

29 November 2023 – to be reviewed in 1 year

Financial Policy

Purpose

Serve the City International (STCi) is committed to proper stewardship of all financial and material resources, whether given as charitable donations or received through income producing activities. Consequently, this policy is designed in accordance with the STCi Statutes and Ethical Fundraising Policy to ensure that STCi properly manages and uses its resources to further the goals and values of STCi through efficient and effective financial management. In keeping with those values, this policy commits STCi to remain accountable to all relevant stakeholders, including volunteers, participants, partners, funders, employees, Serve the City affiliates, and the communities in which STCi operates. In order to accomplish this, STCi commits to providing accurate and complete financial data for internal and external use by the [Executive Director] and the Board of Directors.

Authority

- The Board of Directors is ultimately responsible for the financial management of all activities. In accordance with Article 18.2 of the Statutes, the Board delegates the daily management of the finances to the Executive Committee, which consists of the Chief Executive Officer (CEO), Chief Operating Officer (COO), and the Chief Financial Officer (CFO), under the oversight of the CEO. In the absence of a CFO, the role of the CFO is to be carried out in committee by the CEO, the COO, and such other members of the Board as they may appoint.
- The CEO is responsible for overseeing the day-to-day financial management of STCi, but is authorized to delegate operational activity and management to the Daily and Financial Representative or other member of the Executive Committee of the Daily Office Team, as appropriate. Such delegation shall be done in writing. Unless otherwise noted, all references to the authority and responsibility of the CEO include any delegate of the CEO.
- The Board authorizes the CEO to hire and supervise staff, pay bills, receive funds, and maintain bank accounts.
- In accordance with Article 18.4 of the STCi Statutes, the CEO is authorized to sign checks or conduct electronic payments up to €15,000. Payments in excess of €15,000 shall require the written approval of the Treasurer and one other member of the Board.
- The CEO is authorized to enter into contracts for activities that have been approved by the Board as part of the annual budget or other Board plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than €15,000.



- The CEO is authorized to manage expenses within the parameters of the approved budget, reporting to the Executive Committee and the Treasurer on variances and the reason for these variances.
- The Board of Directors must approve any use of undesignated reserve funds.

Responsibilities

The CEO shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of STCi operations to the Board on a quarterly basis.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, credit cards, or for real estate leases or purchases without specific approval of the Board.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services in excess of €5,000 per unit, and base selection of bids on cost, service, environmental impact, quality and other appropriate elements, not price alone.
- Consider and act appropriately with regard to environmental impact of STCi purchases, and will actively seek to mitigate environmental harm related to purchases or STCi activities.

The Board of Directors shall:

- Review financial reports of the Honorary Treasurer presented at each board meeting.
- Endeavor to provide adequate orientation or training to appropriate members of the Board and Executive Committee to enable each member to fulfill her or his financial oversight role.

Financial Transactions with Insiders

No advances of funds to employees, officers or directors are permitted without express authorization of the Board of Directors. In general, direct and necessary expenses including travel for meetings and other authorized activities shall be reimbursed.

In no case shall STCi borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Conflicts of Interest

In accordance with Art. 15 of the STCi Statutes, no purchase of goods or services shall be made from directors, staff, or employees or from suppliers in which directors, staff, or employees hold a significant interest without prior approval of the Board of Directors. Any transaction involving



payment to a relative of STCi directors, staff, or employees may only be approved by a non-related party with authority to authorize the relevant expense.

Budget

To ensure that planned activities are consistent with board-approved priorities, long-range goals, and specific long-term objectives, the CEO shall:

- Submit annual operating and capital budgets to the Board in reasonable time for review and approval prior to each fiscal year.
- Use responsible assumptions and projections as background, with a general goal of producing an unrestricted surplus.

Gift Acceptance

Treatment of all gifts shall adhere to the STCi Ethical Fundraising Policy. Within those standards, STCi will accept cash, stock, and other negotiable instruments for donors to transfer assets to the organization. Transfer and recording value of the asset shall be done in a consistent manner and in compliance with applicable accounting standards. The CEO shall sell any stock given to the organization immediately upon receipt and deposit the proceeds in the accounts of STCi.

STCi shall accept contributions of goods or services other than cash that are related to its programs and operations. Any other contributions of non-cash items must be reviewed and approved by the Board before acceptance.

Grants

The Executive Committee is responsible for management of any grants that may be received from time to time, including compliance with all terms of the grants and reporting results and activities to the grantor(s) and the Board.

Reimbursement of Expenses

When an individual is authorized to incur expenses on behalf of STCi, it is the general policy of STCi that repayment shall be made after the fact upon submission of appropriate documentation. However, given the reality that some staff, volunteers or others may not have sufficient financial resources to carry or incur such burdens, the CEO may authorize prepayment on a case-by-case basis, subject to limitations on amounts and conflicts of interest



Salaries and other Compensation

Salaries and benefits for full-time or part-time employment of STCi staff shall be set by the Board upon recommendation of the Executive Committee. Salary levels and benefits should be in line with market considerations for such positions with comparable organizations, but at minimum should provide a living wage and be adjusted annually as necessary for any cost-of-living increases.

Consulting agreements with individuals or organizations that exceed €15,000 in any twelve-month period shall be approved by the Board.

Asset Protection

To assure that the assets of STCi are adequately protected and maintained, the CEO shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or STCi itself to levels indicated in consultation with appropriate professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose STCi, its board, staff, or volunteers to claims of liabilities.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Tax, Regulatory Compliance, and Audits

The Executive Committee shall ensure timely and accurate compliance with all annual or other filings and reports required by Belgian tax authorities and any other relevant legal or regulatory authorities. Compliance includes timely payment of any required taxes or other payments on behalf of STCi and its employees.

The Executive Committee shall work with internal auditors to ensure that accounts are accurately maintained and reported. The Executive Committee shall ensure that appropriate accounting standards are followed and applied in all financial matters.

Financial Procedures

To carry out this Financial Policy, the Executive Committee and Honorary Treasurer shall develop appropriate procedures from time to time as necessary, which shall be collected in a Procedure Manual.

Review of Policy

This Financial Policy shall be reviewed annually.

