



Moraga Community Foundation Internal Controls – Revised April 2021

Introduction and Overview

The primary purpose of these internal controls is to ensure the financial integrity of the Foundation, and of the Foundation's bank accounts and assets.

Consistent with that purpose, the primary intent of these internal controls is to maintain and carry out a regular oversight process by the Board of Directors, and to institute and reinforce current procedures with a goal of ensuring that (1) access to the Foundation's bank account(s) and control of banking activity, (2) the opening of the Foundation's mail and access to the Foundation's mailbox, and (3) responsibility for preparation of regular monthly and annual financial statements, is not concentrated in the hands of a single officer of the Foundation, and instead such functions and responsibilities are assigned to the President, Treasurer and Vice President, and subject to regular oversight by the Board of Directors, as set forth below.

- 1) **The President will download bank statements each month** and send to the Treasurer for financial reports and reconciliations to be performed. The paper statements for the Community Foundation's bank accounts will continue to be mailed to the Foundation's P.O. Box.
- 2) **The President will be the senior administrator of the Foundation's bank accounts** and will have the authority to add or delete the persons who have access to such accounts, and to control the extent of access given to each person.
- 3) **Assistant Treasurer and President Have Signing Authority** on the Foundation's bank accounts. Any check written from the Foundation's accounts in an amount exceeding \$2,000 shall require the signatures of both the President and the Assistant Treasurer.
- 4) **Preparation of Monthly and Annual Financial Statements.**

The Treasurer shall prepare monthly a bank account reconciliation, Statement of Activity, and Balance Sheet reports for the Foundation. The Treasurer shall present these reports to the Board of Directors for their review and approval at each monthly Board meeting. The Treasurer shall retain copies of monthly bank statements, and if requested shall provide copies to the Board.



The Treasurer shall prepare annual financial statements at the end of each fiscal year for presentation, review and approval by the Board of Directors.

5) **Treasurer's Online View Access to Foundation's Bank Accounts.**

The Treasurer shall have online view access to Foundation's bank accounts and Merchant Services account. As part of the duties set forth in Item 4) above, the Treasurer shall be responsible for monitoring and monthly reporting to the Board on Merchant Services activity and on-line donations to the Foundation.

6) **Opening and Handling of Mail; Reporting on Contents of Mail Received.**

As a general rule, the Vice President shall have custody of the key and sole access to the Foundation's P.O. Box. A detailed report on the contents of mail received shall be provided by e-mail to the Executive Committee within 24 hours of receipt of mail. If the Vice President is absent or unable to open the mail for any reason, the Vice President shall provide the mailbox key to another board member, who will carry out these functions on a temporary basis until the Vice President is again able to resume his or her duties.

7) **Audit Committee.**

The Audit Committee will perform a review of internal controls as it relates to the processes and procedures of the Treasury and Non-Treasury related controls within the Foundation. Pursuant to the bylaws, the Audit Committee shall perform a review of the books and records in September of every year.

8) **Preparation and Review of Tax Returns and Annual Reports (Including IRS Form 990 and California Attorney General Form RRF-1).**

The Treasurer shall work with the Audit Committee and the Foundation's CPA on preparation and timely filing of the Foundation's tax returns and annual reports including IRS Form 990 and California Attorney General Form RRF-1. Copies of such annual reports shall be provided to all directors for their review and input prior to the filing of such reports. The President shall review and sign tax returns and annual reports for the Foundation.



9) Foundation's Agent for Service of Process.

The Secretary shall serve as the Foundation's designated agent for service of process. The Secretary shall also update, on not less than an annual basis, the Statement of Information required to be filed with the California Secretary of State identifying the current officers of the Foundation.

10) The Vice President will act as the Assistant Treasurer.

This function will primarily involve making deposits and writing checks for any bills or accounts payable. The Vice President/Assistant Treasurer will have check writing privileges. The Treasurer will not have check writing privileges.

11) Officer Term Limits.

To facilitate oversight by the Board of Directors and encourage rotation of responsibilities between Board members, no person may serve more than two years consecutively as the President, Vice President, Treasurer or Secretary of the Foundation.

12) Nominating Committee members shall relinquish their position on the committee if they have served the previous two years on the Nominating Committee.

The immediate past President of the Foundation shall serve on the Nominating Committee for at least 12 months or one term.

13) Retention and Transfer of Records.

All records of the Foundation, including meeting minutes, bank statements, monthly and annual financial reports, reconciliations, tax returns and computer files shall be transferred to the appropriate person in connection with the election of new officers of the Foundation, and otherwise upon any changes in responsibility of officers as may be directed by the Board.

14) Amendments to Internal Controls.

The Board of Directors shall evaluate the functionality and effectiveness of these internal controls from time to time, and may amend or revise them as may be appropriate, consistent with the primary purpose and intent expressed in the Introduction and Overview above.