

MORGAN’S POINT RESORT ECONOMIC DEVELOPMENT CORPORATION FINANCIAL POLICY

SECTION I INTRODUCTION

This Financial Policy prescribes basic procedures for the operation and fiscal management of Morgan’s Point Resort Economic Development Corporation (MPR EDC) This Financial Policy shall become effective on September 15, 2022 and the Financial Policy and any revisions that may be issued from time to time shall be effective until superseded or canceled by appropriate notice. Comments and suggestions for changes, modification, or improvements are encouraged, and should be submitted in writing to the MPR EDC Board of Directors President.

SECTION II FINANCIAL MANAGEMENT PROCEDURES

A. GENERAL

The MPR EDC Board of Directors (Board) shall comply with the following financial management procedures as a means of maintaining sound fiscal control over expenditures and MPR EDC funded assets. Deviations from these procedures, except as authorized herein, must be approved by a majority vote of the Board.

B. DUTIES, TRANSACTIONS, AND RESPONSIBILITIES

Refer to MPR EDC Bylaws, Article VIII regarding: 1) Annual Budget 2) MPR EDC Funds 3) Contracts 4) Gifts 5) Conflicts of Interest 6) Prohibited Acts

C. FINANCIAL RECORDS

Financial records shall governed by Section 9.04 of the MPR EDC bylaws.

D. PRESIDENT’S DISCRETIONARY FUND

The \$250.00 monthly discretionary fund is restricted to budget items. Board members may request funds or reimbursement upon approval of the President.

E. DEADLINES

- a. The Treasurer shall submit the monthly Statement of Cash Flow to the President on or before the Friday prior to the normal Regular Board of Directors Meeting. The President will submit the Statement of Cash Flow to the Board and the City Manager or designee no later than 72 hours prior to the Regular Board Meeting.
- b. The Treasurer shall submit financial records to an outside CPA in a timely manner in order to submit the annual Compilation of Financial Statements to the Board and City Secretary within 90 days after the end of the Corporation’s fiscal year.

F. FORMS

- a) Request for Funds. All anticipated expenditures shall include a copy of the proposals or quotes.
- b) Request for Reimbursement shall include a copy of all invoices/paid receipts.

G. ELIGIBLE EXPENDITURES

To be eligible for reimbursement with MPR EDC funds, project expenditures must meet the following requirements:

- a. They must be essential to the proper and efficient performance of the services required.

- b. They must be reasonable, and comparable to the expenditures incurred by the MPR EDC, or other agencies providing similar services.
- c. They must be included in the authorized categories of expenditures contained in the budget that has been approved by the MPR EDC.
- d. They must be thoroughly documented, and the net expenditures must reflect all applicable credits to the MPR EDC, such as purchase discounts, rebates and allowances, receipts from the sale of publication or materials, and any other types of income or credits.
- e. They must be reimbursements for services or products received within the contract period.
- f. They must be determined in accordance with generally accepted accounting principles.

H. BUDGETARY ADJUSTMENTS

Any budgetary adjustments shall be approved by a majority vote of the Board.

I. RESTRICTIONS

- a. Consultant Services
 - i. A consultant represents a contractual arrangement for personal services, as an independent contractor, which includes but is not limited to management services, accounting services, computer system management, and architectural services.
- b. Out of Area Travel and Field Trips
 - i. Any out of area travel and field trips that are not specifically included in the project budget as to purpose, destination, and costs must be approved by the majority of the Board prior to incurring any expenses.
 - ii. The purpose of all travel/trips must be directly related to programs operated under the agreement.
- c. Building or Property Rental - A building or property rental agreement must be submitted for majority approval of the Board prior to reimbursement for these expenditures. Rental expenses may only be reimbursed if they qualify as a business expense under IRS Publication 587

SECTION III ACCOUNTING PROCEDURES

A. GENERAL

The MPR EDC shall comply with the following accounting procedures in order to ensure that assets are safeguarded, financial transactions are properly documented. Deviations from these procedures must be approved by the Board.

B. CASH RECEIPTS

The Treasurer shall keep sufficient data to support cash receipts.

C. CASH DISBURSEMENTS

- a. All disbursements other than petty cash or authorized credit/debit card shall be made by pre-printed and pre-numbered checks.
- b. All expenditures should be carefully reviewed and approved, and if an expenditure is for items that have been purchased, items should be inspected, and the quantities verified. Disbursements for travel shall be supported by detailed documentation to include places visited, purpose, itinerary, mode of travel, and receipt for all expenditures. Documents supporting all expenditures should indicate check number and date paid.
- c. Each disbursement check shall be approved and signed by the President and Treasurer and such other members as the Board shall designate.
- e. Checks shall not be made payable to "Cash," "Bearer," or any other unidentifiable person or entity.

D. BANK RECONCILIATIONS

A copy of the Bank Statement shall be submitted to the Board.

E. EQUIPMENT ACCOUNTABILITY

- a. Equipment is considered an item of non-expendable property having an acquisition cost of fifteen hundred dollars (\$1,500) or more and a useful life of two years or more, and which will not be consumed or lose its identity by being incorporated into another item of property.
- b. Equipment Inventory: The MPR EDC should maintain a written inventory of all equipment purchased with MPR EDC funds and should conduct a physical inventory of all such equipment once a year.
- c. Missing or Stolen Equipment: Equipment discovered to be missing or stolen shall be reported to the President and a missing/stolen property report shall be completed and included in the minutes. Stolen equipment shall also be reported to the Morgan's Point Resort Police Department immediately, and a copy of the police report shall be included in the minutes.
- d. Non-Essential or Damaged Equipment: Equipment that is no longer needed or has been damaged to the extent that it is no longer usable must be reported to the Board for a determination as to its disposition. Decision will be included in the minutes.

SECTION IV RECORDS

A. GENERAL

The MPR EDC should maintain the following minimal accounting records (or any additional records that it deems to be appropriate) in which to record the financial transactions of the MPR EDC.

B. ACCOUNTING RECORDS/BOOKS OF ACCOUNT

For detailed instruction on how to establish, reconcile or otherwise utilize any of the following accounting records, the MPR EDC should obtain advice and assistance from a competent private source.

The Treasurer shall be responsible for the following reports:

1. Monthly Statement of Cash Flow
2. Record of Assets & Loans (property etc.)

The following records shall be produced by an outside CPA:

1. Annual Compilation (Balance Sheet, Income Statement & Statements of Cash Flow)

C. PROCEDURES FOR PROCUREMENT OF GOODS AND SERVICES

Refer to Texas Procurement and Contract Management Guide

SECTION V PROPER GOVERNANCE

A. GENERAL

The MPR EDC shall operate following the MPR EDC Articles of Organization, Bylaws and all applicable provisions created under the Development Corporation Act, Chapter 501 & 505.

Approved: September 15, 2022

ATTACHMENT A
ACKNOWLEDGMENT OF RECEIPT OF THE MORGAN'S POINT RESORT ECONOMIC
DEVELOPMENT CORPORATION FINANCIAL POLICY

I, _____(Name) hereby acknowledge receipt of the Morgan's Point Resort Economic Development Department (MPR EDC) Financial Policy (2022). I further acknowledge that I have read the MPR EDC Financial Policy (2022)

Print Name

Signature

Title

Date