

Adopted May 2013

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DANE COUNTY TOWNS ASSOCIATION FISCAL POLICIES AND PROCEDURES

As used herein, the term "Association" means the Dane County Towns Association. The term "Board" means the Board of Directors of the Association. The term Membership means the Towns of Dane County.

SECTION 1. GENERAL FINANCIAL POLICIES

1.1 The Association's fiscal period begins January 1 and ends December 31.

1.2 The financial records of the Association shall be maintained on a cash basis of accounting.

1.3 All persons involved in handling the financial affairs of the Association have a fiduciary duty to the Association and its members to account for all moneys that are under their control and to manage those funds consistently with these policies and the direction of the Association.

1.4 The Association shall designate a qualified person or firm to manage the receipt of payments and disbursement of expenses.

1.5 It is the policy of the Association that the funds of the Association shall be used strictly for the purposes authorized by the Membership or Board of the Association, and that there shall be complete accountability and openness as to all expenditures and receipts.

SECTION 2. ACCOUNTS AND DEPOSITORIES.

2.1 The Association shall designate as depositories one or more financial institutions which offer insurance against loss of deposits.

2.2 All receipts and disbursements of the Association shall be made from accounts recognized as depositories.

2.3 All financial records of the Association must be properly maintained in a secure manner. Records shall be open to inspection by the Association's officers or member Towns.

SECTION 3. REPORTING AND RECONCILIATION OF ACCOUNTS.

3.1 On a quarterly basis, the Treasurer will report the balances of all accounts, and report on all income and expenses to the Board of Directors of the Association.

3.2 Annually, or whenever requested by the Board or President, the Treasurer shall provide a full report of all assets of the Association, including cash, investments, fixed assets, and other assets.

SECTION 4 –DISBURSEMENTS

4.1 All disbursements are to be made by issuing checks drawn on the established Association accounts, except as stated in section 4.2, or through electronic payments drawn on an established depository.

4.2

a. No checks may be made out to "cash".

b. If it is necessary to provide cash for a specific purpose, the amount needed shall be disbursed by check to a specific person, who shall be responsible for furnishing receipts for the use of the cash and

refunding any unexpended cash. A request for disbursement must be supported by original documentation that justifies the purpose of the disbursement and is attached to the request. The recipient of the cash shall be responsible for any shortfall in the balance returned to the Association.

4.3 Authorized check signers must be re-affirmed at the commencement of the term of the Board of Directors following the annual meeting in the odd-numbered year.

Unbudgeted items more than \$1,000 shall require approval of the President or Board of Directors.

4.4 Expense reports including per diems paid for regular meetings of the Board or the Members of the Association shall be approved by the Board of Directors. Per diems for other meetings should be approved by the President or Vice President.

SECTION 5 – PURCHASE AND CONTRACTS

5.1 All purchases (excluding professional services and recurring, budgeted obligations) over \$250 must be pre-approved by the Board of Directors.

5.2 The Association shall not have a credit card or a debit card. If a particular transaction may be made only by credit card, the individual involved shall use a personal credit card and submit the expense for reimbursement.

5.3 Any unbudgeted purchases or expenditures in excess of the line item in the budget require prior authorization by the Board of Directors.

5.4 The Board of Directors must approve or specifically authorize a contract, lease, or commitment for the Association that is longer than one year or over \$3,000.

SECTION 6 – CASH ADVANCES OR OTHER PAYMENTS TO STAFF

6.1 The Association will reimburse staff for reasonable business expenses incurred in connection with the business of the Association that have been properly approved and are submitted for payment with proper documentation.

6.2 No loans or advances on payroll will be made to a staff person or officer.

6.3 Board members and officers may be reimbursed for reasonable travel expenses submitted in writing within 30 days of attendance at a meeting outside Wisconsin approved in advance by the Board. Reasonable travel expenses may include airfare (least expensive fare class), airport shuttle service, taxi, and/or mileage reimbursement. Mileage will be paid at the prevailing IRS approved rate for round-trip mileage. Airfare will be reimbursed only for trips exceeding a two hour, one-way driving time.

6.4 The President will approve all payments under sec. 6.3 in advance of reimbursement.

Reimbursement will be made within 15 days of submission for reimbursement.

SECTION 7 – RECEIPTS AND DEPOSITS

7.1 Funds received by the Association will be deposited to a financial institution that the Board of Directors has authorized.

7.2 Acceptance of donations, such as charitable lead trusts, perpetual trusts held by third parties, charitable remainder trusts, charitable gift annuities, pooled income funds and donations of land, property, partnership interests, assets subject to lien, etc., require prior approval by the Board of Directors.

SECTION 8 – BUDGET

8.1 An annual operating and capital budget will be prepared by staff and recommended by the Board of Directors.

8.2 The Budget shall be presented to the Membership for review and approval at a Membership Meeting before February 1st.

8.3 There may be times when the Board may need to amend the budget during the year, if this is done, the membership will be notified at the next scheduled membership meeting.

SECTION 9 – BORROWING

9.1 Any action by and on behalf of the Association in borrowing money, establishing or canceling lines of credit, and or mortgaging, pledging, or authorizing liens on the property of the Association must be specifically authorized by the Membership.

SECTION 10 – OPERATING AND CONTINGENT RESERVES AND INVESTMENTS.

10.1 The Association shall maintain an undesignated general fund balance as an Operating Reserve in an amount of 20 to 35 percent of annual expenditures.

10.2 The Association may invest reserve funds in depositories or funds approved by the Board of Directors.

SECTION 11 – CONFLICT OF INTEREST POLICY

11.1 The Association will not enter into contracts or transactions with any other corporation, partnership, association, or other Association in which the Association's directors are directors, officers, or have financial interest (there is potential conflict of interest) without prior approval by an affirmative vote of a majority of disinterested directors.

SECTION 12 – PROHIBITED EXPENDITURES

12.1 Association funds may not be expended:

- a. For support of any political candidate for any office.
- b. For issue advertising or other communications which indirectly support a candidate for office without explicitly calling for the viewer to vote for a candidate.
- c. In litigation or administrative action involving an individual Town or Towns without the consent of the Town involved.
- d. For grants to other associations or individuals unless the purpose of such funding is specifically identified in a grant agreement, and related directly to the Association's mission.
- e. For any purpose which is not directly related to the Association's primary purpose of improving town government and defending town interests.