

South Fork John Day Watershed Council Policies & Procedures

Financial

Revenue

The Board may approve revenue generating activities and the Council may receive grants, gifts, and donations of any kind. The Council may also employ or otherwise engage persons and organizations for pay to further the purposes of the Council, including for fundraising activities.

The organization is organized exclusively for charitable, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon the dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

See detailed Fiscal Policies and Procedures, Attached to these Policies and Procedures.

Legal Advice

The Board may seek, at its own determination and sole discretion, legal advice from a competent and qualified attorney at any time and regarding any subject that it deems necessary and prudent.

Insurance Policy

The Council will maintain General Liability coverage (\$1,000,000 per occurrence), Directors and Officers Liability Insurance (\$150,000 per occurrence), and Automobile Liability Insurance (\$1,000,000 per occurrence), and workman's compensation insurance coverage for employees.

Public Records Policy

The Council shall make available to the public for inspection, at reasonable times and places, the Council's Bylaws, Operating Procedures, and supporting documentation. The Council will provide a regularly published

meeting schedules including sign-in sheets, agendas, and meeting minutes that will be made available to the public upon request.

Private Property Rights Policy

The Council affirms its respect for private property rights in planning and implementing projects and monitoring and reporting information related to the health and condition of the watershed. The Council will only engage in an activity on private property with prior written permission and at the invitation of the landowner or the landowner's duly authorized representative. Any commitment from landowners will be voluntary and clearly defined. The Council shall not use litigation as a means to achieve restoration, protection or enhancement of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows.

Conflict of Interest Policy

The purpose of this policy is to protect the Council's interest when contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest.

Definitions

1. Interested Person: an interested person is any director, principal officer, or member of a committee with governing board delegated powers who has a direct or indirect Financial Interest, as defined below.
2. Financial Interest: a person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment, or compensation arrangement with the Council or with any entity that conducts transactions with the Council. A Financial Interest is not necessarily a conflict of interest in all cases. Under Article III, Section 2 of IRS Form 1023, a person with a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures

1. Duty to disclose: In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board-delegated powers considering the proposed transaction or arrangement. In an effort to aid such disclosure, each member (board, committee, or staff) shall complete a conflict-of-interest questionnaire as circumstances warrant, but no less frequently than annually.
2. Determining whether a conflict of interest exists: The board shall review each member questionnaire and any other disclosures regarding the Financial Interests of its members. After disclosure of the Financial Interest, the

Interested Person shall leave the board meeting while the remaining board members discuss and vote on whether a conflict of interest exists.

3. Procedures for addressing the conflict of interest: After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. The Interested Person shall not be present in the room during the determination. If an alternative transaction or arrangement is not possible, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interests of the organization, for its own benefit, and fair and reasonable. Based on these determinations, the board or committee shall make its decision on whether to enter into the transaction or arrangement.

4. Disciplinary action: If the committee has reason to believe an individual has failed to disclose actual or potential conflicts of interest, it will inform the member and allow him/her to explain the alleged failure to disclose. If the committee still has reason to believe a conflict of interest exists after the alleged conflict is explained it will take corrective action.

Conflict of Interest Questionnaire

The following questionnaire must be completed annually by all Directors and Officers of the South Fork John Day Watershed Council. Answers to this questionnaire should relate to relationships that occurred from January 1st, December 31st, 2019. Once you have completed this questionnaire, please sign and date in the space provided and return it to the Council Coordinator.

1. Are you an officer of an organization that conducts business or has relationship with the Council?

Yes _____ No _____

If yes, please
define: _____

2. Have you ever served on the board of a business in which the Council invests?

Yes _____ No _____

If yes, please
define: _____

3. Do you have a family relationship with anyone who has a noted relationship with the Council? Family connections include an individual's spouse, parent, child, grandchild, great-grandchild, and sibling. The spouses of any children, grandchildren, great-grandchildren, and siblings are considered family relationships as well.

Yes _____ No _____

If yes, please
define: _____

4. Have you participated, directly or indirectly, in any employment agreement, compensation relationship, or any other arrangement/investment opportunity with a third-party vendor doing business with the Council that has resulted or could result in personal benefit to you?

Yes _____ No _____

If yes, please
define: _____

5. Have you received, directly or indirectly, any salary payments, loans, or gifts of any kind or any free service, discounts, or other fees from any person/organization engaged in any transaction with the Council?

Yes _____ No _____

If yes, please
define: _____

6. Do you share ownership of a business that does business with the Council? Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

Yes _____ No _____

If yes, please
define: _____

Signature _____ Date _____

Print Name _____

Personnel Policy

INTRODUCTION

SFJDWC employs an Executive Director who is administratively responsible for all functions of the organization including the direct and indirect management of SFJDWC employees. The Executive Director reports to and consults with the Board of Directors. The Board of Directors' primary responsibility is to work with the Executive Director to ensure strategic and financial planning for the future of SFJDWC.

SFJDWC strongly believe employees should have the right to make their own choices in matters that concern and control their life. We believe in direct access to management. We are dedicated to making SFJDWC a company where you can approach your supervisor, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of SFJDWC. We are all human, so please communicate with each other and with management.

Remember, you help create the healthful, pleasant and safe working conditions that SFJDWC intends for you. Your dignity and that of fellow employees, as well as that of our customers, is important.

SFJDWC needs your help in making each working day enjoyable and rewarding.

Any employment relationship with SFJDWC is of an "at will" nature, which means that the Employee may resign at any time and the Employer may discharge the Employee at any time with or without cause. It is further understood that this "at will" employment relationship may not be changed by any document or by any conduct unless such change is specifically acknowledged in writing by the directors of the SFJDWC.

A. COMMITMENT TO QUALITY – CUSTOMER SERVICE

SFJDWC strives to understand and meet the needs of its customers who receive our services, to provide service in a timely and professional manner, and to provide leadership in addressing the emerging issues of our community. It is SFJDWC's objective to assure the quality of our service are to obtain qualified workers and assist in their further development to meet current and future staffing needs, maintain clear and concise records of program activities, and rely on a continuous improvement for implementation of our programs with the goal of meeting or exceeding the requirements of us doing business.

Listed below are several things you, as a SFJDWC employee, can do to assure SFJDWC's continued commitment to quality and customer relations:

- Act competently and deal with customers in a courteous and respectful manner.
- Communicate pleasantly and respectfully with other employees at all times.
- Follow up on questions promptly (phone, written, and email), provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
- Take great pride in your work and enjoy doing your very best.

These are the building blocks for your and SFJDWC's continued success. Thank you for adding your support.

B. COMMITMENT TO DIVERSITY AND NON-DISCRIMINATION

1) COMMITMENT TO DIVERSITY POLICY

South Fork John Day Watershed Council (SFJDWC), a 501(c)3 Non-Profit corporation, is an Equal Opportunity Employer. Among its documented values is a commitment to people. Our success depends on the people who work with and for SFJDWC. We will work to actively involve men and women Page 1 of 15

from a broad spectrum of ethnic and cultural backgrounds, ages and abilities, lifestyles and beliefs, in an environment that encourages each of us to achieve our potential and values the contributions of all.

2) NON-DISCRIMINATION POLICY

SFJDWC does not discriminate on the basis of race, color, national and ethnic origin, religion, gender, sexual orientation, age, or physical or mental disability in hiring and administration of its policies and program activities.

C. ELECTRONIC COMMUNICATIONS, TELEPHONE, EQUIPMENT USE

1) SFJDWC provides tools and equipment (i.e. computers, laptop computers, PDA's, telephones, facsimile machines, scanners, or any other electronic or office equipment for the workplace), so that their employees are able to perform work for the benefit of SFJDWC and this equipment should not be used for employee's personal use.

2) POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

Staff members and volunteers agree that they will not engage in text messaging while driving in any organization-owned or –rented, vehicles, or privately-owned vehicle when on any organization business or when performing any work on behalf of the organization.

a. "Driving" is defined as operating a motor vehicle on an active roadway with the motor running, including while stationary in traffic because of traffic patterns, a traffic light, stop sign, or otherwise. Safely pulling over in order to read/compose/send messages is acceptable.

b. "Text messaging" means reading from or entering in data into any handheld or electronic device, including for the purpose of short message service texting, emailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

3) Only those files, programs, documents and other information authorized by SFJDWC are to be on equipment owned by SFJDWC. Some equipment is intentionally mixed, such as cellphones, and the non-business content is at the discretion of the Executive Director. Equipment owned by SFJDWC may be audited, used, or searched by SFJDWC's management without warning or notice. Unauthorized files, programs, documents and other information may be removed or altered. If unauthorized files, programs, documents or other information appears to be in any manner illegal, SFJDWC will contact law enforcement.

4) Employees may not place passwords or codes on SFJDWC equipment without the authorization of the Executive Director. All passwords are the property of SFJDWC and must be given to employee's supervisor.

5) Employees who use SFJDWC equipment in an inappropriate manner may be disciplined or discharged at the discretion of their supervisor.

6) By agreeing to continue work under this Policy, employees specifically agree that they have no privacy right or expectation to anything saved or stored on equipment owned by SFJDWC. Personal files, programs and other information not authorized by SFJDWC may be viewed, deleted, amended or destroyed by SFJDWC.

D. NEW HIRES

1) APPLICATIONS

SFJDWC is committed to a policy of equal opportunity employment for all applicants and employees. Applications that are received in a timely manner will be reviewed fairly and decisions will comply with all applicable laws prohibiting discrimination. SFJDWC is an Equal Opportunity/Affirmative Action employer.

2) HIRING POLICIES

The SFJDWC Board of Directors will hire all employees. New staff position will be created in consultation with the Board of Directors; the Board approves any new staff positions.

3) HIRING PROCESS

Minimum qualifications, requirements and job duties for each position shall be determined by the Executive Director and will be included in a written job description that will be available to applicants and employees. Candidates shall provide SFJDWC with pertinent data, including references, prior to being employed.

4) LETTER OF HIRE

Every permanent employee shall receive a letter of hire outlining acceptance of the position and a copy of the job description including pay rate and working conditions. A copy of the letter of hire will be placed in the employees personnel file.

5) JOB POSTINGS

When time allows, job postings will appear in appropriate publications and locations as the need for staff is required. A summary of the job description, pay range, and requirements will be included in the posting. The posting will run for as long as is deemed necessary by SFJDWC. SFJDWC welcomes women and minority applicants for consideration of employment.

E. EMPLOYEE EVALUATIONS

1) PROBATIONARY PERIOD

The probationary period begins with the date of hire and concludes six months from that date. During the probationary period the employee may be let go with or without cause.

At the end of the six-month probationary period, the employee will receive a review. Thereafter, reviews will be conducted on an annual basis.

2) PERFORMANCE REVIEWS

Personnel reviews will be used as an opportunity to objectively discuss with the employee all aspects of job performance and provide an on-going record for retention and/or promotion of an employee and to encourage employees to set goals and work towards personal/professional opportunities for growth.

All performance reviews will be discussed with the employee in a private interview. A written form will be utilized in all performance reviews. An employee is entitled to attach a statement in favor of, or opposed to, the review just completed. This statement then becomes a permanent part of his/her personnel file.

a. Review of the Executive Director: The Board of Directors will conduct all reviews of the Executive Director. The Board President may seek comments from the full Board of Directors, the membership, other staff and constituents on the performance of the Executive Director. The Executive Board will review and approve all reviews of the Executive Director.

b. Review of Other Permanent Employees: All staff positions will be reviewed by the Executive Director. The Executive Director may seek comments from the membership, other staff and constituents on the performance of the employee. The Board of Directors will review and approve employee reviews.

F. EMPLOYEE CONDUCT

Each employee is expected to maintain the highest standards of conduct, cooperation, efficiency, and professionalism in his/her work for SFJDWC.

1) DRUG FREE WORK PLACE POLICY

a. PURPOSE AND GOAL

SFJDWC is committed to protecting the safety, health and well-being of all employees and other individuals in our workplace. We recognize that alcohol abuse and drug use pose a significant threat to our goals. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment. All employees are expected and required to report to work in an appropriate emotional and physical condition.

SFJDWC encourages employees to voluntarily seek help with drug and alcohol problems.

b. COVERED WORKERS

Any individual who conducts business for the organization, is applying for a position or is conducting business on the organization's property is covered by our drug-free workplace policy. Our policy includes, but is not limited to Executive Director, executive management, managers, supervisors, full-time employees, part-time employees, off-site employees, contractors, volunteers, interns and applicants.

c. APPLICABILITY

Our drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for the organization. Therefore, this policy applies during all working hours.

d. PROHIBITED BEHAVIOR

It is a violation of our drug-free workplace policy to use, manufacture, distribute, dispense, possess, sell, trade, and/or offer for sale alcohol, illegal drugs or intoxicants. Violations of the policy will result in disciplinary action up to and including termination.

e. NOTIFICATION OF CONVICTIONS

Any employee who is convicted of a criminal drug violation in the workplace must notify the organization in writing within five calendar days of the conviction. The organization will take appropriate action within 30 days of notification. Federal contracting agencies will be notified when appropriate.

f. CONSEQUENCES

One of the goals of our drug-free workplace program is to encourage employees to voluntarily seek help with alcohol and/or drug problems. If, however, an individual violates the policy, the consequences are serious.

In the case of applicants, if he or she violates the drug-free workplace policy, the offer of employment can be withdrawn. The applicant may reapply after one year.

If an employee violates the policy, he or she will be subject to progressive disciplinary action and may be required to enter rehabilitation or may be terminated. An employee required to enter rehabilitation who fails to successfully complete it and/or repeatedly violates the policy will be terminated from employment. Nothing in this policy prohibits the employee from being disciplined or discharged for other violations and/or performance problems.

g. RETURN-TO-WORK AGREEMENTS

Following a violation of the drug-free workplace policy, an employee may be offered an opportunity to participate in rehabilitation. In such cases, the employee must sign and abide by the terms set forth in a Return-to-Work Agreement as a condition of continued employment.

h. ASSISTANCE

SFJDWC recognizes that alcohol and drug abuse and addiction are treatable illnesses. We also realize that early intervention and support improve the success of rehabilitation.

To support our employees, our drug-free workplace policy:

- Encourages employees to seek help if they are concerned that they or their family members may have a drug and/or alcohol problem.
- Encourages employees to utilize the services of qualified professionals in the community to assess the seriousness of suspected drug or alcohol problems and identify appropriate sources of help.
- Allows the use of accrued paid leave while seeking treatment for alcohol and other drug problems.

Treatment for alcoholism and/or other drug use disorders may be covered by the employee benefit plan. However, the ultimate financial responsibility for recommended treatment belongs to the employee.

i. CONFIDENTIALITY

All information received by the organization through the drug-free workplace program is confidential communication. Access to this information is limited to those who have a legitimate need to know in compliance with relevant laws and management policies.

j. SHARED RESPONSIBILITY

A safe and productive drug-free workplace is achieved through cooperation and shared responsibility. Both employees and management have important roles to play.

All employees are required to not report to work or be subject to duty while their ability to perform job duties is impaired due to on- or off-duty use of alcohol or other drugs.

In addition, employees are encouraged to:

- Be concerned about working in a safe environment.
- Support fellow workers in seeking help.
- Report dangerous behavior to their supervisor.
- It is the supervisor's responsibility to:
 - Inform employees of the drug-free workplace policy.
 - Observe employee performance.
 - Investigate reports of dangerous practices.
 - Document negative changes and problems in performance.
 - Counsel employees as to expected performance improvement.
 - Clearly state consequences of policy violations.

k. COMMUNICATION

Communicating our drug-free workplace policy to both supervisors and employees is critical to our success. To ensure all employees are aware of their role in supporting our drug-free workplace program:

- All employees will receive a written copy of the policy.
- The policy will be reviewed in orientation sessions with new employees.
- All employees will receive an update of the policy annually with their paychecks.

2) HARASSMENT Any employee who believes he/she is the subject of harassment prohibited by law or by SFJDWC policies may file a written complaint, as outlined in the grievance process section of the personnel policies, with their supervisor. The supervisor, in consultation with the Executive Director, will use the Grievance Procedure outlined in the Personnel Policies to confidentially investigate the complaint. If the grievance is with the supervisor or Executive Director, then the written complaint should be sent to the President of the Board.

Sexual harassment in the work place is treated as sexual discrimination in the Equal Employment Opportunity Guidelines. It is against the SFJDWC policy and illegal for any employee to harass another employee by:

- making sexual advances or requests for sexual favors, and/or verbal or physical conduct of a sexual nature, a condition of employment;
- making submission to or rejection of such conduct the basis for employment decisions the employee, or;

- unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment by such conduct.

It is also against the SFJDWC policy and may be illegal to harass another employee by unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment related to any of the factors listed in the SFJDWC non-discrimination policy.

3) EMPLOYEE DISCIPLINE

If at any time an employee's work habits, work products or conduct should become deficient, or if an employee should violate any of these Policies, the Executive Director, or Board President will point out the deficiencies via oral or written warnings and encourage the employee to correct these deficiencies. If the employee fails to correct the communicated deficiencies, the employee may be notified in writing that because of the continuing deficiency the employee shall be disciplined in accordance with the Disciplinary Actions Section of this document.

G. EMPLOYEE CLASSES

At the time you are hired, you are classified as full-time, part-time or temporary and are also told whether you qualify for overtime pay. Unless otherwise specified, the benefits described in this Manual apply only to full-time employees. All other policies described in this Manual and communicated by SFJDWC apply to all employees, with the exception of certain wage, salary and time off limitations applying only to "non-exempt" (see the definition that follows) employees. If you are unsure of which job classification your position fits into, please ask your supervisor.

Full Time Employees

An employee who has successfully completed the Introductory period of employment and who works at least thirty two (32) hours per week is considered a full-time employee.

Part-Time Employees

An employee who works less than a regular thirty two (32) hour work week is considered a part-time employee.

"Non-Exempt" and "Exempt" Employees

At the time you are hired, all employees are classified as either "exempt" or "nonexempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty hours (40) per work week. These employees are referred to as "non-exempt" in this document. This means that they are not exempt from (and therefore should receive) overtime pay.

Exempt employees are executives, managers, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred or promoted.

H. WORK HOURS

1) THE WORK DAY

Workday hours may vary depending on workload and budget considerations. Work schedules will be determined as needed by staff, in consultation with the Executive Director. Work hours may vary and may occasionally involve evening and/or weekend hours. The Executive Director, in consultation with the Executive Board, will evaluate the workload and staffing needs annually or as needs arise.

2) THE WORK WEEK

SFJDWC establishes the employee work week as Monday through Friday. It is anticipated that normal work hours will fall between 8:00 am and 5:00 pm on a normal basis. Exceptions from this normal work week may be approved on a case by case basis by the employee's supervisor. It is expected that employees working less than 40 hours per week will establish and maintain a regular work schedule from week to week and this schedule will be approved by their supervisor.

3) OVERTIME HOURS

It is the expectation that employees will complete their work in the weekly hours designated in their job description. Overtime is to be used only in unusual circumstances, such as an unexpected event or time sensitive deadline and should be cleared by the employee's supervisor in advance. The employee needs to be able to document and justify the circumstances necessitating overtime hours. Anticipated overtime should be discussed in advance with employee's supervisor. Excessive overtime can be grounds for disciplinary action.

4) TIME SHEETS

SFJDWC staff shall maintain daily timesheets. Timesheets must be signed by the employee and submitted on the specified due date at the end of the monthly pay period prior to receiving a paycheck.

I. JOB DESCRIPTIONS AND EMPLOYEE COMPENSATION

1) JOB DESCRIPTIONS

A detailed description of each position within SFJDWC shall be prepared by the Executive Director and will be reviewed and approved by the Executive Board. Permanent positions are dependent upon available funding in SFJDWC's annual budget.

2) PAY RANGES

Pay ranges shall be established for all paid positions and shall be reviewed and updated as part of the annual budget process. (Pay schedules for all current staff positions are included in attachment #3). Pay ranges shall be competitive in the employment market and will be based on the relative compensatory value of jobs within the organization according to skill, effort, responsibility, and working conditions associated with the jobs. If established pay ranges detract from SFJDWC's ability to recruit or retain a qualified work force, pay ranges may be adjusted according to the market value of the job. The Executive Director is authorized to administer this policy.

3) PAY RATE DETERMINATION

An employee will normally start at the bottom step of the pay range upon appointment to a job. Starting pay at a higher step level may be allowed at the discretion of the Executive Director, in recognition of exceptional qualifications if adequate funding is available. An employee's anniversary date is the date of hire for their current position. An employee will advance to the next step on the pay schedule for their position when it is

deemed appropriate by the supervisor and budget allows. If an employee changes positions, their anniversary date will change to the start date in their new position.

Their new pay rate depends upon the type of job change:

Lateral transfer - The employee will remain at their current step if the new job is a lateral transfer to a position with the same pay range.

Promotion - If the new job constitutes a promotion but has a lower starting rate than the employee's current pay rate, the employee would start at a pay step equal to or higher than their current rate of pay.

Other Job Changes – For all other job changes the employee would start at the bottom step of the pay range for their new position or would enter at another step if deemed appropriate by the Executive Director.

4) OVERTIME PAY

For non-exempt employees overtime pay will be calculated at one and one half (1.5) times their normal hourly rate for all hours worked over 40 hours per week. Overtime policies will be updated as required to comply with state law.

5) EMPLOYEE BONUS

Keeping in mind the financial status of SFJDWC, the Board may, from time to time award an employee bonus for exceptional effort or work. The bonus may be awarded to all or some employees but shall not be considered a regular part of the employees' compensation.

6) PAY PERIODS

All employees will be paid on a monthly basis with payday being on the first day of the month, unless the 1st falls on a weekend in which case the payday will be the preceding work day.

J. REIMBURSEMENT FOR WORK RELATED EXPENSES

Employees will be compensated for work related expenses as follows, and in accordance with budgetary guidelines established by the Executive Board:

1) Employees may use their personal vehicle for work related travel (other than coming and going to work) and will be reimbursed at the current rate recognized by the Internal Revenue Service. Mileage for a trip cannot exceed the cost of coach airfare. Employees using their car for business travel must provide proof of insurance in the minimums required by the State of Oregon and must hold a valid Drivers' License.

2) The cost of meals that necessarily take place during employee travel will be reimbursed within the current federal per diem guidelines.

3) Prior authorization of the employee's supervisor will be required for attendance at conferences, workshops, or other activities that are not included in the annual budget. All budgeted expenses (travel, registration, meals and lodging) shall be paid by SFJDWC.

Employees may request travel expenses prior to their departure. Employees requesting travel advances must present a completed expense report with receipts for all expenses within ten working days of their return. Employees requesting travel reimbursement must also present a completed expense report within ten working

days of their return, with receipts for all expenses, except per diem. Per Diem will be paid in the amount specified in federal guidelines, prorated, if necessary, for the amount of travel time each day.

J. EMPLOYEE BENEFITS

1) QUALIFICATIONS FOR BENEFITS

All SFJDWC permanent employees working 32 hours or more are entitled to benefits as outlined in this section. The contents of the benefits program shall be determined by the Executive Board, in consultation with the Executive Director and will be reviewed annually. (Current health and retirement benefits are listed in attachment 2)

2) EMPLOYEE TRAINING

It is the policy of SFJDWC that each permanent employee will receive one job-related training opportunity per fiscal year, dependent upon budget constraints. Specific training may be chosen by the employee in consultation with their supervisor and does not include conferences or other meetings required in the course of their regular job duties. The supervisor will make every effort to see that permanent employees have the opportunity for professional growth and development.

3) EMPLOYEE LEAVE

Employees working 32 hours a week are considered to be full time. All employees will accrue personnel time off (PTO) each month at the rates set out below. Listed accrual rate changes become effective on the employee’s anniversary date.

a. Paid Time Off (PTO):

Paid Time Off incorporates vacation time, personal business, and sick leave. This is a flexible arrangement that can be used for any of these various reasons at the employee’s discretion. SFJDWC offers this employee-friendly benefit primarily to be competitive in attracting and retaining talented employees. PTO accrual rates are based on FTE.

Probationary employees begin to accrue PTO at the date of hire. They may use PTO during the probationary period PTO is accrued and credited to the employee’s account on a monthly basis at the following rates as shown in the table below:

Paid Time Off balance can reach a maximum of 220 hours, after which the employee will not accrue additional hours until time is taken off. The accrual period follows the calendar year. Employees will be paid for only up to 80 hours of their accrued PTO upon separation from SFJDWC.

Paid Time Off (based on FTE)

Years of Service	Monthly Accrual (hrs)	Annual Hours	Total Days	Weeks
0-3	14.3	172	21.5	4.3
3-5	17.3	208	26.0	5.2
5+	20.3	244	30.5	6.1

Employees are expected to request PTO. This time must be requested from their supervisor at least two weeks prior to their proposed time off. PTO for vacation is restricted to two consecutive weeks without prior approval.

The Executive Director has the authority to grant an employee paid PTO up to one month's accrual. The Executive Director has the ability to approve exceptions to this policy in extenuating circumstances.

b. Paid Holidays

Full time employees (32 hours/week or more) will be paid based on FTE; hours paid for part-time employees will be pro-rated based upon their normal weekly schedule. For example, an employee working 25 hours a week will be paid five (5) hours for each holiday. These 10 holidays include:

1. New Year's Day
2. Martin Luther King Jr.
3. President's Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Columbus Day
8. Veteran's Day
9. Thanksgiving Day
10. Christmas Day

c. Winter Closure

SFJDWC will be closed during the four working days between Christmas and New Year's Day. This closure is treated as Holiday Time. After six (6) months of service, employees will receive these four (4) days paid. Employees who have less than six (6) months will receive prorated paid time off, with the balance paid as PTO (if available).

d. Jury Duty

Any employee summoned to jury duty will receive time off with pay for the first five (5) business days of jury duty. After the first week of jury duty, the employee may either take the time off without pay or use accrued personal time.

e. Funeral Leave

Up to three days funeral leave will be paid, per year, to the employee. Other PTO may be used as additional paid bereavement leave with the approval of the Executive Director.

4. DISCIPLINARY ACTIONS

The following actions are examples of major infractions, which may result in suspension without pay, or termination:

- Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to SFJDWC's efforts to operate profitably.
- Willful violation of security or safety rules or failure to observe safety rules or failure to wear required safety equipment; tampering with equipment or safety equipment.
- Negligence or any careless action, which endangers the life or safety of another person.
- Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
- Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
- Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing SFJDWC; fighting, or horseplay or provoking a fight on company property, or negligent damage of property.
- Insubordination or refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
- Threatening, intimidating or coercing fellow employees on or off the premises -at any time, for any purpose.
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
- Theft of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
- Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about personal leave; falsifying reason for a leave of absence or other data requested; alteration of company records or other company documents.
- Violating the non-disclosure agreement; giving confidential or proprietary SFJDWC information to competitors or other organizations or to unauthorized employees; working for a competing business while at SFJDWC employee; breach of confidentiality of personnel information.
- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
- Immoral conduct or indecency on company property.

Occurrences of any of the following activities, as well as violations of any SFJDWC rules or policies, may be subject to disciplinary action, including possible immediate dismissal. This list is not all-inclusive, and, notwithstanding this list, all employees remain employed “at will.”

- Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor; mistakes due to carelessness or failure to get necessary instructions.
- Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs.
- Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes; failing to complete work in a timely manner.
- Sleeping on the job; loitering or loafing during working hours.
- Excessive use of company telephone for personal calls.
- Smoking in the workplace.
- Creating or contributing to unsanitary conditions.
- Failure to report an absence or late arrival; excessive absence or lateness.
- Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
- Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
- Failure to maintain a neat and clean appearance in terms of the standards established by your supervisor; any departure from accepted conventional modes of dress or personal grooming; wearing improper or unsafe clothing.

This policy pertains to matters of conduct as well as the employee's competence. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps set forth in this policy.

5) DISCIPLINARY PROCESS

In general, the disciplinary process shall attempt to correct deficiencies by following the progression set out below. Often times it is best to simply have a conversation with the staff about their actions, in these cases if the conversation does not result in correction the following steps shall be done. SFJDWC reserves the right to invoke discipline including discharge as its first response to employee actions that are serious in nature, in the judgment of the Executive Director or Executive Board.

1st Offense: Shall include but is not limited to, a written warning detailing the nature of the offense, a plan for corrective actions on the part of the employee and the employer, a timeline for correction of the problem and a

date for follow-up conference. The warning will be included in the employee's personnel file with the option for removal after three years without recurrence.

2nd Offense: Suspension for 5 work days without pay, or termination. In the case of suspension, documentation must include a written work plan for return to work with notification that further violations will result in termination. Documents become permanent record in the employee's personnel file.

3rd Offense: Termination of the employee.

The employee retains the right through the appeals process to appeal any disciplinary action.

6) APPEALS PROCESS

The employee has the right to appeal any disciplinary action. The appeal must be submitted in writing within 10 working days of the disciplinary action to the Board President and the Executive Board. The employee must notify the Board President of his/her intent to appeal within the 10-working-day period, preferably at the time of notification of disciplinary action.

a. The Executive Board has 10 working days from receipt of the appeal to render a decision. This decision should include recommendations for any corrective actions on the part of the employee and employer. The decision of the Executive Board is final.

7) GRIEVANCE PROCESS

Grievances may include but are not limited to the following actions: sexual, racial, ethnic or religious harassment, in the form of inappropriate language, gestures, or intimidation; or any action (listed under Title VII) on the part of an employee which impedes or prevents another employee from performing his/her regular duties.

LEVEL 1: It is the responsibility of the employee to notify his/her immediate supervisor of any offense and to request that the supervisor meet with the involved parties to resolve the issue. In the event that the immediate supervisor is the grievant or respondent, the Board President will serve as the arbitrator. If action is resolved at this level no further action is required.

LEVEL 2: If no resolution occurs, the aggrieved employee has 5 working days to file a written grievance with the Board President. The President shall notify the person who is the party to the grievance within two (2) working days.

The Board President will have five (5) working days to respond in writing with a decision. Every effort should be made to resolve the issue before a written grievance is filed. Corrective actions may include, but not be limited to: change of work assignments, development of a written corrective action plan, written warning, suspension without pay, or termination with the approval of the Executive Board.

LEVEL 3: Further grievances brought against an employee and deemed valid after due process will result in disciplinary action against the employee. Actions may include written warnings, suspensions without pay or termination.

Charged employees have the right to appeal all decisions except those involving termination through the Appeals Process outlined in the previous section of the Personnel Policies. The Executive Board's decision on any appeal will be final.

K. RESIGNATIONS

All employees are expected to give two weeks' notice to their supervisor in the event of their resignation. This is negotiable at the discretion of the Executive Director.

L. LAY-OFFS

If events require a lay-off of an employee(s), the Corporation will give the staff 2 weeks' notice, if funding permits. The Executive Director has the final determination of when a lay-off is required. All options will be considered before a lay-off is implemented. Consideration will be given to seniority and to the skills necessary to maintaining the organization.

M. PERSONNEL RECORDS

All personnel records are the property of SFJDWC. An employee has the right to examine his/her own records with his/her supervisor present. Staff may make written comments for inclusion in his/her records about any evaluation or disciplinary action. Staff may also request that any non-permanent reprimand be removed after three (3) years from the date of occurrence.

The employee, the Executive Director, and the Board President, and staff that work in Human Resource functions are generally the only people who have access to the employee's personnel file. Other Board members who have an operational need or responsibility may view personnel files, such as for employee evaluation or for the resolution of a disciplinary action, grievance or dispute.

Adopted by SFJDWC, Executive Board Action on December 10th, 2018. These policies replace all other previously adopted personnel policies.

Attachments - The following attachments are incorporated into these policies by this reference.

#1 Current Benefits

#2 Pay Schedules

Attachment 1

All SFJDWC permanent employees working 32 hours or more are entitled to benefits and will become eligible after a 30-day waiting period.

Current Health and Retirement Benefits Include

Health and Dental Insurance:

Full time employees working 32 hours or more per week, and have been employed for at least 30 days, are eligible for health and dental benefits. Benefits become active the 1st of the month following the 30-day waiting period. Employees have the option of waiving coverage if they choose. South Fork John Day Watershed Council will cover the premiums of both health and dental coverage for the Employee, but any dependents enrolled of the Employee will be paid for at the Employees expense.

See below for the financial breakdown of SFJDWC's Health and Dental Coverage Costs:

Health Reimbursement Arrangement: \$4950/individual or \$4950/family.

Employees working less than 20 hours per week are not eligible for this benefit.

Simple IRA Match:

Once an employee has earned \$5,000 from SFJDWC in a calendar year they are eligible to enroll in a Simple IRA Plan the following January. To participate, the employee must open a Simple IRA account with the investment company of their choice.

Once their account is open, they need to complete a payroll deduction authorization form to indicate the percentage of their monthly pay to be automatically deposited into the IRA account. This percentage is applied to all taxable income including the benefit stipend.

SFJDWC will match the employee contribution for up to 3% of the employee's monthly taxable wage. For example, an employee who deposits 1% of their taxable income to their IRA account each month receives an equivalent 1% match from SFJDWC. An equivalent percentage match also applies to a deposit of 2% or 3%. If an employee contributes 4% or more the SFJDWC match amount will be capped at 3% of taxable income.

Attachment 2

SFJDWC Pay Schedule

Paychecks will be paid the 1st of each month

Periodic Revisions

The pay schedule will be reviewed annually by the Board of Directors in conjunction with the budget approval process. When a COLA or other adjustment to the Pay Schedule is authorized it is normally effective as of July 1 and is retroactive to July 1 for all permanent staff employed on that date. For permanent employees hired after July 1, the COLA adjustment will be retroactive to their date of hire.

FISCAL POLICIES & PROCEDURES

I. PURPOSE

This policy has been designed as a reference for the staff and Board of the South Fork John Day Watershed Council (SFJDWC or Council). SFJDWC was incorporated in 2017 in the state of Oregon as a nonprofit corporation and has received its provisional 501(c)(3) status with the Internal Revenue Service.

The manual includes fiscal policies established by the Board and Executive Director, and fiscal procedures designed to implement those policies and provide simple methods to transact the organization's business affairs. The manual will be updated periodically to reflect changes and clarifications in policies and procedures. Upon full review of the Board, the Executive Director will ensure that copies of the manual in use are updated and outdated policies and procedures are removed.

II. FISCAL MANAGEMENT POLICIES

- A. GAAP: Except when noted, SFJDWC follows Generally Accepted Accounting Principles for nonprofit organizations.
- B. Adherence to Federal Standards: By reference, the SFJDWC incorporates all provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations" as pertains to federal funds.
- C. Accrual Accounting: SFJDWC utilizes the accrual basis of accounting in which revenues are recorded in the period in which they are earned, and expenses are recorded in the period in which they are incurred regardless of when cash is received or disbursed. Income from restricted grants and contracts is recorded in the period in which the restrictions have been met through proper expenditure of the funds and/or the required services have been provided.
- D. Deferred Revenue: SFJDWC records Deferred Revenue when restricted funds are received in advance of the provision of the services or incurring of expenses for which the funds are provided. Deferred revenues may be reclassified as Temporarily Restricted Revenues on the audited financial statements, which are presented in accordance with FASB 116 and FASB 117.
- E. Equipment, Furnishings, and Real Property: SFJDWC records equipment with a useful life of more than one year and cost of more than \$1000 as an asset. Equipment with useful life under one year or cost of \$1000 or less is recorded as a supply expense.

Equipment purchased with restricted grant funding is coded to the expense account Equipment in the fund providing the money during the fiscal year, so that the purchase may be easily tracked for reporting to the funder. At fiscal year-end, a journal entry is made which records the purchase as an asset in the equipment account in the Unrestricted fund and credits it out of the equipment purchases account and debits it out of the fund balance account in the restricted fund.

Depreciation expense and an allowance for depreciation is recorded for all equipment,

furnishings, and real property owned by SFJDWC.

- F. Inventory: The SFJDWC maintains an inventory of fixed assets valued at \$5000 and above and inventory of supplies and equipment valued at \$1000 or above. The inventory shall be updated biennially and shall include a description or name of the item, model or serial number, date purchased, value or cost at purchase, current appraised value if known, and location within the SFJDWC office. The Executive Director will review and confirm the inventory biennially.

Equipment procured with federal funds shall be disposed of in accordance with 40 CFR 30.34 (f).

- G. Donated Materials, Equipment, and Services: SFJDWC records in-kind gifts of equipment as in-kind contributions, a revenue account, and as equipment, an asset account. Donated equipment is recorded at the fair market value on the date of donation. Fair market value is the price at which the item would be sold by a willing buyer to a willing seller.

Donated material which does not meet the definition of equipment is not recorded as "in-kind supplies expense" and "in-kind contribution" in accordance with FASB 116. Volunteer time of professionals in their professional capacity is recorded as "in-kind revenue" and "in-kind expense." Other volunteer time is not recorded in accordance with FASB 116. There is no net effect of recording in-kind labor and its associated in-kind contribution income. The recording of in-kind contribution income for the value of donated equipment results in an increase in net income because the value of the donated equipment is recorded as an asset not as an expense.

- H. Cost Allocation: SFJDWC will develop an annual written cost allocation plan to fairly allocate shared costs among the various functions performed by the organization. The written cost allocation plan will be utilized as the basis of negotiation of costs with funding sources. The cost allocation plan will be applied consistently to all programs.
- I. Functional Expense: SFJDWC will utilize distinct cost centers to record costs of its distinct program and management functions as its operations diversify. When implemented, each cost center will contain the specific expense account line items needed to record the specific expenses of performing its respective functions.
- J. General Ledger: SFJDWC maintains a complete double-entry General Ledger reflecting the complete chart of accounts and segregating costs by function and by restricted funding source requirements.
- K. Budget: The Board adopts a comprehensive organization-wide budget for each fiscal year. The budget reflects all anticipated revenues from all sources and all anticipated expenses. Board adoption of the budget constitutes authorization for staff to incur budgeted expenses as explained under Section 12: Procurement and Section 3: Purchases and Disbursements.
- L. Financial Statements: The Board receives a balance sheet and statement of support revenue and expense for each quarter during the quarter following the quarter for which the statements are prepared. The statements are presented to the Board by the Executive Director. The Treasurer receives a balance sheet and statement of support revenue and expense at the end of each month,

which s/he can compare against actual statements provided by the bank. The financial statements facilitate identification of restricted and unrestricted funds and comparison of actual revenues and expenses to budget.

- M. Audit: SFJDWC funds and bank statements are reviewed and reconciled monthly by the SFJDWC staff or Executive Director.

If more than \$500,000 in federal funds is expended during the fiscal year, then an audit in accordance with OMB Circular A-133 will be requested from the independent CPA firm hired to conduct an annual review of SFJDWC funds.

III. PURCHASES AND DISBURSEMENT PROCEDURES

- A. Purchases: Standing authorization for routine expenditures such as utilities, office supplies and payroll are provided by Board approval of the annual budget. Council staff shall not enter into a binding contract or service agreement that exceeds a period of twelve (12) months without prior Board authorization.

The Executive Director is required to be familiar with the terms and conditions dictated by each grant and must determine, before giving approval that expenses are reasonable, allocable and allowable per the terms of the grant and the cost principles of the granting organization. Similarly, the Executive Director will be responsible for knowing these same rules and will determine the reasonableness, allocability and allowability of costs before the allocations are made. In the case of Federal grants, the Executive Director and Executive Director must specifically be familiar with the guidelines established in OMB Circular A-122.

- B. Processing Invoices: All invoices/statements from outside vendors will be routed to the Executive Director or designated staff member who will review them to determine where they should be allocated and produce a check request (CR). The Executive Director or designated staff member supplies the account code. The CR, with invoices attached, is forwarded to the Executive Director for processing in accordance with each invoice's due date or discount date and the Council's payment schedule (see section III C). Payments will not be made from statements without corresponding receipts or invoices.

The Board designates the SFJDWC Executive Director and one Officer to have check signing authority. The Executive Director will prepare checks for the Executive Director or Officer to sign once a month, recording the transactions in the check ledger and QuickBooks system. The individual who signs the checks will then mail them to the appropriate recipient. A second signature will be required for all checks over \$10,000 (see section III G). A copy of the check request and back-up documentation also is filed in the appropriate grant file if applicable.

- C. Payment Schedule: Except in cases where a due date or other deadline requires faster processing, SFJDWC will issue payment on a monthly schedule that coincides with the payroll period (see section VII A). Invoices will be processed according to the procedure outlined in section III B.

- D. Credit or Debit Card: Subject to Board approval, the Executive Director may obtain a credit or debit card to pay for Council expenses. The Board has set conditions or guidelines for use of the credit or debit card, including the maximum amount that can be charged in any one day or for any single service. This amount will not exceed \$500.
- E. Recurring Payments: At the Executive Director's discretion, recurring payments for services provided by vendors on a regular schedule (i.e., telephone service, health insurance, etc.) may be paid by scheduling an electronic funds transfer (EFT) with the appropriate vendor. If the vendor does not offer an EFT option, the Executive Director may authorize use of a credit or debit card to pay for recurring services. A credit or debit card may also be used to pay for services provided by online vendors so long as the service does not obligate SFJDWC for a service period that exceeds twelve (12) months.
- F. Void Checks: Void checks are marked VOID. The original check is retained in the VOID check file.
- G. Check Signatures: The Board authorizes check signers. The Executive Director and one Officer designated by the Board, have check signing authority. The Treasurer serves in an oversight role and should be granted administrative privileges to view account balances and transactions. Checks for under \$10,000 require one signature. A second signature will be required for all checks over \$10,000. No individual may sign a check that is payable to him/herself or for "cash." All check signers must review the documentation attached to the checks prior to signing the checks.
- H. Distribution of Checks: Once checks are signed, the signer removes any attached documentation and places the check in envelope for mailing. Checks for staff reimbursements or purchases are released or mailed to the approved staff member.
- I. Filing Paid Invoices: Paid invoices, written check requests, and other documentation should be filed by vendor chronologically, i.e. the most recent invoice placed at the top of the file. Reimbursements to employees are filed by employee in the vendor files, treating employees as vendors. When applicable, copies of invoices will also be placed in appropriate grant files.
- J. Staff Reimbursement Policy: Employees may submit their actual travel expenses with a travel voucher form for reimbursement after the travel. These expenses include transportation, per diem, and lodging. SFJDWC will not pay for personal items or services while traveling. Staff mileage reimbursement, using the standard IRS rate, includes the cost of gasoline and wear/tear. Separate gasoline costs will not be reimbursed. If cost effective, staff may rent a vehicle for transportation. In this case, the rental cost, any necessary insurance, and gasoline costs will be reimbursed.

Staff will be reimbursed for actual expenses incurred for the procurement of goods or services needed to execute SFJDWC business, as directed by the Board or Executive Director. A reimbursement form must be submitted for approval with original receipts and appropriate justification before reimbursement is released.

Board of Directors will review and approve staff reimbursement requests at regularly scheduled

monthly meetings.

- K. Reimbursement Policy for Board Members: Board members' participation in Board projects is voluntary and unpaid.

IV. PROCEDURES FOR RECEIPT AND DEPOSITS FOR CASH AND CHECKS

- A. Funds Received at the Office: The Executive Director sorts mail and stamps for endorsement all checks received in the mail prior to depositing them. Twice per week, or more often when a large check is received, these checks should be deposited. The Executive Director records all deposits in QuickBooks.

The information received with grant checks from funders, including any check stub or correspondence, is filed with the grant agreement for that funder. When cash payments are received in the office, they are recorded in QuickBooks with any other receipts and deposited in the bank.

- B. Cash and Checks Received Outside the Office: Occasionally employees will be given cash and checks at meetings or events held outside the office. Any checks and cash received outside the office are brought back to the office and given to the Executive Director for verification and endorsement. Such receipts are then recorded by the Executive Director in QuickBooks and deposited in the bank.
- C. Bank Deposits: The Executive Director lists the total cash deposited on the bank deposit slip. The Executive Director writes the deposit total in the accounting system and deposits the cash and/or checks in the bank.

V. PROCEDURES FOR ACCOUNTS RECEIVABLE

Payments from grantors: Payments from grantors received in the mail are opened by the Executive Director. The Executive Director codes the receipt to the correct fund and account. If it is a cost reimbursement on a grant or contract, the payment is credited against the Grants receivable account in the appropriate fund. Grants and contracts which send an equal monthly payment are treated in the same way as cost reimbursable grants and contracts: payments are credited against Grants receivable, and revenue is recorded based on actual expenses incurred. Grant payments received in advance of the grant period are coded to a deferred revenue account in the appropriate fund. (These funds may be reclassified as Temporarily Restricted revenue by the auditor for the year-end audited financial statements.)

VI. BILLINGS, REQUEST FOR PAYMENTS AND FISCAL REPORTS TO FUNDERS

All financial reports to funders are to be prepared directly from the General Ledger/receipts of SFJDWC by the Executive Director. Staff responsible for supervision of grant/contract funded activities will prepare all required narrative portions of funder reports and review all fiscal portions prepared by the Executive Director prior to submission.

Whenever feasible, the General Ledger amounts will be established to correspond to funder fiscal report categories. When this is not feasible, the Executive Director will prepare worksheets for each fiscal

report documenting the source of all information reported by General Ledger account number and funder report line number or caption.

With the exception of OWEB advances, SFJDWC's standard procedure for receiving payment from federal and state agencies is to request payment after SFJDWC has incurred the expense. This minimizes the time elapsing between the transfer of funds to the recipient from the funder and the issuance or redemption of checks, warrants or payments by other means for the purposes of the program.

SFJDWC's general policy for advances will be to estimate costs that will be incurred for the next 90 days. A request for that amount will be made. At the end of that 90-day period, the requested amount will be compared to the actual amount and the request for the next 90 days will adjust for that amount. State or private foundation funds will adhere to the appropriate grant conditions in which they were awarded.

VII. PAYROLL PROCEDURES

- A. Pay Periods: SFJDWC utilizes a once monthly pay period, with paychecks issued on the 1st of each month. If payday falls on a weekend or holiday, the check will be issued the last business day prior to the scheduled payday.
- B. Processing of Timesheets: Each employee is responsible for recording their daily hours worked on a timesheet for each pay period. Days taken off for holidays or Paid Time Off must also be recorded on the timesheet. For grant billing and reporting, timesheets should categorize time by project or activity. Timesheets should be submitted to the Executive Director for approval three business days prior to the last working day of the month. The Executive Director reviews the timesheet for correct recording of hours worked and hours taken as holiday or Paid Time Off and initials the completed timesheet to indicate approval. The Executive Director turns in all approved timesheets to the Payroll Service within three business days of the end of each pay period.

The Executive Director verifies the totals of hours worked and holiday leave or Paid Time Off taken on each timesheet. The Executive Director compares the holidays and Paid Time Off to the employee's master record of holidays and Paid Time Off available to verify that hours taken as paid leave were available. The Executive Director initials any lines on the timesheet she/he has changed as part of the review process, and adjusted timesheets must be re-signed by the employee and Executive Director. The Executive Director then updates the holiday and Paid Time Off accounts for each employee for that month.

Once the timesheets have been reviewed and corrected, the Payroll Service prepares a check or an electronic payroll direct deposit (ACH) payment for each employee. Payment should be issued on the 1st of each month.

- C. Review of Monthly Timesheets: The Board of Directors will review and approve employee timesheets at each monthly Board meeting.
- D. Payroll Tax Deposits: The Payroll Service computes all federal and state payroll tax deposit

requirements and the quarterly unemployment amounts. The Payroll Service prepares deposit coupons.

- E. Recording the Payroll Checks in the Checkbook: The Executive Director records the total net amount of checks and directly deposited checks in the accounting system with the date and “Payroll” for description. The Executive Director enters the payroll, withholding and employer contribution tax amounts in the accounting system. The checks prepared by the Executive Director for payroll tax deposits are recorded in the checkbook with all other checks issued by the SFJDWC that day.
- F. Payroll Records: The SFJDWC maintains files for the payroll journals and payroll tax reports according to appropriate federal and state guidelines.
- G. Benefit and Miscellaneous Payroll Payments: The Board of Directors will approve and sign any checks generated for health and investment benefits and for any wage garnishments, at monthly board meetings. After designated Officer signs the checks, the Executive Director will send to the appropriate service.
- H. Workers compensation reports: The Executive Director prepares annual Workers Compensation reports. S/he prepares a worksheet for breaking out hours worked into clerical (for in-office) and out of office classification, and for recording vacation hours. This worksheet is the basis for the final Workers Compensation report.

VIII. RECORD KEEPING

The Executive Director maintains a checkbook register for the checking account (manual). When processing receipts, disbursements, and payroll, the Executive Director enters all disbursements into the checkbook register for the checking account by entering each check on a line including date of check, payee, check number, and amount. On days that include payroll, the checkbook will have an additional line for payroll, with the date and total net amount of the payroll.

The Executive Director also enters the amounts deposited by date into the checkbook. Deposit entries are made for totals only, showing date and amount. If no deposit is made on a day, no entry is made.

The checkbook is reconciled to the monthly bank statements. Any bank charges or other bank entries must be recorded in the checkbook as soon as notification is received from the bank.

The checkbook is used to determine whether funds are available for disbursements. The Executive Director is responsible for projecting cash needs and evaluating whether sufficient cash will be available when needed.

When the Executive Director identifies potential cash flow problems, s/he notifies the Board of Directors. The Board of Directors and Executive Director are responsible for resolving cash flow problems.

IX. GENERAL LEDGER

- A. Monthly General Ledger preparation: The Executive Director is responsible for preparing the General Ledger each month. S/he is also responsible for initial review of the computer processed General Ledger, and for maintaining files of the printed General Ledgers.
- B. General Ledger entries: SFJDWC's General Ledger is maintained by the Executive Director.

The Executive Director enters all disbursements into the computerized General Ledger, maintaining one set of journals for cash disbursements and one set for payroll cash disbursements. S/he proofs the cash receipts/accounts receivable journal and verifies month end totals and enters all deposits into the General Ledger using a revenue receipts journal. S/he prepares a set of General Journal entries from the information provided, recording:

- Accounts receivable sales
- Accounts payable
- Prepaid expenses
- Salary adjustments to reflect employee benefits (from the payroll journal)
- Payroll taxes
- Vacation time accrued by employees
- Vacation time used by employees
- Interest earned on bank accounts (from the bank statements)
- Any other bank account activity not recorded through cash receipts or cash disbursements (such as electronic drawdowns or bank charges)
- Any adjustments to accounts receivable (from the accounts receivable reconciliation)
- Any adjustments to prior months (these are coded into the current month)

After posting these entries, the Executive Director reconciles the Cash in Checking account to the bank statement, verifies balances in the accounts payable, accounts receivable, prepaid expense, and payroll liability accounts, and prepares a second set of General Journal entries. These entries correct any errors in posting and record:

- Grants and contracts receivable and revenue earned for the month, based on expenses incurred in the month for each reimbursable grant or contract (this procedure is followed even if the grantor sends equal monthly payments)
- Deferred revenue recognized/grant revenue earned, based on expenses incurred in the month for each grant that has advanced SFJDWC money or based upon time elapsed in the grant period.

A full set of financial statements is prepared for the Board each quarter (July, October, January, April) in advance of their quarterly meeting. The statements are sent to the Treasurer for her/his review in advance of the Board meeting.

- C. Review of the General Ledger and Financial Statements: If the Executive Director notes any questionable variances in comparing actual to budget, s/he meets with the appropriate program

manager and/or project director to determine what happened and whether further action is needed to correct the problem.

X. FINANCIAL STATEMENTS

The quarterly financial statements include a Balance Sheet and a Statement of Support, Revenue, and Expenses (Profit & Loss Statement). The revenue and expense statement include both the current month and the year to date amounts and a comparison to budget. Separate revenue and expense statements by grant and contract (fund) are prepared to facilitate monitoring the various grants.

The Executive Director has primary responsibility for monitoring the financial statements and alerting Board members to financial choices or issues. The Executive Director is responsible for assuring overall compliance with grant and contract agreements, and consequently must monitor the financial activity for each grant/contract and take corrective action if issues occur.

The Treasurer receives a balance sheet and statement of support revenue and expense at the end of each month, which s/he can compare against actual bank statements.

XI. BUDGET PREPARATION AND REVISION PROCEDURES

The Executive Director and Board of Directors will prepare SFJDWC's organizational budget for each fiscal year (July 1 – June 31), by fund, cost center, and line item. The budget is reviewed with the Treasurer. The Executive Director presents it to the full Board for discussion and approval.

Revisions to the annual budget are necessary when new funding sources are received mid-year. The Executive Director prepares budget revisions, including both the new funding source budget and any changes to other budgets caused by changes in cost allocations. The revisions are reviewed by the Executive Director and the Treasurer, who then present the revisions to the full Board for approval.

XII. PROCUREMENT POLICY AND PROCEDURES

- A. Policy. It is SFJDWC's policy to consistently seek contractors, consultants, and suppliers whereby all factors including cost; technical competence; ability to make timely deliveries; and the quality and performance of their products and services are evaluated and approved by staff and/or the SFJDWC Board. If any contractors, consultants and suppliers are members of the Board or are considered "disqualified persons" as defined by Internal Revenue Code section 4958 and described in paragraph D, the conflict of interest provisions of paragraph D shall be followed.

Notwithstanding any provision of this policy, applicable federal and state laws, rules, and regulations shall govern in any case where federal or state funds are involved and conflict with any of the provisions of this policy and/or require conditions not authorized by this policy.

- B. Procurement of Goods. For the purchase of an item costing more than \$2,000, staff documents in writing that two other comparable items were evaluated in addition to the one purchased. For the purchase of an item valued at over \$10,000, SFJDWC staff will receive approval from the

Chair and/or Board prior to making the purchase.

- C. Contracts for Services. A SFJDWC “contract” is defined as a written agreement drafted on a Board-approved template authorizing in-kind or cash payment for services. Council staff shall not enter into a binding contract or service agreement that exceeds a period of twelve (12) months without prior Board authorization. SFJDWC negotiates and executes contracts subject to the following procedures:

Competitive Bidding. Competitive bidding is not required for the procurement of services under \$25,000. However, SFJDWC will avoid any actual or perceived conflict of interest in awarding contracts for services. See the SFJDWC Contracting Policy for more detail.

1. Direct Appointment of a Single Contractor. The SFJDWC will enter in contracts without competitive bidding for services valued at over \$25,000 only if the contractor is not a member of the Board or considered a disqualified person as defined by Internal Revenue Code section 4958 and described in paragraph D and one of the following conditions is met:
 - The potential contractor has a specialized background or expertise that cannot reasonably be expected to be found elsewhere in the marketplace.
 - A condition exists in which the project cannot be undertaken if competitive bidding requirements are met.
2. Bid Selection and Contract Execution. Contracts valued at more than \$ 25,000 require prior approval from the Board before execution.

C. Salary rate limits for Contractors: Contractors and subcontractors will not be paid a maximum daily rate (excluding overhead) exceeding rates outlined in 40 CFR 30.27 (b). This limitation applies to individuals with specialized skills who are paid at a daily or hourly rate. This rate does not include normal travel reimbursements.

- D. Conflict of Interest: Awards of funds in any amount may be made to Board members, member organizations of the Board or disqualified persons as defined in Internal Revenue Code section 4958 and described below that have a financial or non-financial interest in the award or project only if the award was made through a "competitive process", described below, and the member recused him/herself from all deliberations and decisions relevant to the award. No sole source contracts shall be let to any employee of SFJDWC, Board member, other persons related to those parties, or disqualified persons as defined in Internal Revenue Code section 4958 and described below. Awards of federal funds shall adhere to OMB Circular A-122. No vendor may be employed or used by SFJDWC for which there exists a conflict of interest, real or perceived, between any member of the staff or the Board and the contractor except as provided herein. All members of the staff and Board shall declare such conflict if it exists.

"Competitive process" means that the procedures for procurement of goods in Subsection B and contracts for services in Subsection C are followed. All conflict of interest transactions shall be approved by a majority of all the members of the board who have no direct or indirect interest in the transaction. If a majority of Directors vote to approve the transaction or arrangement, a quorum is present for the purpose of taking action, except that such transaction or arrangement cannot be approved by a single director. All conflict of interest transactions shall be documented to include the names of the persons who had a conflict of interest, the nature of the financial

interest, a summary of the discussion to determine whether a conflict was present, the names of the directors present for the discussion and vote related to the transaction or arrangement, a summary of the discussion, and a record of the vote taken.

"Disqualified persons" are defined by Internal Revenue Code (IRC) section 4958 and generally include directors, past board members, Executive Director, substantial contributors and those related to these individuals. A "disqualified person" is generally any person who exercises substantial influence over the corporation within a five-year period ending on the date of the transaction in question and this person's family members or others connected to this person through business and/or investment (certain 35% controlled entities). Related parties are defined by the IRC to include spouse, siblings, spouses of siblings, ancestors, children, grandchildren and great-grandchildren and spouses of all such children.

XIII. DOCUMENT RETENTION & DESTRUCTION

- A. Retention Timeline: SFJDWC follows the document retention procedures outlined below. Documents that are not listed but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

General Documents

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
By-laws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

Accounting and Corporate Tax Records

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
Business Expense Records	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years

Bank Records

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years
 Payroll and Employment Tax Records	
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax returns	7 years
W-2 Statements	7 years
 Employee Records	
Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Accident Reports and Worker’s Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years
Donor Records and Acknowledgement Letters	7 years
Grant Applications and Contracts	5 years after completion
 Legal, Insurance and Safety Records	
Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

- B. Electronic Documents and Records: Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder.

- C. Document Destruction: The Executive Director is responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Attachment I

South Fork John Day Watershed Council									
Verifiable Time Record									
Employee Name:					Month:				
				Grants					
Date	Class Code	Holiday	PTO					Total	Comments
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	
	8602-02							0	
	8742-11							0	
	8810-03							0	

Attachment II

	150 East Main Street, Ste 102 John Day, OR 97845	<h3>Check Request Form</h3>			
Make Check Payable to: _____ <small>(Payee must be the same as the name on the invoice)</small>		Date: _____			
Payee Address: _____ _____ _____					
Invoice Number: _____		Invoice/Statement Date: _____			
Client/Organization Name: _____					
<input type="checkbox"/> IRS Form W-9 Included for New Vendors		<input type="checkbox"/> Invoice*/Receipt Attached			
*Invoices must include Dates of Service, have payment amount circled, and if payment is only a partial payment, indication of how the remaining portion is to be paid.					
Grant Number	Account Number	Description	Amount		
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
	▼				
Total			\$ -		
Submitted By: _____		Title: _____			
Email Address: _____		Phone Number: _____			
Program Mgr Approval: _____ <small>(Signature)</small>		Date: _____			
SFJDWC Approval: _____ <small>(Signature)</small>		Date: _____			
Name: _____ <small>(Print)</small>		Phone Number: _____			
<i>Section Below for use by SFJDWC</i>					
Date Received	Date Entered	Initials	Check Number	Amount	Date Issued