

MCUM

Finance

Committee

Handbook

Financial Overview – From Executive Director’s Handbook
Updated 1/2021

Fiscal Year

Effective January 1, 1986, the fiscal year shall be a calendar year (January 1- December 31).

Budget Preparation

The Treasurer, Finance Committee and the Executive Director prepare the annual budget. The budget will be submitted to the Board of Directors for approval at the November meeting for the upcoming calendar year.

There is a worksheet on the Server that can help greatly with this task. Find it, here: \\Mcumserver\FinancePriv\Budget\MCUM Budget\2019

Revenues and Disbursements

- All monies received by Monroe County United Ministries shall be deposited in a general operating fund with the exclusion of funds designated for Emergency Services.
- The Executive Director, Board Chair or Treasurer are authorized to make disbursements. Disbursements shall be by check. Checks for the general account require two signatures. The Office Manager may sign as the second party when the Executive Director or one of the above Board members is not available. The Executive Director and Office Manager may sign checks for \$500.00 or less.
- The Self-Sufficiency coaches or Program Director may disburse funds deposited in the “Emergency Services” checking account via check. All checks must meet programmatic restrictions as to payee and amounts permitted.
- Purchase Orders are required before purchase of items is approved. Employee must check local pricing prior to submitting a purchase order for approval. Purchases that do not have prior approval may become the financial responsibility of the employee.
- All expenditures of \$500.00 or more will be capitalized.
- MCUM strives to maintain a minimum six-month cash reserve at all times.
- Electronic transfers are permitted between accounts upon the approval of the Executive Director.
- MCUM may pay certain expenses through electronic withdrawal. There must be a clear-cut benefit to the organization to do so, or it may be allowed if it is required by the terms of any regulation or contract.

Electronic Transfer of Payroll

As of August 2004, MCUM requires the use of electronic transfer for payroll. The following steps were adopted to ensure proper internal controls:

1. MCUM Board Chair will enact a contract with MCUM’s bank for direct deposit of payroll.
2. The payroll procedure requires the Office Manager to calculate pay.
3. The Treasurer or the Executive Director will compare these calculations to the on-line entries for electronic transfers.
4. For internal control purposes, the Treasurer and/or Board President will be the primary source of authorization for transfer of funds to the locations for each employee. The Treasurer or the Board President will approve the release of electronic funds within 24 hours of their entry into the on-line system.

5. On the rare occasion that neither the Treasurer or Board President is available to authorize the release of funds, the Executive Director may do so.
6. Each employee will provide a voided check from their checking or savings account where they want funds deposited.
7. The Executive Director and Board President will have “supervisor” status with MCUM’s Bank and can perform all three functions in an emergency or while training new staff/board members to their duties.
8. The Office Manager will print a “check stub” for each employee providing the same information that would appear on a regular check, on the normal schedule of payroll.

Dissolution

Monroe County United Ministries shall use its funds only to accomplish the objectives and purposes specified in the Bylaws, and no part of said funds shall inure, or be distributed, to the members of Monroe County United Ministries, any real estate, including buildings, grounds, and furnishings, shall be deeded to the Monroe County Unit of Church Women United. Any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in IRS Section 501 (c).

Merchant Security Policy

Childcare parents and donors may utilize credit for payment of fees and to make contributions to agency programs. MCUM will comply with all security mechanisms required to protect card holder information whether presented in person or requested by phone or mail and whether for one-time charges or repetitive charges as designated by the card holder. MCUM will enforce information security policies and procedures. MCUM will comply with Payment Card Industry (PCI) Data Security Standard (DSS) standards and complete a detailed security assessment and consent to routine validation.

Use of MCUM’s Credit and Store Charge Cards

Credit and charge cards will only be used when other means of purchase are not available and with an approved Purchase Order. Use of MCUM’s credit and charge cards will be guided by prudent and conservative choices intended to maximize savings and fiscal management, not convenience.

Cards will be stored securely at all times. Those authorized for use must obtain the card from the Office Manger or Executive Director and return the card to them promptly with all receipts.

General Credit Card

All use of MCUM’s agency general credit card requires prior approval by the Executive Director.

- It is in MCUM’s best interest for bookkeeping purposes to establish purchasing relationships directly with routine vendors, using purchase orders, invoices and statements. Use of the credit card obscures tracking capabilities in the bookkeeping system. Therefore the general credit card should only be used when the primary method will not be accepted.
- Certain purchases require the use of the general credit card and may be routinely used for that purpose, i.e. Indiana Limited Criminal History Checks and charges pertaining to etapestry. Such use must be clearly defined with the Office Manager for proper verification of these charges. The Office Manager will bring any unsupported charges to the attention of the Executive Director, immediately.

Store Charge Cards

- The cook has the authority to use the grocery charge card for routine purchases at the local grocery. These purchases must coincide with the given meal plan for the week; this plan is reviewed and approved by the Office Manager. All effort is made to obtain the necessary food items through less expensive means, such as the Hoosier Hills Food Bank.
- Use of the Lowes charge card is determined on a case by case basis and approved by the Executive Director. In the absence of the Director, the Office Manager may approve the use of the card if it is for a routine requirement, i.e. purchase of materials for routine repairs/maintenance.
- Use of office supply charge cards require prior approval of the Executive Director. Generally, staff let the Office Manager know of their needs and periodically an order is prepared. Prices are compared from three sources and the vendor selected from the results.
- Use of the Wal-Mart charge card requires prior approval of the Executive Director.
- Purchase Order protocol must be followed.

Annual Audit

The accounts of Monroe County United Ministries shall be reviewed and audited annually as of the close of business each fiscal year by a certified public accountant. The audit report shall be submitted to the Treasurer for presentation to the Board. The audit report shall be available for inspection by members at all times at the Monroe County United Ministries offices.

Internal Controls Procedures

Receipts	Disbursements	Monitoring	Payroll
1. ED or CD opens mail works with the development staff to sort checks by campaign or restriction, makes list of checks received; gives checks to OM. ED or CD informs OM of any restrictions due to donor instructions or grant, etc and also informs staff who will utilize the funds that they have arrived.	The ED or DC opens mail, sorts the bills and delivers to OM. Any unexpected invoices are explained.	The bank statement is downloaded from the bank each month by the OM. They held for the Treasurer to balance the checkbook and reconcile any differences. The OM checks the bank daily for electronic deposits and payments to confirm them as they occur and ensure they are recorded.	Pay rates and salaries are predetermined by the personnel committee. Salary research is conducted every 3-5 years and a new scaled constructed based on national norms. In January 2015, MCUM adopted the Bloomington Living Wage Ordinance.
OM Writes receipt & gives to Development Associate (DA)	On the 10th and 25th, the OM prepares a listing of payables which is reviewed by the ED. Any unexpected invoices are explained. The ED approves which bills are paid, based on due dates and available cash. Some payments may be processed but held out of the mail for a given time.	The treasurer reconciles the bank statement to the general ledger.	OM enters a new employee and a test payroll pre-note is sent to their account, authorized by the ED
DA writes TY and enters into donor record and initiates TY letter which is signed by development staff or ED.	The monthly credit card statement is reviewed by ED with supporting documentation provided by OM when the statement arrives.	The ED reviews the bank statement and reconciliation each month. Review includes a listing of o/s checks, the timeliness of the reconciliation and that all checks are accounted for.	The OM can change pay rates based on the salary scale as anniversary dates are reached; This is periodically reviewed by ED and compared to estimates of expected costs

2. CD receives cash/checks/credit card payments from parents, enters payment into PA system and records on card; provides cash/checks/credit card info and batch report to OM for writing receipts.	Before approval of AP, the ED looks at current fund balances, and other expenses that may be due in the upcoming week along with anticipated revenues.		The ED and board review the financial statements monthly	The CD reviews the hours entered into the payroll register
OM writes receipt & returns to CCD to compare	The OM prints checks, attaches to invoices and statements and presents to ED for signature. ED compares invoices/statements to check amount or to the adding machine tape. They are then initialed and the check is signed.		The board and Ed compare revenue to expenses, cash flow, balance sheet and a schedule of payables and receivables	OM prepares and pays the payroll taxes; they are calculated automatically by QB
3. Walk-in donor makes gift, OM writes receipt immediately and gives to donor. Copy of receipt is given to DA	Checks equal to or greater than \$500 require an officer of the board to sign off.		The ED scans revenue and disbursements inclusive of account classification throughout the year	OM prepares the w-4, w-3 and w-2's; again automatically calculated by QB; reviewed by the ED
DA writes TY and enters into donor record and initiates TY letter which is signed by development staff or ED.	The OM prepares signed checks for mailing and files the supporting documents.			
4. OM checks bank account online for electronic deposits and writes receipt; receipt given to DA if a contribution. Childcare payments are compared to the emailed listing generated by the State and to the claims generated by the CD. Differences between payment and claims are jointly reviewed by the OM and CD and a discrepancy report is filed with the state to collect any amounts that are unpaid.	Board approval is required for any purchases not specified in the budget			
OM enters receipts into QB, makes deposit record; takes to bank	The OM makes journal entries in the accounting system as required. The journal record is reviewed and signed off quarterly by the ED			
ED or CD compares deposit record to supporting documentation, including list of checks from mail	The OM, CD, ED have the ability to retrieve the credit card for staff who have approved use of it. The card must be returned to that same staff person.			
	Pre approval is required for credit card purchase with the exception of etapestry billing, criminal history checks and QB renewal.			

Officers and Directors Liability Insurance

Effective January 1, 1995, Monroe County United Ministries shall provide Officers and Directors Liability Insurance.

Bonding

A sufficient fidelity bond in the amount set by the Board as the Board may designate, shall bond the Executive Director and such members of the Board of Directors and or staff. Monroe County United Ministries shall pay such bond.

Donor Restricted Funds

All gifts received must be used for the expressed purpose requested by the donor or returned to the donor. Where information exists to do so, all donations shall be acknowledged by letter and/or receipt.

Procedure for Recording Contributions

Donations that are written from the religious organization's checking account will be recorded on the religious organization's account and entered into that revenue line item. The religious organization will receive the receipt. Exceptions to this would be if the contribution is the result of a grant application. Then it is recorded in the accounting software as a grant, not a contribution.

Donations that have been sent by individuals will be entered into the database and the individual revenue line item. If the individual has identified themselves as a member of a congregation, that information will be tracked in the database. The individual will receive the receipt.

Donations that have been sent by groups within congregations will be recorded as on that group's account and entered on the religious organizations revenue line item. The receipt will be sent to the address provided with the donation.

This information will be listed monthly in Monroe County United Ministries' financial report. Quarterly totals of religious organization's contributions will be sent to each supporting organization to verify against their own records. Quarterly totals of individuals and groups connected to each organization will also be sent to the organization for their informational purposes.

Use of Donor Names or Lists

It is the policy of Monroe County United Ministries, Inc. that the names, addresses and other information regarding donors is confidential and will not be shared with any outside entities.

Requests to not publish donor names, either verbal or in writing, in our annual report or other records will be honored. Such donors will be cited as "anonymous" in publications and the request will be noted in the donor tracking system.

Self-Sufficiency Center ("Emergency Services") Funds

Donations and other funds received specifically to finance the direct services of the emergency services program shall be deposited in its own account. Donations to support the Self-Sufficiency Center without specifying a specific need (i.e. food, rent/utility) will be deposited in the general account but applied to the costs of that program exclusively.

Disbursements from the emergency services checking account shall be used in accordance with donor restrictions and will be paid by check.

MCUM's Self-Sufficiency Coaches, using established case management techniques, will verify need and resources for clients before funds are made available. Checks will be made out in the name of the vendor or business providing the service, e.g. Cinergy, Indiana Gas, etc., not the client. The Coach will contact the vendor or business to verify the amount needed and notify them of the source of funding. Further, if for some unpredictable reason the service is not provided, the vendor will be instructed to return the check to Monroe County United Ministries, not the client.

The Executive Director or the Coach, with Executive Director's approval, may sign checks. Under no circumstances will emergency services funds be provided to Monroe County United Ministries' employees, without specific approval of Monroe County United Ministries' Board of Directors. In the event of this circumstance being approved, the Executive Director must sign the check.

The Self-Sufficiency Center Program Director will maintain a monthly record of expenditures.

Public Disclosure Policy for Form 990

It is the policy of Monroe County United Ministries to make a copy of the Form 990 for the past three years available for public inspection and to provide copies of such forms to individuals or organizations that request copies. Names and addresses of contributors shall be deleted from copies available to the public.

Anyone requesting a copy in person shall be provided a copy on the day of the request. If the request places an unusual burden on the organization (such as a request made just before the close of the normal business day), the copy must be provided on the next business day.

Fundraising Plan

MCUM has an approved plan for fundraising that is updated on a regular basis. The Development Director is responsible for this plan, with input from the Development team and the Executive Director.

You can access the plan here: \\Mcumserver\Dev Private\Daily Work\Fundraising\Fundraising Plans\Fundraising Plan - 2012-2015\2019

Investment Policy Statement

The Board of Directors hereby acknowledges a fiduciary duty to ensure the assets of the Fund are managed in a prudent fashion in accordance with sound investment principals. As such, the Board prescribes the following guidelines for stewardship of the funds. The Board may retain the services of a Consultant (hereafter "Investment Consultant") to advise it on matters relating to, among other things, its fiduciary obligations, spending policy, investment policies and procedures, investment manager selection and evaluation, performance measurement, and fund accounting and administration. The Board, or its delegates, will meet no less than semiannually to review progress toward its long term investment objectives and to effect any necessary and/or appropriate changes in the structure of the portfolio.

Oversight of Investments

- This policy is the responsibility of the Finance Committee and will be reviewed by the Finance Committee annually.

- The purpose of the Investment Consultant is to insure sound advice and investment knowledge is adequately shared and disseminated to the Finance Committee. The Consultant will meet in person with the Finance Committee at minimum every 6 months and will submit quarterly portfolio reports to the Executive Director for review. The Committee will evaluate the Consultant performance from a long-term perspective, and the evaluation shall be based on adherence to the investment guidelines, ethical behavior, and high-quality customer service.
- The Investment Manager will have responsibility for the day-to-day decisions about the fund, using this document as a guideline for decisions. The evaluation of the Investment Manager will be based on adherence to these guidelines, ethical behavior, and high-quality customer service.
- The Finance Committee will provide overall oversight of the Fund and report back to the Board as a whole.

Investment Guidelines

The target percentages for the portfolio will be the following:

1. Cash – 2%
2. Fixed Income – 38%
3. Equities – 60%

Rebalancing to insure the appropriate mix of investments is maintained will occur at minimum on a quarterly basis. The target return rate for the fund will average 8% annually.

Finance Committee Overview
Updated 1/2021

Job Description:

The finance committee shall present for approval policies and strategies to the Board of Directors in all financial matters of Monroe County United Ministries, Inc. The Committee shall review and oversee budget preparation, financial reports, and, with the Executive Director, develop short and long-term financial planning. The Committee shall present a summary to the Board at each monthly meeting of the financial reports from the previous months. The Committee shall review the performance of the pension funds and make recommendations regarding these funds. The Committee shall review the Gift Acceptance Policy each year and be familiar with its contents in the event a decision must be rendered quickly.

Annual Tasks:

- Oversee & review budget preparation (by October, present by November meeting)
- Review pension funds
- Review gift acceptance policy

Ongoing Tasks:

- Review monthly financial statements
- Take finance committee minutes
- Make determinations on raises, as proposed by the personnel committee
- Evaluate MCUM's financial performance against budget

Monroe County United Ministries
Gift Acceptance Policy
Approved by the Board of Directors on 12/13/05
Last Review: December 12, 2020

I. Introduction

The Board of Directors of Monroe County United Ministries, Inc. (MCUM), with an understanding of its mission and responsibilities for accepting gifts for the benefit of MCUM, has established the following Gift Acceptance Policy (the "Policy").

The purpose of the Policy is to give guidance and counsel to those individuals within MCUM concerned with soliciting gifts. All gifts are to be accepted or rejected in accordance with the policies set forth herein. To prevent misunderstandings and conflicts, these guidelines should be viewed as flexible and realistic in order to accommodate unpredictable fundraising situations and donor expectations. Such situations and expectations, however, must be consistent with MCUM's mission and this Policy.

The scope of this Policy is limited to acceptance or rejection of proposed gifts; it is not intended to cover disposition of property owned by MCUM.

II. Conflict of Interest

In implementing this policy MCUM shall follow the conflict of interest policy that has been adopted by the MCUM Board of Directors (the "Board").

III. Legal Counsel

MCUM shall encourage donors to consult independent tax and/or legal counsel prior to making a contribution to MCUM. It is the donor's responsibility to decide whether to employ such advisors and donor shall be responsible for directly employing and compensating independent legal and tax counsel when utilized by donor in these transactions.

MCUM shall consult with legal counsel as the Board deems necessary.

IV. Confidential Information

All information concerning donors, including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc., shall be kept strictly confidential by MCUM and its authorized personnel unless the donors grant permission to use selective information for purposes of referral, testimonial, or example at the discretion of authorized representatives.

V. Policy Amendment and Review

Responsibility for review of and recommended amendments to the Policy shall be that of the Finance Committee. This Policy shall be reviewed by the Finance Committee at least bi-annually. To amend the Policy, a written amendment shall be prepared by the Finance Committee and submitted to the Board for review and approval.

Additionally, the Finance Committee shall have the authority to amend the Policy to comply with the law whenever it becomes inconsistent with the Internal Revenue Code of 1986, as amended, (the "IRC"), the regulations promulgated thereunder, or other applicable state or federal laws as of the effective date of the legal change. The Finance Committee shall provide a written report to the Board explaining the reason for

any change to this Policy. The Finance Committee shall also submit any changes or amendments for approval at the next meeting of the Board of Directors.

VI. Finance Committee

MCUM's Board of Directors, through the Finance Committee, is responsible for formulating, implementing and amending this Policy. The Finance Committee shall exercise the authority, oversight and responsibilities specified in this Policy. This responsibility cannot be delegated or waived by the Finance Committee. The chairperson of the Finance Committee, or a member of the committee, shall report to the Board of Directors as needed.

A meeting of the Finance Committee may be convened by the chairperson of the Finance Committee if a specific proposed gift constitutes an exception to the standards outlined in this Policy and/or the gift has been challenged regarding its origin or scope. The Finance Committee will review the information that has been presented by staff and, if the issues involved have been satisfactorily resolved, the Finance Committee may accept or reject the gift in question. If the issues involved have not been satisfactorily resolved, the Finance Committee will either request additional information or decline or return the gift.

The Finance Committee may involve outside counsel in making these decisions, when necessary. MCUM staff and Board will maintain professional contacts in the community who are willing to give pro bono assistance if any questions should arise. The Finance Committee could request the use of paid counsel by conferring with the President.

VII. MCUM's acceptance of gifts

The Executive Director or his/her designees act as agents of the Board of Directors in accepting gifts that fall within the parameters of this Policy. The staff shall follow the guidelines set forth in this Policy, particularly when negotiating or, when authorized, entering into restricted gift agreements or deferred gift agreements. Unusual situations will be handled on a case by case basis by the Finance Committee. As stated in this Policy, certain types of gifts must be reviewed and approved by the Finance Committee prior to acceptance.

Once MCUM has accepted a gift, it becomes MCUM property. From this point, the donor has no direct decision making power regarding the disposition of the gift, aside from restrictions placed on the gift from the outset.

The level of information required by the Finance Committee to make an informed decision regarding the acceptance of a gift will vary depending upon the nature of the gift. If it appears that a gift may not be acceptable from the outset of discussions with the donor, the Finance Committee will endeavor to reach that conclusion as soon as possible and convey such conclusion to the development officer or other appropriate person so that he or she can suggest to the donor alternate types of contributions.

VIII. Gift Definition

A gift is defined as a voluntary transfer of assets from a person or an organization to MCUM where no goods or services are expected, implied or forthcoming for the donor. Gifts usually take the form of cash, securities, real property or personal property. A gift is not completed until it has been accepted by MCUM.

IX. Restricted Gifts

A gift may be either unrestricted or restricted to a general area of use that contributes to the benefit of MCUM.

Restrictions may be temporary or permanent. A temporary restriction may have either a purpose or time limit, and once those terms are met the funds become unrestricted. A permanent restriction may stipulate that resources be maintained permanently (such as an endowment fund) but permits MCUM to use part or all of the income derived from the donated assets. A donor also may restrict the use of a gift to a proposed program or project.

If the restriction(s) placed on the use of the funds contributed to MCUM have been rendered illegal, unreasonable or unable to be fulfilled, and if the donor(s) are unavailable to alter the account restriction(s), MCUM may consult with MCUM's Executive Director and other appropriate MCUM personnel and may, if necessary, seek approval of a court with jurisdiction to remove or modify such restriction(s). If termination of the restriction(s) is sought, MCUM will seek to use such funds for a purpose that reflects as near as possible the original restriction. Restrictions shall be deemed unreasonable or unable to be fulfilled due to circumstances, including, but not limited to: the termination of a program; a surplus of funds available from other sources to fulfill the designated purpose; the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds; and the designated purpose is no longer consistent with the mission of MCUM and its individual programs.

X. Gift Acceptance Conditions

MCUM will accept only gifts that are consistent with the core values of the organization and are:

- compatible with the mission of MCUM and of its individual programs;
- in compliance with the IRC and other federal statutes, regulations, rulings, or court decisions that stipulate the conditions under which contributions can be tax favored; and
- compatible with MCUM's tax-exempt status.

Unless a specific exception is granted by the Finance Committee, MCUM will not accept any gift that:

- violates any federal, state or local statute or ordinance;
- contains a condition that requires any action on the part of MCUM that is unacceptable to MCUM administration;
- commits MCUM to name a fund where the gift is potentially revocable in any way;
- requires MCUM and its administration to employ a specified person now or at a future date;
- contains unreasonable conditions (i.e. a lien or other encumbrance) on gifts of partial interests in property;
- exposes MCUM to litigation or other liabilities;
- requires the payment of maintenance costs or other expenses (e.g. debt service) for which no specific provision has been made; generates unrelated business income to MCUM; or appears to be financially unsound.

MCUM retains the right to immediately sell all gifts of stock or property so that it can invest the proceeds in accordance with MCUM's investment policy.

XI. Fees

- A. Finder's Fees or Commissions: No finder's fee or commission of any type will be paid by MCUM to any party in connection with the completion of a gift to MCUM without the prior written approval of MCUM.

- B. **Professional Fees:** All fees incurred by the donor in the completion of a gift to MCUM will be paid by the donor unless payment, or a portion thereof, is authorized by MCUM.

XII. Appraisals

All appraisals of real and personal property contributed to MCUM shall be done in accordance with IRS Publication 561, "*Determining the Value of Donated Property.*" Expenses incurred to obtain an appraisal shall be the responsibility of the donor, unless MCUM agrees to incur the cost.

XIII. Gift Acknowledgement

MCUM will acknowledge the receipt of all gifts in writing and in a manner which satisfies the IRS's substantiation requirements set forth in IRC Section 170(f) for the deduction of charitable gifts by individual donors.

XIV. Types of Acceptable Gifts

MCUM accepts both outright and deferred gifts. Following is a list of the different types of gifts a donor may make.

Outright Gifts:

1. Cash and checks, credit card/electronic/online gifts

a. Policy

Cash and checks, as well as credit card/electronic/online gifts may be accepted regardless of the amount.

b. Description

The Board reserves the right to refuse a gift from a questionable source, and may decide to return a gift if the source is declared questionable.

c. Guidelines

The value of any cash, check, or credit card/electronic/online gift is its face value. Checks should be made payable to Monroe County United Ministries, Inc. and sent to 827 West 14th Court, Bloomington, IN 47404-3347.

Funds may also be wire transferred to MCUM. Donors should consult a representative of their financial institution to make contributions via wire transfer. Donors should also notify MCUM when such transfers are initiated to ensure appropriate and timely gift acknowledgement and that the gift is credited to the proper MCUM account. MCUM wire transfer instructions are as follows:

Northwest Bank
ABA 081304822
For Monroe County United Ministries, Inc.
Account #10182472

2. Publicly Traded Securities

a. Policy

Securities that are traded on the New York and American Stock Exchanges, as well as other major U.S. and

foreign exchanges and the NASDAQ; corporate bonds; government issues and agency securities may be accepted by MCUM. Testamentary gifts of appreciated stock will be considered planned gifts.

b. Guidelines

MCUM may sell such securities as soon as possible after the securities have been transferred to MCUM. The value of a gift of securities is the mean (average) of the high and low of the stock(s) or bond(s) on the day the transfer is received by MCUM. The value of less actively traded securities, rarely traded securities or a security that does not trade on the gift date should be determined according to IRS Publication 561.

Donors should notify MCUM of the securities being gifted, the number of shares, the intended gift date and the intended use of the gift.

Securities may also be wired directly to the MCUM's account via DTC. Direct such gift to:

Monroe County United Ministries, Inc.
Hilliard Lyons
Account #59826847
DTC# 0768

Other brokerage accounts may be authorized by prior agreement.

If the donor has physical custody of the certificates, they should be mailed unsigned and by registered mail to MCUM. Send signed stock/bond power form separately from the stock/bond certificates. The signature on the stock/bond power must match the name on the certificates.

SPECIAL NOTE: Due to Neighborhood Assistance Program (NAP) policy, stock must be sold in order to be eligible for NAP tax credits. Value to a donor for these contributions is determined in two different ways – the method described above for donor's federal tax purposes; for NAP application purposes, MCUM will use the proceeds from the sale of the stock less the transaction fee to determine the value of the tax credits given to the donor.

3. Closely Held Securities and Restricted Securities

a. Policy

Closely held securities and restricted securities may be accepted only after prior review and approval by MCUM.

b. Description

Closely held securities are non-publicly traded securities. Valuation of closely held securities may be difficult due to infrequent trading which makes it difficult to establish fair market value.

Restricted securities (also known as unregistered securities, investment-letter stock, control stock or private placement stock) are public securities that are not freely tradable due to Securities and Exchange Commission (SEC) regulations. They are infrequently given as gifts because of the difficulty in transferring ownership and determining fair market value.

c. Guidelines

If a donation of closely held or restricted securities is being considered, these will be valued according to IRS Publication 561. The donor is advised to consult IRS Publication 561 and their own counsel in establishing the value of their gift for tax purposes.

4. Mutual Fund Shares

a. Policy

Mutual fund shares may be accepted by MCUM.

b. Guidelines

The fair market value of mutual fund shares will be determined by the public redemption price of the shares at the close of business on the valuation date of a gift of this nature. If such a price is not readily available, then the value shall be determined as if the shares were untraded securities in IRS Publication 561.

5. Gifts of Real Property

a. Policy

MCUM may accept gifts of the surface interests of real property, both improved and unimproved, in accordance with this Policy and may sell such real property after receipt.

MCUM may accept gifts of oil and gas interests in the form of royalty or mineral interests in accordance with this Policy and may sell such interests after receipt.

MCUM will not accept gifts of oil and gas interests in the form of working interests without prior consultation with and approval of the Finance Committee.

b. Guidelines

MCUM may require the following information in order to consider acceptance of a gift of real property:

- A title insurance commitment showing marketable title, free and clear of unacceptable encumbrances, issued by a recognized title insurance company;
- An appraisal by a qualified appraiser;
- A phase one environmental audit by a qualified engineer indicating that ownership will not expose MCUM to environmental liabilities;
- At the election of MCUM, a market feasibility study for the property;
- ALTA survey of the property by a registered land surveyor;
- Evidence of compliance with Americans With Disabilities Act (ADA) when applicable;
- A structural engineering report (when applicable);
- A review of leases (for commercial property);
- A disclosure statement for residential property (when applicable).

Under applicable Treasury regulations, a donor must pay for any initial appraisal made on the property. It is the responsibility of the donor to pay all costs incurred in transfer of the property including the cost of compliance with any of the MCUM's requirements outlined above, unless otherwise authorized by MCUM.

Special attention shall be given to a proposed gift of real estate encumbered by a mortgage that will not be paid in full by the donor at the time of transfer.

The donor is advised to consult IRS Publication 561 and their own counsel in establishing the value of their gift for tax purposes.

6. Gifts of Real Property with Retained Life Estates or other Restrictions or Limitations

a. Policy

MCUM may accept either a gift of real property with a retained life estate or other restrictions and limitations with approval of MCUM.

b. Description

A gift of real property with a retained life estate involves the transfer of the title to a personal residence or farm to MCUM whereby the donor or another person retains use of the property for a term of years or the life/lives of the donor and/or another person.

c. Guidelines

Such gifts are subject to both the general conditions and the guidelines for acceptance of outright gifts of real property as set forth in Section XIV.E. of this Policy entitled "*Gifts of Real Property.*" MCUM shall encourage donors to consult independent tax and/or legal counsel prior to making a gift of this type. The agreement creating the life interest must provide that the donor and/or life tenant shall remain responsible for the payment of mortgages, taxes, insurance, utilities, maintenance/repairs and all other costs associated with the property, unless other specific provisions are made for the payment of these expenses. Donor(s) shall not violate or allow to be violated any environmental laws/ordinances covering this property.

7. Tangible Personal Property

a. Policy

General Tangible Personal Property

Notwithstanding gifts donated for fundraising events, MCUM will consider gifts of tangible personal property, including but not limited to, works of art, manuscripts, literary works, boats, motor vehicles, only after a review indicates that the property is readily marketable, and free and clear of encumbrances or needed by MCUM for use in a manner which is related to its mission.

Computer Hardware

MCUM will consider gifts of computer hardware only after a review indicates that the hardware is functional and has certain desirable qualities (such as modem speed or memory capacity) to be determined by the Executive Director.

Authority to accept gifts of tangible personal property has been delegated to the Executive Director.

b. Guidelines

No gift of personal property subject to the requirement of ownership by MCUM in perpetuity shall be accepted without approval of MCUM. No perishable property or property that would require special facilities or security to be properly safeguarded shall be accepted without approval of MCUM.

Prior to the donation of personal property with an estimated fair market value conforming with IRS Publication 561, the donor must furnish MCUM with an appraisal of the donated assets by a qualified party dated no earlier than 60 days prior to the date of the donation and, when applicable, with verification that the donor has met the reporting requirements for IRS Form 8283, "*Non-Cash Charitable Contributions Appraisal Summary.*"

The donor is advised to consult IRS Publication 561 and their own counsel in establishing the value of their gift for tax purposes

8. Other Personal Property

a. Policy

Other personal property of any description, including mortgages, notes, copyrights, royalties, partnership interests, closely held business interests, undivided interests in property, future and partial interests and other illiquid financial assets may be accepted only upon prior review and approval of MCUM.

b. Guidelines

A written summary of the proposed gift shall be submitted to MCUM. At a minimum, the summary shall include the following information:

- description of the asset;
- the purpose of the gift, whether its unrestricted or restricted and if restricted, MCUM's program(s) to benefit from the gift;
- estimate or appraisal of the asset's fair market value and marketability;
- potential for income and expenses, encumbrances, and carrying costs prior to disposition;
- any environmental risks or problems revealed by audit or survey;
- credit history or financial statement of financially responsible party, if applicable;
- any special arrangements requested by the donor concerning disposition (e.g., price considerations, time duration prior to disposition, potential buyers, realtors or brokers with whom the donor would like MCUM to list the property, etc.);

MCUM will review the material and either accept or reject the proposed gift (or, if necessary, postpone a decision pending the receipt of additional information).

Planned/Deferred Gifts

Any planned gift agreement that requires execution by MCUM shall first be reviewed and approved as to form and substance by MCUM's legal counsel. It is recommended that prospective donors who are considering gifts to MCUM that will take effect at the donor's death, consult with MCUM's Board President or Executive Director regarding how to properly designate the gift and to discuss any trust or bequest restriction that is being considered.

1. Bequests

a. Policy

Bequests shall be accepted by MCUM if the underlying assets are in conformity with the guidelines set forth in Section 1 of this Policy entitled "Outright Gifts." MCUM reserves the right to reject gifts from the estates or trusts of deceased donors that are not in conformity with the terms of this Policy.

b. Description

A bequest to MCUM is made in the donor's will or revocable trust. The donor can designate a specific amount, a percentage, or the remainder of an estate to MCUM.

c. Guidelines

Donors should be encouraged to notify MCUM when considering a bequest in order to ensure that the assets left to MCUM meet the criteria set forth in this Policy.

2. Designating MCUM as Beneficiary

a. Policy

MCUM may accept any proceeds that it receives as a designated beneficiary (or an alternate beneficiary) of

- a life insurance policy
- a deferred annuity contract
- an IRA
- a defined benefit plan
- a 401(k) plan
- a defined contribution (profit sharing) plan or other qualified plan

unless the designation imposes restrictions or a trust arrangement, in which case, prior review and approval by MCUM is required.

3. Gift of Life Insurance Policies

a. Policy

MCUM may accept gifts of life insurance policies, including whole life, variable and universal life policies, which meet the guidelines specified below. MCUM can also be named as a beneficiary of a term insurance policy. MCUM may reserve the right to surrender the policy or to keep it in force.

b. Description

A gift of life insurance is a gift of the policy itself, where the donor names MCUM as *owner and beneficiary*. This is not to be confused with a beneficiary designation on life insurance, which means the donor retains ownership over the policy.

When a donor transfers ownership of a paid-up policy, the charitable deduction will be the lesser of the fair market value of the policy or the cost basis (which is the total of the donor's net premium payments).

For life insurance policies that are only partially paid, the donor's charitable deduction will be determined in the same way as if they had given MCUM a paid-up policy. The donor can make deductible gifts to offset premium payments if MCUM elects to continue the policy.

4. Charitable Trusts

a. Policy

Absent special circumstances, MCUM shall not accept being named as Trustee of any charitable trusts. Where the trust is testamentary, that is, one that arises upon the death of the donor, MCUM reserves the right to disclaim any interest that would be in violation of this Policy.

b. Description

Charitable Remainder Trusts

A charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years. At the end of that period the remaining assets are distributed to one or more charities.

Charitable Lead Trusts

A charitable lead trust is a trust in which the income, or "lead" interest, is paid to the MCUM, and the "remainder" interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to MCUM may be either a fixed sum (an "annuity trust" interest) or a percentage of the trust assets as valued each year (a "unitrust" interest). At the conclusion of the payment period, the trust assets are returned either to the donor or to someone designated by the donor.

c. Guidelines

Absent special circumstances, MCUM may not serve as trustee of a charitable trust.

5. Charitable Gift Annuities

a. Policy

MCUM does not provide for charitable gift annuities.

b. Description

A charitable gift annuity is a contractual agreement between a donor and a charity whereby the donor makes a gift to the charitable institution in return for a specified amount of income given to the donor for life.

c. Guidelines

MCUM can refer any inquiries regarding charitable gift annuities to the Community Foundation of Bloomington and Monroe County, which offers such arrangements for the benefit of organizations such as MCUM.

XV. Policy Effective Date

The Gift Acceptance Policy was adopted December 13, 2005 and became effective on that date. All gift agreements shall be governed by the Gift Acceptance Policy in effect at the time the original gift was accepted.

Donor Privacy Policy
Reviewed January, 2021

Monroe County United Ministries is committed to respecting the privacy of donors. The types of donor information that it collects and maintains are as follows:

- Contact information: name, address, telephone number and email address
- Giving information
- Information on events attended, publications received and special requests for program information
- Information provided by the donor in the form of comments and suggestions

MCUM uses donors' information to understand their interests in its mission and to update them on the organization's plans and activities. It is shared with staff, board members, volunteers and consultants only on a "need-to-know" basis. The organization also assures donors that their names and addresses will not be shared with any third party unless permission has been granted.

For those who do not wish to be included on a mailing list that might be sold, rented or leased to other organizations, donors should contact the organization to have their names removed. If you have comments or questions about the MCUM's donor privacy policy, please email kbroadfoot@mcum.org or call (812) 339-3429 ext. 11.

Donor Bill of Rights
Reviewed January, 2021

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- i. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- ii. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- iii. To have access to the organization's most recent financial statements.
- iv. To be assured their gifts will be used for the purposes for which they were given.
- v. To receive appropriate acknowledgement and recognition.
- vi. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- vii. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- viii. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- ix. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- x. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations. It is reprinted with permission from AFP dated May 16, 2017.

2021 Budget			
Income		Expense	
4011 · Religious Organizations	75,000.00	5000 · Salaries	941,000.00
4012 · Individual & Special	175,000.00	5011 · FICA	71,900.00
4013 · Service Organization	5,000.00	5012 · Employee Pension Expense	7,900.00
4014 · Opportunity House	48,000.00	5013 · Pre-employment Reimbursement	0.00
4015 · Corporate/Business	65,000.00	5014 · Employee Health Insurance	62,500.00
4016 · Inkind	5,400.00	5015 Unemployment	0.00
4017 · Bequests	0.00	Total 5010 · Fringe	142,300.00
Total 4010 · Contributions	373,400.00	5021 · Interns & Contract Labor	1,000.00
4030 · MCUM FUND Distributions	10,000.00	5022 · Criminal Hsty & TB Test	2,000.00
4052-2 · 4052-2 SL Donation (ES&PS&tix)	1,000.00	Total 5020 · Misc. Personnel Expense	3,000.00
4052-3 · 4052-3 SL Tickets Sales	10,000.00	5026 · Miscellaneous Grant Expense	0.00
4052-4 · 4052-4 SL Auction Item	5,000.00	5030 · Food and Paper Products	45,000.00
Total 4052 · Spring Luncheon Income	16,000.00	5035 · Arts and Crafts	3,000.00
4055 · Box Tops for Education	0.00	5042 · Spring Luncheon	120.00
4057-1 · 405471 EOFO HT Mailing	4,000.00	5047 · Each One Feed One	0.00
4057-2 · 4057-2 EOFO Cash Cans	4,000.00	Total 5040 · Special Events Expense	120.00
Total 4057 · Each One Feed One	8,000.00	5060 · Office Supplies	3,500.00
Total 4050 · Special Events Revenue	24,000.00	5065 · Advertising	1,500.00
4075 · Green House - 829 W 14th Ct	4,600.00	5070 · Printing	1,000.00
Total 4070 · Rent	4,600.00	5075 · Memberships	2,210.00
4082 · CACFP (School Lunch)	89,900.00	5080 · Postage and Shipping	2,200.00
4083 · Emergency Food & Shelter Program	15,000.00	5081 · Office Lease Downtown	0.00
4084 · CCDF Vouchers	181,200.00	5091 · Office	500.00
4085 · CDBG - Social Service	25,000.00	5092 · Program	36,000.00
4086 · CDBG Capital Improvements	15,000.00	5093 · Maintenance	2,000.00
Total 4080 · Federal Government Funds	326,100.00	5094 · Food Service	2,500.00
4101 · Jack Hopkins Fund	17,000.00	5095 · Computer Hardware & Repair	500.00
4102 · Township Grant	8,000.00	5096 · Computer Software	2,500.00
4104 · M County Budget(Sophia Travis)	4,000.00	Total 5090 · Equipment & Repairs & Supplies	44,000.00
4105 · On My Way Pre K	57,400.00	5100 · Utilities	20,000.00
Total 4100 · State and Local Govt Fund	86,400.00	5121 · Telephone	1,400.00
4120 · NAP	12,000.00	5122 · Internet, Email, Webhosting	1,400.00
4131 · Preschool	274,095.00	Total 5120 · Communications	2,800.00
Total 4130 · Childcare Fees	274,095.00	5141 · Special Risks	900.00
4141 · United Way - Monroe Co	21,000.00	5142 · Directors/Officers	1,200.00
Total 4140 · United Way	21,000.00	5143 · Commercial Package	9,000.00
4152 · Community Foundation	25,000.00	5144 · Employment Practices	700.00
4153 · TEACH Reimbursement	500.00	5145 · Workers Comp	4,800.00
4154 · Miscellaneous Grant	193,000.00	5146 · Vehicles	1,200.00
Total 4150 · Grants	218,500.00	Total 5140 · Commercial Pkg Insurance	17,800.00
4171 · Interest on CD's & Bank Accts	0.00	5160 · Vehicle Fuel & Maintenance	1,000.00
4172 Interest & Dividend on Investments	0.00	5170 · Staff Mileage	100.00
Total 4170 · Interest Income	0.00	5180 · Training and Staff Development	3,800.00
4181 Realized Gain (or loss)	0.00	5185 · NAEYC Accreditation	0.00
4172 Unrealized Gain (or loss)	0.00	5190 · TEACH Expense	250.00
Total 4180 Investments	0.00	5200 · Emergency Grants	10,000.00
4190 · Miscellaneous Income	500.00	5220 · Custodial Supply	2,000.00
Total Income	1,350,595.00	5230 · Custodial Maintenance Contracts	35,000.00
		5240 · Building and Grounds	4,500.00
		5251 · Audit	15,500.00
		5252 · Computer Technical Support	3,000.00
		5253 · Retirement Plan	3,200.00
		5254 Investment Fees	3,000.00
		Total 5250 · Professional Fees	24,700.00
		5270 Depreciation	0.00
		5280 · Bad Debts	1,000.00
		5313 · Green House - 829 W 14th Ct	500.00
		Total 5310 · Rental Expense	500.00
		5350 · Miscellaneous	500.00
		Total Expense	1,312,780.00
		Net Income	37,815.00

MCUM's Annual Program Budgets by Client*

Compass Early Learning Center

Income		Per Child	True per child average
Food Program (CACFP)			\$ 951.37
Tuition			
	CCDF Voucher	\$ 10,455.00	\$ 6,091.21
	On My Way Pre K	\$ 8,200.00	
	Fee Scale	\$ 4,894.00	
		<i>Total income</i>	\$ 7,042.58
Expenses			True per child average
	Staff		\$ 10,237.00
	Food		\$ 444.00
	Program/Supplies		\$ 134.00
	Arts & Crafts		\$ 27.00
		<i>Total expense</i>	\$ 10,842.00

Self-Sufficiency Center

Income		Per household using service	True per household average
	In-kind value of donations		\$ 35.88
		<i>Total income</i>	\$ 35.88
Expenses			True per client average
Staff			
	Financial clients	\$ 13.13	\$ 8.19
	Opportunity House vouchers	\$ 5.99	
	Your Path clients	\$ 1,215.77	
	Food pantry clients	\$ -	
	Cleaning & hygiene clients	\$ 6.00	
Food		\$ 148.01	\$ 44.72
Cleaning & Hygiene items		\$ 17.48	\$ 8.62
Program			\$ 0.56
		<i>Total expense</i>	\$ 62.09

* using projected income and expense for 2021, based on 5-year trend, COVID-19, etc.

For additional resources helpful to the finance committee, please visit www.mcum.org/board.

There, you will find attachments including:

- 2020 ONB Documents (password protected)
- Most recent audit statements (password protected)
- 2020 Finance Committee Minutes (password protected)
- MCUM Budget Workbook (password protected)
- Fundraising Plan (password protected)