

THE PRAIRIE ENTHUSIASTS, INC
LTA STANDARD 6: FINANCIAL AND ASSET MANAGEMENT POLICY

Recommended by Accreditation Committee to TPE Board: July 14, 2011
Adopted by TPE Board of Directors:

The Prairie Enthusiasts manages its finances and assets in a responsible and accountable way.

a. Annual Budget.

TPE prepares an annual budget that is reviewed and approved by the board. The budget is based on programs planned for the year as well as historical data. Annual revenue is greater than or equal to expenses, unless reserves are deliberately drawn upon.

b. Financial Records.

TPE keeps accurate financial records in accordance with Generally Accepted Accounting Principles (GAAP).

c. Financial Reports and Statements.

All Chapter and central financial reports are produced monthly. Chapter treasurers receive their monthly financial report for their review. The board receives and reviews the overall organizational and central operations financial reports at each regularly scheduled board meeting. Such reports include: summary of financial report, statement of financial position, organization budget report, central budget report and reports on all endowments. A record of this review is included in the Board's minutes. The organization budget report and central budget report compares actual and budgeted amounts for the year to date. These reports are prepared by a certified public accountant knowledgeable about financial statement preparation. An annual report is also prepared.

d. Financial Review or Audit.

TPE has an annual financial review or audit consistent with state law performed by a qualified financial auditor selected by the board based on the recommendation of the business manager.

e. Internal System for Handling Money.

TPE has established a sound system of internal controls and procedures for handling money. The organization has a TPE chapter and central treasurers' handbook, adopted by its Board of Directors that outlines all financial policies and procedures for the chapters to use in the financial activities of their chapter. Only the TPE president, corporate treasurer and business manager have check signing authority.

f. Investment and Management of Financial Assets and Endowment Funds.

TPE has established policies on allowable uses of restricted and endowment funds as well as for the responsible and prudent investment and management of its financial assets. Investment objectives are established in TPE's Investment Policy as administered by the Board of Trustees. (See TPE Investment Policy, Appendix ____)

g. Funds for Land Management and Protection.

TPE has endowments to cover the costs of managing its land and easements over the long term and enforcing its easements. TPE tracks management and protection costs, and periodically evaluates the adequacy of its funds. In the event that full funding for these costs is not secure, TPE Board has adopted a policy committing the organization to raising the necessary funds.

h. Sale or Transfer of Assets (including land and easements).

The sale or transfer of assets are reviewed and approved by the board.

i. Depreciation

TPE shall capitalize all non-land assets purchased or received by donation that cost \$5,000 or more individually. All capitalized assets will be depreciated annually during the audit process. Assets purchased or received by donation that cost less than \$5,000 individually will be expensed in the period purchased or received.

j. Risk Management and Insurance.

TPE assesses and manages its risks and carries liability, property, and other insurance appropriate to its risk exposure and state law. TPE exercises caution before using its land to secure debt and in these circumstances takes into account any legal or implied donor restrictions on the land, the land trust's mission and protection criteria, and public relations impact.