

Great Falls Development Authority, Inc. (GFDA)
Financial Management Policy and Procedures
Updates Approved 4/15/26

PHILOSOPHY

The purpose of financial management in the operation of all GFDA activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, GFDA commits to providing accurate and complete financial data and reporting for internal and external use by the President and the Board of Directors (Board).

AUTHORITY

The Board of Directors is ultimately responsible for the financial management of all GFDA activities.

The President is responsible for the day-today financial management of the organization. The Board authorizes the President to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.

The President is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors (or Executive Committee as authorized by GFDA Bylaws) must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$25,000.

ACCOUNTING PRINCIPLES

GFDA must operate in accordance with:

- generally accepted accounting principles (GAAP) as in effect from time to time in the United States; and
- the provisions outlined in Uniform Guidance, 2 CFR 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.

In accordance with GAAP and funding source requirements, GFDA must provide:

- Evidence of fidelity bond coverage, at all times, for persons authorized to handle funds in an amount sufficient to protect the interests of the funding sources and GFDA; and
- Certification that the accounting system is adequate to identify, safeguard and account for all funds and operations.

This document details the Internal Controls GFDA utilizes to protect its assets and comply with applicable accounting principles, government regulations and nonprofit best practices for an organization of its size.

BASIS OF ACCOUNTING

GFDA uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

AUDIT

In order to ensure financial accountability, GFDA will have its financial statements audited by an independent auditing firm on an annual basis. The selection of the firm to conduct the audit will be approved by the Board. The auditor's report, management letter, and IRS Form 990 will be presented to the Board for approval. A copy of the audited statement will be distributed to the full Board and the President. The audited financial statements will also be made available to anyone else who requests them.

Part of the annual audit process is preparing the Schedule of Expenditures of Federal Awards (SEFA), due to GFDA federal dollar threshold over \$1,000,000. The SEFA is prepared and reviewed by each employee that manages federal funds expended during the fiscal year. Once the SEFA is reviewed and approved, it is given to the independent auditing firm with all supporting documentation for each federal fund. The independent auditing firm then will choose two major federal programs to audit for the fiscal year.

OPERATING RESERVE

The target minimum operating reserve is six (6) months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

CONFLICT OF INTEREST

All Directors and employees shall execute GFDA's Conflict of Interest Statement on an annual basis.

Directors shall serve without compensation. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

No loan may be made to any officer, director or employee of GFDA.

ASSET PROTECTION

In order to ensure that the assets of GFDA are adequately protected and maintained, the President shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources and approval from the Executive Committee.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its Board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

BUDGET

The Board shall approve an annual operating budget for each calendar/fiscal year that will project income and expenses and will provide for programs and support services as outlined in the work plan for the year. The Board will approve the annual budget for the following year prior to the end of the current fiscal/calendar year.

The Board authorizes the President to manage the organization in accordance with the approved annual operating budget. Programmatic or operational changes that may have a significant impact on the annual budget shall be reviewed by the Board between budget cycles and may lead to a budget revision.

Budgeting for any fiscal period shall not deviate materially from the mission, goals, and strategies; risk fiscal jeopardy; nor fail to show a generally acceptable level of foresight. Accordingly, the President shall develop a budget that:

- contains enough detail to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails, and disclosure of planning assumptions;
- plans the expenditure in any fiscal year of no more funds than are available or conservatively projected to be received in that period;
- maintains current assets (cash, accounts receivable, prepaid expenses, etc.) at any time to no less than 100 percent of current liabilities (accounts payable, debt due in 12 months, etc.);
- does not deviate materially from Board-stated priorities and Board-approved budgets (except for grant revenues received during a fiscal year and their related expenditures) without seeking Board approval.

BANK ACCOUNTS

The Executive Committee shall authorize the opening and closing of bank accounts for GFDA.

The Board Officers, the President/CEO and the Executive Vice President are authorized to sign checks drawn on GFDA's bank accounts and to make electronic transfers drawn on these accounts. Checks or withdrawals in excess of \$5,000 shall require the authorization of any two (2) authorized signers.

No authorized signer shall sign a check drawn in his or her favor, or of his or her company's favor.

The Chief Financial Officer (GFDA's accounting employee as designated by the President, hereinafter referred to as CFO) may be authorized by the President to have viewing only access to bank accounts.

The President or their designee(s) shall open all bank statements and review the statements and contents for irregularities.

All bank accounts shall be reconciled by the CFO or designee on a monthly basis. The President, or their designee, shall periodically review all bank statement items and bank reconciliations.

All bank accounts shall be insured by the FDIC. Accounts that exceed FDIC insurance limits shall be collateralized by securities in accordance with an agreement acceptable to the Executive Committee.

RECEIVABLES

The President or other designated individual(s) shall receive all mail and distribute it to the appropriate employees in a timely manner.

The President or other designated individual(s) shall record all checks received in a check log and shall record the date, payee, check number and amount of each check received.

The President or other designated individual(s) shall forward all incoming checks to the CFO or designee who shall record the receipt in the books of account, properly endorse the check, prepare a deposit slip and deposit the funds in the appropriate account. The CFO or designee shall make copies of all checks received and all deposit tickets. The CFO or designee shall give to the Vice President of Investment a copy of each check received in full or partial payment of any pledge or contribution.

The CFO or designee shall make the deposit into the appropriate bank account and attach the bank receipt to the copy of the deposit slip, unless a bank night depository is used. Bank receipts and deposit slips shall be filed chronologically by bank account.

The President, or their designee, shall periodically review the check log and compare it with bank receipts to determine that all incoming checks were deposited in a timely manner.

The CFO shall maintain NACHA ACH files reflecting the dates of payment of each borrower indebted to GFDA. The CFO shall notify the lending staff of each borrower, if any, failing to make his or her loan payment to GFDA by the first day of the current month. When a borrower's ACH fails to clear, the CFO and the lending staff shall coordinate attempts to secure payment.

The Vice President of Investment shall give copies of all written pledges to the CFO who shall record the pledge or contribution in the books of account in accordance with the terms of the promise to give.

The Vice President of Investment shall periodically, but not less than monthly, cause invoice-reminders to be printed and mailed for all pledges becoming due during the following thirty (30) day period. The CFO and the Vice President of Investment shall periodically, but not less than monthly, review the list of those investors who have failed to pay their pledge. The Vice President of Investment shall use reasonable methods available to obtain payment of all pledges.

The CFO shall periodically prepare and account for other invoices on an as-needed basis in the connection with grant management, project management, contract management and/or other operations.

The CFO shall prepare accounts receivable and accounts payable aging reports every month for review by the President.

ACCOUNTS PAYABLE

All purchases in excess of \$1,000 shall be approved in advance by the President or the Executive Vice President. The approval of purchases in excess of \$2,000 shall be in writing. All purchases in excess of \$10,000 shall be approved in advance by the Board or Executive Committee.

All out-of-state travel shall be approved in advance by the President or the Executive Vice President.

No purchases shall be approved that are not included within the budget unless approval has been received in writing from the Executive Committee.

The advance approval requirements are mandatory for all purchases whether on open account or by credit card.

All purchases or procurements shall be made in accordance with the Procurement Policy adopted by the Board.

The CFO or other designated individual shall distribute incoming invoices and/or vendor statements to the individual addressee. Incoming invoices and vendor statements addressed to GFDA shall be distributed to the CFO.

The individual responsible for the purchase or acquisition shall acknowledge receipt of the items purchased and shall record his or her approval of the price, terms and amount on each applicable invoice and shall also record thereon the appropriate accounting class and account number. Invoices containing the appropriate

information and the required approval(s) shall be forwarded to the Accountant.

The CFO shall review each invoice to verify the mathematical accuracy and overall reasonableness thereof, to verify that the purchase was properly approved in advance and to confirm that the accounting class and account number are appropriate.

The CFO shall enter each invoice in the books of account. The CFO shall cause checks to be prepared such that vendors are paid in a timely manner. The CFO shall attach the appropriate invoice(s) to each check and submit the check and invoice to an authorized officer for final approval of the invoice(s) and signature of the check. The signature of an authorized officer on the check constitutes approval of the disbursement. Checks in excess of \$5,000 shall require the signatures of two (2) authorized officers.

Signed checks and invoice copies shall be returned to the CFO who shall cause checks to be mailed to vendors. The CFO shall attach a copy of each check issued to the underlying invoice (and other documentation, if any) and shall cause the same to be filed alphabetically by vendor.

The CFO shall reconcile all vendor statements with the books of account and investigate and resolve discrepancies in a timely manner.

EXPENSE REPORTS

All out-of-state travel shall be approved in advance by the President or the Executive Vice President.

All reimbursable expense reports and credit card reports shall be submitted in accordance with the terms and conditions of the procedures pertaining to Travel Expenses, Expense Reimbursements and Credit Card Use, a copy of which is attached hereto as Exhibit A.

All employees shall submit reimbursable expense reports and credit card reports to the President for approval in a timely manner, at least on a monthly basis. The CFO shall review all such reports, verify the mathematical accuracy thereof, determine that all applicable items are supported by an invoice or receipt, verify that purchases were properly approved in advance, if required, and confirm that the accounting class and account number are appropriate.

The President's reports shall require the approval of the Chair or Treasurer of the Board.

Approved reports shall be returned to the CFO who shall enter such reports into the books of account and shall cause checks to be issued in payment in a timely manner. The CFO shall attach the appropriate expense report to each check and submit the check and report to an authorized officer for final approval of the report and signature of the check. The signature of an authorized officer constitutes approval of the report. Checks drawn in favor of the President shall be signed by the Chair and/or Treasurer of the Board.

COMPENSATION

Initial compensation of the President shall not exceed fair market compensation determined by an independent assessment of similar positions prior to Board approval of the hiring of the President. Any increase in salary of the President above cost of living increases will be based on the Board's assessment

of fair market compensation for similar positions and a performance evaluation of the President. The President shall serve under an employment contract which has been approved by the Board.

Compensation of all other employees shall be determined by the President based on assessment of fair market value for similar positions and performance of the employee within the parameters of the annual Board-approved budget.

Employee benefits shall comply with the Employment Handbook approved by the Board.

PAYROLL

Each employee shall submit a time sheet that may record the percentages of his or her time consumed by certain activities, programs and/or services.

All timesheets should be certified by employees, approved by the President or their designee and submitted within one working day of the end of each payroll period to the CFO for processing.

The CFO shall cause payroll to be processed and each employee to be paid on a semi-monthly basis. Employees shall be paid by direct deposit whenever possible.

The CFO shall not change the amount of compensation paid to any employee (except the President) without written direction from the President. The CFO shall change the amount of compensation paid to the President only upon written direction from the Chair of the Board. The President, or his designee, shall periodically review payroll records to determine that each employee has been paid in accordance with the terms of his or her employment.

Periodically, but not less than quarterly, the President and CFO shall review the activities of employees and reasonably determine and allocate the percentage of time consumed by each performing their various duties and responsibilities. On a monthly basis the CFO shall allocate actual payroll costs incurred, including payroll taxes and fringe benefits, to each program, activity, grant, project, class or other activity in accordance with such allocation and the time sheets of each employee.

EMPLOYEE RELOCATION EXPENSES

Reimbursement of relocation expenses for employees may be made provided that the move is for GFDA's benefit. The amount of the reimbursement shall be reasonable under the circumstances and shall not exceed the employee's actual (or reasonably estimated) expenses.

IN KIND CONTRIBUTIONS

In kind contributions shall be recorded and valued in accordance with generally accepted accounting principles. Gifts in kind that cannot be used internally or sold have no value and shall not be recorded as assets or contributions. The basis for determining the valuation for personal service, materials, equipment and other assets shall be determined by the Investment Committee or Executive Committee and documented by the CFO and Vice President of Investment. The fair value of goods and services benefiting and/or specifically identifiable to projects or programs shall be charged thereto. Volunteer services shall be documented and, to the extent possible, supported by time sheets or other documentation after review by the Investment Committee or Executive Committee.

ADMINISTRATIVE EXPENSE ALLOCATION

Periodically, but not less than quarterly, the CFO shall allocate on a basis of average full time equivalent employees all administrative expenses incurred during such period to each program, activity, project, class or other activity in accordance with the percentage of time consumed by all employees on

each such respective program, activity, project, class or other activity in relation to the amount of time consumed by all employees on all programs, activities, classes and other activities performed during such period. Administrative expenses allocated hereunder shall include all expenses not directly attributable to a particular program, activity, grant, project, class or other activity.

The allocation of administrative expenses may be made on a basis other than average full-time equivalent employees provided that the basis of allocation reasonably allocates expenses to the programs, activities, projects, classes and other activities benefiting thereby.

FIDELITY INSURANCE COVERAGE

As stated above, GFDA shall maintain an insurance policy(s) insuring for employee theft in an amount of coverage acceptable to the funding sources and the Executive Committee.

FINANCIAL REPORTS

The CFO shall prepare and present to the Executive Committee, a monthly financial report that may include unaudited financial statements including a balance sheet, statement of cash flows and a statement comparing the actual results of operations with the budget approved by the Executive Committee.

The CFO shall prepare and present to the Executive Committee other financial reports or analyses as directed.

The CFO shall prepare annual financial statements for audit by an independent public accounting firm retained by and for the Executive Committee. The CFO shall cooperate with said independent public accounting firm and shall coordinate activities with respect to the audit as required or necessary.

GRANTS AND CONTRACTS

The Project Manager for each grant or contract awarded to GFDA shall provide a copy of each grant and contract to the CFO. The Project Manager shall advise the CFO of required accounting, procurement and funding requirements and the CFO shall establish accounting structure and procedures to reasonably assure accounting compliance with the terms of each such grant or contract.

The Program Director or Project Manager and the CFO shall review all contract provisions pertaining to the draft of grant or contract funds. No funds shall ever be drawn or requested unless such draft or request is made in accordance with the terms and provisions of the applicable grant or contract. The time between the receipt of funds from the U. S. Treasury and the issuance of payment(s) for program purposes shall be minimized to the extent possible. In order to assure that such time is minimized, the CFO shall obtain the President's approval prior to the draft of federal funds.

Prior to incurring costs under any federal grant or contract the Program Director or Project Manager shall at all times adhere to the Procurement Policy adopted by the Board unless adherence thereto would violate specific terms or provisions of any such grant or contract. The Project Manager shall, whenever required, necessary or appropriate, publish Requests for Proposals within a geographic area or in such a manner that will be conducive to the competitive bidding process.

For each contract or procurement expected to cost:

- Less than or equal to \$10,000, the Project Manager shall confirm with the President the method of acquisition and/or the Request for Proposal prior to the issuance and publication thereof.

- More than \$10,000, the Project Manager or President or their designee shall confirm with the Executive Committee the method of acquisition and/or the Request for Proposal prior to the issuance and publication thereof.

Costs allocated to any federal grant must be:

- allowable;
- allocable to the award or grant;
- necessary and reasonable for proper and efficient performance and administration of the grant;
- treated consistently as a direct or indirect cost;
- determined in accordance with generally accepted accounting principles, except as otherwise stipulated;
- net of all applicable credits;
- not included as cost or used to meet the cost-sharing or matching requirements of another federal award, unless specifically permitted by federal law or regulation: adequately documented;
- authorized or not prohibited under state or local laws and regulations;
- in conformance with limits or exclusions on types or amounts of costs, as set forth in the applicable cost principles, federal laws, award terms and conditions, or other governing regulations; and,
- consistent with GFDA's policies and procedures that apply to both federal awards and GFDA's other activities.

The CFO and Program Director or Project Manager, shall be responsible for the timely filing of reports required under each grant and contract. The CFO shall prepare all accounting reports and forms with respect to each grant and contract upon request of the Director and/or Manager. The Project Manager will review and sign-off on the report before submission. All reports submitted to external parties shall be reviewed and approved by the Program or Project Manager, the Manager's supervisor, and the CFO. The Report Sign-off Form will be signed by all three.

Procedure for Drawing Funds and Advanced Payments

GFDA draws down federal funds approximately once a month unless the federal granting agency requires another way of accessing their funds. The draw down process is performed by the CFO. For federal grants and contracts, funds are drawn down on a reimbursement basis (i.e., federal funds are not drawn down until they have been spent). GFDA complies with federal provisions for minimizing the time elapsing between the drawdown of funds and disbursement by operating its federal grant awards on a reimbursement basis.

Prior to conducting the drawdown, a report is generated in excel to show a comparison of revenues to expenses to date for each federal grant. The CFO and Program Director or Project Manager will conduct an analysis of budget to actual expenses and a summary of funds drawn to date prior to drawing down funds. The analysis spreadsheet is organized by individual grant index, granting agency and the grand total of all federal grant funds to be drawn down.

Federal grant funds are received from each granting agency via wire transfer. The CFO is authorized to request payments from the Federal government for grant awards from the federal website. The Program Director or Project Manager prepares reimbursement requests/invoices and supporting documentation in accordance with the associated grant and contract requirements, ensuring that all expenses submitted for reimbursement are reasonable, allowable, allocable, and accurate. The CFO is copied on all invoices and payment requests and verifies that the requests and payments requests are accurate. Supporting documents are required for the draw of funds and for issuing payments. Supporting documentation for expenses include staff timesheets, receipts, and mileage and expense reimbursement forms with associated approvals.

After the drawdown request has been finalized, the completed analysis is used to allocate the funds when they arrive. The CFO creates a journal voucher based on the spreadsheet analysis sent by the Program Director or Project Manager. The journal voucher is approved by the CFO, to ensure that the amount loaded into each federal grant equals the requested draw down amount.

Should a time come where GFDA requires advance funding, GFDA will first communicate the need to the Project Officer and then follow all applicable steps to complete the process in accordance with the grant terms & conditions. Federal funds received in advance are required to be deposited in an interest-bearing account. The timing and amount of cash advances shall be as close as is administratively feasible to actual disbursements but **must** be expended within five (5) business days.

Subrecipient Monitoring

The President will assure that any subrecipients of grant funds from GFDA have in place and follow policies and procedures sufficient to comply with contract requirements and all applicable regulations.

Surplus Equipment

When equipment is deemed by the President to either be surplus to the needs of GFDA or unusable due to age or capacity, the President shall designate such equipment as surplus. Surplus equipment may be returned for rebate credit against the purchase of new equipment if such rebate is available. GFDA staff may bid on purchasing the equipment from GFDA with the minimum purchase price being equal to any rebate available. For computer equipment, the CFO will ensure that any GFDA and/or client confidential data is removed before return for rebate or sale. The CFO will adjust GFDA's depreciation to account for the return, sale or disposal of equipment that still has depreciable life.

OTHER APPLICABLE GFDA GOVERNING DOCUMENTS

Refer to other current GFDA governance documents and policies, including, but not limited to:

- Articles of Incorporation, as amended
- Bylaws
- Anti-Money Laundering Policy
- Conflict of Interest Statement
- Employment Handbook
- EPA Brownfields Fund Grant Policy
- Procurement Policy
- Record Retention policy

ATTACHMENTS

The following attachments are an integral part of this policy:

- Attachment A – Travel Expenses, Expense Reimbursements and Credit Card Use
- Attachment B – Small Business Development Center (SBDC) Program Income

EXHIBIT A

Great Falls Development Authority, Inc. (GFDA) Travel Expenses, Expense Reimbursements and Credit Card Use

TRAVEL EXPENSES

Great Falls Development Authority, Inc. (“GFDA”) intends to provide for the comfort and well-being of employees traveling on company business and to receive the best possible value for all business expenses. GFDA will pay reasonable business travel expenses. Employees are expected to incur expenses responsibly while traveling on GFDA business without experiencing any personal losses. Employees should incur business expenses with the same care and judgment they would use in incurring personal expenses.

All out-of-state travel must be approved in advance by the President or the Executive Vice President.

All air travel should be by economy or coach class whenever possible. There must be compelling extenuating reasons for air travel other than by economy or coach class and such air travel must be approved in advance by the President or the Executive Vice President.

Employees should choose the most reasonable ground transportation available, consistent with their travel schedule and business requirements.

Employees, except those employees who have a monthly auto allowance, may use his or her personal vehicle unless the use of a rental car would be more cost effective. If a personal vehicle is used the employee will be paid the Federal Standard Mileage Rate. A copy of insurance coverage for the personal vehicle shall be provided upon GFDA’s request.

Employees are encouraged to use hotel limousines and buses from airports to downtown areas if cab fare would be more expensive. Use of a cab or ride service is allowable only if necessitated by limitations of the business appointment, travel schedule or other reasonable causes.

Employees should avoid unnecessary or excessive use of rental cars. Employees should ensure that car rental is the most reasonable transportation available and that the style and size of the rental car are consistent with business requirements. As a general rule, economy cars should be utilized. Employees should always use a GFDA credit card for the payment of car rental charges. Employees should decline the car rental company’s collision damage waiver (CDW/LDW) option, or similar provision, if offered by the car rental company.

Employees should obtain itemized invoices/receipts for all hotel and motel charges. Charges in addition to the basic room charge must be justified and explained.

Reasonable valet and laundry expenses are permitted during extended travel periods (at least five days).

Employees should use discretion in incurring business expenses for meals. Detailed receipts are required for all meal charges.

Entertainment expenses should be incurred only in the normal course of GFDA's business. Entertainment expenses should be reasonable under the circumstances and should reflect good business practice and judgment. All entertainment expenses should be documented to include time, place, business purpose, names and business relationships of all individuals involved.

Alcohol use must be appropriate at all times. Driving while under the influence of alcohol is prohibited. With the exceptions of appropriate business entertainment and GFDA sponsored social events; employees may not consume or be under the influence of alcohol while at work or while representing GFDA.

If an employee is accompanied by a member of his or her family or an associate on a business trip, GFDA will pay the full room charge provided there are no additional charges for the family member or associate. All meals, air fare and other expenses must be itemized to include only those expenses reasonably incurred by GFDA's employee.

Charges for amusement, recreation, toiletries, personal items, gifts and any and all expenses deemed to exceed reasonable amounts are not, and shall not be, reimbursable.

EXPENSE REIMBURSEMENTS

Employees who have been issued a GFDA credit card should use said credit card for all business expenses incurred by him or her to the extent reasonably possible. Generally, employees who have been issued a GFDA credit card have been issued such card for their use while traveling on GFDA's business.

The purchase of all non-travel items such as office supplies, equipment, etc. should be coordinated through the Office Manager or other designated individual whenever possible.

Employees should not use GFDA's credit card for any personal expenses. In the event personal items are charged to the credit card, employees should prominently record the personal nature of the charge on the Credit Card Expense Sheet and remit the amount of the personal items along with the expense report. The failure to properly record the personal nature of charges made on GFDA's credit card is grounds for disciplinary action which may include termination of employment. Charging personal items to GFDA's credit card on more than one occasion is grounds for disciplinary action which may include termination of employment.

Each employee who has incurred out-of-pocket business expenses on behalf of GFDA shall prepare and submit a Reimbursable Expense Report on a monthly basis along with his or her time sheet. Employees who have been issued a GFDA credit card and who have incurred expenses during the period shall also prepare and submit a Credit Card Expense Sheet on a monthly basis along with his or her time sheet. Every reimbursable or credit card expense must have a detailed receipt, outlining the specifics of the charges, attached to the particular report.

Each Reimbursable Expense Report and Credit Card Expense Sheet (collectively referred to as "Expense Reports") shall contain itemized descriptions of all costs incurred on behalf of GFDA. Detailed receipts must be attached to each Expense Report for all expenditures, with the exception of mass transit systems where receipts are generally not made available.

Employees should record the accounting class and account number, if known, for each expense itemized on an Expense Report.

Employees shall sign each Expense Report to certify the accuracy and GFDA business nature of each such report. The President or Executive Vice President shall review and approve each Expense Report.

Exhibit B

Great Falls Development Authority, Inc. (GFDA) Small Business Development Center (SBDC) Program Income

Small Business Development Center (SBDC) Program Income, as defined by CFR Title 13: Business Credit and Assistance Part 130 – Small Business Development Centers, will be managed, accounted for and utilized in accordance with applicable federal and state regulations, specifically CFR 130.480 Program Income.

Program income shall be subject to OMB requirements (see OMB Circular 2 CFR 200). Program Income, including any interest earned on Program Income, must be used to expand the quantity or quality of services, resources or outreach provided by the SBDC network. It cannot be used to satisfy the requirements for Matching Funds. The SBDC Director and the President or Executive Vice President shall monitor the use of Program Income and authorize by signature all uses of Program Income funds. Any unused Program Income will be carried over to a subsequent budget period.

Program Income must be accounted for separately from the SBDC budget. Program Income pays for direct costs and not overhead or indirect costs that are allocated for facilities and administrative costs. The beginning or ending year balance for Program Income shall be noted in annual financial statements.

The SBDC Director will report in detail on standard SBA forms receipts and expenditures of Program Income, including any income received through cosponsored activities. A narrative description of how Program Income was used to accomplish program objectives shall be included. Monthly Program Income Reports will be filed with the SBDC Lead Center using SBDC Lead Center's Program Income Report form. All receipts for Program Income revenue and expenditures must be attached to the monthly report form.