

# Montcalm County Habitat for Humanity

## Fiscal Safeguards Policy

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### **Purpose**

It shall be the policy of Montcalm County Habitat for Humanity to follow Generally Accepted Accounting Principles (GAAP) for all financial dealings. The affiliate's accounting policies shall be in accordance with HFHI's AOM: *Financial Policies and Procedures*.

### **Board Member Responsibilities:**

1. Board members shall keep themselves well informed of the affiliate's finances.
2. The board of directors shall approve a detailed annual budget, using a fiscal year of July 1<sup>st</sup> through June 30<sup>th</sup>.
3. Budget revisions should be made if major changes of income or expenditure occur during the year that would significantly alter the annual plan. The board of directors shall approve the new budget, with the revision(s) being noted in the meeting minutes.
4. Monthly financial statements comparing revenue and expenditures, including a balance sheet, should be provided to the board, with significant variances identified and explained.
5. A Board-approved independent auditor shall perform an annual audit or financial review of financial records. All bank accounts and authorized signers for these accounts will be authorized by the affiliate board of directors, and so noted in the meeting minutes.
6. The board shall secure insurance to adequately protect the affiliate from losses in case of theft or dishonesty by staff or board members.
7. The board, as part of the capital budget, should approve fixed asset purchases prior to actual purchase. Fixed assets are defined as item with a value over \$500 that last more than a year.
8. Sale, retirement or abandonment of fixed assets should be in conformity with board policy and subject to board approval.
9. A board-approved policy and procedure should be in place to ensure that loan funds are properly recorded and repaid when due. Authorization, recording and collection functions should be clearly segregated.
10. A board-approved homeowner delinquency policy and procedure should be established and enforced.
11. A board-approved policy to value in-kind materials for accounting and job cost purposes should be in place and implemented.

This was changed to coincide with State HFHI.  
previous "bi-monthly"