AREA AND LOCAL SUB-PROGRAM

Finance Policy and Reporting Procedures

Approved by Board of Directors
— 11/29/95

Updated — 2/23/98
3/11/00
6/08/04
10/29/07
12/02/08

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### 9 Key Steps to Financial Management & Reporting Requirements

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<td>- Area Management Teams must meet, at a minimum, on a quarterly basis.</td>
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<td>- Minutes of AMT meeting must be copied to the SOMT State Office and include monthly financial activity.</td>
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<td>- Annual Plans and Budget must be submitted to the SOMT State Office by November 15th.</td>
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<td>- All expenditures must be paid by check or credit card from an invoice.</td>
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V. CAPITAL EQUIPMENT PURCHASES

Requirements:
- Purchases for non-disposable equipment or $1,000.00 or more are considered Fixed Assets.
- Purchase and disposal/sale of all Fixed Assets must be pre-approved by SOMT State Office.
- Computer equipment must be licensed to SOMT.
- Annually, all equipment must be inventoried and reported to the SOMT State Office.

VI. REPORTING

Requirements:
- Finance Reports must be submitted monthly.
- Keep ALL receipts on file and submit ALL receipts with the monthly summary reports.
- Keep all in-kind receipts — submit at a minimum quarterly.
- Full year budget financial records must be forwarded to the SOMT State Office by November 15.

VII. DELINQUENT MONTHLY REPORTS

Results:
- When 3 monthly reports are past due the account will be frozen and the account will be reported to SOMT management.
- When 6 monthly program reports are past due the finance chairman will be replaced and the account will be closed and the funds sent to the area account.
- When 6 monthly area reports are past due the finance chairman will be replaced and the account will be closed and the funds held at the SOMT State Office.

VIII. SOMT STATE OFFICE SUPPORT

Commitment:
- We will provide assistance with reporting requirements.
- We will process reports on a timely manner.
- We will provide YTD summary reports quarterly and upon request in a timely manner.

IX. OTHER POLICY STANDARDS

Board of Directors Approved:
- Inventory Policy
- Contact Policy
- Investment Policy
- Gift Acceptance Policy
- Area and program Credit Card Policy
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B. Area and Local Requirements to Maintain Financial Oversight  
C. Special Olympics Montana Inc. Sub-Programs Sanctioning  

II. SPECIAL OLYMPICS MONTANA INC. FINANCE ACCOUNTS  
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I. FINANCIAL

A. Special Olympics Montana Official General Rules – Article 4

Special Olympics Montana Inc. General Rules provide the “structural requirements” for the governance of U.S. Programs specific to Area and Local Sub-Programs including responsibility for financial accountability.

Governance and Operation of Accredited Programs

Section 4.01. Structural Requirements.

a) **Generally.** Each Accredited Program shall have and maintain, as a condition for obtaining and maintaining its accreditation under Article 5, an organizational form and structure which is sufficient and appropriate, in SOI’s judgment, to enable that Accredited Program to meet its accreditation obligations and the requirements of these General Rules and other Uniform Standards.

b) **National Programs** — Not applicable to SOMT

c) **U.S. Programs** — Each U.S. Program shall be separately incorporated as a non-profit corporation under the laws of its state, and shall qualify for and obtain tax-exempt status under Section 501 (c)(3) of the Internal Revenue Code of the United States. SOI shall approve the form and type of organization of each U.S. Program at the time that SOI grants or renews accreditation for that U.S. Program under Article 5.
d) U.S. Program

(1) Within U.S. Programs. Sub-Programs (i.e. Area and Local Sub-Programs) accredited to operate within the jurisdictions of U.S. Programs may not be separate legal entities. Rather, each Sub-Program shall be operated as a division or branch of the accrediting U.S. Program, in order to ensure that the accrediting U.S. Program maintains full control over the assets and operations of its Sub-Programs.

e) Prohibition on Forming Unauthorized Affiliate Entities. Within the United States, no U.S. Program may separately incorporate or otherwise organize as a separate entity any subsidiary, licensee, supporting organization (as that term is defined in the Internal Revenue Code of the United State), endowment fund, unincorporated association or any other type of affiliated entity without SOI’s express prior written approval.

B. Area and Local Requirements to Maintain Financial Oversight

In addition to the preceding Special Olympics Inc. official General Rules, Special Olympics Montana Inc. believes responsible financial management requires a management structure in place that is capable of planning, budgeting and monitoring Local and Area program activity. To this end, the Special Olympics Montana Board of Directors requires the following from each Area in order to maintain oversight of finances:

A functional Area Management Team (AMT) must be in place. (Must include an Area Director and Finance Chairperson. Area Directors may not be the Finance Chairperson.)

- Area Management Teams must meet, at a minimum, on a quarterly basis.
- Minutes of AMT meetings must include monthly financial reports.
- Minutes of all AMT meetings must be copied to the SOMT State Office.
• Annual Plans and Budgets must be submitted to the SOMT State Office by November 15th or dates as set by the Finance Officer or VP of Field Service.

Inability to provide the above infrastructure and these basic reporting requirements will result in the SOMT State Office assuming responsibility for financial oversight until such time that a capable Area Management Team is in place.

In addition to the above basic requirements, specific policies and procedures that address reasonable and prudent financial management practices are outlined in the following pages. In order to maintain financial oversight, it is imperative that you read, understand and comply with these policies and procedures.

C. Special Olympics Montana Inc. Sub-Programs Sanctioning

As part of the Area accreditation and Local Sub-Program registration process, Sub-Programs will be designated as an “A Sanction” or “B Sanction” Sub-Program. All Local Sub-Programs must be registered as an official Special Olympics program regardless of athlete numbers (i.e., one or one hundred athletes), size of budget or cash flow.

1. “A Sanction” Designation

Area Programs

All Area Programs must be accredited by the SOMT State Office and are required to maintain an “A Sanction” Status. Area Programs receive this designation because the Area:

a) Receives funds from fundraisers conducted in the name of Special Olympics.

b) Receives donations from the community in the name of Special Olympics.

c) Expends money in the name of Special Olympics.

d) Has an approved Special Olympics Montana Inc. bank account.

For “A Sanction” Area Programs reporting requirements go to page 14.
Local Sub-Programs
Local Sub-Programs will be designated “A Sanction” Programs if they:

a) Receive funds from fundraisers conducted in the name of “Special Olympics.”

b) Receive donations from the community in the name of Special Olympics.

c) Expend money in the name of Special Olympics.

d) Has an approved Special Olympics Montana Inc. bank account.

For “A Sanction” Local Sub-Programs reporting requirements go to page 14.

2. “B Sanction” Designation

Local Sub-Programs
Local Sub-Programs will be designated “B Sanction” Programs if they:

a) Receive funds solely through their facility, agency, school or individually for all costs associated with participation in Special Olympics.

b) Account for their funds either separately or in a special fund under the umbrella organization (such as a school or human services agency);

c) Do not accept donations or raise funds in the name of Special Olympics or submit all donations received in the name of Special Olympics to the Program for proper accountability.

For “B Sanction” Local Sub-Program reporting requirements go to page 14.
II. SPECIAL OLYMPICS MONTANA INC. FINANCE ACCOUNTS

A. Type of Accounts

1. Area Programs may open:
   a) Bank Accounts
      • Checking accounts
      • Savings Accounts
   b) All current Sub-Program accounts will be grandfathered

2. Local Sub-Programs may not open new accounts after July 1, 2004:
   a) Local Sub-Programs are required to channel their finances through the Area accounting (unless granted an exception for extenuating reasons.)

3. Area and Local Sub-Programs cannot open:
   a) Credit Card accounts (unless approved and issued by the SOMT State office.)
   b) Debit Card accounts
   c) Certificate of Deposits
   d) General investment accounts
   e) Endowment investment accounts
      (Any donation received by an Area or Local Sub-Program that is restricted by the donor to an endowment gift must be placed into SOMT State Office Endowment Account. The gift and all associated growth will be designated for that Area or Local Sub-Program.)

4. Area and Local Sub-Programs may invest excess cash into the SOMT State Office general reserve account managed by D. A. Davidson in Great Falls.
   a) Excess funds may be invested into the Managed Fund Portfolio Account.
• Funds for each program will be tracked separately.

• Earnings for each program will be credited directly for that program.

• Funds will be assessed a pro-rated share of the 1% administration fee.

• Funds may be withdrawn by simple request to the SOMT State Office.

• There are no penalties or charges (commissions) for withdrawal.

• Sub-Programs will receive reports from the SOMT State Office at a minimum on a quarterly basis.

B. Opening a Special Olympics Montana Inc. Account

1. All accounts must bear the signature of the President of Special Olympics Montana Inc. in addition to other local signatures.

   a) As a 501(c)(3) tax exempt organization, regulations designate Special Olympics Montana Inc. Board of Directors with fiduciary responsibility and is legally responsible for all funds raised, received and expended in the name of Special Olympics Montana Inc. Special Olympics, Inc. General Rules state that the U.S. Program must maintain “full control over the assets and operations of its Sub-Programs.”

   b) If an Area or Local Sub-Program should dissolve or is not current with reporting, Special Olympics Montana Inc. must have the authority to transfer any remaining funds in the dissolved or delinquent Special Olympics account to the SOMT account for safekeeping until the Area or Local Sub-Program meets accreditation standards, at which time the funds would be directed back to the Area or Local Sub-Program.

2. All accounts must require two signatures on checks for expenditures.
a) Pre-signing of blank checks for convenience is not permitted. (Although inconvenient, this procedure provides the necessary checks and balances to ensure account integrity.)

b) Each person who has signature authority must fully understand Finance Policy.

c) Facsimile signatures may not be used.

3. An original account statement must be forwarded monthly direct from the financial institution to the SOMT State Office at P0 Box 3507, Great Falls, MT 59403-3507.

III. FUNDRAISING

A. Acceptance of donations and gifts

Special Olympics Montana Inc. reserves the right to refuse any gift at its sole discretion. Acceptance of all donations must meet the SOMT State Office “Gift Acceptance Policy.”

1. SOMT State Office gratefully accepts unrestricted gifts such as cash (including checks and credit card transactions), securities, real estate, personal property, life insurance, and retirement plan benefits.

2. Generally, it is the policy of SOMT State Office to convert non-cash gifts to cash as soon as possible.

B. Authorization to accept gifts

1. Any volunteer of staff person working on behalf of SOMT State Office may accept unrestricted gifts of cash for SOMT State Office. All gifts of marketable securities shall be referred to the President/CEO.

2. Authorization to accept gifts that are not readily marketable, such as real estate, personal property, life insurance, and securities … shall come from the Board of Directors or its appointee(s).
3. Guidelines for determining the acceptability of certain gifts are outlined in the full SOMT State Office Gift Acceptance Policy. (Contact the SOMT State Office)

C. Fundraising projects

All local and area fundraising projects must be pre-approved by the SOMT State Office 60 days prior to the beginning of the project. (See Fundraising Approval Form.)

1. Pre-approval must be obtained to determine if SOMT State Office insurance coverage of the event will apply without additional premium.

2. All contracts required to organize the event must be signed by the President/CEO of SOMT State Office (or his designee.) (See contract policy.)

3. Volunteers must have SOMT State Office Volunteer forms on file at the State Office.

IV. DEPOSITS

A. Deposits must be made daily upon receipt of funds.

B. Thank-you receipt letters

Thank-you receipt letters must be sent for all donations. SOMT State Office practice requires acknowledgement of all donations (cash or in-kind), regardless of the size of the gift. The IRS requires receipts for all donations (cash or in-kind) of $250.00 or more.

C. SOMT State Office fundraiser distribution

The Area bank account will be used to distribute all funds from the SOMT State Office (i.e. P&G money, Raffle money.)

1. Funds may be transferred from the Area account to the local Sub-Program accounts in good standing (grand-fathered accounts only.)

2. Funds for Local Sub-Programs without an SOMT State Office bank account must be maintained in the Area account and tracked for use by the specific Local Sub-Program.
V. EXPENDITURES

A. All expenditures must have prior approval.
   1. All expenditures from Area accounts must have prior approval of the Area Management Team.
   2. All expenditures from Local Sub-Program funds must have prior approval of the Local Program Coordinator. It is recommended the Local Program Coordinator does not maintain the financial records.

B. All expenditures must be paid by check or credit card from an invoice.
   1. Purchases may be prepaid. A receipt must be kept on file.
   2. Purchase may be paid from an invoice within 30 days after receipt.

C. Personal expenditures
   Personal expenditures ARE NOT PERMITTED from SOMT State Office funds under any circumstances.

D. Direct cash withdrawals are not permitted.
   1. All disbursements form accounts must be made by check or credit card to a specific person or vendor. Transfers may be made from savings to checking and then disbursed by check or credit card.
      a) A check may be written to a specific person for an advance or reimbursement for travel purposes.
         (1) Full reconciliations, all receipts and any cash balance must be returned for all amounts.
         Note: Please see Exhibits C1, C2 and C3.

E. Receipts for ALL transactions
   The area or local sub-program must maintain files to include, but not limited to:
   1. Receipts for all expenditures regardless of amount.
2. Daily deposit records.
3. All cancelled checks.
4. All credit card receipts.
5. Monthly bank statements (Original statement must be sent to the SOMT State office)
6. In-kind receipts for all donations of goods and services.
7. Any other financial records that need to be available to the IRS or SOMT State Office Auditors.

VI. CAPITAL EQUIPMENT PURCHASES AND SALE/DISPOSAL

A. Fixed Assets – $1,000.00
   All purchases for capital equipment $1,000.00 or more are considered a Fixed Asset.

B. Fixed Assets – Purchase and Sale/Disposal
   All purchases, sale or disposal of fixed assets must have prior approval of the Special Olympics Montana State Office.

C. Computer Equipment
   All computer hardware and software must be licensed to Special Olympics Montana Inc., not an individual.

VII. REPORTING

A. Finance reports — due monthly A Sanction programs.
   (See Exhibits B1, B2, B3)

   Area and local sub-programs are required to report monthly to the Special Olympics Montana (SOMT) program office. Reports are due on the 20th of the month following the statement ending date.

   a) If in any reporting month, there is no activity, reports can be submitted stating “No Activity” or the finance chairperson can send a copy of the statement to SOMT showing no activity. The area or local sub-programs will then be acknowledged as being current with all reports.
b) Additional Reporting for “B Sanctioned” Sub-Programs; All B Sanctioned Sub-Programs are requested to submit a copy of the umbrella organization’s audited financial statements for our records. They will be made available to our auditors to ensure that all funds have been audited properly. If such statements are not submitted, SOMT State Office reserves the right to request such information either during our auditing process or in the event of IRS auditing.

c) Area Management Teams are encouraged to seek donated services from an accounting firm to maintain SOMT State Office reporting requirements. (Estimated 3-4 hours per month.)

B. Submission of receipts — A Sanction

All receipts for expenditures of the Area or Local Sub-Program must be kept on file. Receipts for all expenditures must be submitted to SOMT State Office with the monthly reports.

C. In-Kind receipts A Sanction (See exhibit D.)

It is requested in-kind receipts be sent to the SOMT program office upon completion. Copies of all in-kind receipts for the quarter not previously submitted must be sent with the monthly report following the end of a quarter. NOTE: You may request in-kind forms from the SOMT program office.

D. Full year finance records — A Sanction

Budget reports are encouraged to be sent to the SOMT program office by the 15th of November of the current year. Budget reports must be submitted to the SOMT program office by December 31st of the current year.

VIII. DELINQUENT MONTHLY REPORTS

A. When 3 monthly reports (90 days) are past due, the account will be frozen and the account will be reported to SOMT management.
B. When 6 monthly program reports are past due the finance chairman coordinator will be replaced and the account will be closed and the funds sent to the area account.

C. When 6 monthly area reports are past due the finance chairman coordinator will be replaced and the account will be closed and the funds will be held at SOMT State Office.

IX. SOMT PROGRAM OFFICE COMMITMENT

Incorporation of area and local sub-program finance accounts into the SOMT program accounting package is a main focus for the SOMT program office. Our goal is to provide each area and local sub-program with an YTD summary in comparison to the area or local sub-program budget, quarterly. If the area or local sub-program requests an YTD summary, the SOMT program office will fulfill their request no later than 30 days after the request. To meet these goals, it is imperative to have the cooperation of each area and local sub-program finance chairperson. If you have any questions or require assistance in proper account report procedures, please do not hesitate to contact the SOMT program office. The SOMT program office staff will provide assistance with reporting requirements.

X. OTHER POLICY STANDARDS

A. **Inventory Policy** (See appendix B)

B. **Contracts** (See appendix D)

Area or Local Sub-Program Post Office Boxes must be authorized by and registered to Special Olympics Montana, Inc. The SOMT program office President must be the authorized signature on all Special Olympics Montana Post Office Boxes.

C. **Special Olympics Montana Investment Policy** (See appendix E)

D. **Gift Acceptance Policy**

For all noncash gifts (other than small in-kind donations), contact the SOMT Program office.

E. **Credit Card Policy** (See appendix F)
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<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>REVENUE VENDOR</th>
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<th>GL ACCT (1)</th>
<th>AMOUNT</th>
<th>Total Expenses page 1</th>
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Month Reporting: 11-01-2011

EXHIBIT B2

Area/Local Program Name: Special Olympics Montana
C. Exhibit B3: Summary Sheet Revenue/Totals
D. Exhibit C1: Chart of Accounts
### Exhibit C1: Chart of Accounts -- back

| Program Location Code | Area | BS-Anderson School | BS-Belgrade | BS-Bozeman Public Schools | BS-Eagle MT Invite | BS-Gallatin | BS-Heart Butte | BS-Hell Gate | BS-Monticello | BS-Missoula | BS-Missoula High School | BS-Missoula YMCA | BS-Raymond | BS-Roundup | BS-Silver Waves | BS-Silver Waves Indoors | BS-Silver Waves Outdoors | BS-Silver Waves Oval | BS-Silver Waves Round | BS-Silver Waves Square | BS-Silver Waves Triple | BS-Silver Waves Wave | BS-Silver Waves Wide | BS-Silver Waves X | BS-Silver Waves Y | BS-Silver Waves Z | BS-Stevensville | BS-Townsend | BS-Weiser | BS-West Yellowstone | BS-West Yellowstone, MT | BS-West Yellowstone, ID | BS-West Yellowstone, CA | BS-West Yellowstone, WV | BS-West Yellowstone, TX | BS-West Yellowstone, FL | BS-West Yellowstone, NY | BS-West Yellowstone, MA | BS-West Yellowstone, OH | BS-West Yellowstone, PA | BS-West Yellowstone, IL | BS-West Yellowstone, CO | BS-West Yellowstone, AZ | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West 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Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, 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Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowstone, NM | BS-West Yellowst...
E. Exhibit C2: Accounting Procedures Examples

When a check is written paying for items to be charged to more than one expense GL number, please apply it as follows:

The Area or Local Sub-Program needs to reimburse the Area Director for:

- Fuel to State Summer Games $35.00
- Postage $4.25
- Lodging at FLC $250.00
- T-shirts for athletes $150.00

Check total $439.25

The finance chairperson wrote check #2350 in the amount of $439.25 on October 16, 2008.

<table>
<thead>
<tr>
<th>DATE</th>
<th>REVENUE VENDOR</th>
<th>DESCRIPTION</th>
<th>GL ACCT (1)</th>
<th>SOURCE (2)</th>
<th>PROGRAM (3)</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/16/08</td>
<td>Jane Smith</td>
<td>Fuel for SSG</td>
<td>6260</td>
<td>2017</td>
<td>900</td>
<td>$35.00</td>
</tr>
<tr>
<td>10/16/08</td>
<td>Jane Smith</td>
<td>Postage</td>
<td>6150</td>
<td>2017</td>
<td>900</td>
<td>$4.25</td>
</tr>
<tr>
<td>10/16/08</td>
<td>Jane Smith</td>
<td>Lodging for FLC</td>
<td>6270</td>
<td>2017</td>
<td>900</td>
<td>$250.00</td>
</tr>
<tr>
<td>10/16/08</td>
<td>Jane Smith</td>
<td>T-shirts for athletes</td>
<td>6641</td>
<td>2017</td>
<td>900</td>
<td>$150.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Expenses</td>
<td></td>
<td></td>
<td></td>
<td>$439.25</td>
</tr>
</tbody>
</table>
F. Exhibit C3: Accounting Procedures Examples

Receipts must be on file in the SOMT State Office for all Area and Local Sub-Program transactions. (Cash advances or reimbursements will require an itemized list of expenses and receipts for all items.)

NOTE: Receipts for all transactions must be kept on file at the Sub-Program level and submitted monthly with the summary sheets.

Example 1:

On the expenses listed below, the total check for a cash advance to Jane Smith was $150.00. Her total expenses were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$54.00</td>
</tr>
<tr>
<td>Meals</td>
<td>$18.50</td>
</tr>
<tr>
<td>Fuel</td>
<td>$45.00</td>
</tr>
<tr>
<td><strong>Total SSG expenses</strong></td>
<td><strong>$117.50</strong></td>
</tr>
</tbody>
</table>

In this example, Jane Smith must turn in an itemized list and all receipts for expenses and return $32.50 to the Sub-Program finance chairperson. Please make sure that each expense is listed on your monthly report and include all receipts. Deposit the returned funds the day after being submitted.
G. Exhibit D: In-Kind Receipt Form

In-Kind Contribution Receipt
11-01-2011

Special Olympics Montana, Inc. works toward improving the lives of individuals with developmental disabilities. Through our statewide year-round programs of sports training, physical fitness, and athletic competition, many lives are touched—and the impossible becomes possible. It is only through the support of volunteer services, in-kind contributions, and financial support that we make this happen.

Thank you!

Business ___________________________ Phone ____________

Name (Please Print) ____________________ Address ____________________________

City & State __________________________ ZIP ____________

E-Mail ________________________________

In-kind contributions are goods and/or services donated instead of cash contributions. In-kind contributions are recorded at fair market value. Current fair market value must be established on an objective and clearly measurable basis. Examples are normal rental charges for a facility or equipment or a retail price for a commodity. Contributions of goods are deductible for income tax purposes to the extent allowed by law, providing all requirements are met. It is the sole responsibility of the donor to establish the value of an in-kind donation. In some instances, a written appraisal may be required. Please provide written verification of fair market value for your in-kind contribution.

<table>
<thead>
<tr>
<th>Item/Services</th>
<th>Estimated Current Fair Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☐ Please Check: Verification of value attached by donor. ($250.00 and up)

Purpose of Contribution ____________________________

( Event, Tournament, etc. )

Contributor ____________________________ Date ____________

Signature ____________________________

SOMT Representative ____________________________ Title ____________________________

Chapter, Area, or Program Represented ____________________________

Return original completed form to:

Special Olympics Montana
PO Box 3507
Great Falls, MT 59403-3507
(406) 216-5827 or 1-800-242-4676 (MT only)

Special Olympic Montana, Inc. is a non-profit 501(c)(3) organization.
Tax ID: 81-0387064

Please also make a copy for the Contributor and make a copy for your own records. Thanks!

11-01-2011
H. Exhibit E: Fundraising Approval Form

Fundraising Approval Form

All local and area funding projects must be pre-approved by the SOMT state office 60 days prior to the beginning of the project. Please fill out the following form completely, submit the original copy to the SOMT state office, and retain a copy for your records. Special Olympics Montana will notify you with an approval or advise you of the reason for rejection within 2 weeks of receipt of this application. When this application is approved, the applicant is granted permission to use the SOMT logo, which must be used in association with the event’s promotion.

- Pre-approval must be obtained to determine if SOMT insurance coverage of the event will apply without additional premium.
- All contracts required to organize the event must be signed by the President of SOMT (please see SOMT contract policy).
- Volunteers must have current SOMT Volunteer Application forms on file with the SOMT state office.

Name of Area or Local Program:

Project Coordinator’s Name:

Mailing Address:

City: MT ZIP:

Phone Home: Phone Work:

Fund Raising Project Name:

Description of Project:

Event Dates:

List of Sponsors to be solicited and the amount of request for each:

<table>
<thead>
<tr>
<th>Expected Revenue: $</th>
<th>Expected Expenses: $</th>
<th>Net Revenue: $</th>
</tr>
</thead>
</table>

Revenue to: (check all that apply) [ ] Local Program [ ] Area [ ] Chapter.

Who will be responsible for handling funds at event?

Name: Phone:

Signed: (Project Coordinator) Date:

Please attach a copy of all promotional material.

This application does not grant standing approval for funding projects. A separate application of approval must be submitted each time a project is planned.

Approved by: Title: Date:

Signed copy will be returned to Area Director/AMT and/or Local Program

Send copy to: Special Olympics Montana, Field Service Department, P.O. Box 3507, Great Falls, MT 59403

406) 216-5327 or 1-800-242-6876.

Revised Oct 2008
XII. APPENDIX

A. Fixed Assets (Equipment) Policy ........................................29
B. Inventory Control Management .........................................30
C. Equipment Inventory Form .................................................32
D. Execution & Management of Contracts ............................33
E. Statement of Investment Objectives and Policies for Operating and Endowment Funds ..................35
F. Area and local Sub-Program Credit Card Policy ..............40
A. Fixed Assets (Equipment) Policy

Fixed Assets:
A motion was made to set a Board of Directors policy establishing an amount of $1000.00 with a three (3) year depreciation life for all fixed assets.

Approved by the Board of Directors: Effective for 2002
B. Inventory Control Management

**MANAGEMENT POLICY**

Special Olympics Montana Inc. is incorporated in the State of Montana as one entity under Federal Tax Identification Number 81-0367064. Equipment purchased with funds donated to “Special Olympics Montana Inc.” or in-kind donations of equipment to a local, area or state level “Special Olympics” program must be included in the financial valuation of the organization. Annually, a physical inventory must be taken of nonperishable equipment at the local and area level and reported to the SOMT State Office.

**MANAGEMENT PROCEDURE**

The total value of equipment in possession of local and area programs has increased to what is considered “material” in financial audit. This equipment includes computer hardware and software, office equipment, sports equipment, uniforms, signage and any other non-perishable items that have long-term use.

Under the circumstances, all local and area programs that have Special Olympics equipment must comply with the following procedures:

1) **Inventory equipment annually.** Conduct an annual yearend physical inventory by the local or area person responsible for equipment. For the current year, inventories must be reported to the state office by December 31st of the current year. Prepare an itemized list of inventory that includes description (including serial numbers on computers, bikes, etc.), quantity, purchase/acquisition date, purchase price or in-kind value, condition, replacement value and location of inventory. A copy of the official “Equipment Inventory Form” which outlines how and what to document is attached for your use.

2) **List all persons responsible for inventory.** This should include name, address and phone.

3) **List all storage locations.** This must include the name of an individual or vendor storing equipment, address and phone. NOTE: All contracts and agreements for the storage of inventory must be reviewed and approved by the state office. The state office must be listed as a secondary billing address. Local and area programs will continue to be responsible for maintaining contract agreements payments.
4) **Imprint inventory with the initials “SOMT.”** The local or area program name may also be imprinted on the items.

5) **Return completed Equipment Inventory Form to the SOMT State Office.** A copy of the inventory and storage facility contract must be on file with both the Area Director and the SOMT State Office.

Approved by the Board of Directors — 11/13/99
### C. Equipment Inventory Form

<table>
<thead>
<tr>
<th>Date</th>
<th>Telephone</th>
<th>Zip Code</th>
<th>Area/Local Program Name</th>
<th>Person Responsible for Inventory</th>
<th>Address</th>
<th>Storage Facility Name</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Inventory List**

- **Item**
- **Quantity**
- **Value**
- **Condition of Item**
- **Purchase or Acquisition Date**
- **Replacement Value**
- **Storage Location**

*Complete this form annually and submit to your Area Director and Special Olympics Montana Program Office: PO Box 3507, Great Falls, MT 59403-3507*
D. Execution & Management of Contracts

**MANAGEMENT POLICY**

Special Olympics Montana, Inc. is incorporated in the State of Montana as one entity under Federal Tax Identification Number 81-0367064. All contracts\(^1\) executed in the name of Special Olympics Montana at the local and area levels MUST be reviewed, approved and signed in advance by the state office. Only an officer or agent designated by the Special Olympics Montana Board of Directors has the authority to legally bind the organization at the local, area or state level. SOMT President Bob Norbie is the agent designated by the Board of Directors to legally bind the organization and is the required signature on all contracts.

**MANAGEMENT PROCEDURE**

To properly execute and maintain contracts between Special Olympics and a second party, all local and area programs conducting activity in the name of Special Olympics must comply with the following procedures:

1) **ALL contracts be reviewed and approved in advance by the state office.** Send to the attention of SOMT Risk Management Liaison Vicki Dunham. SOMT President Bob Norbie is the agent designated by the Board of Directors to legally bind the organization (i.e. local, area and state programs) and is the required signature on all contracts. Generally, contracts will be reviewed and returned for execution to the originator within 48 hours.

2) **The state office must be listed as a secondary billing address.** Information listed must include name (Special Olympics Montana), address (P0 Box 3507, Great Falls, MT 59403-3507) and phone (800-242-6876 or 406-268-6759). Local and area programs will continue to be the primary listing and responsible for maintaining contract agreements and payments.

---

\(^1\) By definition a “contract” is a legally binding agreement between two competent parties who have each exchanged something of value. A large number of Special Olympics contracts will involve the use of facilities. In exchange for the use of a facility, facility management will often charge a fee.
3) **Actively monitor your contractual obligations.** Make sure that contracts are periodically reviewed in a timely manner. Make sure all financial obligations are met per terms of the agreement. As volunteer leadership rotates, make sure new leadership understands what contractual obligations exist.

**Steps to Execute a Contract for your Local or Area Program:**

A. **SCAN** the agreement to make certain the venue or facility is correctly named, the date and event are correctly identified and any costs associated with the agreement are listed.

B. **IDENTIFY** provisions that will be most significant from a risk management perspective. These provisions will reference “insurance”, “hold harmless,” “indemnification,” or “negligence.”

C. **REVIEW** agreement terms carefully. Does the wording reflect your understanding of what was discussed and previously agreed?

D. **RESPOND/RECOMMEND** changes necessary to meet your terms of the agreement.

E. **SEND** the agreement and your comments to the state office for review and approval.

F. **EXECUTE** the agreement. Once all provisions accurately and fairly represent your needs, the agreement may be signed by the agent designated by the Board of Directors (currently the SOMT President or his Vice President or Officer designee) before it can legally bind the organization, along with your local or area representative.

**Approved by the Board of Directors 11/13/99. Updated 3/02/04**
E. Statement of Investment Objectives and Policies for Operating and Endowment Funds

I. INTRODUCTION

The purpose of this statement is to outline the investment objectives and policies of the Special Olympics Montana (“SOMT’) Board of Directors (“the board”) regarding the management and investment of assets under its control.

A. On behalf of and with ultimate approval by the board, the Finance Committee (“the committee”) selected by the board is responsible for:

1. Setting investment policy.
2. Selecting qualified custodians for corporate assets.
3. Communicating with the board and the custodians.
4. Monitoring the performance of the custodians to assure the investment objectives of the corporation are being met and taking appropriate action if objectives are not being met.
5. Ensuring the Statement of Investment Objectives and Policies is reviewed and updated periodically.

II. INVESTMENT PHILOSOPHY

A. ENDOWMENT FUNDS

All endowment fund assets shall be treated as available for long-term investment. Income from these assets accumulate tax-free and except those needed for projects or programs currently payable, should be invested in a manner which would achieve the greatest total return within the following objectives, goals and constraints.

B. OPERATING FUNDS

Operating funds shall be treated as available for the operations of SOMT. Surplus funds may be invested in short- to mid-term investments depending on the projected needs of SOMT.
C. ALL FUNDS

Within the context of security selection, it is expected the committee and custodians will diversify endowment and operating fund investments to minimize risk.

The committee recognizes there will be times when the investment environment is adverse for capital commitments to the equity or debt markets. Preservation of capital is of concern to the board; however, the committee does not subscribe to a market timing philosophy and believes that a more fully invested posture would be beneficial for long-term investment results.

III. INVESTMENT OBJECTIVES

SOMT’s assets are to be invested in a portfolio composed of equity, fixed income and cash equivalent securities. As such, it is intended that the portfolio be less aggressive than an equity-only portfolio and more aggressive than a portfolio invested entirely in fixed income securities. Within this framework, the principal investment objectives are to provide income and the preservation of capital as the primary objective with growth as an essential secondary objective.

These objectives recognize the nature of SOMT and its sources of funds. Because of the fiduciary obligations of the board concerning the investments of SOMT, the assets must be invested subject to the provisions of the “prudent man rule”.

IV. ALLOCATION OF MONIES TO AND EXPENDITURES OF THE ENDOWMENT FUND.

Funds shall be allocated to and expended from the endowment fund in accordance with the following:

A. After the audit of the financial statements is completed but before the final audited financial statements are issued, ten percent (10%) of the surplus revenues over expenditures will be allocated to the endowment fund. This allocation will be reflected in the audited financial statements for the period in which the surplus was earned.
Additional funds including the income from the endowment funds may be allocated to the endowment fund from operating funds if approved by two-thirds of the members of the board.

B. No part of the principal of the endowment funds may be expended except as necessary to pay organizational costs, operating costs, and overhead expenses such as salaries, office expenses and supplies; however, any amounts so expended shall be restored out of endowment fund income prior to expending such income for the corporate purposes stated herein. This provision restricting use of the principal endowment funds may be changed or amended only if approved by two-thirds of the members of the board.

Determination of principal and income shall be made in accordance with generally accepted accounting principles.

C. The principal portion of the endowment funds shall be reflected as a restricted or appropriated fund on the corporate balance sheet.

V. INVESTMENT POLICIES

A. GENERAL

1. The assets must be invested in accordance with the “prudent man rule” and the investment objectives of SOMT.

2. The finance committee is granted full investment discretion consistent with the investment objectives described above regarding the purchase and sale of individual securities.

3. Inasmuch as the corporation is tax-exempt, the realization of gains or losses should be reviewed solely in terms of investment merits and long-term expectations.

4. Prohibited investments shall include but not be limited to investments in:

   a) Restricted stock,
   b) Commodities or futures contracts,
   c) Warrants,
   d) Margin buying,
e) Stock and index options,
f) Short selling,
g) Venture capital,
h) Private placements,
i) Non-investment grade bonds.

Exceptions to these prohibitions may be granted only upon approval by two-thirds of the board.

B. FIXED INCOME INVESTMENTS

1. Fixed income securities may include U.S. Treasury obligations, obligations of government sponsored enterprises, Federal Agency obligations, bank certificates of deposit, investment grade corporate debentures, preferred stock and commercial paper.

2. Fixed income securities are to be selected so as to assure appropriate balance of duration, quality, maturity, sector and coupons which are consistently designed to produce fixed income returns concurrent with interest rates and general economic conditions.

3. All investments in interest-bearing obligations of corporations must be rated A or better by the S&P 500 or Moody’s Investor Service.

4. Fixed income securities will be purchased at competitive costs.

C. EQUITY SECURITIES

1. Equity securities are only permitted in those companies listed on the New York or American Stock Exchanges, National Association of Securities Dealers Automated Quotations System (NASDAQ), and Over the Counter stocks with ratings of A or better by the S&P 500 or Moody’s Investor Service.

2. Equity securities will be purchased at competitive costs.
VI. DIVERSIFICATION

The asset mix of fixed income investments and equity investments shall be at the discretion of the finance committee, consistent with the “prudent man rule”. However, in relation to the market value of the total portfolio, no more than forty percent (40%) of the portfolio shall be invested in equities. Should the investments in equities exceed the forty percent (40%) equity limitation due to appreciation, the finance committee shall take steps to reduce the equity exposure back to the maximum forty percent (40%).

VII. COMMUNICATIONS

The finance committee will provide a written report to the board at each board meeting.

VIII. AMENDMENTS TO THIS STATEMENT

Amendments to this statement, which have been recommended to the board by the finance committee, must have approval by a majority of the board before incorporation into the statement.
F. Area and local Sub-Program Credit Card Policy

Credit Cards:
The SOMT program office will approve and issue credit cards to area and local sub-program accounts and their representatives under the criteria listed below.

A. The area or local sub-program accounts are in good standing.

B. The representative(s) who is issued the credit card must be a volunteer with current application materials on file at SOMT.

C. Credit cards will be issued to Special Olympics Montana Inc. The card will also bear the name of the area or local sub-program representative. The representative(s) that will be issued the credit card of the area or local sub-program must have read, understand and agree to the finance policy and reporting procedures.

D. The SOMT program office will set and monitor the spending controls on purchase amounts, number of transactions, types of suppliers, and other criteria for any spending category, in any combination, per area and local sub-program needs.

E. The SOMT program office will be solely responsible for maintaining and monitoring credit limits or central billing options.

1. Individual bills will be sent to the area or local sub-program for their review. Bills will also be sent to the SOMT program office for payment.

2. Area or local sub-programs will review their statements, attach all receipt and include them with the monthly summary sheets.

3. The SOMT program office will have access to the area or local sub-program checking or savings accounts so that the office can automatically debit the area or local sub-program account for ALL credit card purchases. This amount will be transferred into the state office checking account before payment is due on the credit card statements.
F. Any purchases made by a representative of an area or local Sub-
Program account that are not specifically made for that area or
local sub-programs interest must be reconciled and reimbursed
immediately or subsequent legal action could occur. Any such
action will result in immediate removal of that representative(s)
credit card.

G. Representatives that have credit cards issued to them will be
instructed to follow the following procedures:

1. Sign the new card as soon as it arrives.

2. Treat the card like money. Store it in a secure place.

3. Notify the SOMT program office immediately if the billing
statement is incorrect or the credit card is lost or stolen.

4. Don’t leave the credit card in hotel rooms.

5. Do not leave gasoline credit card receipts at the pump. They
may contain credit card numbers. Go inside to finalize the
sale instead of paying at the pump.

6. Receipts must be obtained and reviewed after each
purchase.

7. Shred anything with the account number before throwing it
away.

8. Attach receipts to the monthly summary sheets so that the
SOMT program office can reconcile the statements.

9. Never give a credit card number over the phone unless the
representative initiates the phone call.

Approved by the Board of Directors: Effective 12-2.08