



SAMPLE FINANCIAL POLICIES AND PROCEDURES
FOR
NYC DISTRICT MANAGEMENT ASSOCIATION, INC.
As Amended by Finance Committee on 1/1/08

Last Updated: 6/13/2008

It is the policy of the NYC District Management Association, Inc. to operate in a sound and prudent fiscal manner consistent with the best practices of not-for-profit corporations and generally accepted accounting principles, and in compliance with all government regulations and contracts.

I. SUMMARY OF RESPONSIBILITIES

The NYC District Management Association's Board of Directors sets policies and procedures. They may delegate responsibilities to individual Officers or Directors of committees made up of Officers and/or Directors.

The Executive Director of the NYC District Management Association has responsibility for financial management of the corporation under the supervision of the Finance Committee and the Board of Directors. The Executive Director will report on actual expenditures to the Finance Committee at least monthly.

The Finance Committee shall review the Annual Budget, approve Audit reports and recommend policies and procedures to the Board of Directors at each regular meeting, and shall review any reports from the District Management Association's independent auditors as part of such reports.

II. BUDGETS

The Executive Director and the Finance Committee shall present a proposed budget for each fiscal year (July 1 through June 30) to the Executive Committee of the Board of Directors no later than March 1 each year. Each budget will describe anticipated revenues and expenses for the coming year, along with a description of the proposed activities and sources of revenue. The budget shall be divided into categories in accordance with the following:

- a) the District Plan of the NYC District Management Association;
- b) any applicable requirements of the District Management Association's contract with the City of New York;
- c) any applicable laws and regulations; and
- d) such other categories as may be deemed desirable from time to time.

In so far as is possible, projected expenses and revenues shall be divided into monthly and annual totals. After review and comment by the Executive Committee, the proposed budget shall be submitted to the Board of Directors for such review as they deem desirable and to such governmental review, including review by Community Boards 1, 2, and 3, as may be required by contract or law.

III. FINANCIAL PROCEDURES

Once the budget has been approved, all expenditures shall be approved by the Executive Director and, if and as required hereafter, by the Treasurer or Co-Chairs of the Finance Committee. Any expenditures over \$2,500 which are not clearly included in the budget must be promptly reported to the Finance Committee or its Co-Chairs in writing.

All checks, transfers and wires shall require the signature of the Executive Director or such other persons as may be designated by the Executive Director and the Finance Committee from time to time, although such persons may not include the employee primarily responsible for bookkeeping functions. The Executive Director or designated Board Members, including the Chair, Vice Chair, Secretary, Treasurer and Co-Chairs of the Finance Committee, are authorized to sign checks on behalf of the NYC District Management Association, signing singly up to \$7,500, thereafter requiring any two signatures. The Executive Director shall be ultimately responsible for all disbursements, by whomever made.

IV. CONTRACTS

All contracts for goods, services, or consultants, in excess of \$10,000 shall be reviewed by the Co-Chairs of the Finance Committee. The Executive Director shall assure all contracts are in accordance with the District Management Association's agreements with the City of New York and all applicable laws and regulations and are review by Counsel when appropriate. All contracts must be signed by the Executive Director.

V. LEASES

All leases of real property shall be approved by the Board of Directors or its Executive Committee and signed by the Executive Director and the Chair or Vice Chair of the Board of Directors.

VI. PAYMENTS

No payment, other than for regular payroll, shall be made without an invoice approved in writing by the Executive Director.

VII. REIMBURSEMENTS

Staff, Officers, Directors, and Volunteers may be reimbursed for such expenses as shall have been approved in advance by the President, and then only upon an expense report approved in writing by the Executive Director. Expenses of the Executive Director shall be review by the Treasurer or Co-Chairs of the Finance Committee.

VIII. FINANCIAL REPORTS

Current monthly financial reports shall be made within ten business days of the end of each month to the Finance Committee. Monthly financial reports shall include the following:

- a) the monthly budget;
- b) monthly cash flow;
- c) cash balances and bank reconciliation along with a copy of applicable bank statements;
- d) such receivables report as may be available from the City of New York and any other funding source; and
- e) any substantial contingent liabilities incurred in the applicable month.

IX. AUDITS

The District Management Association shall contract with an independent certified auditor or public accounting firm for an annual audit, to be completed within three months of the end of any fiscal year. The report will be verified by the Finance Committee, the Executive Director and a majority of Directors. The report shall show the following:

- a) assets and liabilities;
- b) changes therein since the previous fiscal year;
- c) revenues;
- d) expenses and reimbursements; and
- e) all such other information as is consistent with generally accepted accounting principles.

This report shall be filed with the minutes of the Annual Meeting of the District Management Association.