

Fund Management Policies

*Receipt of Funds, Management of Funds
and Distribution of Funds*

Adopted by the Board of Directors

JUDSON ISD
Education Foundation, Inc.

**Judson ISD Education Foundation
Policy Manual
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TYPES OF FUNDS

The Judson ISD Education Foundation recognizes the following as primary and usual types of classes of funds:

1. **Undesignated Funds:** Money donated to the Judson ISD Education Foundation in such a manner that allows the Judson ISD Education Foundation full discretion (within policy and guidelines) relative to its use.
2. **Designated Funds:** Money given to the Judson ISD Education Foundation in which the ultimate use thereof is designated or controlled, in part or whole, by wishes of the donor. The Board of Directors prior to acceptance shall approve receipt of such designated gifts.
3. **Endowed Funds:** Money given to the Judson ISD Education Foundation in which the ultimate use thereof is to provide a permanent corpus from which earning can be used for designated or undesignated purposes. Each year, the Board of Directors may designate a percentage of the current year undesignated contributions to be added to the endowment funds. The endowment fund's earnings may be used for undesignated or designated purposes as defined by the donor or Board. The principal of the endowment funds are permanently restricted.
4. **Gifts in Kind:** Any gift not primarily money or readily convertible into money.

GENERAL FUND MANAGEMENT

It shall be the policy of the Judson ISD Education to define an overall and effective management of all funds received, As such, funds should be managed based on the following formula:

1. **10 to 20% of Undesignated Funds:** To be distributed to fund teacher grants and student scholarships as approved by the Board of Directors of the Judson ISD Education Foundation and the Foundation's Grant and Scholarship committees.
2. **60 to 80 % of Undesignated Funds:** To be reserved for long-range savings and endowment purposes.
3. **Not to exceed 20% of Undesignated Funds:** To be used for the general operation of the Judson ISD Education Foundation.
4. **Endowed Funds:** Dividends and interests from Endowed Funds may be managed as Undesignated Funds or reinvested at the discretion of the Foundation Board. Other distributions of Endowed Funds may be made only after Board approval.
5. **Gifts In Kind:** The management and disposition of these gifts should be defined by the Board at the time of receipt.
6. **Carry-over Monies:** Any excess or carry-over monies are to be added to the endowment at the discretion of the Judson ISD Education Foundation Executive Committee.

DISTRIBUTION OF UNDESIGNATED FUNDS

Excluding distributions for grants and scholarships, when funds that are not held on condition or designated in any way are distributed, the following procedures will be observed:

1. The Executive Director and/or Treasurer are authorized to make Fund distributions of \$1000.00 or less solely for the purpose of Foundation operating expenses, but must keep receipts and adequate documentation for all transactions.
2. Fund distributions for operating expense more than \$1000.00 but less than \$5000.00 may be approved in writing by the Board President individually or in writing by both the Vice President and Treasurer.
3. Funds distributions for operating expenses in the amount of \$5,000.00 or more will be distributed only with a successful motion supporting the distribution as recorded in the minutes of a Judson ISD Education Foundation Board meeting where a quorum is present or by a meeting of the Executive Committee.

DESIGNATED FUNDS

Where a designated gift is specified for use in an ongoing Foundation project, the funds will be credited to the correct account. However, if a donor wants to establish a designated fund for a new project, the following guidelines shall be followed:

1. The minimum principal amount in such a fund shall be \$5,000.00. If the initial gift is less than the minimum amount of \$5,000.00, such fund will nonetheless, be established as a designated fund if the donor commits to reach the minimum level within a period of six months from the time of the initial payment by means of additional gifts to the fund. If the donor subsequently notifies the Foundation that the minimum level will not or cannot be reached during the specified time period, the following options may be pursued:
 - a. The funds may be converted to undesignated funds with donor's approval.
 - b. Absent donor's approval, the funds may be added to the endowment.
2. The use of such designated funds must be compatible with the aims and purposes of the Judson ISD Education Foundation.
3. If such use is not compatible with the aims and purposes of the Judson ISD Education Foundation, the donor may be encouraged to change the designation to endowment or modify the use to be compatible.
3. The instructions concerning the utilization of such funds must be approved by the Board of the Judson ISD Education Foundation and the Board of Trustees of the Judson Independent School District if necessary and appropriate.

DISTRIBUTION OF DESIGNATED FUNDS

When funds are held for or on behalf of other entities for a specific or designated purpose, including but not limited to the Judson Learning Academy or GED program, the distribution of such funds will be made according to the following procedure.

1. The recipient will submit to the Judson ISD Education Foundation a request in writing for the funds. The request will specifically state:
 - For what purpose the funds will be used
 - How much money is to be distributed
 - To whom the money will be delivered
 - When the funds will be transferred
2. The Judson ISD Education Foundation will not make check payable to individuals.
3. Upon completion of the project or the purchase of equipment or services, the recipient will provide the Judson Education Foundation with an appropriate report concerning the ultimate expenditure of the funds.

ENDOWMENT AND DESIGNATED FUND MANAGEMENT

It shall be the policy of the Judson ISD Education Foundation to reserve a portion of donated funds and the growth or interest on designated invested funds for long-range saving and endowment purposes. The Board of Directors shall set the amount of reserve from time to time. Management fees for holding designated funds may be rendered if the Executive Committee of the Board deem appropriate

MANAGEMENT OF GIFTS IN-KIND

The Judson ISD Education Foundation shall, at its own discretion and using any noted donor requirements or guidance, manage and distribute these gifts following other appropriate established and approved Board policies. The acceptance of any gift-in-kind may be subject to compliance with the Gift and Acceptance Policy of the Judson ISD Board of Trustees.

FISCAL AGENTS

The Judson ISD Education Foundation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services and any such fiscal agent, investment advisor or custodian.

JEOPARDY INVESTMENT

The Judson ISD Education Foundation will make best efforts to invest and reinvest in such a manner that carries out the educational purposes for which the Judson ISD Education Foundation is organized.

REASONABLE RETURN

The Board of Directors will take steps to assure that each Director, agent, or custodian of all of the trusts or funds that are a component part of the Judson ISD Education Foundation, administers them in accordance with accepted standards of fiduciary conduct to produce a reasonable return of net income.

FUND RECEIPTS AND REJECTION (GENERAL)

The Judson ISD Education Foundation reserves the right to accept or reject any funds or gifts for any reason it deems appropriate.

Funds and gifts will normally be rejected if:

1. The acceptance is not in keeping with the philosophy of the Judson ISD Education Foundation or the Judson Independent School District.
2. The funds are not to be used in a manner that will further the purposes of the Judson ISD Education Foundation.
3. The acceptance of the funds or gifts may cause an additional financial burden on the Judson ISD Education Foundation and/or the Judson Independent School District.
4. The acceptance of such funds would violate any federal, state or local law, ordinance or regulation.

ANNUAL DISTRIBUTIONS

The Judson Education Foundation will make annual distributions for one or more of the educational and charitable purposes for which it is organized in an amount determined by the Board of Directors to be appropriate. This includes administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes. There will be no discrimination in the distribution of funds, which violates any federal, state or local law, ordinance or regulation.

EXPENDITURE RESPONSIBILITY

Through the Board of Directors, the Judson ISD Education Foundation will exercise "expenditure responsibility", as defined in Section 4945 (h) (1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distributions.

CASH RECEIPTS MANAGEMENT POLICY

GENERAL GUIDELINES

All activity and balances in the primary accounts shall be monitored by the Treasurer to assess the cash necessary to meet operational obligations and ensure adequate funds are available. The Treasurer is primarily responsible for the receipt of all cash and negotiable instruments, deposit of same and movement of funds between bank accounts maintained by the Judson ISD Education Foundation.

POLICY STATEMENT

The purpose of this policy is to establish internal controls for handling cash receipts and to ensure that payments are deposited intact to Foundation's bank in a timely manner and recorded in the appropriate accounts/journals. The term cash includes coin, currency, check, money order, wire transfer and credit card sales and related paper.

PROCEDURE

The following procedures must be followed to prevent mishandling of funds and to safeguard against loss. The Treasurer and Asst. Treasurer prepare and verify the deposit for the day, the file copies of the Deposit Transmittal forms and all pertinent backups are filed Cash receipts batch proofs for the day are reviewed and posted to the system by the Treasurer or designee for accurate and timely recording of funds. On a monthly basis, the Treasurer verifies and reconciles the amounts of deposits posted in the general ledger with the bank statements and prepares a bank reconciliation for each account verified by an Assistant Treasurer or member of the Executive Committee.

Check Deposit Policy (Except Credit Card Sales Drafts and Wire Transfers)

Immediately upon receipt of funds at the project site, project staff shall endorse all checks with the Foundation's Bank stamp or in print. All funds received should be deposited to the bank the same day received by the Foundation. Funds received after bank hours should be deposited into the bank's night drop.

The Treasurer/Asst. Treasurer overseeing the receipt of funds at the project site must provide a completed Deposit Form with each deposit. The project or other authorized employee or volunteer (Staff) shall hand carry deposits to the Foundation's treasurer in security bag and only relinquish possession of funds to the **Foundation's Treasurer or Assistant Treasurer designated to receive funds.**

When funds are received and before preparing the Deposit Form, the Treasurer and Asst. Treasurer or other designee shall count the cash and run a calculator tape of the checks under dual control to certify deposit totals. If any discrepancies or changes are made, both parties shall correct and initial all copies of the Deposit Form. Deposits shall be prepared daily for each project to ensure accurate and timely recording of funds.

Credit Card Deposit

Automated Credit Card Transactions

At the project's request, the Foundation will provide credit card terminals at the project site to automate credit card transactions. When a credit card payment is processed at the project site, the credit card account number is automatically debited and Foundation's bank receives the funds.

At the end of the day, a credit card batch summary report along with copies of the electronic sales slips and a completed Deposit Form must be created and provided to the Treasurer or Asst. Treasurer to ensure revenue is properly credited to the Foundation's account. Staff is responsible for completing the DT form for the total credit card payments separate from coin, currency and checks. Again, dual control must certify the deposit amount and both parties must initial the Deposit Form if any discrepancies are found or changes are made.