



**Resolution #2019.03.13 C**  
**Adopting Revised Financial Policies**

WHEREAS, the Board of Directors has oversight over all District operations and fiscal activity; and

WHEREAS, the Board of Directors is resolved to adopt best practices in the prudent exercise of their oversight responsibilities; and

WHEREAS, comprehensive financial policies promote sound budget practices that sustain current program funding and provide financial stability for long-term planning, as well as ensure accurate financial reporting; therefore,

Be It Resolved, by the Board of Directors of the West Multnomah SWCD that its Revised Financial Policies dated March 2019 are hereby adopted.

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS THIS 13<sup>th</sup> DAY OF MARCH, 2019.

\_\_\_\_\_  
Terri Preeg Riggsby, Board Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Brian Lightcap, Board Secretary

\_\_\_\_\_  
Date

## **Financial Policies**

The District's financial policies, summarized below, set forth the basic framework for the overall fiscal management of the District. Operating independently of changing circumstances and conditions, these policies assist the decision-making process of the Board of Directors and the District leadership team. These policies provide guidelines for evaluation of both current activities and proposals for future expenditures. Policies are reviewed annually and revised as necessary. These policies are the basis of the District's Standard Operating and Accounting Procedures and are intended to be consistent with the best practices recommended by the Government Finance Officers Association. Most of the policies represent long-standing principles and practices which have guided the District in the past and have helped maintain financial stability since 2006, when the District voters approved a tax base.

### ***Budget and Financial Planning***

- The Board of Directors shall review the District's long range business plan and the associated annual work plans, upon which the budget is based, annually. At the Board's regularly scheduled monthly board meetings, the Board Treasurer (or designee) will review the financial statements and any variances from budget with the full board.
- The Board will establish funding priorities to reflect the District's mission to conserve and protect soil and water resources for people, wildlife, and the environment.
- The District shall be a good steward of public funds and ensure that budgeting and financial management are in compliance with applicable laws and regulations, and achieve results that are in the best interest of the District, its taxpayers and grantors.
- The budgeting and financial reporting process shall be conducted in a manner that is transparent and easy for taxpayers to understand.
- The budgeting process has a direct and strong connection with the long range business plan adopted by the Board of Directors.
- The District shall avoid budget decisions or procedures that provide for current operational expenditures at the expense of future needs.
- The District shall build and maintain a reserve for future expenditures that will be used to fund larger scale opportunities (such as acquisitions or easements) consistent with the goals and priorities in the District's long range business plan and to provide resources for budgeting when property tax revenues are dampened by poor economic conditions.
- The District shall maintain a balanced budget, defined as when a fund's total resources (comprised of beginning fund balance, revenues, and other resources) are equal to the sum of a fund's total expenditures, reserve for future expenditures and ending fund balance.

### ***Finance and Accounting***

- Financial and accounting duties and responsibilities shall be separated for internal control purposes to the greatest extent possible so that no one staff member can control all phases of collecting cash, recording cash, processing transactions and reconciling accounts in a way that permits errors or omissions to go undetected.
- Access to computer or online systems for accounting, personnel, payroll, and banking is controlled by password access. Permissions within each system are set to allow appropriate level of access depending on role and responsibility.
- Financial and accounting policies shall be reviewed annually by the Board Treasurer and the Controller.

### ***Use of District Resources***

- It is the policy of District to be a good steward of public funds. To that end, expenditures must be for a valid public purpose which benefits the community, is directly related to the District's authorized functions, and which does not have as its primary objective the benefit of a private person.
- The District will follow the procurement statutory requirements of Oregon Revised Statutes (ORS chapters 279A, B and C) and Oregon Administrative Rules (OAR Chapter 137, division 46, 47, 48, and 49) and other relevant state laws and regulations as applicable to governmental entities.
- In addition, it is the policy of the District to maintain appropriate internal fiscal controls to promote effective and efficient use of resources; to safeguard resources against loss due to waste, mismanagement, abuse, or fraud; and to ensure compliance with applicable state and federal laws, regulations, and fiscal best practices.

### ***Revenue and Cash Management***

- The District's primary source of revenue is a permanent property tax levy; however, the District shall work to develop diversification of revenue to include, but not be limited to, federal, state and local grants, intergovernmental revenue, contributions and charges for services.
- The District will fund current expenditures with current revenues, avoiding the use of one-time funds and unpredictable revenues for ongoing expenses, postponing needed expenditures, or depleting reserves to meet current expenses.
- The District will maintain an ending fund balance of at least four months of budgeted expenditures to provide sufficient funds for operations prior to receipt of the subsequent year's tax revenue and also of amounts set aside for the District's reserve for future long-range expenditures.
- The District will maintain an adequate and prudent contingency fund within the general fund. The contingency fund will be used for unanticipated or exceptional unbudgeted expenditures only with the approval of the Board of Directors.
- The District will maintain a Sturgeon Lake Stewardship fund within the Sturgeon Lake fund to be used for the monitoring and maintenance of the Sturgeon Lake Restoration Project; upon completion of the



planned maintenance work, unused funds will be used for other improvements to the Sturgeon Lake Restoration Project, upon consensus of Project partners.

- The District will actively seek grant funding for both operating and capital expenditures, provided that the grant is consistent with the District's mission and goals, provides a benefit that exceeds cost, and does not commit the District to long-term tax funded expenditures following the completion of the grant period.

#### ***Investment***

- It is the policy of the District to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

#### ***Asset Management***

- It is the policy of the District to maintain accountability for its assets. The District shall maintain asset records and verify those records by a physical inventory at least annually.
- The District will maintain its physical assets at a level that is adequate to protect its capital investment and to minimize future maintenance and replacement cost. The District budget will provide for adequate maintenance and orderly replacement of its assets.
- In addition, it is the policy of the District that the disposal of surplus property is accomplished through an efficient and appropriate process that is in compliance with applicable laws and regulations, and that achieves results that are in the best interest of the District and its taxpayers.

#### ***Debt***

- It is the policy of the District to consider community needs, the District's current and projected long-term fiscal position and overall cost to the District's taxpayers in determining if debt should be issued by the District.