



# Financial Policies & Procedures

*Approved by SVP Board of Directors*

*September 26, 2018*

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## **I. BACKGROUND INFORMATION**

### **A. FISCAL YEAR**

The fiscal year for Social Venture Partners Minnesota ends December 31.

### **B. DIVISION OF AUTHORITY**

#### **Board of Directors**

Responsible for fiduciary oversight of the organization including:

- Annual approval of financial statement review (audit not required)
- Annual approval of budget
- Annual approval of Executive Director salary
- Quarterly review of financial statements and performance
- Evaluation of, and accountability for the Executive Director and any personnel responsible for finance and/or operations

#### **Treasurer**

Responsible for overseeing the board's fiduciary responsibility through:

- Advising staff on development of annual budget
- Annual committee approval of budget and recommendation to the board
- Oversight and approval of auditor selection and annual audited financial statements
- Quarterly review of financial statements and performance
- Development and oversight of organization's financial policies

#### **Accounting Team**

All transactions require an expense form and/or approval from the Executive Director of Social Venture Partners Minnesota.

Accounting and monthly financial reporting functions for Social Venture Partners Minnesota are currently being fulfilled by Owl Bookkeeping & CFO Services.

Collective responsibilities of this role include:

- Processing transactions
- Managing accounts receivable, accounts payable, and billing
- Managing payroll and related services
- Monthly bank reconciliations
- Monthly balance sheet account reconciliations
- Monthly financial reporting and analysis
- Budget preparation
- Completing ongoing financial forecasting
- Managing cash flow and projections
- Processing of reimbursements and mileage

### C. BASIS OF ACCOUNTING

Social Venture Partners Minnesota organization uses the accrual basis of accounting.

### D. PRIMARY FINANCIAL SYSTEMS

Social Venture Partners Minnesota organization uses the following financial systems/vendors and maintains the following accounts:

- **General Ledger:** QuickBooks Online
- **Payroll:** QuickBooks Online Small Business Payroll
- **Expense Reporting:** Excel reimbursement form with receipts

Financial records are stored in QuickBooks Online and are backed up in accordance with Intuit's online back-up process.

### E. BANK ACCOUNTS

Social Venture Partners Minnesota maintains accounts at the following banking institutions:

Bank Name	Account Type (checking, savings)	Signing/Transfer Authority	Signature Method	Account Access?
Sunrise Bank	Checking	Executive Director Chair of the Board	Approval process for payments, reimbursements and bills are signed, scanned and emailed documents.	- ED & Chair of Board has access

### F. SIGNING AUTHORITY

No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks). The following are authorized check signers:

- Executive Director (may sign any check under \$5,000 without additional signatures, and all grants following Board of Director's approval)
- Chairman of the Board of Directors (an additional signature is required for any check over \$5,000)

### G. GENERAL LEDGER STRUCTURE

The general ledger is structured to allow the organization to track within our key programs and/or department areas:

- General Operations

## II. REVENUE AND ACCOUNTS RECEIVABLE

### A. REVENUE RECOGNITION

Social Venture Partners Minnesota generally receives the following types of revenues:

- Contributions
- Grants

Unless otherwise stated, revenues are recognized on an accrual basis, in accordance with the applicable contract or grant (where relevant), and in alignment with generally accepted accounting principles (GAAP).

### B. CONTRIBUTIONS

#### Cash

Social Venture Partners Minnesota receives contributions through cash, check, or credit card transaction. All check donations are deposited into the checking account electronically via the Sunrise Bank's secure EZ Deposit portal.

#### Non-Cash – Stocks or Bonds

Social Venture Partners Minnesota transfers non-cash donations of stocks or bonds directly into a Social Venture Partners Minnesota brokerage account. Stocks/bonds are sold as soon the minimum waiting period expires and the proceeds of the sale are sent to Social Venture Partners Minnesota by check. Donated assets are recorded at fair value at the date of donation and gain or loss is recognized as appropriate.

#### Non-Cash – Mutual Funds

Social Venture Partners Minnesota transfers non-cash donations of mutual funds directly into a Social Venture Partners Minnesota brokerage account. Mutual Funds are sold as soon the minimum waiting period expires and the proceeds of the sale are sent to Social Venture Partners Minnesota by check. Donated assets are recorded at fair value at the date of donation and gain or loss is recognized as appropriate.

#### Non-Cash – Other

Other forms of non-cash donations are accepted at the discretion of the Executive Director.

#### Pledges

It is Social Venture Partners Minnesota policy to record the full amount of pledges with a determinable value at the time of written notification of the pledge. Note that the following "pledges" are recorded differently:

- *Donor Advised Funds:* If a donor creates a donor advised fund and identifies funds will be given to Social Venture Partners Minnesota, we do not record revenue at the time of the indication (even if in writing) because Donor Advised Fund control is technically given to the fund administrator, who could decide to change the amount or recipient of the funds. DAF contributions are not recorded until cash is received.

### **In-Kind Donations**

In-kind donations are non-cash, stock, or mutual fund gifts that are provided to the organization. Social Venture Partners Minnesota records the gift at the fair market value as of the date of the receipt. Donations with an easily ascertainable value are recorded at the amount the donor spent on it (e.g., a plane ticket for organizational business that a board member booked that the organization otherwise would have paid for). If the price is not easily ascertained, Social Venture Partners Minnesota should record the value noted as the “quoted price in the active market” as available. Note that gift acknowledgements should describe the gift and the date received, but should NOT identify a dollar value in the acknowledgement.

Social Venture Partners Minnesota only records in-kind services that are professional in nature and that the organization would have otherwise had to pay for. These services are recorded at the fair market value hourly rate times the number of hours provided.

### **C. GRANTS**

Social Venture Partners Minnesota receives revenues from philanthropic grants. Grant revenues may be restricted for a specific purpose or timeline, but are generally based on an agreed-upon total dollar amount up-front. The grant listing, including due dates and contact information for each grant, is stored in organization records.

Grant revenues are recognized upon formal written confirmation and pledge of the approved grant, or upon the receipt of funds – whichever comes first. A grant agreement will be referenced to ensure for proper accounting for restrictions (if applicable), grant budget, reporting requirements, and any other criteria.

### **D. CLASSIFICATION AND DESIGNATION OF FUNDS**

Social Venture Partners Minnesota records revenues as unrestricted, temporarily restricted, or permanently restricted.

#### **Unrestricted**

Social Venture Partners Minnesota records contribution assets as unrestricted unless specifically restricted by the donor.

#### **Temporarily Restricted Fund**

Social Venture Partners Minnesota records assets as temporarily restricted if they have a donor-imposed stipulation. Temporary restrictions expire with the passage of time, or in accordance with an action that will satisfy the donor imposed restriction. When a restriction expires, Social Venture Partners Minnesota re-classifies temporarily restricted net assets to unrestricted net assets and reports them in the income statements. Contributions that are restricted and fulfilled in the same year are classified as unrestricted for annual financial statement presentation. Examples of temporary restrictions include:

- Unspent pledges restricted for a specific operating purpose.
- Gifts that are donor restricted for a specific purpose.
- Pledges to be received in future years.

### **Permanently Restricted Fund**

Social Venture Partners Minnesota records assets as permanently restricted if they are designated as such by a donor-imposed stipulation. However, income derived from permanently restricted assets is classified as unrestricted, unless a written contract with the donor stipulates to the contrary.

### **Designated Funds**

The Board of Directors may designate funds to be used for a specific purpose. Designated funds can be un-designated by the Board at any time, through approval in accordance with Board policies. Designated funds are considered unrestricted in the financial statements.

## **E. CASH RECEIPTS**

Social Venture Partners Minnesota can receive receipts in the form of cash, checks, or credit card. It is the goal of Social Venture Partners Minnesota to ensure that cash receipts are properly received, recorded and safeguarded whether they are on-hand, in the bank, or in transit.

### **Mail Opening**

A staff person other than the Executive Director opens any mail that appears to include cash or check donations. The designated staff person will record the date, amount, check number (if applicable), and the organization or individual's name for each donation into the database. The check will be electronically deposited into Social Venture Partners Minnesota's checking account, stored in the office safe, and documentation will be provided to the Controller.

### **In-Person Payments**

A staff person other than the Executive Director will accept payments or donations made in person to Social Venture Partners Minnesota. He/She follows the same cash receipts process as for payments in the mail. (See above).

### **Acknowledgements**

For all donations received an acknowledgement letter will be created which will contain the date, source, dollar amount, purpose of the donation, and the required charitable donation language. A copy of the letter will be kept in the database and the original letter will be signed by the Executive Director and mailed to the donor's address on record.

### **Online Donations**

Donations can be made online through Social Venture Partners Minnesota's website. Interested donors will be directed to a secure 3<sup>rd</sup> party website (e.g. Paypal, Venmo, or



GiveMN) to process their donation. Once a donation is validated and received, the donation will be transferred to Social Venture Partners Minnesota's checking account, recorded and acknowledged accordingly (see above).

## **F. CASH DEPOSITS**

### **Preparing the deposit**

A designated staff person other than the Executive Director and the Accountant will prepare and make all deposits. All deposits will be made either electronically or in person at a bank branch location.

Credit card deposits are automatically processed and deposited electronically.

### **Endorsement**

All checks to Social Venture Partners Minnesota shall be endorsed with the following restrictive endorsement:

Social Venture Partners Minnesota  
For Deposit Only  
Bank Name  
[Account Number]

### **Recording the deposit**

Upon receiving notice from a staff person that a deposit was made, the accountant records the deposit in the general ledger using the accounts receivable module.

## **G. ACCOUNTS RECEIVABLE**

Receivables are due within 30 days. Interest is not charged on balances and amounts are written off when deemed uncollectible. Bad Debts are provided on the reserve method based on experience and analysis at year-end.

## **III. EXPENSES AND ACCOUNTS PAYABLE**

### **A. PAYROLL**

Social Venture Partners Minnesota processes its payroll through QuickBooks Online Small Business Payroll on a bi-weekly basis, or 26 pay periods per year. Employees are paid bi-weekly for work done the previous period.

**Timesheets:** All employees must submit bi-weekly timesheets within one business day following the end of the payroll period. Timesheets are submitted to their respective department director who reviews and signs off on each timesheet. Timesheets are then submitted to the Executive Director. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect hours worked during the pay period (time actually spent on the job performing assigned duties).

2. Compensated absences (annual leave, sick leave, holiday, personal leave) should clearly be identified as such.

The Executive Director gathers, reviews and signs off all staff timesheets. The Accountant checks them for mathematical accuracy, and enters them into the payroll module. The Accountant prints the listing, reviews the timesheet listing and verifies that all sick, personal, or vacation time claimed was correctly recorded. Upon approval, payroll is processed and electronic deposits are made for each employee.

**Payroll data:** Benefits (as applicable) will be set up within 90 days from the date of hire. The following changes in payroll data must be authorized in writing by the Executive Director:

- New hires
- Terminations
- Changes in salaries and pay rates
- Court-ordered payroll deductions

The following changes shall be authorized in writing by the individual employee:

- Voluntary payroll deductions
- Changes in income tax withholding status (W-4)
- Direct Deposit

The documented changes are maintained in hard copy in the individual's personnel file.

## **B. PURCHASES AND PROCUREMENT**

The following purchasing processes are applicable for all purchases made by Social Venture Partners Minnesota. Purchases greater than \$15,000 must also be approved by Finance Committee, with notification of the purchase being shared with the Board of Directors.

The following individuals/positions have authority to initiate purchases on behalf of the organization:

- Executive Director

Additionally, authorized person(s) may delegate purchasing authority to responsible individuals within the organization.

These individuals place orders or directly purchase needed items. They pay for the purchases using one of the following methods:

- Social Venture Partners Minnesota credit card
- Personal credit/debit card (later submitted for reimbursement)
- Requesting the vendor directly bill Social Venture Partners Minnesota, which is then paid by check.

## **C. CASH DISBURSEMENT**

The following key steps outline the process for processing a payment by check.

**Incoming Invoices** – Incoming invoices should be routed to the responsible staff person for review and validation of expense. The responsible staff person should prepare a check request form.

**Processing Checks** – Checks will be processed on a bi-weekly basis by the accounting team. Checks will be processed within 10 business days of a check request being submitted, or prior to the due date if later.

**Approval of Disbursement Batch** – After inputting all the check requests, the Accountant will prepare a master list of all checks to be paid for approval by the Executive Director. If there are any questions or concerns about the amounts or account codes, the Accountant should provide necessary information prior to running any disbursements. If there are any items removed from the batch or account codes changed, the payment summary form should be corrected, initialed and dated by the Executive Director.

**Checks** – Upon receipt of approval of the batch, the Accountant will write the checks from the accounting system. The checks should be attached to the invoice, purchase order (if applicable), and other supporting documentation, and delivered to an authorized signer for signing.

**Signing of Checks** – All checks will be signed by an authorized signer.

**Mailing Checks** – Once checks are signed, checks will be distributed and mailed by Social Venture Partners Minnesota staff.

**Filing Documentation** – Supporting documentation should be provided by Social Venture Partners Minnesota staff and filed by the Accountant in appropriate vendor files.

## **D. CREDIT AND DEBIT CARDS**

The following section covers use of both corporate credit cards and debit cards. Corporate credit cards will be available for select personnel for use on eligible expenses for business purposes. The cards will be used in alignment with the following parameters:

**Eligibility** – Only personnel specifically authorized by both the Executive Director and Treasurer is provided with corporate credit cards.

**Allowable Uses** – Corporate credit cards are for business purposes only of the entity for which the card is issued. Corporate cards may not be used for cash advances for any reason.

**Card Number Security** – The person whose name the corporate credit card is in is solely responsible for all purchases on the card and ensuring that their credit card number is not used by unauthorized personnel. As such, the cardholder shall not share their card number with anyone other than their official designee. In addition, the credit card should not be stored in an online account that anyone other than the cardholder and their designee have access to.

**Approvals** – All purchases with corporate cards are to be expressly approved by the cardholder. No purchases shall be made for amounts not included in the budget, and no credit card purchases by Social Venture Partners Minnesota staff for more than \$5,000 should be made without prior approval from the Executive Director.

**Receipts** – The credit card holder or their designee is responsible for receiving, printing and retaining all receipts related to credit card purchases in the amount of \$20 or more. This includes receipts related to online purchases and restaurant purchases. The cardholder or their designee shall label all receipts with a description of what it is for and account to ensure proper coding by the finance department. If a receipt is accidentally lost, a written description of the items and cost must be submitted. If receipts are lost or misplaced regularly, this may be cause for revoking the designated person's corporate credit card privilege.

**Termination** – Upon the termination of employment of a cardholder for any reason, all cards must be cancelled and returned to the designated person, along with any other company owned items.

**Policy Violations** – Violations of this policy may result in anything from a warning to cancellation of the card to termination, depending on the severity of the violation.

## **E. WIRE TRANSFERS**

Wire transfers are eligible forms of disbursements in situations in which it is not appropriate or allowable to provide payment through a standard check.

**Authorization** - Wire transfers are subject to the same process and approval requirements for check requests.

**Processing of Transfer** – Wire transfers will require one or two authorized personnel depending on the amount of the transfer. The following positions are authorized signers: Executive Director, Chair of the Board and Treasurer.

- a. Wire transfers in the amount of \$0 to \$5,000 require one authorization.
- b. Wire transfers in the amount of \$5,000 and above require two authorizations.

**Documentation** – Documentation of wire transfer must be provided to the accounting department for recording and processing, along with any supporting documentation.

## **F. EMPLOYEE EXPENSE REIMBURSEMENT**

Employee expenses, either incurred in alignment with the travel and expense policy, or for Social Venture Partners Minnesota business expenditures, will be reimbursed upon the receipt of a properly approved and completed expense reimbursement form. This form should be submitted at least monthly. The form must include itemized receipts for all expenses over \$20 and include the appropriate account coding for each expense. Any expense listed without an itemized receipt will not be reimbursed; however, if a receipt is accidentally lost, a written description of the items and cost may be submitted. Reimbursed expenses will be paid out in the next check run following receipt of the reimbursement form.

## **G. VENDOR MANAGEMENT**

In order to create a payment voucher in the accounting system, the payee must be listed in the vendor master file. The Accountant is the only employee with access to enter new vendors or change vendor information in the master file. All vendors include the following information:

- Vendor legal name and any DBA names
- Street address and PO Box (if applicable)
- Federal employer identification number
- Copy of form W-9
- Telephone number and fax number (if applicable)
- Key contact name and email address

A form W-9 is collected for every new vendor and stored in organization records. No payments are made to vendors until a W-9 is collected. On an intermittent basis, vendors that have not been utilized in the preceding two years shall be marked inactive in the vendor master file.

## **H. IN-KIND EXPENSE AND BARTER**

In-kind expenses and barter must be executed in alignment with the controls and process for all other distributions in this policy.

**In-Kind Expenses** – In-kind expenses are any non-cash contributions of value provided to others. These distributions of in-kind contributions must be authorized and accounted for in accordance with their value.

**Barter** – A barter applies to any situation where goods or services are exchanged, or when goods or services are received on the condition of providing a return benefit. These non-cash transactions require a barter agreement between the entities exchanging goods or services. These return benefit provided must be authorized and accounted for in accordance with its value.

# **IV. ACCOUNTING PROCEDURES**

## **A. JOURNAL ENTRIES**

Manual journal entries are used to record entries outside of those that are system generated through modules such as accounts payable, accounts receivable, etc.

Access to making journal entries in the general ledger system is restricted to the following positions:

- Controller
- Accountant

All journal entries must have an approver that is different than the preparer.

## **B. BANK RECONCILIATIONS**

The Accountant obtains bank statements electronically and accounts are reconciled within QuickBooks on a monthly basis. Reconciliations are performed by the Accountant and the reconciliation packet (including the reconciliation, bank statement, and any supporting documentation) is reviewed by the Executive Director and Board Treasurer, indicating review with a signature and date.

## **C. CREDIT CARD RECONCILIATIONS**

Credit card statements are mailed directly to the Social Venture Partners of Minnesota office. The Executive Director then scans the statement and emails it to each cardholder and their designee. All cardholders must submit supporting documentation for each expense within 15 days of receipt of the statement. Each receipt should be itemized and the appropriate coding should be indicated.

The Accountant pulls the credit card statement electronically on a monthly basis and reconciles that account within QuickBooks. The Accountant gathers all credit card receipts and matches receipts to the statement. All purchases must be supported by a receipt; however, if a receipt is accidentally lost, a written description of the items and cost must be submitted. The credit card payment is then prepared as an unpaid voucher and follows the check disbursement process outlined in the check disbursement procedure.

## **D. MONTHLY CLOSE**

Social Venture Partners Minnesota closes its books on a monthly process to prevent later changes to the organization's financial records for the period. This helps to ensure that any adjustments to Social Venture Partners Minnesota prior accounting records are appropriately authorized and documented. Social Venture Partners Minnesota completes each month's official close by the 10th business day of each month except for the last month of the fiscal year. The close process includes reconciling all balance sheet accounts.

All known entries to close the year should be made within one month of the end of the year. The year is then officially closed upon the completion of the audit and acceptance of the audited financial statements to allow for any proposed adjustments from the auditor to be entered into the general ledger.

## **E. COST ALLOCATION**

Social Venture Partners Minnesota allocates shared costs for the purposes of functional allocation. The allocation is updated annually and changes to the allocation method are approved by the Executive Director.

The key allocation driver(s) are:

- Portion of employee time spent on each function of the organization.
- Portion of total organization spending in each function of the organization.

## V. FINANCIAL REPORTING AND PLANNING

### A. ANNUAL BUDGETING PROCESS

Social Venture Partners Minnesota prepares an annual budget on the accrual basis of accounting. The Controller follows the budget process outlined below:

- **August:** Controller and Executive Director begin developing budget assumptions and framework
- **September:** Key staff and relevant committee chairs are engaged in the budgeting process
- **October:** Controller compiles total budget and finalizes draft with Executive Director
- **November:** Review draft budget with the Finance Committee
- **December:** Finalize budget; approved by the Board of Directors

**Budget changes:** Upon significant shifts in financial outlook, generally due to a new grant, change in federal funding allocation, or unanticipated and unavoidable large expenses, the Controller will prepare a revised budget for the Board of Directors review and approval. The updated budget is then used in comparative reporting and management decisions.

### B. FINANCIAL REPORTING

Social Venture Partners Minnesota financial statements are used by management and the Board of Directors to monitor the organization's financial performance, make decisions, and communicate about the organization to interested parties external to the organization. The following financial statements are prepared by the 15<sup>th</sup> of each month:

- **Balance sheet:** Reflects the assets, liabilities, and net assets of Social Venture Partners Minnesota. Classifies assets and liabilities as current or long-term. May be prepared to include a comparative balance, generally reflecting the balance at the end of the prior fiscal year. Net assets should be identified as unrestricted, temporarily restricted, or permanently restricted, if applicable.
- **Statement of revenues and expenditures:** Reflects all revenues and expenses for the current period and year-to-date. Includes delineation of restricted revenues. May be prepared to include a comparative balance.

### C. AUDIT

In the event Social Venture Partners Minnesota has annual revenues of \$750,000 or more, Social Venture Partners Minnesota will have an annual financial statement audit performed by a firm of independent Certified Public Accountants each year. In years in which revenues are less than \$750,000 per year, the organization will have an annual financial statement review. The following policy language refers to a situation in which the organization would carry out a full audit of its financials.

### **Firm Selection**

A firm to perform the annual audit or review will be selected from among three or more requests for proposals from firms with experience serving nonprofit organizations. It is the responsibility of the board and finance committee to approve the renewal of our agreement with the audit firm on an annual basis.

In the event this renewal is not approved, it is the responsibility of the board and finance committee to instruct the Executive Director to issue a request for proposals to at minimum three accounting firms. The final selection of the firm for the audit will be approved by the Board of Directors.

### **Audit Process**

The Executive Director and Controller have direct responsibility for overseeing the implementation of the annual audit. The Controller is responsible for coordinating with the audit firm and preparing all documentation necessary to ensure an efficient audit process.

### **Audit Approval**

Upon completion, a draft of the audited financial statements and management letter are issued for review. All materials are reviewed and approved by the Finance Committee, any requested changes are considered and agreed upon, and final audited financial statements and management letter are produced and distributed to the Social Venture Partners Minnesota office. The full board votes to accept the audited financial statements at the subsequent board meeting.

## **D. COMPLIANCE**

### **Form 990 Filings**

Form 990 is due on the fifteenth of the fifth month following year-end. An automatic six-month extension to file form 990 may be obtained by filing form 8868. The Executive Director is responsible to ensure for the timely filing of the Form 990. Finance staff may prepare the form 990 or may work with the outsourced accounting, audit firm or another firm to carry this out. All financial information in the 990 filing aligns with the financial information in the final audited financial statements. The form 990 should be reviewed and approved by the Board of Directors.

### **Payroll Tax Filings**

Form 941 – quarterly payroll tax filings to the IRS reporting wages paid to employees and federal payroll taxes, is due by the end of the month following the end of each calendar quarter. Social Venture Partners Minnesota uses QuickBooks Online Payroll for Small Business to prepare all quarterly and annual payroll tax forms for filing. This service is also responsible for preparing and processing all returns and all required payments for both federal and state payroll taxes. The Executive Director is responsible for reviewing all required payroll tax returns.



## Attorney General Charities Annual Review

Social Venture Partners Minnesota files an annual report due July 15<sup>th</sup> of each year. A four-month extension can be obtained by submitting a copy of the Form 990 extension form. A \$25 annual registration fee is due at this time. A board resolution is required before this form can be filed.

### Form 1099

Social Venture Partners Minnesota issues form 1099 for all applicable individuals or organizations. At the conclusion of each calendar year, the accountant reviews total fees paid to each vendor and sends the vendor list to the Executive Director for approval. Once approved, the accountant issues a form 1099 for eligible individuals or organizations paid more than \$600 and files the 1099 with the appropriate avenues. 1099s are due by January 31 of each year.

## VI. ASSET MANAGEMENT

### A. FIXED ASSETS

#### Capitalization

Social Venture Partners Minnesota capitalizes fixed asset purchase with value greater than \$1,000 when purchased or received.

#### Depreciation

Social Venture Partners Minnesota uses straight-line depreciation calculated over the estimated useful life of the asset. The useful life of an asset is determined on the following schedule:

Useful Life for Depreciation:	YEARS TO DEPRECIATE
Building	N/A
Building Improvements	N/A
Furniture	10 years
Computers	3 years
Equipment (Office)	5 years
Vehicle	N/A
Leasehold Improvements	N/A

#### Disposition

An item will be deemed disposable if it is no longer useful or operational. At the time of disposition, the fixed asset's depreciation expense is recorded up-to-date. The fixed asset and its associated accumulated depreciation are removed from the records. Any gain or loss from the disposal is recorded at the time.

**B. PETTY CASH**

Social Venture Partners Minnesota does not maintain a petty cash box. Any incidental expenses must be submitted by employees or contractors for reimbursements as an alternative.

**C. INVESTMENTS**

Social Venture Partners Minnesota policy is to invest based on the Board of Directors approved investment policies. It is the responsibility of Executive Director to carry out those policies.

**D. OPERATING RESERVE**

Social Venture Partners Minnesota aims to maintain an operating reserve, measured as unrestricted liquid net assets, of three (3) months of operating expenses.