

The financial policy outlines the Visalia Convention and Visitors Bureau's (CVB) management of financial activities. The policy addresses five areas:

1. Assignment of authority for necessary and regular financial actions and decisions including delegation of some authority to staff leaders.
2. Policy statement on conflicts of interest or insider transactions.
3. Clear authority to spend funds, including approval, check signing, and payroll.
4. Clear assignment of authority to enter into contracts.
5. Clear responsibility for maintaining accurate financial records.

Philosophy

The purpose of financial management in the operation of all CVB activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including funders, clients, partners, employees, and the community. To accomplish this, CVB commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

Authority

The Visalia Convention and Visitors Bureau (CVB) Board of Directors is ultimately responsible for the financial management of all activities. Any officer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

- The Visalia Tourism Marketing Districts (TMD) remits payment to the CVB monthly to fulfill the obligations of the TMD Owners Association.
 - VTMD will remit payment for services to the Bureau monthly, in advance, in equal payments, of the approved budget contribution from the TMD.

- The TMD Board of Directors review and approved the annual CVB marketing plan and budget prior to the CVB Board adopting the annual CVB Budget.
- The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- The Executive Director is authorized to sign checks up to \$2,500. Checks for amounts greater than \$2,500 shall require the signature of the Treasurer or Board Chair.
- The Executive Director is not authorized to sign checks made payable to the Executive Director for any dollar amount.
- Credit Card transactions, not in the approved budget, may not exceed \$2,500 without the approval of the Treasurer or Board Chair.
- Credit Card Payments are not authorized without the approval of the Treasurer.
- Earned travel points resulting from CVB Credit Card Purchases belong to the CVB and will be used to fulfill the Visit Visalia Sales and Marketing Plan.
- The Executive Director is authorized to use company credit/purchase cards within the limits provided by the financial institution and to approve expenditures of staff with dedicated credit/purchase cards.
- The Executive Director is authorized to execute contracts approved by the Board to fulfill the annual marketing plan or budget obligation. The Executive Director may execute any contract authorized by the Board of Directors.
- The CVB Board will adhere to the memorandum of understanding between the Visalia Tourism District and the Convention and Visitors Bureau.

- The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Executive Board on variances and the reason for these variances.

Convention Sales Incentives

- When preparing the annual budget, the CVB Board of Directors will consider the annual allocation for convention sales incentives.
- Sales Incentives are based on the Convention and Meeting Incentive Policy.
- The annual amount designated for incentives is determined by the Board of Directors.
- The Executive Director is authorized to commit no more than \$5,000 for a single group incentive without CVB Board approval.
- Convention Sales Incentives are tracked on the CVB Balance Sheet by contracted convention and convention year.
- Incentive agreements will be retained in the Booked by File Year folder and attached to the client/convention record in iDSS, the CVB CRM System. (See attached agreement template)
- Entities receiving incentive payment from the CVB will be issued a 1099 in the year the incentive was received. The CVB must receive a donation receipt for incentives paid directly to a non-profit organization.
- After ensuring the Operating Reserves meet the 3 months operating expense reserve policy, fifty percent (50%) of retained earnings will be designated toward convention sales incentives.

Board Designated Funds

- The Board of Directors will designate a minimum of \$100,000 in reserves to ensure contract obligations are fulfilled during delays in payment from expected funding sources or unexpected changes in revenue projections.
- The Board will set aside and track funding to pay out promised convention incentives in future years.

Multi-Year Sponsorships

- Approved sponsorships will be paid for in the year(s) reflecting the benefits received.
- At the time of commitment, a payable will be entered in QuickBooks for each year payment is due.
- Documentation of the commitment will be filed in shared/administration/budget/ year. Save in each year of the expense commitment.

Grants – Future Grant Program

Responsibilities

The Executive Director shall:

- Manage the day-to-day financial activities of the organization including the processing of receivables and payables with date, accurate account code & class and approval.
- Account for restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of operations according to the schedule established by the Finance Committee, but at least quarterly.
- Pay all obligations and file required reports in a timely manner.

- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Obtain competitive bids for items or services costing in excess of \$10,000. Selection will be based on cost, service, and other elements of the contract.
- The Visalia Convention and Visitors Bureau may award the bid to any provider and is not required to accept the lowest cost proposal.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to all board members to enable each member to fulfill his or her financial oversight role.

Financial Transactions with Insiders

No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses unable to be charged on the CVB Credit Card including travel for meetings and other activities related to carrying out responsibilities will be reimbursed.

Employees and Volunteers seeking authorized reimbursement must submit the appropriate accounting within 90 days of the incurred expense.

In no case shall CVB borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

Budget

To ensure CVB planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and objectives, the Executive Director shall:

- Submit operating and capital budgets to the executive committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

- Visalia Convention and Visitors Bureau (CVB) will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer of real property must be accompanied by a property valuation including history of land and property use and must be approved by the Board of Directors. Recording the value of the gifted asset shall be done in a consistent manner and in compliance with accounting standards.
- The Executive Director shall sell any stock given to the organization immediately upon receipt by the organization.
- CVB may accept contributions of goods or services other than cash that are related to the programs and operations of CVB. Any other

contributions of non-cash items, greater than \$5000 must be reviewed and approved by the Board of Directors before acceptance.

Asset Protection

To ensure Visalia Convention and Visitor Bureau assets are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions exposing the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls sufficient to maintaining basic segregation of duties to protect bank accounts, income receipts, and payments.