SOMMER FOUNDATION

STATEMENT OF FINANCIAL POLICIES

These Financial policies are written consistent with Article VI of the Bylaws.

Operating Fund

A. The Foundation Operating Fund shall include assets and liabilities that are not included in the Reserve Fund.

B. The objective of the Operating Fund is to provide the fiscal structure required to conduct the operations of the golf tournament and other expenses that may be necessary from time to time.

C. The Operating Fund is detailed in the annual budget, which is prepared by the Finance Committee, prior to February 15 each year , and reviewed, amended and approved thereafter by the Board of Directors.

D. Pursuant to Foundation Bylaws, a report of Operating Fund activities shall be presented to the Board of Directors at the first Board of Directors meeting following the Golf Tournament.

E. Moneys in the Operating Fund during the fiscal year shall be deposited in the Foundation checking account or in the Foundation Pay Pal account.

F. In the event of a surplus of cash in the Operating Fund the Treasurer will transfer cash to the Reserve Fund as is appropriate on a periodic basis in order to maximize investment income. Transfers should be reported to the Board at the immediate next meeting of the Board of Directors. As of December 31, of each year, the Operating Fund shall have a maximum of $10,000 and any surplus is to be transferred to the Reserve Fund.

Reserve Fund

A. A Reserve Fund shall be accumulated and accounted for separately from the Foundation Operating Fund.

B. The Foundation shall have as an objective to accumulate and maintain a Reserve Fund equal to 100% of its annual operating expenses. The Board of Directors shall review the Fund Reserve annually as part of the budget process to consider the use of any funds in excess of this objective.

C. The assets in the Reserve Fund shall be invested in FDIC insured certificates of Deposit. Other financial instruments may be considered only upon the approval of the Board of Directors.

D. All assets in the Reserve Fund shall be considered unrestricted unless otherwise directed by the Board of Directors.

E. The Reserve Fund will be used to pay expenditures caused by unforeseen emergencies, for cash shortfalls caused by revenue declines, or any other necessity as may be proposed by the Treasurer. The Reserve Fund shall also be maintained to meet future needs when operating revenue is insufficient to do so. Approval from the Sommer Board of Directors is required to utilize the Reserve Fund if the need should arise.

F. Investment income shall be reinvested and shall be included in the Reserve Fund for reporting purposes.

G. If ever a cash flow analysis determines that a shortage of cash is anticipated during the fiscal year, then the Sommer Foundation Treasurer may authorize a temporary transfer of cash from the Reserve Fund to the Operating Fund, provided that immediate notice of such transaction is provided to the Foundation Chair.

Expenditures

A. Consistent with Article VI of the Bylaws, the Foundation Treasurer may execute checks, drafts, or other orders for the payment of money, and enter into contracts with suppliers of goods and services, if funds are provided for such purposes in the annual budget. A regular list of expenditures shall be submitted to the Board. The Board Chair shall be named as additional authorized signatory on all financial accounts.

Revenues

A. Revenue shall be promptly deposited into the checking account, the Reserve Fund or Pay Pal as determined by the Treasurer.

B. A petty cash account may be kept by the Treasurer not to exceed $100.

C. Any accounts receivable that are unpaid 90 days after the invoice date shall be reported to the Board of Directors.

D. The Foundation Treasurer shall make the determination that any accounts receivable be written off as uncollectible with the approval of the Board of Directors.

Budget and Audit

A. The Finance and Administration Committee shall prepare and submit a Golf Tournament budget and a Foundation budget each fiscal year for review by the Board of Directors no later than March 1 of each year. Thereafter, the Board of Directors shall review, amend and approve the final budgets.

B. Pursuant to Bylaws, an annual independent audit of Sommer Foundation shall be performed, but only if revenues exceed $100,000 per annum.

Taxes and Reporting

A. The Treasurer is responsible for submitting to the Federal Government and the State of Illinois, all necessary tax returns and other filings as required by law of a 501c3 organization.

Depreciation

A. The Foundation has no tangible assets other than cash and invested cash. There are no assets to depreciate.

Indebtedness

A. Any consideration of indebtedness shall be only upon review and approval by 3/5 vote of the Board of Directors.

Insurance

A. The Treasurer is responsible for purchasing Board of Directors Liability Insurance as well as Dram Shop/Liability Insurance for tournament day.

January 2017

January 2018

January 2019

January 2021