

# **Asheville-Buncombe Technical Community College Foundation, Inc.**

## ***Statement of Financial Policies***

### **I. Fiscal Responsibility**

The Asheville-Buncombe Technical Community College Foundation supports the mission of Asheville-Buncombe Technical Community College through the development of financial resources. The Foundation has developed certain financial policies to ensure that these resources are administered effectively and ethically.

- A. The financial operations of the Foundation are reported on a July 1 through June 30 fiscal year.
- B. The Foundation will be audited annually by an independent certified public accounting firm. The audit report will be presented to the full Foundation Board of Directors for approval.
- C. Financial reports will be presented quarterly at the Foundation Board of Directors meetings by the Finance Committee Chair.
- D. The Foundation's receipts/disbursements journal is open to Foundation Directors at any time for their review. Confidentiality of donor activity limits public access to the journal.

### **II. Receipt of Gifts**

The Foundation serves to receive solicited and unsolicited gifts of cash, securities, other financial instruments, equipment, and gifts of service to benefit the Asheville-Buncombe Technical Community College. The Foundation's annual fundraising campaign report period will be July 1 through June 30.

- A. All gifts will be acknowledged by letters to donors.
- B. Donor database files will be maintained in the Foundation Office.
- C. All receipts must be deposited on a daily basis. Cash and checks are secured in the vault until processed.
- D. Deposits to the Foundation accounts shall be made by someone other than the person who reconciles the accounts.
- E. After a restricted account carries a balance of less than \$250 for two consecutive years with no donor activity, the funds in the account may be transferred into the General Scholarship Fund. In order to establish an endowment account, the principal fund must reach \$25,000 within a five - year time period. This time period may be extended by a special vote of the Foundation Board of Directors. Funds so donated will be put in a restricted account until the minimum amount is reached. An agreement with the donor will be written at the commencement of the funding to describe the disposition of the funds if they do not reach \$25,000 in the allotted time. Endowments are tracked separately and earnings are posted quarterly on a prorated basis.
- F. Endowments are maintained by the foundation for these purposes: scholarships, technology, and special projects designated by the Foundation Board of Directors.

### III. **Investment Policy**

To achieve real growth of principal and a predictable income stream, the Foundation has adopted the following guidelines for investments.

- A. All restricted or unrestricted cash will be **deposited in an interest bearing account**, and/or invested with the investment managers at the direction of the **Foundation Executive Committee. The State Treasurer's Short Term Investment Fund will be the prime vehicle for funds not invested with the investment managers so long as yields are competitive. Funds may be moved to higher yielding accounts at other financial institutions so long as deposits are fully collateralized or do not exceed the FDIC insured limit.**
- B. The Finance Committee will perform a quarterly review of the cash and investment allocation of permanent endowments.
- C. The Finance Committee will annually review the investment asset allocation, and will make a recommendation to the Foundation Board of Directors. (Refer to Gift and Investment Policy, page 4-6)

### IV. **Endowment Spending Policy**

The standard spending policy for endowment funds of the A-B Tech Community College Foundation allows for distributions of an amount that is determined by a total return methodology. Funds available for distribution on an annual basis for each fiscal year (July 1 through June 30) are determined by calculating 4% of the average market value of the fund over a 12 quarter period. Additionally, undistributed "spendable income" may be rolled over into available income for successive fiscal years. The determination of available income is made as of December 31 of each year.

### V. **Expense Allocation**

The Foundation makes disbursements to benefit the students, staff, and faculty of Asheville-Buncombe Technical Community College and to cover costs related to raising funds.

- A. At the annual Foundation Board of Directors meeting of each fiscal year, the Directors will approve an operating budget for the following fiscal year. The finance reports to the Directors will include a budget report showing the adopted budget compared to the operating expenses to date.
- B. The proposed scholarship awards for the following year will be presented to the Foundation Board of Directors for approval at the last Board meeting of the fiscal year.
- C. The Executive Director of the Foundation is authorized by the Foundation Board of Directors to approve disbursements within the operating budget. The Executive Director signs off on all Foundation check requests.
- D. Checks may be signed by the following officers of the Foundation: Treasurer, Secretary, or Chair of the Board. The Executive Director approves all expenses.
- E. Expenditures outside the approved budget must be approved by the Executive Committee. All Directors will be informed at the next Board meeting.