

Portland JACL - Guidelines for Financial Activity

Version 1.2, revised March 14, 2021

1) How should the chapter use large unrestricted donations, planned-giving, estates, or other unexpected revenue?

- a. Any single receipt with a value greater than \$5,000 USD is considered a large donation and the following steps should be applied if no other guidance is provided.
- b. Unrestricted amounts larger than \$5,000 USD, or up to \$10,000 USD, can be used in the same fiscal year as received to cover expenses, apply to programming, or to scholarships, at the board's discretion and following the chapter bylaws.
- c. For unrestricted amounts larger than \$10,000 USD, any funds above \$10,000 USD will be directed to the investment account (currently held at Ameriprise) and then be subject to the withdrawal guidelines that are outlined below (#2).
- d. There is no obligation to spend unrestricted funds in the year they are given. If there are reporting requirements attached to any revenue received, then the board should follow the guidance and act accordingly.
- e. For the donation of stock or other non-cash financial instruments the chapter should sell or convert the assets to cash and then apply the same guidelines as above based on the amount received.

2) How are funds withdrawn from the investment account?

- a. This guideline applies strictly to the investment account and does not apply to other JACL accounts such as the checking account or other accounts where JACL is the fiscal sponsor (e.g. Mochitsuki, Minidoka Swing Band, Youth Group, etc).
- b. For restricted funds (such as Yumibe), the board will make withdrawals as instructed. If chapter finances permit, the withdrawal can be transferred to the non-restricted investment account.
- c. For withdrawals from the investment account that are included in the approved annual budget, the President and Treasure can make recommendations to the board and administer as advised without a formal vote.
 - i. There should be an effort by the board to create a no-loss budget each year. At this time, the investment account is not intended to be used as a means to regularly balance the annual budget.
- d. For special requests, programming, membership expenses (especially for youth or new members), or extenuating circumstances, the following are guidelines for *one-time withdrawals* from the investment account:
 - i. A maximum of \$25,000 may be withdrawn from the investment account over a rolling two-year period (counted by calendar year).
 - ii. For *one-time withdrawals over \$10,000* there are two requirements that must be satisfied.
 1. An ad-hoc committee consisting of at least three members, including the current Treasurer and at least one non-board member, will review the proposed project budget.
 2. The expenditure will then need to be approved by a board vote of at least two-thirds (rounded up) to pass.

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3) Managing the Investment Account

- a. *The Minimum Amount* to be held in the investment account should be enough to pay five (5) years of essential expenses. This should be calculated based on the average of the last three years' spending.
- b. *Essential expenses* could include, but are not limited to: operating expenses (e.g. storage unit, website, PO Box), communication (e.g. newsletter, voicemail, email), government registrations, certificates, and/or other requirements such as taxes or fees needed to run the organization.
- c. The minimum amount described above should be calculated and included with the annual budget each fiscal year.
- d. If the account value drops below the minimum amount outlined in 3a above then the finance committee or an ad-hoc committee should meet to determine future expenditures.
- e. A finance or ad-hoc committee should revisit the risk and account allocations in the investment account approximately every 3-5 years or in the event of significant changes in market conditions or account size.