

## Policy Statement

# The Indian Hill Historical Museum Association d.b.a. The Indian Hill Historical Society

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## Financial Policy

### Financial accounts as of 10/7/21:

- Checking account, 5/3 Bank, Madeira branch.
- Savings account, 5/3 Bank, Madeira branch. The purpose of this account is to hold the funds needed for capital repairs or improvements at the Little Red Schoolhouse and Buckingham Lodge. It is called the “Capital Reserves” account.
- Credit card through 5/3 Bank.
- Schwab investment account which is managed by Bartlett Wealth Management. Brian Antenucci is the account contact.
- PayPal account.
- Changes to the banking institution for the checking and savings accounts and the management company for the investment account shall be made only with the approval of the Finance Committee.

### Account Descriptions / Guidelines:

- Checking Account:  
Generally, the balance in the checking account should be kept below \$40,000 unless anticipated expenses would necessitate a larger amount. The checking account balance is reviewed regularly to determine if it is appropriate to move funds between the checking account and the investment account.
- Savings Account:  
The funds for the “Capital Reserves” account are from the monthly deposit from the Schwab account. Specifically, \$2,000 will be deposited each month to the account. The account was opened in October 2021.
- Credit Card:  
MasterCard credit card through 5/3 Bank has a credit limit of \$10,000.
- Investment Account:  
The Society depends on income from the investment account. Prior to the new building leases in 2020, the target for this income was to provide a minimum of \$60,000 annually. This was achieved through a dividend-based investment strategy. The resulting dividends more than met the goal.  
With the new capital requirements under the 2020 leases, the financial need is \$9,000 per month, \$108,000 annually. This amount will be raised through a combination of dividends,

capital withdrawal, and increased asset values strategy. The withdrawal cap is 3% of the market value of the investment account at the start of the fiscal year. This amount is listed on the monthly Treasurer's Report. Withdrawal of any funds beyond 3% requires approval by the Board of Trustees.

- PayPal Account:

This account was established to allow for program reservations, memberships, and donations through the Society's website, [www.indianhill.org](http://www.indianhill.org), and through the PayPal phone app. This account is not used to pay any expenses and is operated as a "one-way" account, *i.e.*, only for making electronic deposits to the checking account, not withdrawals. The funds in this account are deposited into the checking account once a month.

Authorized Signers and Users:

The authorized signers on the checking, savings, and investment accounts consist of the President, Treasurer, and Past President. In March 2020, the Administrator became an authorized signer on the checking account with a guideline to sign only checks for \$500 or less, unless authorized for a higher amount by the Treasurer or President. The Administrator is also a signer on the savings account. The Administrator has electronic access to the checking, savings, and investment accounts to review statements and cleared checks. The Administrator will move funds between the checking and savings account to deposit the monthly \$2,000 and to ensure the funds are in the checking account for capital expenditures.

The Administrator has a corporate credit card with 5/3 Bank for purchasing items or services required for operations of the Society. The Treasurer and Administrator are signers on this account.

The Administrator is the authorized user of the PayPal account.

Authorized Expenditure Amounts:

As of 4/2023, any individual expenditure over \$5,000 must be approved by the Board of Trustees. The exceptions to this rule are as follows:

- The credit card bill is comprised of multiple expenditures and may total over \$5,000. Payment of this bill, even if over \$5,000, does not need approval by the Board of Trustees. An individual expense over \$5,000 to be charged on the card would need prior approval by the Board of Trustees. For the Administrator's use of the credit card, any individual expense amount over \$500 needs prior approval by the President or Treasurer.
- Monthly payroll withdrawals, as established by the Treasurer, are automatic electronic withdrawals and may exceed \$5,000 without approval by the Board of Trustees.
- If the Board has approved a project, e.g., a \$20,000 renovation project is approved, payments for this project above \$5,000 do not have to be approved by the Board, unless the cumulative project expenses exceed by more than \$5,000 the initial Board approved project amount.

Receipts, invoices, or other appropriate documentation shall be provided for each expense paid.

Petty Cash Guideline:

Generally, less than \$100 should be kept in petty cash at the office.

Investment Account Guidelines:

The goals for the allocation of funds across investments are:

1. To provide income to the Historical Society of at least \$108,000 annually, and
2. To increase the value of the account.

The assets in the account are held in various equity and cash positions as recommended by Bartlett Wealth Management. The account holdings are reviewed and rebalanced quarterly by Bartlett Wealth Management. Notification of changes in the allocations are sent to the Historical Society on an ongoing basis. When new funds or stocks are added to the account, Bartlett Wealth Management will recommend how they should be invested, which may include selling stock for reinvestment purposes in accordance with the investment goals for the account.

At least annually, the Finance Committee, along with the Investment Advisor, will revisit the key business and investment assumptions used to determine the asset allocation ranges.

Auditing / Reporting:

Balances of the checking, savings, and investment accounts are reported monthly to the Board of Trustees as part of the Treasurer's report. The checking and savings accounts registers detail is sent to the Treasurer monthly. The balance of the PayPal account is transferred each month and is \$0. It is not included in the Treasurer's report.

A Trustee or other third-party appointed by the President shall audit the checking and savings accounts each month. The person conducting the audit shall review and reconcile the bank statements, cancelled checks, QuickBooks reconciliation reports, and QuickBooks check registers.