets of the organization and operating efficiently.

B. Policies and Controls

- The Board of Directors shall arrange for an independent review of Nebraska Journalism Trust's financial records at least every year.
- The audited financial statement shall be reviewed by the Finance Committee and approved by the Board of Directors.

C. Process Description

6.1 Audit Process

The Accounting Specialist will be the main point of contact for the auditing team, and supply them with the needed items for auditing.

Other employees and contractors associated with the finances will make themselves available to auditors, if requested.

6.2 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.

The 990 will be made available to the public when complete and filed.

