

# **BANKING POLICY**

## **ABC FOUNDATION**

### **Banking Policy**

**(Adopted \_\_\_\_\_)**

#### **I. Purpose**

The ABC Foundation (the "Foundation"), a New York not-for-profit corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is subject to certain federal and state laws. The Foundation is committed to the maintenance of the trust and confidence of its donors and the general public. Our reputation in the community and our obligation to comply with the federal and state laws therefore necessitates strict compliance by the Foundation with strict financial controls and record-keeping. The provisions of this policy shall apply to all funds received and held by the Foundation. This Banking Policy is designed to assist the Board of Directors of Foundation in effectively overseeing its funds and to ensure that all funds are properly applied.

#### **II. Custody of Funds**

All funds of the Foundation shall be held in such banking institutions as are approved by the Board of Directors. Each account shall be maintained in the name of the Foundation and only those individuals authorized under the By-Laws of the Foundation, this policy and such individuals as the Board shall hereafter select shall have access to such funds.

Each financial institution in which an account shall be maintained in the name of the Foundation shall be advised, in writing, of those individuals who are authorize to transaction business with respect to such account.

#### **III. Signature on Checks, Drafts and Orders**

A. Except as otherwise provided herein, or by the Board of Directors, all checks, drafts or other orders for the payment of money or notes or other evidences of indebtedness (hereinafter collectively referred to as "Corporate Obligations") of the

Foundation shall be signed by one (1) officer. Corporate Obligations, however, shall not include any payments of salaries or rents of the Foundation.

B. Notwithstanding the provisions of Paragraph A of this Section III, all Corporate Obligations to a payee:

1. that exceed Fifteen Thousand (\$15,000) Dollars, or that over a twelve (12) month period exceed Fifteen Thousand (\$15,000) Dollars in the aggregate, shall require the signature of two (2) officers.

2. that exceed Fifty Thousand (\$50,000) Dollars, or that over a twelve (12) month period exceed Fifty Thousand (\$50,000) Dollars in the aggregate, shall require the prior approval of the Board of Directors.

#### **IV. Records**

The Treasurer shall maintain records of all Corporate Obligations paid, including, but not limited to all invoices, paid receives and cancelled checks. The Treasurer shall also maintain a ledger of all accounts paid and receivable, and such other records which clearly document the income and expense of the Foundation. These records shall be maintained in a manner that is consistent with standard book-keeping practices. The method of maintaining such records shall be developed upon the advice of the certified public accounting firm retained by the Foundation.