

SECTION V – FISCAL/ACCOUNTING

SUBSECTION 1. FISCAL POLICY – GENERAL

A. DEFINITIONS

1. Contributed Capital Assets:
 - a) Contributed property is to be recorded at estimated fair market value on the date of the transfer.
 - b) Fair market value can be determined by current or recent appraisal or the donor's cost may be used if recently incurred.
 - c) Contributed property will be recorded as a contributed capital asset and will be subject to Generally Accepted Accounting Principles (GAAP).
2. Capital Assets: Capital assets shall have a value of at least \$5,000 and a useful life expectancy of more than one year.
3. Operating: Operating is defined as everyday business, activities and regular maintenance of facilities.
4. Capital Projects
 - a) Those projects whose costs exceeds \$5000.
 - b) Capital Replacement: A replacement is defined as anything that has to be replaced including major refurbishments such as the floor, the walls, the roof, the doors, etc., down to the fixture replacement.
 - c) Capital Addition: An addition is anything that is added on to the square footage and/or adds to the value of the property.
5. Depreciation: Depreciation is defined as a decline (as from age or wear and tear) in the value of a capital asset.

B. ACCOUNTING

The Board shall ensure that the fiscal affairs of the corporation are managed in accordance with Generally Accepted Accounting Principles, and that its financial strength is adequate for current needs and its long-range strategies.

C. PURCHASING

The selection of, and contracting with, vendors for supplies and services is the responsibility of the Executive Director in accordance with the financial limits established by the Board.

D. INVESTMENT POLICY

GVR'S investment objective is to pursue a conservative strategy.

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E. FINANCING

1. Requests for approval to finance major capital projects will require the affirmative vote of two-thirds of the total Board members then in office. Such requests may be submitted by any member of the Board or the Fiscal Affairs Committee.
2. The maximum corporate debt at any one time shall not exceed sixty percent (60%) of the approved current annual budget, which shall include both the operating and capital budgets.
3. If capital projects are financed, the sum of annual repayments for all financed projects shall ten percent (10%) of the approved current annual budget, which shall include both the operating and capital budgets.

F. REVOLVING LINE OF CREDIT

1. A revolving line of credit in the amount of four hundred thousand dollars (\$400,000) may be established by the Finance Director.
2. Any usage of the revolving line of credit by the Finance Director must have prior approval by the Executive Director, the Fiscal Affairs Committee and the Board.
3. The Finance Director shall institute a usage form stating the amount to be used, the purpose/reason for the usage, the balance of the revolving line of credit, including the amount currently being requested for use and the estimated payback period to bring the balance back to its original amount of four hundred thousand dollars (\$400,000). This usage form will show the approval signatures of the Executive Director, Treasurer and President of the Board.

G. MEMBER PAYMENT TRANSACTIONS

1. A member payment transaction can be defined as any purchase (dues, program, concert, instructional course or rental) that takes place involving the exchange of cash, check, debit, or credit card with a member.
2. Member payment transactions are subject to a processing fee.
3. Forms of payment accepted include:
 - a) Legal Tender (Cash)
 - b) Checks payable to Green Valley Recreation in U.S. dollars.
 - c) Money Orders or Cashier's Checks
 - d) Traveler's Checks
 - e) Credit or Debit Cards
 - Visa
 - Master Card
 - f) Automatic Clearing House (ACH) Debit

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SUBSECTION 2 - RESERVE POLICY

A. RESERVE FUNDS - TYPE

GVR maintains a Replacement Reserve which is restricted for future funding of major repairs and replacement of equipment and facilities.

B. INVESTMENT GUIDELINES

1. Reserve funds shall be invested to achieve:
 - a) Preservation of the principal investment maintaining FDIC insurance limits.
 - b) Available cash flow for operating or capital projects' activities maintaining maturity dates of not more than 18 months, unless approved by a majority of Directors then in office.
2. Approved Investments
 - a) Money market investments not to exceed the prevailing FDIC insurance limits.
 - b) Certificates of Deposits not to exceed the prevailing FDIC insurance limits.
 - c) U.S. Government and Agency securities – backed by the Full Faith and Credit of the U.S. Government.
3. Review and Control of Investments
 - a) All investment accounts and general ledger activity, statements and trade confirmations shall be subject to a periodic review by the Board.
 - b) They shall be reviewed and reconciled by the Finance Director monthly, reviewed at least quarterly by the Executive Director, and reviewed annually by the outside accountant and audit firm.
 - c) Policy considerations and recommendations concerning changes of investment strategy or government security selection criteria will also be considered at least quarterly.

C. AUTHORIZATION TO MOVE OR WITHDRAW RESERVE FUNDS

An approved resolution by the Board will be required to move or withdraw monies of the Funds. Such action in these matters shall require the approval of two-thirds of the total Board members then in office.

D. SOURCES OF FUNDING THE RESERVES

Funding sources may include, but will not be limited to:

1. Fees
2. Excess cash
3. Annual contributions designated in the budget process
4. Other sources of income, such as interest income earned on the Reserve Funds.

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E. RECORDS RETENTION POLICY

All records will be retained in accordance with the Arizona Non-Profit Corporation Act and the retention guidelines provided by GVR's Certified Public Accounting firm performing the annual audit.

Section V was approved by the GVR Board of Directors on July 26, 2011.

8/30/2011