

Milwaukee County War Memorial, Inc.

Financial Policies and Procedures Manual

INTRODUCTION

The purpose of this manual is to describe all financial policies and procedures currently in use at the Milwaukee County War Memorial, Inc. and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All War Memorial staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed annually and revised as needed by the staff and approved by the Finance Committee and the Board of Trustees.

GENERAL

The Board of Trustees plans for the organization's future, and reviews operations and activities.

The Board delegates responsibility for personnel policies, salaries, and benefits to the Personnel Committee and the responsibility for financial policies to the Finance Committee.

Under the direction of the Board's Chairman and Executive Committee, the President & CEO oversees the routine operations of the organization.

Under the direction of the Treasurer and President & CEO, the Vice President of Finance and Administration has the responsibility for financial management.

Current job descriptions will be maintained for all employees, including financial duties and responsibilities.

Semi-annually, the Vice President of Finance and Administration will perform the Bookkeepers duties.

Professional financial service providers will be reviewed annually.

The Vice President of Finance and Administration will maintain a current and accurate log of the chart of accounts.

These policies and procedures will be reviewed annually by the Finance Committee.

CASH RECEIPTS

CHECKS RECEIVED VIA MAIL

The Vice President of Finance and Administration opens all mail except mail addressed to the President & CEO.

The receipt of checks or cash received in the mail or in person will be recorded in a logbook by the Administrative Assistant. Checks are placed in a locked file cabinet until a deposit is made. Cash is kept in a locked safe. The Administrative Assistant prepares a deposit at least weekly or whenever \$10,000 in checks have accumulated.

The Administrative Assistant will endorse all checks by rubber stamp to read as follows:

Pay to the Order of
Park Bank
For Deposit Only
Milwaukee County War Memorial
Account number (Operating Revenue or Special Projects Revenue)

The endorsement stamp will specify into which corporate account (operating or special projects) the deposit will be made.

The Administrative Assistant will prepare a report documenting each receipt that includes the source, amount of receipt, and general ledger code as well as the total daily deposit and forwards to the Bookkeeper for review.

The Bookkeeper will record the amount and details in the accounting system.

The Vice President of Finance and Administration or President & CEO will make bank deposits.

The Bookkeeper will file deposit slips chronologically.

DAILY PARKING REVENUE AND CREDIT CARD RECEIPTS

The War Memorial Center has an automated parking payment system. Customers pay the daily parking fees via credit/debit card. Payment stations are located in Freedom Gallery and the parking lot exit gate.

Credit card receipts are automatically deposited in the War Memorial's bank account on the second business day following collection.

The bookkeeper verifies that the daily credit card deposit matches the daily parking sales report.

The Bookkeeper will record the amount and details in the accounting system.

The Bookkeeper will file deposit slips chronologically.

REVENUE RECOGNITION

Revenues are recognized based on accrual accounting in accordance with generally accepted accounting principles (GAAP). Revenues are recognized when earned, regardless of the timing of cash receipts. The Bookkeeper will use the following steps in determining revenue recognition:

1. Identify the contract(s) with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when the War Memorial satisfies a performance obligation.

Deposits, advance payments, and other funds received in advance of being earned are classified as deferred revenue. Deferred revenue is recorded as a liability until it is earned. Contributions that

have both a barrier and a right of return or right of release will be recorded as deferred revenue until the barrier is overcome. Once earned, the liability is reduced, and revenue is recorded.

CONTRIBUTIONS AND MANAGING RESTRICTED FUNDS

The War Memorial Center is authorized to seek charitable contributions to support general operations, capital needs, and special projects as approved by the Board of Trustees.

Unrestricted gifts are donations made without restrictions on use.

Restricted gifts are donations subject to donor-imposed restrictions.

Board Restricted Funds are unrestricted funds designated for a specific use, including the Operating Reserve Fund, by board action. Board designated funds may become undesignated by board action.

The Vice President of Philanthropy will prepare an annual fundraising plan which outlines the fundraising goals and solicitation strategies for general operations, programs, capital campaigns and special projects. This plan will be reviewed and approved annually by the Development Committee of the Board of Trustees.

The Vice President of Philanthropy will prepare solicitation requests for direct mail solicitations, grant requests for foundations, corporate sponsorship requests for special events, and funding requests for special projects as authorized by the Board of Trustees. The President and CEO will sign all solicitation requests or delegate to the Vice President of Philanthropy or another Board member as deemed appropriate.

Non-cash gifts will be valued at market value and as described in the Gift Acceptance Policy below and in accordance with the Statement of Financial Accounting Standard No. 116.

Gifts of in-kind services will be recognized if it meets one of two criteria:

1. The service creates or enhances a nonfinancial asset. Such services are capitalized at fair value on the date of the donation. These types of services either create a nonfinancial asset or add value to an asset that already exists.
2. The service requires specialized skills, are provided by individuals possessing those skills and would have been purchased if it had not been donated. These services are accounted for by recording contributed income for the fair value of the service provided and as a related expense, in the same amount, for the professional services provided.

Gift acknowledgement letters will be prepared within 7 days for all gifts received and will contain the appropriate tax language as required by IRS guidelines. Acknowledgement letters will be prepared on WMC letterhead and may be signed by either the President and CEO or Vice President of Philanthropy as deemed appropriate.

The Vice President of Philanthropy is responsible for maintaining all original gift documentation as required by the IRS. The Vice President of Philanthropy will maintain the accuracy of the donation tracking system.

Under the direction of the Vice President of Philanthropy, the Administrative Assistant is responsible for interpreting and coding gifts as unrestricted or restricted donations and entering into the donation tracking system.

The Administrative Assistant is responsible for preparing deposits that list the appropriate unrestricted or restricted general ledger codes. The Bookkeeper is responsible for entering all unrestricted and restricted gifts into the accounting system.

See Operating Reserve Fund for policy and procedure on use of Operating Reserve Fund.

Before spending donor restricted funds, staff must check with the Vice President of Finance and Administration or the Vice President of Philanthropy to confirm that the expense is allowable under the donor-imposed restriction.

The Vice President of Philanthropy will ensure compliance with all financial and programmatic provisions of restricted grant awards and is responsible for all reports required by granting agencies. The President and CEO will review and approve all reports to funding sources.

Current-use gifts that cannot be spent in the near term due to narrow restrictions should be brought to the attention of the President.

Contributions and promises to give recorded in the donor tracking system and the accounting system general ledger will be reconciled monthly to ensure funds are recorded accurately.

GIFT ACCEPTANCE POLICY

The War Memorial Center is a 501(c)(3) non-for-profit organization which solicits and accepts gifts for purposes that will help the organization further and fulfill its mission to *honor the dead – serve the living*. We urge all prospective donors to seek the assistance of personal, legal and financial advisors in matters related to their gifts, including the resulting tax and estate planning consequences. The following policy and guidelines govern acceptance of gifts made to the War Memorial Center for the benefit of its operations, programs or services.

Acceptance of any contribution, gift or grant is at the discretion of the War Memorial Center. The War Memorial will not accept gifts that (a) would result in a violation of its corporate charter, (b) would result in War Memorial losing its status as an IRC 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for War Memorial, or (e) are not compatible with the mission or values of the War Memorial. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the President & CEO, in consultation with the Development Committee.

Types of Gifts. The following criteria govern the acceptance of each gift form:

- A. **Cash.** The War Memorial Center will accept donations of cash in any form. Checks may be made payable to “War Memorial Center.” Gifts charged to a donor’s credit card will be treated as cash gifts.
- B. **Gifts of in-kind services** will be accepted at the discretion of the War Memorial.

- C. **Publicly Traded Securities.** The War Memorial can accept gifts of publicly traded securities in any form. Publicly traded securities may be transferred directly to the War Memorial account maintained at its designated broker or delivered in certificate form with the transferor's signature or stock power executed by the transferor. The War Memorial will generally sell all publicly traded securities upon receipt. The transfer of any publicly traded securities subject to any restrictions upon sale, including applicable securities laws, must be approved by the President & CEO and the Development Committee.
- D. **Closely Held Securities.** The War Memorial can accept gifts of closely held securities. "Closely held securities" include debt and equity positions in non-publicly traded companies, as well as interests in limited partnerships, limited liability companies and other ownership forms. The transfer of any closely held securities subject to any restrictions upon sale, including applicable securities laws, must be approved by the President & CEO and the Development Committee. Prior to approval of any gift of closely held securities, the President & CEO and the Development Committee must determine that:
1. There are no restrictions on the security that would prevent the War Memorial Center from ultimately converting those assets to cash.
 2. The security is marketable.
 3. The security will not generate undesirable tax consequences for the War Memorial.

The President & CEO or the Development Committee may seek an analysis and recommendation from an outside professional before making a final decision on acceptance of the gift.

Approved gifts of closely held securities may be completed by delivery of certificates or other documents satisfactory to the War Memorial Center evidencing the ownership interest in the closely held security executed by the transferor. The War Memorial Center will sell or liquidate all closely held securities at the earliest possible time permitted by any applicable restrictions.

- E. **Bequests.** The War Memorial Center can accept a designation as beneficiary or contingent beneficiary under a donor's will and trust. Such bequests will not be recorded as gifts to the War Memorial Center until such time as the gift is received.
- F. **Retirement Plan Beneficiary Designations.** The War Memorial Center can accept a designation as beneficiary or contingent beneficiary of a retirement plan account. Such designations will not be recorded as gifts until the War Memorial Center receives the balance of the retirement plan account after the donor's death.
- G. **Life Insurance Beneficiary Designations.** The War Memorial Center can accept a designation as beneficiary or contingent beneficiary under a donor's insurance policies. Such designations will not be recorded as gifts to the War Memorial until such time as the gift is received.
- H. **Life Insurance Policies.** The War Memorial Center can accept gifts of a life insurance policy. An insurance policy will be recorded as a gift only when the War Memorial Center is named as both beneficiary and irrevocable owner of the insurance policy. The value of the gift is the life insurance policy's interpolated terminal reserve value, or cash surrender value, upon receipt.

If the donor continues to make premium payments after making the gift of the life insurance policy, the War Memorial Center will record the entire amount of the premium payment as a gift in the year in which the premium payment is made.

If the donor does not continue to make premium payments after the gift of the life insurance policy, the War Memorial Center will have the option to:

1. Continue to pay the premiums.
2. Convert the policy to paid up insurance, or
3. Surrender the policy for its current cash surrender value.

- I. **Real Estate.** The War Memorial Center can accept gifts of real estate subject to the approval of the President & CEO and the Development Committee. Prior to acceptance of real estate, the President & CEO and the Development Committee must determine that:

1. The property is either useful for the purposes of the War Memorial Center or marketable.
2. There are no liens, restrictions, reservations, easements, limitations, or other encumbrances on the property that would diminish the property's value to the War Memorial Center.
3. The carrying costs associated with the property (i.e. insurance, property taxes, mortgages, or notes, etc.) are not excessive or incompatible with the War Memorial Center's potential use of the property.

The War Memorial Center will sell the donated property at the earliest possible time except where the War Memorial Center determines that the property should be held by the War Memorial Center for some purpose related to fulfilling its organizational mission.

- J. **Remainder Interest in Real Estate.** The War Memorial Center may accept a gift of a remainder interest in a personal residence, farm or vacation property subject to the approval of the President & CEO and the Development Committee. The donor or life estate holder may continue to occupy the real property for the duration of the stated life. During that time the donor or life estate holder will pay all expenses for maintenance, real estate taxes, and any property indebtedness related to the property.

Upon the termination of the life estate, the War Memorial Center will sell the property at the earliest possible time, except where the War Memorial Center Board of Trustees determines that the property should be held by the War Memorial Center for some purpose related to fulfilling its organizational mission.

- K. **Other Gifts.** Certain other gifts, real property, personal property, in-kind gifts, non-liquid securities, and contributions whose sources are not transparent or whose use is restricted in some manner, must be reviewed by the President & CEO and the Development Committee prior to acceptance due to the special obligations raised or liabilities they may pose for the War Memorial Center.

The War Memorial Center will provide acknowledgments to donors meeting IRS substantiation requirements for property received as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by the War Memorial Center.

The War Memorial Center will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous.

DONOR PRIVACY POLICY

War Memorial Center is committed to protecting our donors' privacy. Our donors expect that we will use their support wisely. They also place their faith and trust in us concerning the personal information that they may share with their gifts. We value that trust and recognize that maintaining this trust requires transparency and accountability. We have developed this policy to ensure the privacy of personal information disclosed by our donors.

Use and Disclosure of Personal Information

The War Memorial collects, uses and discloses personal information only for certain purposes that are identified to the donor. We may use it to establish and manage our relationship with a donor, as well as providing requested information. Personal information can also help us understand a donor and identify preferences and expectations. The main uses will involve raising money to reach our goals, processing gifts and updating you on War Memorial activities. Credit card numbers are used only for donation or payment processing and are not retained for other purposes.

If you provide your email address, you are automatically opted in to our email list, and you will receive emails or newsletters about activities at the War Memorial Center in addition to occasional special subject emails, including requests for contributions.

To publicly recognize and thank them for their generosity, we occasionally publish a list of our donors in annual reports and on our website. In such cases, other organizations and third parties will have access to our donor names and in some cases donation amounts. The option to make a gift anonymously shall be made available to donors and the War Memorial Center will honor any such requests until the donor informs us otherwise.

We collect donor information for internal use only, and just to the extent required for our purposes. We obtain relevant personal information about donors lawfully and fairly.

Sharing or Selling of Personal Information

The War Memorial will not sell, rent, or lease your personal information to other organizations. Use of donor information will be limited to the internal purposes of the War Memorial.

Custody and Care of Personal Information

The War Memorial has established appropriate technical, physical and organizational security procedures to protect donors' personal information against loss, theft, unauthorized use, disclosure, or modification. These procedures are monitored and reviewed annually to ensure continued effectiveness.

DONOR RECOGNITION POLICY

Recognizing the generosity of donors is an important component of any fundraising effort and the War Memorial Center is committed to thanking our donors in an appropriate and timely fashion. The following Donor Recognition Policy applies to individual, corporate and foundation donors. Sponsorships are covered under the specific terms of the sponsorship agreement.

Gift acknowledgement

All gifts to the War Memorial Center will be acknowledged in a timely fashion (within one business week of receipt) and recognized in an appropriate manner. All donors will be acknowledged with a letter or email of thanks from the President & CEO, Vice President of Philanthropy, member of the Board of Trustees, and/or campaign chair. These acknowledgments will include the donor's name, amount of gift and purpose or nature of the gift as well as appropriate tax language. In the case of donated goods or services, any monetary value must come from the donor and be recognized as being represented by the donor and not by the War Memorial.

Donor recognition

Lists of annual or campaign donors will be printed in the War Memorial Center's annual report and included on our web site and newsletters. Capital campaign gifts exceeding \$5,000 will be recognized on a donor wall or with special signage as appropriate. Recognition of all types of gifts is the responsibility of the Vice President of Philanthropy. Naming recognition, permanent or otherwise, of programs, rooms, interior or exterior spaces must be approved by the War Memorial Center Board of Trustees.

CASH DISBURSEMENTS

CHECK AUTHORIZATION

All invoices will be immediately forwarded to the Bookkeeper who will review them for mathematical accuracy and validity. The Bookkeeper will code the invoice with the appropriate expense or other chart of accounts line item number.

Prior to payment, all invoices will be approved (indicated by initialing) by the President & CEO. By approving an invoice, the President & CEO indicates that it has been reviewed and authorizes a check.

The Bookkeeper will prepare checks on the 10th and 25th of each month.

Authorized signers on the account include the Treasurer, President & CEO, and the Vice President of Finance and Administration.

CHECKS

The Bookkeeper will be responsible for all blank checks.

All checks require two authorized signatures.

Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.

In no event will:

- Invoices be paid unless approved by an authorized signer
- Blank checks signed in advance
- Checks be made out to "cash," "bearer," etc.
- Checks be prepared on verbal authorization

POSITIVE PAY

When issuing operating fund disbursement checks, the Bookkeeper prepares and sends the bank a “Checks Issued File” that provides information on the checks issued (check number, dollar amount, date, and payee name). The bank will email WMC if a check is presented for payment that does not match the Checks Issued File. If WMC does not approve the check by 1:00 p.m. CST, the bank rejects the check.

PETTY CASH

The Bookkeeper manages a petty cash fund with a balance of \$1,000.00. The petty cash is kept locked in a safe.

Petty cash funds are established for reimbursement of small out-of-pocket expense incurred in the course of conducting War Memorial business.

Generally, petty cash transactions consist of emergency supplies and for amounts under \$25.00.

The petty cash fund is replenished at the end of each quarter.

The Vice President of Finance and Administration performs random audits of petty cash funds.

TRANSFER OF FUNDS

Transfer of funds between accounts requires written approval from the President/CEO, Vice President of Finance and Administration, or Treasurer prior to making the bank transfer. The Bookkeeper transfers funds between accounts via online banking. The Vice President of Finance and Administration receives email alerts when bank transfers have been made.

BANK RECONCILIATIONS

The Bookkeeper will reconcile the bank statements monthly by the 3rd of each month. Dates and amounts of deposits will be compared to the cash receipts journal. Cleared check numbers and amounts will be compared to the disbursement journal. Accounting for the sequence of checks both from month to month and within a month will be performed. Verification that items that were outstanding on the previous bank reconciliation have been cleared will be performed.

The Vice President of Finance and Administration will review bank statements and reconciliations for any unusual balances and/or transactions.

PURCHASING

All purchases must be made with an approved War Memorial Center vendor unless approved in advance by the President & CEO or the Vice President of Finance and Administration or Treasurer.

Purchases over \$10,000

Unbudgeted purchases over \$10,000 must be approved in advance by the Finance Committee and Executive Committee. The President & CEO will present detailed background, why needed, and how funded to the Finance Committee for review/approval. The Finance Committee will, if approved, forward to the Executive Committee for final review/approval.

Purchases over \$10,000 will be required to undergo a competitive bid procedure and whenever possible, at least 3 bids should be obtained. The bid in the best interest of the War Memorial shall be accepted.

CONTRACTUAL AGREEMENTS

The President & CEO is authorized to develop and enter into contractual agreements with vendors and third parties for the purpose of ensuring the War Memorial's general operations for amount less than \$10,000.

The Finance Committee and Executive Committee shall review unbudgeted contracts in excess of \$10,000. The President & CEO will present detailed background, why needed, and how funded to the Finance Committee for review/approval. The Finance Committee will, if approved, forward to the Executive Committee for final review/approval.

CREDIT CARDS/STORE ISSUED CARDS

The President & CEO, Vice President of Finance and Administration, and Vice President of Philanthropy carry corporate VISA Cards issued in his/her name.

Store issued cards such as Menards, may be issued in the War Memorial's name.

Authorized uses of the credit card include expenditures for War Memorial business when issuance of a check is not practical.

Receipts must be submitted to the Bookkeeper within 3 days of a purchase.

Unauthorized use of the credit card include personal or non-business expenditures of any kind.

OPERATING RESERVE FUND

Purpose

The War Memorial Center has established an Operating Reserve Fund to provide an internal resource of funds to assist the Organization during periods of an unexpected loss of funding, unexpected increase in expenses, or unexpected reduction in revenues. These reserves may not be used to replace a permanent loss of funding or eliminate an ongoing budget gap.

Establishment and Calculation

The Operating Reserve Fund will be unrestricted, board designated funds, set aside by action of the Board of Trustees. The target minimum amount to be designated as Operating Reserves will be equal to a three month's average of the highest monthly operating expenses. Depreciation and other non-cash expenses are not included in the calculation. Calculation of the average monthly amount will be completed each year after the approval of the annual budget.

Funding of Reserves

The War Memorial Center will fund its Operating Reserves with surplus unrestricted operating funds. The Board of Trustees may from time to time direct a specific revenue source be set aside for Operating Reserves i.e. one-time gifts, bequests, special grants, and/or special funding appeals.

Use of Reserves

The President & CEO will identify the need for accessing the reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. Identification of need will include an analysis of the reason for the shortfall, the availability of other sources of funds

before the use of the reserves, and evaluation of the time period that the funds will be required and replenished.

The President & CEO will submit a request to use Operating Reserves to the Finance Committee, including the analysis and determination of the use of funds and plans for replenishment. The Finance Committee will approve or modify the request and the Treasurer will present to the Executive Committee to authorize transfer from the fund.

The goal of the Organization is to replenish the Operating Reserve funds within twelve months to restore the fund to the target minimum. Requests that include plans to replenish exceeding twelve months will be scrutinized more carefully.

Reporting and Monitoring

The President & CEO is responsible for ensuring the Operating Reserves fund is maintained and used only as described in this policy. The President & CEO will be responsible for maintaining records of the use of these funds and plan for replenishment. Monthly reporting will be provided to the Board of Trustees of progress to restore the fund to the target minimum.

PAYROLL AND COMPENSATION

PAYROLL

The War Memorial's payroll is processed internally on a bi-weekly payroll cycle.

Each employee prepares a timesheet/timecard for a 2-week period and submits their attendance to their appropriate supervisor.

The supervisor will match Requests for Absences, etc. to the timesheet/timecard. If correct, the supervisor will sign the timesheet/timecard and forward to the Bookkeeper to record paid time off and verify for mathematical accuracy.

The President & CEO, Vice President of Finance and Administration, or Treasurer approves all timesheets/timecards.

The Bookkeeper will enter payroll, print direct deposit advices, make direct deposit transfers, print payroll reports, and provide to the Vice President of Finance and Administration for review.

The Bookkeeper will distribute direct deposit advices.

The payroll system will post transactions into the accounting system.

The Bookkeeper will prepare and transmit the payroll tax reports, W-2 forms, and 1099-Miscellaneous Income forms.

The Vice President of Finance and Administration will verify payroll tax preparation on a quarterly basis.

COMPENSATION

The compensation of the President & CEO shall be determined by the Executive Committee based on performance, comparable market data, and the needs of the organization.

The President & CEO recommends to the Personnel Committee compensation for management and support staff based on performance, comparable market data, and the needs of the organization.

TRAVEL & EXPENSES

Mileage in excess of normal commuting miles due to employer-directed conferences, meetings, or other official business may be submitted for reimbursement.

Each employee must complete an expense voucher if any traveling is done. Voucher must include all expenses including credit card charges.

Mileage to and from residence will not be paid.

The expense voucher must be submitted within 5 days for payment, with a total, signed by the employee, authorized for payment by the President & CEO.

Reimbursement will be based upon current travel policies. Receipts must be attached to the expense voucher for lodging, common carrier transportation, and meals where required.

CONSULTANTS & INDEPENDENT CONTRACTORS

Use of consultants and independent contractors requires a memorandum of agreement.

CAPITAL ASSET

A capital asset is any tangible asset that has an economic benefit that extends beyond one year and with a value of \$5,000 or more. Capital assets are recorded at the date acquired and at cost if purchased or fair value at date of gift if donated and capitalized and depreciated over the life of the asset.

Capital assets include items of property and equipment such as office and event rental furniture/equipment or similar equipment; items affixed to the building such as light fixtures; buildings; building components such as roofs, electrical, elevators, HVAC systems; building improvements and renovations; and land (land is not depreciated).

Bulk purchases of similar items that have an aggregate value of \$5,000 or more are recorded as a capital asset regardless of individual price items. For example, 100 desks at \$50 each has a total purchase of \$5,000 will be considered a capital asset purchase.

Items that are routinely purchased as a set and have a value of \$5,000 or more will be capitalized and depreciated. For example, if a table and four chairs were purchased from the “same vendor” as a set and the cost of the table was \$2,500 and the cost of the chairs was \$2,500 for a total price of \$5,000, then this purchase would be considered a capital expenditure and depreciated over the life of the asset.

Capital assets (except for land) are depreciated utilizing the straight-line method over the asset’s estimated useful life as follows:

Building and building improvements	5 to 30 years
Furniture and equipment	3 to 10 years

Fixed assets with a value of less than \$5,000 are expensed in the period acquired.

Disposal of Capital Assets: When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

FUNCTIONAL EXPENSE ALLOCATION

The War Memorial allocates costs to programs, management and general, and fundraising functions as follows:

Expense	Method of Allocation
Salaries and benefits	Time and Effort
Consulting Fees	Usage
Legal Fees	Usage but usually Management and General
Audit Fees	Usage but usually Management and General
Marketing Fees	Usage
Advertising and Promotion	Usage
Printing	Usage, annual report is M&G
Insurance premiums	Usage
Telephone	Usage
Employee uniforms	Usage
Miscellaneous expense	Usage
Depreciation - equipment	Usage
Depreciation – building	Square footage
Travel	Purpose of travel
Meetings	Usage
Administrative expenses, and postage	Usage
Bank fees	Usage but usually M&G
Facility expenses including:	Square footage
Ash and rubbish removal	
Custodial	
Building service contracts	
Repairs and maintenance building	
Repairs and maintenance grounds	
Security monitoring fees	
Steam	
Electricity	
Gas	
Water and sewer	
Household supplies	
Program fees	Usage

INSURANCE

Reasonable, adequate coverage will be maintained to safeguard the corporation. Such coverage will include property and liability, workers compensation, employee dishonesty, directors and officers, and other insurance deemed necessary.

The Finance Committee will review the insurance policies annually.

The Vice President of Finance & Administration will maintain insurance policies in insurance files.

BOOKS OF ORIGINAL ENTRY

The War Memorial will utilize a double entry system for accounting for all funds

Adequate documentation will be maintained to support all general entries.

At the end of each month, the Bookkeeper will prepare a Statement of Financial Position and Statement of Activities that will be reviewed by the Board of Trustees.

The War Memorial will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

BUDGETS

The Vice President of Finance and Administration will prepare the financial budget in coordination with the Treasurer and President & CEO.

Annual Operating Budgets shall be approved by the Board of Trustees.

Special Projects Budgets shall be approved by the Board of Trustees.

The Vice President of Finance and Administration will ensure that budgets are on file with Milwaukee County.

LOANS

The Board of Trustees will approve loans, long term notes, and lines of credit. Any promissory note will be approved by the Board of Trustees and signed by the Board Chair, or other designated officer, before funds are borrowed.

OTHER

MINUTES OF MEETINGS: With staff assistance, the Secretary of the Board will prepare accurate minutes of all meetings of the Board of Trustees and Executive Committee. The Treasurer will note all items in the minutes relating to finance and take appropriate action.

FORM 990, FORM 990T, STATE RETURNS: At the end of the fiscal year, an outside CPA will prepare the IRS Form 990 and 990T, State of Wisconsin Form 152 and 4T. The Treasurer will review the Forms. The Vice President of Finance and Administration will have a copy of Form 990 available for public inspection.

AUDITS: An independent auditing firm will perform a full audit of the books, to be completed by March 15 for the preceding year.

PERSONNEL FILES: The Vice President of Finance and Administration will maintain a personnel file for each employee, containing the following documents: employment application, background check, I-9 immigration form, federal and state tax withholding forms, receipt for employee handbook, disciplinary actions, performance appraisals, payroll change forms, attendance

calendars, and state and local government requirements for individuals such as child support or bankruptcy notices.

EMPLOYEE GIFT ACCEPTANCE POLICY: War Memorial employees must be particularly aware of situations where a conflict may exist between our private interests and official responsibilities. We may not give, offer, or promise anything of value to any vendor, contractor, or other individual for the purpose of receiving favorable treatment. Nor shall War Memorial personnel solicit or accept anything of value from these individuals which may place an individual or department in a compromising position. War Memorial employees should avoid accepting gifts from vendors. Unless the gift is truly a marketing token (pen, keychain, coffee mug, etc.) given by a vendor in the normal course of business, employees should decline the gift. In lieu of returning gifts of food, they must be shared with the entire staff even if addressed to one person. In lieu of returning gifts of plants or flowers, they must be displayed in the reception area or other central location. Gifts of cash, gift cards, or other items may not be accepted and must be returned.

ACCOUNTS PAYABLE CUTOFF: The last day to enter expenditures invoices into accounts payable is the 5th of the subsequent month. Any invoices received after that day will be expensed in the subsequent month. At the end of the year, the last day to enter expenditures invoices will be the 10th of the month.

ACCOUNTS RECEIVABLE: Within 3 days of the close of the month, all invoices for the preceding month should be invoiced.

All financial records will be retained for the time specified in the attached Document Retention and Destruction policy.

Milwaukee County War Memorial, Inc.

Document Retention and Destruction Policy

Purpose

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention and destruction of documents received or created by the War Memorial in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate War Memorial operations by promoting efficiency and freeing up valuable storage space.

Document Retention

The War Memorial follows the document retention procedures outlined in the attached table. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the attached table will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

Emergency Planning

The War Memorial’s records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping the War Memorial operating in an emergency will be duplicated or backed up at least every week and maintained off site.

Document Destruction

The War Memorial’s Vice President of Finance and Administration is responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the War Memorial and its employees and possible disciplinary action against responsible individuals. The President & CEO will periodically review these procedures with legal counsel or the War Memorial’s certified public accountant to ensure that they are in compliance with new or revised regulations.

Document Retention Schedule

Records will be retained for the following number of years from the date tax returns are filed:

Type of Record	Time Period to Retain				
	1 Year	3 Years	7 Years	Other # of Years	Permanent
Accident reports (settled cases)			X		
Accounts receivable & payable ledgers			X		
Audit reports of accountant					X
Articles of Incorporation and By-laws					X
Bank reconciliation, statements, & deposit slips			X		
Business licenses					X
Cancelled checks			X		
Cash receipts & disbursements journals			X		
Cash sales parking lot			X		
Contracts, General (consulting, audit engagement, etc.)			X		
Construction documents					X
Correspondence: general		X			
Correspondence: of legal importance					X
Correspondence: routine customer or vendor		X			
Credit card receipts			X		
Depreciation schedules					X
Donation records & acknowledgment letters			X		
Employee benefit plans				10	
Employee handbook					X
Employee personnel files (after terminated)			X		
Employment applications (not employed)		X			
Employment policies & procedures				10	
Financial statements - annual					X
Garnishment records			X		
General ledgers and trial balances			X		
Gift agreements/contracts (terminated)			X		
Grant application & contracts (completed)			X		
Insurance policies, claims & accident reports					X
Invoices: from vendors			X		
Invoices: to customers			X		
IRS application for tax exempt status form 1023					X
IRS determination letter					X
Material Safety Data Sheets				30	
Minute books of board and executive committee					X
Payroll records and summaries			X		
Pension documents and records					X
Physical inventory documentation		X			
Sales records (facility rental contracts, etc)			X		
State unemployment tax records			X		
Sub-Leases			X		
Tax returns & worksheets, IRS, WI (income, sales & use)			X		
Tax returns & worksheets, IRS, WI (employment)			X		
Timesheets			X		
Union Contracts				12	
Workers Compensation Records				12	