



# Community Foundation of the Dan River Region

541 Loyal St · Danville, VA 24541 · 434.793.0884 · www.cfdr.org

## AGENDA FINANCE COMMITTEE MEETING May 20, 2024 12:00 P.M.

- Welcome and Chairperson’s Remarks.....Kerri Burchett, Chairperson
- February 19, 2024 Minutes Approval.....Kathy Milam, Executive Director
- Financial Report.....Vince Kania, Jr., Treasurer
- Old Business.....Kerri Burchett
  - Updates on AUB investment group and Smith Salley
  - Investing with local financial advisors–Seward Anderson
- Investment Analysis Review and Discussion.....Seth Lynn, Dahab and Associates
- Cash Availability.....Katy Jones, Accountant
- Fiscal Year 2024-2025 Proposed Budget Review.....Kerri Burchett/Katy Jones
- Transfer of Account Authority.....Kathy Milam
  - Update Banking and Finance Resolution
  - Update Signature Cards for use July 1
  - Permission given for online access for new Executive Director
  - Permission for Carole Holland’s online access for investment account reports/statements
- Policy Review.....Kerri Burchett
  - Procurement
  - Capital Assets
- Adjournment.....Kerri Burchett

Next meeting scheduled for August 26, 2024 at 12:00 P.M.



# Community Foundation *of the* Dan River Region

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## Finance Committee Meeting Minutes

February 19, 2024

12:00 PM; In-person and Virtual Meeting

**Present:** Kerri Burchett, Scott Barnes, Vince Kania, Jr., Bill Riddle, Kunal Patel, Nina Beth Thornton, Seth Lynn, Carole Holland, Katy Jones, and Kathy Milam

**Absent:** Jennifer Hiltwine and Lisa Johnson-Knight

### **Guests:**

From AMNB and Atlantic Union Bank (AUB): Mark Holland, Debra Carlson, John Ockerman, and Mitchell York

From Smith Salley: Andrew Davis and Brian May

**Welcome:** Kerri Burchett, Chairperson, welcomed everyone and called the meeting to order at 12:00 PM.

**AMNB/AUB Presentation:** Mark Holland provided an overview of CFDRR's existing investments with AMNB Wealth Management. He indicated that the merger date with AUB is likely to be April 1, 2024. Smith Salley resigned January 1, 2024. AMNB hired AUB to manage investments on a contractual basis.

Mitch and John summarized their backgrounds and tenure with AUB. Mitch joined 16 months ago and John joined last August. They have a team of 11 people. They distributed a book for the committee and focused on page 15, where observations and recommendations are stated. They discussed the concentration risk of our bond portfolio, the need for increased diversification, and need to smooth out maturity distribution of our bonds. They said they do not like callable Agency bonds and they will be sold. Seth reminded them that we are invested for stability not for a money machine. John said they would make small changes to accomplish stability and lower risk to the portfolio.

**Smith Salley Presentation:** Brian May and Andrew Davis spoke to the committee next. They provided a book for everyone. Andrew is the Fixed Income Manager for Smith Salley. They worked for CFDRR for 10 years. If they were to continue working for us, it would be with a different custodian: Charles Schwab or Fidelity. Some of the pluses of working with them include:

They are local, located in Greensboro.

They are 100% employee owned, so they are less concerned about their profit margin.

Their fee perspective is competitive, but minimal because they have less overhead than a bank.

Their technology is better than AUB, superior to AMNB. They are top shelf for reporting and communicating.

They have a growing pipeline for new business.

**Introduction of New Accountant:** Kathy introduced Katy Jones, our new Accountant. She told the committee a bit about her work history. We are glad to have her here working with us on a part-time basis.

**Minutes:** Minutes from the November 20, 2023 were presented. On a Kania/Barnes motion, all approved the minutes.

**Financial Report:** Vince remarked on the December 31, 2023 Financial Statements. They show \$57.4 million in assets. We received a \$6 million gift last week, so our assets are now at \$63.4 million. Expenses are in line; compliments to the staff. On a Patel/Barnes motion, all approved the Financial Report.

**Investment Analysis and Discussion:** Seth Lynn, DAHAB Consultant, shared his perspective and asked questions during the two presentations. To the committee, he suggested that we let our bond investments ride for now with AMNB/AUB. He said that he will reach out to both AUB and Smith Salley to let them both know we have not made a definitive decision about where our fixed income assets will be invested.

**Old Business:** The Marshall Trust distribution received last week for \$6 million was discussed. On a Patel/Kania motion, it was agreed that \$5 million will be spread out between several Vanguard accounts identified by Seth Lynn, and \$1 million will be deposited into the AMNB IMA #2. All approved the motion.

Discussion took place about ways to keep some of the money invested with local financial advisor. It was noted that Seward Anderson, who managed the Marshall investments for about 30 years, contacted us and requested that we consider investing some portion with him at Wells Fargo. He provided books describing two funds with Confluence.

**Cash Availability:** Katy provided this report. She noted she had made several changes for clarity in the identification of accounts. She said that our cash position is fine for upcoming cash needs.

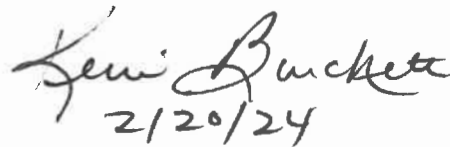
**2024-2025 Spending Policy:** Kathy said Kendra prepared this after the December 31, 2023 books closed. It is a working document and will be needed for the scholarship allocation process. On a Barnes/Kania motion, all approved the 2024-2025 Spending Policy.

**Policy Review:** The committee had no changes to recommend to the Statement of Investment Policy. Kathy pointed out that the Financial Policy and Procedure was recently reviewed, but more recently, staff questioned the policy related to distribution of mail. After committee review, it was agreed to retain the first sentence under Receipt and Handling of Funds, on page 2 of 6. The sentence will read, The Executive Director or designee will receive the mail, sorts and distributes it. A sentence will be added at the end of that section stating: The Executive Director has the discretion to assign receipt and handling of funds tasks to other staff members to ensure the completion of these tasks in a timely manner. On a Kania/Patel motion, all approved carrying forward the board policies with noted changes.

With no further business, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Kerri Burchett  
Chairperson



*Kerri Burchett*  
2/20/24

<b>CFDRR Allocations</b>	<b>Approved August 28, 2023</b>	<b>Target</b>
Large Cap Equity		25%
Mid Cap Equity		20%
Small Cap Equity		10%
International Equity		20%
Emerging Markets		5%
Private Equity		5%
Real Estate		5%
Fixed Income		10%

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Financial Statement Consolidated  
Community Foundation of the Dan River Region  
Balance Sheet  
Statement of Financial Position  
March 31, 2024

Page 1

	March 2024	June 2023	March 2023
<b>ASSETS</b>			
Petty Cash	100.00	97.98	100.20
Checking	21,981.81	164,079.30	160,964.95
Credit Card Checking	1,701.35	4,008.96	710.46
Money Market Checking	654,654.39	2,695,491.79	2,665,078.73
Certificates of Deposit	113,005.97	107,192.82	107,831.72
Life Insurance	16,963.21	16,963.21	16,963.21
Investment Management Account #2	3,202,132.25	0.00	0.00
Investments in Equity Pool	61,504,894.38	46,545,391.01	44,353,155.01
Prepaid Expenses	27,924.99	18,080.17	26,098.98
Furniture and Equipment	33,579.02	33,579.02	33,779.02
Accum. Depreciation-Furniture	(33,455.32)	(33,316.09)	(33,349.11)
Computer Software	21,334.29	21,334.29	21,334.29
Accum. Amortization - Software	(20,087.96)	(18,736.43)	(18,224.23)
Real Estate - Office	323,014.18	323,014.18	323,014.18
Accum. Depreciation - Office	(206,253.29)	(197,083.64)	(194,027.10)
Accrued Interest Rec.	39,967.37	27,310.07	34,615.66
<b>Total Assets</b>	<b>65,701,456.64</b>	<b>49,707,406.64</b>	<b>47,498,045.97</b>
<b>LIABILITIES</b>			
Grants Payable	0.00	0.00	5,750.00
<b>Total Liabilites</b>	<b>0.00</b>	<b>0.00</b>	<b>5,750.00</b>
<b>FUND BALANCES</b>			
Fund Balance - Historic Gifts	53,121,023.62	41,402,685.84	40,881,541.33
Fund Balance - Net Earnings	10,923,051.71	6,812,171.76	5,123,520.43
Fund Balance - Available	1,657,381.31	1,492,549.04	1,487,234.21
<b>Total Fund Balances</b>	<b>65,701,456.64</b>	<b>49,707,406.64</b>	<b>47,492,295.97</b>
<b>Total Liab &amp; Fund Balances</b>	<b>65,701,456.64</b>	<b>49,707,406.64</b>	<b>47,498,045.97</b>

Financial Statement Consolidated  
**Community Foundation of the Dan River Region**  
Profit & Loss Statement  
Statement of Activities  
For the Nine Months Ending March 31, 2024

	Current Month	YTD Current	YTD - Prior Year
<b>REVENUES</b>			
Gifts & Bequests (Historic)	12,430.00	11,695,898.88	883,921.75
Gifts & Bequests (Avail)	875.00	309,001.00	265,801.45
Inter-fund Gifts (Historic)	14,018.90	22,438.90	6,532.29
Inter-fund Gifts (Avail)	602.00	21,528.00	72,422.50
Special Grant Income	0.00	0.00	14,399.44
Ordinary Income	0.00	40.00	5.00
Interest/Dividend Income	205,153.50	821,941.62	1,022,742.32
Realized Gain/Loss	(6,055.04)	11,254.20	(61,754.63)
Unrealized Gain/Loss	1,572,623.57	5,399,712.87	1,597,824.83
Admin Fees	12.50	408,924.73	374,889.59
<b>Total Revenues</b>	<b>1,799,660.43</b>	<b>18,690,740.20</b>	<b>4,176,784.54</b>
<b>TRANSFERS</b>			
Spend Pol Trans-Net Earn	0.00	1,623,442.00	1,518,739.00
Spend Pol Trans-Avail	0.00	(1,623,442.00)	(1,518,739.00)
Transfers - Hist Gifts	0.00	0.00	(61,177.75)
Transfers - Avail	0.00	0.00	61,177.75
<b>Total Transfers</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENSES</b>			
Grants Voted	177,161.00	1,840,479.24	1,831,350.97
Investment Mgt. Fees	35,781.64	112,022.15	93,351.51
Administrative Fees	12.50	401,807.56	365,406.99
Salaries	18,337.31	156,511.68	140,812.98
Employee Benefits	2,902.00	28,620.94	24,598.51
Insurance	0.00	8,528.04	5,196.00
Utilities and Fuel	558.60	2,735.41	3,842.16
Telecommunications	318.73	2,651.98	2,492.27
Legal & Consult. Services	0.00	25.00	225.00
Accounting Services	442.00	35,224.63	39,027.10
Office Supplies	437.07	1,994.11	1,641.71
Mailing Expense	91.29	3,714.15	3,304.66
Building Maintenance	100.00	6,288.53	2,392.37
Promotion	387.00	23,817.08	21,382.29
Project Grant expense	2,433.00	2,433.00	15,296.47
Printing & Reproduction	527.60	1,174.54	2,259.69
Dues & Subscriptions	637.00	3,842.00	3,522.00
Software/Comp/Web Maint.	4,966.56	46,842.16	39,264.71
Meetings	175.79	2,063.04	1,307.00
Board Development	0.00	0.00	576.97
Staff Training	0.00	1,027.00	2,700.00
Conference and Travel	82.95	238.07	794.00
Other Expenses	65.00	830.96	1,679.82
Depreciation Exp	1,184.49	10,660.41	11,207.43
<b>Total Expenses</b>	<b>246,601.53</b>	<b>2,693,531.68</b>	<b>2,613,632.61</b>
<b>Furniture &amp; Equip</b>	<b>0.00</b>	<b>3,158.52</b>	<b>1,536.10</b>
<b>Net Activity</b>	<b>1,553,058.90</b>	<b>15,994,050.00</b>	<b>1,561,615.83</b>

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Financial Statement Consolidated  
Community Foundation of the Dan River Region  
Administrative Budget vs. Actual Monthly  
Statement of Activities  
For the Nine Months Ending March 31, 2024

Page 1

	Current Month	YTD Actual	Annual Budget
<b>REVENUES</b>			
Gifts & Bequests Available	0.00	100.00	5,000.00
Interfund Gifts Available	602.00	21,528.00	25,926.00
Ordinary Income	0.00	0.20	0.00
Interest and Dividend Income	3,543.55	25,139.87	15,000.00
Realized G/L	(0.03)	(64.91)	0.00
Unrealized G/L	(198.07)	(13,746.14)	0.00
Admin Fees	12.50	408,924.73	396,305.00
<b>Total Rev</b>	<b>3,959.95</b>	<b>441,881.75</b>	<b>442,231.00</b>
<b>trans</b>			
<b>Total Transfers</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENSES</b>			
Salaries	18,337.31	156,511.68	204,557.00
Employee Benefits	2,902.00	28,620.94	45,214.00
Insurance	0.00	8,528.04	5,500.00
Utilities & Fuel	558.60	2,735.41	5,000.00
Telecommunications	318.73	2,651.98	3,460.00
Legal & Consult. Services	0.00	25.00	5,000.00
Accounting Services	442.00	35,224.63	49,050.00
Office Supplies	437.07	1,994.11	2,200.00
Mailing Expense	91.29	3,625.70	3,500.00
Building Maintenance	100.00	6,288.53	8,000.00
Project Grant Expense	2,433.00	2,433.00	0.00
Promotions	387.00	23,817.08	30,100.00
Print & Reproduction	527.60	1,174.54	2,350.00
Dues & Subscriptions	637.00	3,842.00	3,600.00
Software/Comp/Web Mt Exp	4,966.56	46,842.16	61,300.00
Meetings	175.79	2,063.04	1,500.00
Board Development	0.00	0.00	1,500.00
Staff Training	0.00	1,027.00	2,000.00
Conference and Travel	82.95	238.07	2,800.00
Furniture and Equipment	0.00	3,158.52	5,000.00
Other Expense	411.96	2,402.41	1,400.00
<b>Total Expenses</b>	<b>32,808.86</b>	<b>333,203.84</b>	<b>442,231.00</b>
<b>Net Activity</b>	<b>(28,848.91)</b>	<b>108,677.91</b>	<b>0.00</b>

**Community Foundation of the Dan River Region**  
**Cash Availability Statement**  
**As April 30, 2024**

	<u>Interest Rate</u>	<u>Current Balance</u>
<b><u>Cash Available Non-Endowed</u></b>		
American National Bank-Checking (7406)	0.05%	\$ 299,139.54
Edward Jones-Certificate of Deposit (73-1-0) 3.3% interest, matures 8/18/2025, balance as of 3/31/2024	3.30%	\$ 113,005.97
<b>American National Bank Non-Endowed Money Market (6607)</b>		
Emergency fund		\$ 209,651.35
Temporary funds		\$ 92,641.18
Endowed funds - gifts to be invested		\$ 56,568.31
	0.95%	\$ 358,860.84
First Citizens Credit Card Checking (0-645), 3/31/2024	0.00%	\$ 1,701.35
<b>Total Non-Endowed Cash Available</b>		<b>\$ 1,131,568.54</b>

		<u>Current Balance</u>
<b><u>Cash Available Endowed</u></b>		
American National Bank-Endowed Flow Thru Money Market (8307)	0.95%	\$ 376,067.22
AMNB Investment Management Account #1 (1707)	5.02%	\$ 228,321.73
AMNB Peregrine Custody Account (1700)	1.82%	\$ 21,494.73
BOA Trust Cash/Currency cash balance 2367)	5.25%	\$ 94,412.91
<b>Total Endowed Cash Available</b>		<b>\$ 720,296.59</b>

		<u>Current Balance</u>
<b><u>Long-term liquidity</u></b>		
<b>AMNB Investment Management Account #2 (1701)</b>		
Administrative fund		\$ 884,051.44
Endowed funds		\$ 2,517,603.17
<b>Total Long-term liquidity</b>	5.02%	<b>\$ 3,401,654.61</b>

**Estimated Endowed Upcoming Cash Needs**

June endowed grants	\$ 536,407.00
April - quarterly fees	\$ 145,000.00
<b>Total Endowed Upcoming Cash Needs by June 30</b>	<b>\$ 681,407.00</b>



**Community Foundation of the Dan River Region  
2024-2025 Administrative Budget**

<b>REVENUES</b>	<b>2023-2024 Budget</b>	<b>Projected thru June 2024</b>	<b>Budget v. Actual</b>	<b>2024-2025 Budget</b>	
Gifts & Bequest (Available)	5,000	7,100	2,100	7,250	\$1000 P. Howard, \$6250 donor appreciation luncheon
Inter-fund Gifts (Available)	5,000	21,528	16,528	1,000	gifts from various funds- Betzy Robertson fund \$602
Distribution from Board Endowment Fund	20,926	-	(20,926)	22,361	amount from spending policy
Grant Income		-	-		
Interest/Dividend Income	15,000	32,640	17,640	32,000	interest earned on Admin Fund balance
Realized Gain/Loss		(65)	(65)		
Unrealized Gain/Loss		(13,746)	(13,746)		
Miscellaneous Revenue		0	0		
Administrative Fees	396,305	408,925	12,620	423,016	includes Daly Trust fee of aprox. \$7000
<b>Total Revenues</b>	<b>442,231</b>	<b>456,382</b>	<b>14,151</b>	<b>485,627</b>	

<b>EXPENSES</b>					
Salaries	204,557	196,601	7,956	253,671	Approved by the Executive Committee
Employee Benefits	45,214	38,752	6,462	51,176	includes life ins., retirement, FICA, dental/health; unemployment ins. \$800
Insurance	5,500	8,978	(3,478)	8,875	life \$750, D&O \$1050, Crime \$625, Bldg, Business owners \$3000, workmans comp \$450, cyber \$3000 (added in FY24)
Utilities and Fuel	5,000	3,735	1,265	4,000	\$315/mo average
Telecommunications	3,460	3,597	(137)	4,110	Net2phone 2750, Kinex 1200, Zoom fee \$158
Legal and Consulting Services	5,000	25	4,975	1,000	state corp. comm.\$25, Marshall estate
Accounting Services	49,050	36,565	12,485	21,000	\$15000 audit/Form 990, \$6000 for Payroll Services, N/A bookkeeping
Office Supplies	2,200	2,200	(0)	2,500	office supplies; paper products
Mailing Expense	3,500	3,826	(326)	4,500	postage \$4000, includes postage for Annual Report 1500 and Annual Appeal postage 520; Donor Luncheon 250, donor stmt 250
Building Maintenance	8,000	6,689	1,311	5,000	Squeaky Klean \$1,200, Fire Safe \$50, Four Seasons \$330, Raywood (snow removal) \$175, general repairs & maint.\$1925, security monitoring \$220; HVAC maint. \$1100
Project Grant Expense	-	-	-	-	Expenses reimbursed by DRF; VFN conference; ED job ads
Promotion & Marketing	30,100	26,093	4,007	31,275	see attached spreadsheet
Printing & Reproduction	2,350	1,475	875	2,500	DocuSystems copies \$1200 (approx \$100/mo); letterhead/envelopes \$750; remittance envelopes \$400
Dues & Subscriptions	3,600	3,842	(242)	8,600	DP/Caswell/Halifax Chambers \$700; River District Assn. - \$100; VA Funders Network \$1000; newspapers/journals \$800; National Standards \$1000, Council on Foundations \$3250
Software/Computer/Web Maintenance	61,300	63,282	(1,982)	72,520	see attached spreadsheet
CFDRR Meeting Expenses	1,500	1,102	398	2,000	misc. meetings
Board Development	1,500	1,061	439	1,500	board retreat
Staff Training	2,000	1,027	973	3,000	software training/classes
Travel/Conference Expenses	2,000	288	1,712	2,000	monthly mileage; conferences
Furniture and Equipment	5,000	4,959	41	5,000	includes new computer purchases
Other Expenses	1,400	2,472	(1,072)	1,400	bank fees, misc. exp., equipment rental & maint., lic. & permits
<b>Total Expenses</b>	<b>442,231</b>	<b>406,568</b>	<b>35,663</b>	<b>485,627</b>	
<b>Total</b>	<b>-</b>	<b>49,814</b>	<b>49,814</b>	<b>-</b>	

Administrative Fund Balance at March 31, 2024 - \$1,306,513.33

<b>PROMOTION &amp; MARKETING BUDGET</b>	<b>2023-2024 Budget</b>	<b>Projected thru June 2024</b>	<b>Budget v. Actual</b>	<b>2024-2025 Budget</b>	<b>Notes</b>
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### **Receptions**

Halifax Grant Reception and Learning Event	500	308	192	500	
Past Presidents Council	-	120	(120)	200	
Legacy Society Reception	-	-	-	-	
Grant Reception	600	367	233	600	
Scholarship Reception	1,200	1,200	-	1,200	
Funders' Forum	-	-	-	-	
Virginia Funders Network	500	-	500	500	
Donor Appreciation Luncheon	6,000	6,692	(692)	7,000	

### **Advertising**

Danville Concert Association-Advertising	500	500	-	500	
Social Media Promotions	200	-	200	200	
Constant Contact Email Newsletters	550	696	(146)	625	
Foundation Promotional Swag	500	769	(269)	800	mints, pens, marketing items
Staff photos	200	300	(100)	300	
Christmas cards	350	343	7	350	
Scholarship and grant instruction video	-	-	-	-	
Danville Interchange Garden site	3,000	3,000	-	-	delete for FY25
Doodle Polls Subscription	100	100	-	-	delete for FY25

### **Development**

Professional Advisors (baskets)	200	187	13	200	
Business Expo registration	-	-	-	-	
Estate Planning Teleconferences	1,500	985	515	1,500	Decision to be made by Board
Development videos	1,000	-	1,000	1,000	

<b>Annual Report</b>	8,500	8,740	(240)	9,000	postage classified as mailing expense
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<b>Annual Appeal</b>	900	786	114	900	postage classified as mailing expense
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### **Marketing Campaign for Strategic Plan**

Donor Hospitality/Learning Events	2,000	-	2,000	2,000	
Rack cards	-	-	-	400	
Signage/Banners	300	800	(500)	500	
Print Ads	1,500	-	1,500	1,500	
Literacy- Career Choice Expo	-	-	-	1,000	
Project Literacy	-	200	(200)	500	

<b>Total Promotion &amp; Marketing Expenses</b>	<b>30,100</b>	<b>26,093</b>	<b>4,007</b>	<b>31,275</b>	
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<b>SOFTWARE/COMPUTER/WEB MAINTENANCE</b>	<b>2023-2024 Budget</b>	<b>Projected thru June 2024</b>	<b>Budget v. Actual</b>	<b>2024-2025 Budget</b>	<b>Notes</b>
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**Software**

FIMS software (paid to Fusion Labs)	30,100	31,296	(1,196)	35,800	old contract \$16,250; new contract \$19,500; total=\$35,750
Grant/scholarship application software (Blackbaud)	14,200	14,202	(2)	17,100	1 year contract-\$17,042; 3 year contract-\$15,338
Network for Good online gifts	950	948	2	950	
Guidestar	750	849	(99)	850	
Last Pass	200	248	(48)	250	renewed in May; aprox. \$50 per person
Adobe	-	990	(990)	1,200	\$239.88 per person per year

**Computer**

Tekabyte:					
<i>Server Management</i>	3,000	3,113	(113)	3,300	
<i>Desktop essentials / Tekare</i>	4,840	5,588	(748)	5,600	
<i>Sabre backup license/server</i>	1,200	1,320	(120)	1,320	
<i>Sabre backup remote storage</i>	450	450	-	450	
<i>Microsoft Azur/ Cloud Services</i>	-	43	(43)	50	
<i>Cloud signatures for Office 365</i>	60	88	(28)	100	
<i>Sonic Wall</i>	1,200	1,176	24	1,200	
<i>Sonicwall VPN</i>	50	48	2	50	
<i>New Equipment Service and Installation</i>	2,500	1,262	1,238	2,400	Assuming new equipment purchase in FY25
	<b>13,300</b>	<b>13,088</b>	<b>212</b>	<b>14,470</b>	

**Website maintenance**

Website hosting and maintenance	1,800	1,896	(96)	1,900	Justin Paul Drake \$15/mo., Tekabyte \$95.88
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<b>TOTAL SOFTWARE/COMPUTER/WEB MAINT.</b>	<b>61,300</b>	<b>63,516</b>	<b>(2,216)</b>	<b>72,520</b>	
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## PROCUREMENT POLICY

Pending Board Approval June 17, 2024

It is the policy of the Community Foundation of the Dan River Region (~~CFDRR~~) to provide an appropriate, systematic process of procurement of goods, services, and equipment based on competitive principles in order to ensure that:

1. high-quality goods and services are obtained at a reasonable cost, and
2. all procurement processes are conducted in an impartial manner

As necessary, ~~the CFDRR~~ The Foundation will establish procurement policies and procedures that satisfy legal restrictions, regulations and rules imposed by Federal, State, and local governments.

### Section A. General Policy

1. **No Conflict of Interest.** All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with ~~the CFDRR's~~ The Foundation's conflict of interest policy. "Conflict of interest" includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract.

2. **No Purchase of Items Not Approved in the Budget.** No director, employee, or agent shall solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the Board.

3. **No Purchase of Items for Personal Use.** No director, employee, or agent who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.

4. **No Receipt of Gratuities.** No director, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements ~~with the CFDRR~~ with The Foundation.

5. **No Unnecessary Items.** The ~~CFDRR~~ Foundation will avoid the purchase of unnecessary items.

6. **Contracts for Services.** If a contract is competitively bid, ~~the CFDRR-The Foundation~~ will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property and/or services to be purchased and the payment terms. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. The ~~CFDRR-Foundation~~ will evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

7. **Procurement Instruments.** The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by ~~the CFDRR-The Foundation~~ but shall be appropriate for the particular procurement and for promoting the best interest of ~~the CFDRR The Foundation~~.

## **Section B. Purchasing Procedure**

The ~~CFDRR-Foundation~~ will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. The ~~CFDRR-Foundation~~ reserves the right to reject any bids or offers, if deemed to be in its best interest. Price shall be considered but need not be the sole determining factor; best value concepts will be used.

1. **Pricing Procedures.** One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving ~~CFDRRThe Foundation~~:

a. Open Market Inquiry. Subject to the approval of the Director, purchases not to exceed \$5,000 may be made on the open market.

b. Open Market with Written Quote Record. Subject to the approval of the Director, purchases from \$5,001 to \$25,000 may be made on the open market after adequate inquiry to assure that the price obtained is the most advantageous to ~~the CFDRR The Foundation~~. A written record of three quotations shall be made and filed with the records of transaction. If the purchase is to be made/awarded without competition, procurement records must include the rationale for the sole source purchase.

c. Request for Competitive Quotes. For purchases over \$25,000, specifications of the solicitation shall be approved by the Director and ~~the CFDRR-The Foundation~~ shall invite written proposals from at least three or more vendors. Procurement records and files for purchases in excess of \$25,000 shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

2. **Analysis of Lease or Purchase.** Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for ~~the CFDRR~~ The Foundation.

3. **Board Approval for Purchases.** The ~~CFDRR~~ Foundation's Board of Directors must approve purchases over \$25,000.

4. **Signatories on Checks.** There must be two approved signatories on all checks.

### **Section C. Property and Equipment.**

1. **Property Inventory.** A list of all property owned by ~~the CFDRR~~ The Foundation shall be kept showing the quantity and type of property, detailed description, original cost and purchase date, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of ~~the CFDRR's~~ The Foundation's fiscal year.

2. **Insurance Coverage.** The ~~CFDRR~~ Foundation shall maintain insurance coverage for all property owned by ~~the CFDRR~~ The Foundation and maintain documentation of each policy in a secure location.

### **Section D. Additional Purchasing Policies When Using Federal Funds**

The additional policies herein apply to ~~CFDRR~~ Foundation activities that utilize federal funds. The intent is to provide reasonable assurance that procurement of goods and services is made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party.

1. **Federal Debarment.** Before purchasing goods/services using federal funds, ~~the CFDRR~~ The Foundation must check the Federal Government's General Services Administration's *Excluded Parties List System* (EPLS) and document that the vendor is neither debarred nor suspended from doing business with the federal government nor delinquent in a debt to the United States as defined in OMB Circular A1-29.

2. **Small, Minority-owned, and/or Woman(en)-owned Businesses.** Positive efforts shall be made by ~~the CFDRR~~ The Foundation to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.

3. **Property of Federal Government.** Equipment purchased with federal funds that costs more than \$5,000 is generally considered the property of the federal government and must be disposed of through the applicable federal procedure.

*Revision History: Adopted by Board in 2011; revised and approved by Board 6.13.2022; revised and board approved 6.17.2024*



# Capital Assets Capitalization Policy

Pending Board Approval June 17, 2024

## I. DEFINITIONS:

Capital Expenditure – An item (or group of similar items) that is purchased, with a cost of at least \$5,000 that will benefit more than one year, is a capital expenditure. All capital expenditures will be depreciated according to generally accepted accounting principles.

## II. POLICY:

- A. From time to time it will be necessary to purchase items that have a material value. When an item purchased costs \$5,000 or more, then the cost of the item will be treated as a capital expenditure.
- B. Depreciation will begin the month of purchase and will cease at the end of its useful life, or upon disposition, whichever comes first. The depreciation will be calculated using the straight-line method of depreciation. Capital assets will depreciate as follows:
  - Computers and software of \$5,000 or more over three years
  - Office furniture and office equipment of \$5,000 or more over five years
  - Real property over 40 years
  - Other capital assets of \$5,000 or more, useful life to be determined at time of purchase
- C. Management is responsible for protecting and maintaining fixed assets in good working position using reasonable methods and procedures.