

Pickle Hill Public Broadcasting, Inc. (KDLL) Financial Policy

A. Responsibilities

1. **Fiduciary Duty of the Board:** The Board is responsible for the finances of KDLL and for the wellbeing of its various assets. The Board approves KDLL's annual operating and capital budgets. The Board carries full responsibility for the fundraising necessary to satisfy the financial commitments made in the approved budgets, as well as for any special expenses that may have been approved. The Board shall maintain a financial program to insure sufficient funds to support the work of KDLL.
2. **General Manager:** It is the General Manager's responsibility to identify the priorities of KDLL through the annual planning process. The General Manager is responsible for carrying out the annual plan within the budget as approved by the Board, and for presenting to the Board, on a quarterly basis or as requested, financial statements with appropriate detail to show current income and expenditures in relation to the budgets. The General Manager is responsible for answering questions that arise in connection with these statements.

B. Budget Preparation: The Finance Committee, with support of the General Manager, is responsible for preparing the annual budget of KDLL, and for submitting it to the Board for approval before the commencement of each fiscal year. In approving the budget, the Board should recognize that expenditures consistent with the budget may be made without further discussion, providing that a minimum of two bids shall be obtained when feasible for expenditures for goods and services over \$10,000, as explained under F. Purchasing of Goods and Services, or as may be required by specific granting agencies.

C. Fiscal Year: The fiscal year shall be July 1 through June 30

D. Accounting Standards: The financial system and all financial records shall be maintained in conformity with generally accepted accounting standards.

E. Audit: An annual audit shall be conducted by a certified public accountant to include federal and state single audits as required. Audits shall be completed in accordance with granting agency policy.

F. Purchasing of Goods and Services

1. **Items under \$10,000:** Suppliers of goods and services shall be selected in order to get the best product at the lowest price. The General Manager (or GM-authorized staff) can select vendors and commit KDLL funds within the Board-approved budget.
2. **Items over \$10,000:** A minimum of two bids shall be obtained when feasible for expenditures over \$10,000, or as may be required by specific granting agencies. The staff, or appropriate committee, shall conduct bid reviews and make recommendations for Board

action based on quality and costs considerations. A written contract shall be prepared and signed by the General Manager.

3. Members of the Board of Directors and staff shall not supply goods or services to KDLL for financial compensation except when such goods or services are not readily available from other sources or when financial savings can be demonstrated. When such an exception occurs, the Board or staff member involved shall make full disclosure of any outside interest that might be relevant and shall abstain from voting or other participation in pertinent actions.
4. Every attempt shall be made to use local sources when purchasing goods and services within the above guidelines.

G. Disbursements

1. **Payables:** The General Manager or his/her representative shall examine all invoices and other demands prior to issuing payment. Payments shall be made within 30 days from receipt of goods/services and supporting invoice.
 2. **Credit Cards:** The General Manager and Board Treasurer shall each be issued a credit card with a credit limit of no more than \$10,000 per card. Each credit card balance shall be paid in full each month. Monthly statements must be reviewed by the Treasurer and the General Manager, with documentation for charges retained and presented upon request.
 3. **Payroll:** Time sheets shall be submitted to supervisors for approval and, upon approval, submitted for payment. Payment shall be made within 10 days of submittal to supervisor. Paychecks will be distributed by hand, mail, direct deposit or made available for pick up from the accounting office.
 4. **Check Signers:** Authorized signers include the General Manager, Board President, Board Vice President and Board Treasurer. Disbursements of \$2,000 (pending an annual resolution) or less require only one authorized signature, with the understanding that a signer may not sign any check written to him/her or to a business in which he/she has a financial interest. All disbursements over \$2,000 must be approved by the Board of Directors and reviewed by two authorized signers. However, the Board of Directors may annually authorize recurring scheduled invoices over \$2,000 for one signature (i.e. health insurance and contractor agreements).
 5. **Financial Reports:** The Finance Committee and General Manager shall review and initial the monthly P&L and Balance Sheet reports from the accountant at KBBI, and the KBBI monthly invoice prior to payment.
- H. **Grants:** The General Manager has authority to approve proposals and accept grants and restricted donations within the Board approved plan while assuring their relevancy to the mission of KDLL.

I. Revenues and Proceeds

1. **Deposits of KDLL revenues:** All revenues and proceeds shall be deposited within a Board-approved bank within 10 days of receipt. Banks must be a state or federally chartered commercial or mutual bank or savings and loan association having insurance of accounts through the appropriate federal insuring agency of the United States. KDLL should strive to avoid having on deposit in any one bank an amount in excess of the limits of federal insurance, including principal and accrued interest.
2. **Investments:** In order to provide maximum security for the investment of public funds and earned revenues and to provide the greatest interest revenue consistent with safety, KDLL's funds shall be invested only in:
 - a. federally insured deposits in banks as described above;
 - b. obligations of, or obligations insured or guaranteed by, the United States or an agency or instrumentality of the United States;
 - c. certificates of deposit in an approved financial institution , not exceeding the limits of federal insurance, including principal and accrued interest;
 - d. commercial paper maturing within nine months issued by corporations or businesses having the highest rating of a nationally recognized rating service;
 - e. money market mutual funds whose portfolios consist entirely of instruments specified in a, b, c, or d above, with a net asset value that remains constant;
 - f. managed custodial accounts conforming with a, b, c, d or e above, using investment advisors with prior approval by the Board; and
 - g. other investments with prior approval of the Board of Directors.
 - h. The Pickle Hill Public Broadcasting Endowment Fund, as established by the board of directors on Dec. 14, 2020.
- J. **Reserve Fund:** It shall be the goal of KDLL to maintain a cash reserve fund of at least 30 percent of the annual operating budget. The fund may be used for purposes as designated by the Board.
- K. **Depreciation:** Fixed assets over \$2,000 shall be depreciated and recorded on a schedule. It shall be the goal of KDLL to deposit 10% of accumulated depreciation expense into a reserve fund on an annual basis.