

# WESTERN FRIEND BOARD POLICIES AND PROCEDURES

Approved April 29, 2022

These are the policies and procedures for the governance of the board of Friends Bulletin Corporation, the publisher of *Western Friend* magazine. They have been written and amended under the guidance of the Spirit, according to the right order of Friends. It is expected that this document will be updated periodically at the Board's discretion in order to incorporate minutes reflecting policy and/or procedure since the document's last revision.

## MISSION STATEMENT

The mission of Friends Bulletin Corporation is to build practical and spiritual connections among Friends in the West in print, online and face-to-face.

## SUMMARY OF BOARD FUNCTION

1. The board is responsible for discerning and upholding the mission of the corporation.
2. The board is a governance board, not an editorial board.
3. The board holds ultimate fiscal responsibility for the corporation.
4. The board is responsible for hiring, supporting, evaluating, and, if necessary, firing the executive director/editor.
5. The board approves the hiring of outside contractor positions as needed to accomplish identified goals.
6. The board is committed to seek and/or provide training opportunities as necessary for the effective functioning of the directors and staff.

## CORPORATION MANAGEMENT

### REGISTERED AGENT

The corporation was incorporated in Oregon on September 8, 1994. The registered agents shall be members of the Religious Society of Friends. The current agents are Jay Thatcher, of Corvallis, Oregon, and Mary Klein of Palo Alto, California. The agents may be changed as needed by consent of the board of directors.

### INSURANCE

The corporation maintains the following insurance coverage:

1. Nonprofit Management Liability Insurance
  - a. Directors, Officers and Organization Liability (\$1,000,000)
2. Workers' compensation

The executive director/editor is the custodian of the Workers' Compensation Kit provided by

the carrier, and shall, when necessary, complete the Employer's First Report of Injury for the signature of the current clerk and shall provide the injured employee with the Employee's First Report of Injury form as provided by statute.

3. Health insurance for salaried staff
4. Spectrum Policy Business Liability Coverage
  - a. Individual Occurrence Liability (\$1,000,000)
  - b. General Aggregate Liability (\$2,000,000)
  - c. Products/Operations Aggregate Liability (\$2,000,000)
  - d. Personal and Advertising Injury Liability (\$1,000,000)

## **FINANCIAL POLICIES**

1. Financial Philosophy: Four principles govern WF philosophy on investing savings. These principles are similar to the philosophy of the Friends Fiduciary Corporation:

- A. Investing funds to avoid losses due to inflation by assuring modest growth yet minimizing risk through diversification,
- B. Meeting donors' expectations that WF spends money to enhance the range of services to Quakers, rather than saving excessively large funds beyond expected expenditures and the needed Reserves, as outlined in the WF Reserve Fund Policy,
- C. Not making money at the expense of others; that is, avoiding financial instruments that make money on the financial loss of others, and
- D. Serving as a steward of funds that we have not yet spent while observing Quaker values that prioritize care for the Earth, respect for human equity and dignity, and defense of truth.

2. Budget-Building: Western Friend follows an approach to budget-building that is typically geared toward producing a balanced profit-and-loss statement at the end of each fiscal year. However, when circumstances require us to plan for an excess or shortfall in income in a given year, such plans will be made in light of the recommended purposes for and constraints on our Reserve Fund.

3. Editor's salary: The Western Friend (WF) board has the goal of maintaining the Editor's salary at a level that is competitive with editors' salaries in the western U.S. This target salary goal will be based on data provided by current, official surveys of the Bureau of Labor Statistics for the job category of "Editor" (for example: <https://www.bls.gov/oes/2018/may/oes273041.htm>). Our specific target will be based on the average of the median salaries for an "Editor" in the top seven Western states ("top" by editor salaries) from the three yearly meetings represented by Western Friend. This salary figure does not include health care and retirement.

4. Reserve Fund Policy: The purpose of a Reserve Fund is the set-aside of funds to meet unexpected expenses and maintain continuous operation of Western Friend magazine, website and other services.

- A. A sum equal to six months essential operating expenses will be located in the Friends' Fiduciary Account (FFA) and is called the WF Reserve Fund. The Reserve Fund is defined as a set-aside and is managed according to points "d" through "f" below and according to the "Investment Guidelines" attached below as APPENDIX A.

B. "Essential Operating Expenses" are defined as the annual budget minus portions of new special projects and Board meeting expenses. The amount residing in the Reserve Fund will be determined by the Finance Committee each year at the time of the approval of next fiscal year's budget.

C. The Reserve Fund is for emergency use only and will not be drawn down for expenses incurred during new non-essential programs. Examples of emergencies may include loss of a Yearly Meeting subsidy, expenses during legal proceedings, temporary incapacitation of the Editor/Executive Director, or other unanticipated emergencies.

D. Reserve funds may also be drawn upon to meet one-time non-recurring expenses that build organizational capacity, upon approval of the Board.

E. Drawing money from the Reserve Fund must be approved by the Board of Directors, according to the amount recommended by the Finance Committee.

F. Money drawn from the Reserve Fund should be replaced within 12 months of withdrawal, through the efforts of special fund-raising.

G. Any dollars in the FFA above the level of the Reserve Fund may be used for operating expenses, and moved into and out of the FFA, at the discretion of the Editor/Executive Director.

G. Western Friend's practice is to keep a sufficient amount of cash-on-hand, beyond the Reserve Fund, to cover two magazine cycles' worth of expenses.

5. Day-to-Day Financial Transactions: All regular payments, deposits, and fund transfers will follow generally accepted accounting practices. Current practices will be recorded in the document, "Current Daily Financial Practices of Friends Bulletin Corporation," included below as APPENDIX B.

6. Bookkeeping: Western Friend contracts with a professional service to perform bookkeeping and payroll services. In 2021, that service is: The Bookkeeping Collaborative, 1002 SE 50th Avenue, Portland, OR 97215.

## **WEB**

1. The corporation maintains a presence on the World Wide Web that includes a website and participation in appropriate social networks. The website is regularly updated by the executive director/editor or under the direction of the director/editor.
2. Domain names, email addresses, web application profiles, and related accounts may be acquired and maintained as appropriate, and are the property of the corporation.

## **DETAILS OF BOARD FUNCTION**

### **DIRECTORS' RESPONSIBILITIES**

1. Attend all six meetings each year: three face to face meetings and three remote meetings.
2. Read each issue of *Western Friend*, and maintain familiarity with other programs of the organization.

3. Make a personal financial contribution to the organization and participate in fundraising activities.
4. Bring energy and commitment to serve on board committees and/or as an officer.
5. Be familiar with the Policies and Procedures and other documents that are maintained on the board member section of the website.
6. Participate in an annual board self-evaluation.
7. Work with the executive director/editor and other directors from their own yearly meetings to maintain regular contact with the meetings and worships groups in their YM to:
  - a. inform Friends about the vision, goals and accomplishments of Western Friend
  - b. share information about the magazine, online resources and special projects
  - c. encourage subscriptions, clarifying subscription pricing as needed
  - d. encourage contributions
  - e. thank Friends for their subscriptions and contributions
  - f. seek feedback on recent issues
  - g. seek Friends' suggestions and story ideas for future publications
  - h. contact Meeting liaisons to support and encourage group subscriptions. This is typically done in August/September.
8. Represent Western Friend at regional and yearly meeting gatherings as feasible or needed.
9. Communicate with the nominating committee of their yearly meeting about the needs of the board and suggestions for appointments.
10. Provide the executive director/editor with a short biographical sketch of their background, skills, interests, and abilities for posting on the public website.
11. Maintain appropriate confidentiality regarding personnel matters.
12. Avoid the reality and appearance of any conflict of interest in their service as a member of the board.
13. Submit written receipts for all in-kind contributions (such as food purchased for in person board meetings or outreach travel) to the executive director/editor so that accurate costs can be estimated.
14. Submit travel reimbursement requests to one's own yearly meeting; contact the yearly meeting's current treasurer for policies and reimbursement forms.
15. Perform other tasks as needed for the effective management and development of the corporation and its programs.
16. Provide a copy of any letters, emails or reports written on behalf of the corporation to the executive director/editor for the permanent records file.

## **BOARD MEETINGS**

1. The board holds three regularly scheduled face-to-face meetings a year: one in the fall, one in the winter and one in the spring (annual meeting of the corporation).
2. The calendar of board meeting activities shall include the following recurring items:
  - a. Fall: budget, executive director/editor's work plan, board work plan;
  - b. Winter: executive director/editor's performance appraisal (including an executive session)
  - c. Spring: board self-evaluation, report to yearly meetings, selection of officers, review of this "Policies and Procedures" document.

Three remote meetings are held each year in between the face-to-face meetings. These happen approximately one month before each of the three face-to-face meetings, typically in December, April, and August. Additional “called meetings” may be held at times and places determined by the board of directors.

3. Directors take turns hosting board meetings. Dates and location of each meeting are ideally set two meetings in advance.
4. Except in the event of a board retreat or other special activity, face-to-face meetings are usually held from Friday afternoon through Sunday afternoon.
5. The executive director/editor attends regular and called meetings of the board and is encouraged to voice his or her views, but is not included when determining whether there is unity among the directors.
6. Upon the request of at least two directors, the board may go into executive session by excluding any employee or member of the public, when sensitive and confidential personnel matters will be discussed.
7. When the board’s decision on an item is required before the next scheduled meeting, at the discretion of the clerk it may be made by conference call or by polling the directors by email. Any decision so made will be recorded at the next board meeting. In the case of board decisions by email:
  - a. Once a discussion is opened, all comments should be sent to all directors and the executive director/editor.
  - b. The subject line should include “WF” and additional information to make clear what the topic is and that it is urgent.
  - c. The clerk will contact directors who do not participate in the email discussion to solicit their input.
  - d. The clerk will ask for agreement on his or her sense of the board. If all members of the board agree, the clerk will announce agreement, notify the directors, and take such action as is consistent with the decision.

## **BOARD ORGANIZATION**

### **OFFICERS**

1. The statutory officers are president (clerk), secretary (recording clerk), and treasurer.
2. The officers are chosen by the board at the spring meeting, with the preference for one officer from each yearly meeting.
3. Officers’ terms are for one year and commence at the rise of the spring meeting.
4. There is no limitation on the number of terms an officer may serve. It is preferred when possible that the clerk not be someone in the last intended year of his or her current board service.

### **CLERK**

The clerk sets the agenda and presides at all scheduled and called meetings of the board. The clerk, in the manner of Friends, oversees the corporation and the good order of its business. The clerk also:

1. Coordinates the annual evaluation of the executive director/editor. This task may be delegated to the Governance Committee at the request of the clerk.
2. Coordinates the annual self-evaluation of the board. This task may be delegated to the Governance Committee at the request of the clerk.
3. Provides appropriate and timely notice of regular and specially called board meetings, including the annual meeting in the spring (see Bylaws §3.3.1).
4. Serves as an ex-officio member of the Finance Committee.
5. Ensures that new directors are welcomed and oriented to the board.

The board may also appoint an associate clerk to fulfill such duties as the clerk may delegate.

### **RECORDING CLERK**

The recording clerk:

1. Makes faithful, concise and accurate records of the minutes of all scheduled and called meetings of the board.
2. Sees that copies of the following are maintained on the corporation's website for access by board members and, as appropriate, the public:
  - a. Articles of Incorporation
  - b. Bylaws
  - c. Policies and Procedures
  - d. Contact information of current directors, the executive director/editor, outside contractors, and insurance providers
  - e. Two most recent annual reports to yearly meetings
  - f. Two most recent annual financial statements
  - g. Two most recent budgets
  - h. Two most recent executive director/editor's work plans
  - i. Two years of board minutes
  - j. Pertinent board reports

### **TREASURER**

The treasurer:

1. Oversees the corporation's assets.
2. Works with the executive director/editor and bookkeeper to maintain the chart of accounts for the corporation.
3. May clerk finance committee meeting or arrange with the other full committee member(s) to perform that task.
4. Reports regularly to the executive director/editor and the board.
5. Presents a current financial report at each regular meeting of the board.
6. Works with the executive director/editor to produce a projection for income and expenses through the end of the current fiscal year as part of the financial report to the board at the spring meeting.

7. Works with the executive director/editor and Finance Committee to prepare a proposed budget annually for the board's approval at the fall meeting.
8. Reviews contracts requiring the corporation's assent before such assent is sought.
9. Receives quarterly statements from Friends Fiduciary Corp and is familiar with their investment philosophy and practice.
10. Works with the bookkeeper to reconcile invoices and payments from operating-fund accounts (e.g., bank, credit union, online payment-processing accounts like PayPal) with regular account statements from these institutions, and follows up with the bookkeeper regarding any questions.

## **FINANCIAL RESPONSIBILITIES**

The treasurer and executive director/editor are authorized as signers on all bank and investment accounts, including the Friends Fiduciary account. Checks greater than \$100 that are payable to the executive director/editor must be signed by the treasurer. The treasurer may authorize the bookkeeper to issue payroll checks via a payroll service.

1. The corporation's fiscal year runs from October 1 to September 30.
2. The corporation's books are maintained on an accrual basis.
3. It is the policy of the corporation to have a CPA or other qualified professional conduct a Formal Five-Year Review of the corporation's financial standing according to a set of agreed-upon procedures every five years and/or during years of transition to a new editor/executive director. Moreover, an Informal Two-Year Review will be performed at least every other year. These reviews are described in more detail below in APPENDIX C.
4. It is the policy of the corporation to offer salaried staff an annual increase in salary commensurate with the local cost of living when permitted by the financial health of the organization.

## **COMMITTEES AND WORKING GROUPS**

The board has the following standing committees:

### **1. Finance**

Typically comprising at least three board members, including the clerk of the board and the treasurer, its duties include:

- a. Meeting monthly by conference call to review financial statements from the bookkeeper and to advise the executive director/editor on financial questions.
- b. Preparing a proposed annual budget for the board's consideration.
- c. Making recommendations on financial policies.
- d. Coordinating Formal Five-Year Reviews and Informal Two-Year Reviews.
- e. Reviewing periodically the long-term viability of the corporation's business model. (Budget modeling includes the next five years.)
- f. Reviewing the annual subsidies from the yearly meetings and periodically requesting increases.
- g. Circulating a summary of committee meetings to all directors and the executive director/editor as needed.

### **2. Governance**

Typically comprising three board members, its duties include:

- a. Assisting the board in formulating and implementing appropriate and necessary personnel policies.
- b. Reviewing the executive director/editor's compensation and making recommendations to the board as to periodic adjustments.
- c. Supporting the executive director/editor with the timely completion of tasks outlined in the work plan, providing guidance when requested to assist with prioritizing tasks, and monitoring the work load and suggesting specific tasks for board directors or volunteers.  
(In addition to regular committee meetings, the clerk of the committee shall check in with the executive director/editor more frequently, particularly during stressful or busier times.)
- d. Setting expectations for professional development of staff.
- e. Reviewing and making recommendations for refining or changing the performance evaluation process.
- f. Conducting a periodic review and revision of this Policies and Procedures document.
- g. Conducting an exit interview with any outgoing salaried staff (see sample questions in APPENDIX D below).

### **3. Development and Outreach Committee**

Typically comprising at least three board members, its duties include offering guidance to the Board:

Development:

- a) Working with the editor to plan and support the organization's fundraising activities.
- b) Coordinating with Finance committee to identify fundraising financial targets.
- c) Working with the editor to create long term plans for development of the Western Friend project, including magazine, website, outreach programs, staffing, and finances.

Outreach:

- a. Cultivating relations with monthly and yearly meetings including developing relations with liaisons, encouraging subscriptions and donations, and supporting use of and contribution to the magazine and website.
- b. Developing and implementing additional outreach ideas (e.g. on line forums)
- c. Initiating and facilitating the discussion of the purpose and goals of Western Friend's presence on social media.

### **4. Nominating Committee**

The current officers of the board shall serve as the Nominating Committee.

### **5. Ad Hoc Committees**

As needed, the board may name various working groups or ad hoc committees consisting of its members and others. Examples of these in the past have included subscriptions and web working

groups.

The board expects committees and working groups to meet by conference call regularly, even if briefly, to promote progress and continuity.

### **EXECUTIVE DIRECTOR/EDITOR**

1. The executive director/editor of *Western Friend* is an employee of Friends Bulletin Corporation.
2. The executive director/editor serves ex-officio on all committees.
3. The responsibilities of the executive director/editor are outlined in the approved job description, which is incorporated here by reference and attached below as APPENDIX D. Additional guidelines include the following:
  - a. Refer yearly meeting nominating committees to the yearly meetings' board representatives for ideas regarding board nominations so as to avoid even the appearance of impropriety.
  - b. Provide supporting documentation for reimbursements.
  - c. Maintain two hard copies of pertinent corporation records in fireproof boxes at two different physical addresses, including but not limited to: Articles of Incorporation; Bylaws; the present policies and procedures document, personnel policies and an archive of board meeting minutes including attachments. An inventory of currently held documents is attached as APPENDIX F, below.
4. Separate from the executive director/editor's employment compensation, office space and equipment may be leased from the executive director/editor upon fair terms

### **BOARD TASKS AND RELATIONSHIPS**

#### **FUNDRAISING**

The corporation's fundraising program includes the following:

- Fundraising appeals to all current and former donors and subscribers in the spring and fall.
- Periodic additional fundraising efforts as needed.
- Timely thank you letters from the executive director/editor, as well as thank you letters and/or phone calls from the board.

Directors shall receive copies of all fundraising appeals.

#### **YEARLY MEETINGS**

1. *Western Friend* links Intermountain, North Pacific, and Pacific Yearly Meetings through print and online communications.
2. The corporation accepts financial support from these yearly meetings as a way of maintaining the closeness of its relationship to them by publishing the magazine as their official publication.
3. Friends from the yearly meetings provide a substantial resource for the literary and artistic contributions to the magazine.
4. Yearly meetings reimburse their own representatives for travel expenses.

5. Each yearly meeting names three directors to staggered three-year terms.
6. The board submits an annual report of activities, accomplishments and finances to the yearly meetings in time for their summer annual sessions.

#### **EDITORIAL CONTENT**

1. Content choice for the magazine and other publications is guided by the mission statement.
2. The corporation is not a news organization, but it has some sense of a duty to report on the activities of the three yearly meetings.
3. The executive director/editor is authorized and instructed to use his/her judgment in deciding which articles to publish in the magazine.
4. The board is a governance board, not an editorial board, but is available for consultation at the executive director/editor's initiative.
5. Priority of accepting articles is given to constituents of the three yearly meetings. However, when properly framed by the executive director/editor and related to the mission, a Friend from outside the constituency may be published.
6. Coverage of other Quaker organizations is not considered advertising, but the executive director/editor may work with these organizations as potential advertisers.
7. Articles by non-Friends may be considered for publication. If accepted, the executive director/editor may want to include accompanying text noting the reasons for inclusion and the author's affiliation.
8. The executive director/editor should be careful of the reputation of others and will avoid publishing any statement that could be interpreted as defaming any individual.
9. *Western Friend* does not publish anonymous material.
10. Advertising may include solicitation of beneficiary legacies for the corporation.
11. *Western Friend* does not pay for articles or artwork except with the approval of the board.

#### **ANNUAL EDITOR'S PERFORMANCE EVALUATION**

The executive director/editor's annual performance evaluation will be conducted in spirit of worship with the following formal processes:

1. After the fall meeting, but no later than December 1, the clerk of the board or designated board member named as the evaluation coordinator provides the executive director/editor with the approved Performance Appraisal Report form (APPENDIX E, below).
2. By a mutually agreeable date, but no later than January 1, the executive director/editor fills out the self-evaluation portions of the form and returns it to the evaluation coordinator.
3. The evaluation coordinator provides the board a copy of the form as completed to date, soliciting confidential but not anonymous feedback from all directors. Those evaluations are to be returned to the evaluation coordinator by a convenient date, but no later than two weeks prior to the winter board meeting.
4. The evaluation coordinator compiles all comments received, preparing a draft summary of these comments.
5. The evaluation coordinator circulates the draft summary to all directors for discussion at the winter

board meeting.

6. At the winter meeting, the board and executive director/editor discuss the evaluation and the board comments. After the board convenes in executive session, any comments of the executive director/editor and/or the board will be recorded in a final summary and then approved by the board. The clerk and executive director/editor will sign and date the form, making it a permanent part of the executive director/editor's personnel file.

### **BOARD SELF-EVALUATION**

The board will conduct an annual self-evaluation using the following process:

1. At least one month prior to the spring meeting, the clerk of the board requests input from all directors and the executive director/editor about the current operation of the board.
2. The clerk (or designated director) collects the input and compiles it into a written report.
3. At the spring meeting, the board reviews the report and seeks to identify concrete ways it can improve its effectiveness.

### **BOARD OUTREACH TRAVEL**

This policy governs reimbursement from funds budgeted for board outreach travel.

1. The purposes of these funds are to encourage board engagement by removing barriers to travel in the ministry of the corporation regardless of a board member's personal financial situation and to relieve the executive director/editor of the entire burden of doing outreach on behalf of the organization.
2. Members of the board, members of standing and ad hoc committees of the board, former board members, and volunteers who, in the judgment of the executive director/editor, are sufficiently well-acquainted with the corporation to represent its mission and current activities to outside groups are eligible to have expenses reimbursed from these funds. Eligible expenses include transportation, registration, lodging, meals, and other incidental costs associated with outreach activities as a recognized representative of the corporation. (Note that expenses for outreach travel by salaried employees of the corporation are reimbursed from funds budgeted for staff travel.)
3. Expenditures from these funds require approval of the executive director/editor. Please obtain advance approval from the executive director/editor before expending any funds. To receive reimbursement, submit receipts or other documentation to the executive director/editor within 60 days of the expense.
4. When appropriate, individuals are expected to request support first from their monthly meeting and, for board members, from their yearly meeting. Individuals who are able to afford to pay some or all of their expenses out of pocket are encouraged to do so. Please notify the executive director/editor of the amount of any in-kind donation. The executive director/editor will report the total amount of any in-kind donations in the current fiscal year to the board when the draft budget is presented for the next fiscal year (typically at the fall board meeting).

### **DISTRIBUTION**

Board

Executive director/editor

Yearly meeting nominating committees

## APPENDIX A:

### Investment Guidelines

Policy for the Management of the Friends Fiduciary investment accounts.

1. WF dollars invested with Friends Fiduciary Corp (FFC) include the 'set-aside' dollars for emergency use (as defined in the WF Reserve Fund policy approved Sep 18, 2020) and dollars not in the Reserve Fund. The non-Reserve dollars are available for use as operating expenses, for withdrawal as outlined below in #5.
2. WF apportions its investments in FFC among various FFC funds so as to maintain a 1:2 ratio between safe, fixed-income investments (primarily bonds) on the one hand and investments offering enough growth to modestly keep ahead of inflation on the other. Additionally, all investments are made with the intent of upholding Quaker values. In 2021, for example, WF investments were allocated among three FFC funds: about 33% were invested in FFC's Short-Term Investment Fund and about 66% were invested in FFC's Quaker Growth and Income Fund (33%) and FFC's Quaker Green Impact Fund (33%). This 33% to 66% ratio may vary by 10% at any given time.
3. Deposits to the WF accounts in FFC is done at the discretion of the primary authorized person (Editor/Exec Director) according to the guidelines in #2 above. If the FFC creates a new Fund in the future, the guidelines should be reviewed by the Finance Committee before dollars are deposited in that fund.
4. Withdrawals from the WF accounts are done at the discretion of the primary authorized person and the secondary authorized person (the Treasurer) according to FFC policy as indicated on the withdrawal form (last update June, 2020). As with deposits, withdrawal requests should indicate whether the dollars will be withdrawn proportionally (1:1:1) from the three Funds, or whether a different proportion is requested. Withdrawals that deplete the WF Reserve Fund dollars are governed by the guidelines in Section 5 or the WF Reserve Fund Policy (Sep 18, 2020.)
5. Balances in funds invested with Friends Fiduciary will fluctuate with market conditions. The mix of Friends Fiduciary funds selected for Western Friends' investments are designed to minimize volatility while providing an overall return above the inflation rate. In addition, these investments promote Quaker values on measures of environmental stewardship, sustainability, sound corporate governance, and social justice. They avoid speculative investments and those that profit from the losses of others (zero-sum games, such as options investing).

## APPENDIX B:

### Current Daily Financial Practices of Friends Bulletin Corporation (8/1/2021)

#### Procedures for Handling Various Forms of Income

##### 1. Checks

- a. Pick up mail from post office box 2-6 times a month, depending on volume of mail flow that month
- b. Process checks and deposit checks 1-2 times a month, depending on volume
  - i. Record each check amount either in
    1. Subscriber/donor database, or
    2. Invoices database
  - ii. Record each check amount in a deposit spreadsheet, indicating income category(ies) each amount will be booked to
    1. Attach photocopies of all checks to the deposit spreadsheet
    2. Attach to this spreadsheet also the credit union's receipt for the deposit after it has been made
    3. This bundle of documentation is filed in a "Transactions History Folder" for the appropriate month
- c. Monthly, record each check amount in the monthly Transactions Report that goes to the bookkeeper; this includes precise notations of which account each portion of each check is allotted to

##### 2. Cash

- a. Income in the form of cash is processed according to the same procedures as income in the form of checks

##### 3. PayPal

- a. Process incoming payments on an ongoing basis
  - i. Record each amount received either in
  - ii. Subscriber/donor database, or
  - iii. Invoices database
- b. Monthly, record each PayPal payment received in the monthly Transactions Report that goes to the bookkeeper; this includes precise notations of which account each portion of each payment is allotted to, including the bite out of each payment that goes to PayPal

##### 4. Miscellaneous

- a. Rarely, Western Friend receives income through other payment vehicles, like stock transfers or direct bank-to-bank deposits. In such cases, Western Friend follows procedures which are similar to those used for payments by check.

#### Procedures for Making Payments

##### b. Checks

- i. Invoices are paid on an on-going basis; typically, within two weeks of receiving each invoice
- ii. The purpose of each check payment is recorded on the memo line of each check, usually including the invoice number of the invoice

- iii. The check's recipient, check amount, and memo line info is noted in the physical check register
  - iv. Each check is photocopied along with its relevant invoice, and a second fully visible copy of the invoice is also saved if needed, and these are stapled into a bundle along with any supporting documentation that explains the purpose of the payment
  - v. This bundle of documents, which gives the history behind a check, is then filed in the "Transactions History Folder" for the appropriate month
  - vi. Monthly, each payment amount is recorded in the monthly Transactions Report that goes to the bookkeeper; this includes precise notations of which account each portion of each check is allotted to
- c. Checks to the Editor
- i. All procedures described above for other checks apply to checks to the Editor. Additionally:
  - ii. The "packet" of documents that shows the history of each check includes an invoice from the Editor, along with supporting documents like receipts
  - iii. An unsigned check is mailed to the Treasurer along with the invoice
  - iv. The Treasurer signs the check and mails it back to the Editor
  - v. NOTE: Rarely, the process described above has been unduly difficult to follow at particular points in time, usually due to travel of the Editor and/or Treasurer near the end of a strategic accounting period. In such cases, the Editor has actually signed checks made out to the Editor, but that has only been done after an explicit email exchange between the Editor and the Treasurer, in which the Treasurer has given explicit permission to the Editor to sign the check in question, and in which the correspondence clearly communicates the amount and background documentation for such a check. Hard copies of that correspondence are included in the bundle of documents that records each check's payment history.
- d. PayPal Payments
- i. For individual payments, hard copies of the emailed PayPal receipt and the receipt emailed by the payment recipient are stapled into a bundle for each payment and filed in the "Transactions History Folder" for the appropriate month
  - ii. For automatically recurring payments, such bundles might not be produced; however, each month's receipts of recurring payments are recorded in the Transactions Record.
  - iii. Monthly, each PayPal payment amount is recorded in the monthly Transactions Report that goes to the bookkeeper; this includes precise notations of which account each portion of each payment is allotted to.
- e. Payments via "Accounts"
- i. Western Friend pays in advance for some services, typically on a monthly basis, and replenishes those accounts with an eye toward keeping enough funds in each account to cover approximately two months' worth of charges. These accounts include:
    - 1. Portland Postmaster (either about \$450 or \$900 in account; with a \$450 withdrawal made every other month)

2. Digital Ocean - web server (about \$50 - \$125 in account)
  3. Name Cheap - registration of website domain (about \$75 in account)
  4. Other as needed
- ii. Payments to replenish these accounts are made by check or by PayPal and treated as expenses; these payments are documented the same way that other checks and PayPal payments are documented.

#### Procedures for Moving Money Between Accounts

- f. The board typically approves a minute that directs the Editor to move funds and the Editor does so as soon as possible. Such instances of this have included:
  - i. Closing of account with Beneficial Bank, and moving part of those funds to Friends Fiduciary and part to Stanford Federal Credit union
  - ii. Transfers of funds between bank / credit union account(s) and Friends Fiduciary
    1. Friends Fiduciary requires approvals from two authorized account holders to initiate transfers of funds out of Friends Fiduciary.
- g. Transfers of excess fund balances out of our PayPal account and into our credit union account; these are initiated at the Editor's discretion.

## **APPENDIX C:**

### **Periodic Financial Reviews**

1. Every five years and/or during years of transition to a new editor/executive director, a thorough financial review will be conducted by a person or persons with CPA or similar experience. This will be known as a “Formal Five-Year Review.” In addition to reviewing financial procedures and policies, the review will examine financial documents obtained directly from the bank, credit union, and any appropriate financial institution. More specifically, this review will consider:

#### **Elements of a Formal Five-Year Review**

- a) Board Policies, including those concerning the roles of Treasurer, Finance Committee, and Executive Director; those concerning investments; and those concerning reserve funds
- b) Board Procedures, including those concerning Executive Director’s processing of deposits and payments through various accounts (checking, PayPal, etc.); reimbursements to the Executive Director; financial record-keeping; and transfers of funds between accounts
- c) Financial Records, including selected monthly bank statements, PayPal Statements, and reconciliations of those statements with related QuickBooks financial statements; selected quarterly Friends Fiduciary statements and reconciliations with related QuickBooks financial statements; selected annual budgets and board approvals of those budgets; QuickBooks payroll summaries as compared with amounts approved in the relevant budgets; filing of 1099s; spot-check of approximately ten expense items through a review of back-up documentation for those expenses; consistency between the organization’s overall financial standing for the fiscal year and its overall operations in that year; and consistency between the QuickBooks financial summary for a given fiscal year and the year’s Annual Report released to the public

2. An informal internal financial review will be performed at least every other year. This will be known as an “Informal Two-Year Review.” This review will compare income and expense records with bank and investment account records in the previous fiscal year, using the following checklist:

#### **Checklist for Informal Two-Year Review of Financial Records and Procedures**

- a) The purpose of this periodic review is to provide the Western Friend board with an informal internal examination of all income and expenses, as well as the bank investment accounts held in the name of Friends Bulletin Corporation, dba Western Friend. This review is to cover the previous fiscal year(s) prior to the examination. A written report will be presented to the Western Friend Finance Committee. Any discrepancies or problems will be noted, along with recommendations for changes or improvements. A review will be conducted at least every two years.
- b) The financial review team will consist of two Friends from the Western Region with at least some experience with financial management and bookkeeping practices. If possible, this team will comprise one Friend from outside the board and one Friend from within the board. It will be appointed by the Western Friend board clerk.
- c) The review team will meet with the clerk of the Board, the Editor/Executive Director, and the Treasurer to review written and oral procedures and financial documents including but not

limited to:

- Current version of the Financial Procedures, including division of duties among the Treasurer, assistant Treasurer, bookkeeper and finance committee.
- Written procedures for handling cash, checks and PayPal payments (collection, deposit, and record keeping) received from individuals and meetings.
- Written procedures for writing checks and transferring money between accounts
- Monthly and quarterly reports
- Random selection of at least 3 checks and invoices or reimbursement requests for amounts over \$100.00. (Match invoices or reimbursement requests with checks; verify: timeliness of payments, authorization, receipts and other documentation.) These checks can be reviewed from the monthly bank statements and/or from the electronic records from the bank.
- One or more bank statements and reconciliations.
- The timely filing and accurate payment of all payroll taxes (Form 941, quarterly reports, state and federal taxes)
- Bank signature cards
- Filing system for financial records

The reviewing team should prepare a written report of the informal review using the following template:

To: Western Friend Finance Committee
Subject: Report Periodic Review of Finances for the period: _____
Date: _____
Names of Reviewers: _____
_____
On mm/dd/yy, the we met with the Editor/Executive Director and _____
to examine the financial records and accounting procedures of the Friends Bulletin Corporation, dba Western Friend.
We examined the following:
We noted the following exceptions:
We have the following recommendations:
In Summary:
Signed: _____

## APPENDIX D:

### Job Description for WESTERN FRIEND EDITOR / EXECUTIVE DIRECTOR

The mission of the Friends Bulletin Corporation, dba Western Friend, is to build practical and spiritual connections among western Friends in print, online and face-to-face. The executive director is a full-time employee. S/he serves as editor and publisher of *Western Friend* magazine—the official publication of Pacific, North Pacific and Intermountain Yearly Meetings of the Religious Society of Friends (Quakers), curates the organization's website, and travels among the three yearly meetings.

The responsibilities of the executive director/editor are:

#### EDITORIAL

- solicits, selects and edits submissions, striving over time to include representative work from all three yearly meetings, from different age cohorts, and from other identified groups within the yearly meetings
- cultivates and maintains relationships with past and potential contributors
- takes and edits photographs, audio programs, and videos

#### IN-PRINT PRODUCTION & DISTRIBUTION

- is responsible for the design and content of the magazine
- lays out the magazine and arranges for timely printing and mailing
- encourages subscriptions, manages renewals, maintains a current subscriber list and makes sure the mailing service receives all updates

#### ONLINE PRESENCE

- is responsible for the design, content and on-going maintenance of the website
- stimulates, facilitates and moderates opportunities for online discussion
- shares information and fosters community through an active Facebook account and other social networking media (Twitter, etc.)
- maintains an up-to-date calendar of Quaker events in the region of the three yearly meetings

#### FACE-TO-FACE TRAVEL

- attends the annual sessions of Pacific, North Pacific and Intermountain Yearly Meetings
- attends all board meetings
- attends other Friends gatherings, as time, budget and priorities allow
- makes occasional trips to maintain contact with major donors and/or advertisers

#### SPECIAL PROJECTS

- conceives books, publications, events, workshops and/or other projects in furtherance of the

organization's mission and financial health

- ensures that projects meet Western Friend and common professional standards for format and content
- is separately compensated as a contract employee if involved in planning or production
- distributes, markets and/or sells projects once they are produced

#### BUSINESS/FINANCE/FUNDRAISING

- maintains and expands advertising revenue, including selling ads and/or contracting with an ad sales representative
- solicits financial contributions from individuals; assists with board solicitations of same
- sends out at least two appeal letters per year
- sends donor thank you letters in a timely fashion per IRS requirements
- keeps all financial information of Western Friend, including detailed recording of all expenses and revenue
- makes deposits of incoming money and pays bills in a timely manner
- sets subscription and advertising rates, in consultation with the board
- works with the treasurer and/or Finance Committee to prepare a proposed annual budget for review and approval by the board

#### ADMINISTRATIVE

- maintains office space, computer and other equipment
- hires and supervises contracted assistant(s) as needed, and as budget allows, to do routine office work such as database management, mailings, etc.
- contracts with a bookkeeper to maintain the books, do payroll, and produce monthly financial reports
- prepares and/or submits all required governmental forms. (Generally, the bookkeeper prepares the federal 941 quarterly report, IRS form 990, annual W-2's, and the State Labor & Industry report, and the executive director submits them with payment if required. The executive director is responsible for such forms as the federal W-4's and W-9's, Statement of Ownership forms, annual 2nd class Post Office audit of subscribers, etc.)
- stays familiar with all policies and procedures adopted by the board
- maintains archives, database, records and files

#### PLANNING & EVALUATION

- prepares a detailed annual work plan covering all major responsibilities, and presents it the board for approval

- at board direction, evaluates her/his performance annually in relation to the work plan at the winter board meeting

## **Attachment E:**

### **Performance Appraisal Report Form**

#### **Western Friend Executive Director/Editor Performance Appraisal Period Covered: FY 20ZZ (October 1, 20ZZ-September 30, 20ZZ)**

#### **Evaluation process:**

Following the Annual Performance Review procedures outlined on page 9 of Policies and Procedures document, Part One should be given to the Executive Director/Editor by December 1, and completed and returned to the evaluation coordinator by January 1. The evaluation coordinator will circulate this document with part one completed to all board members. Part Two will be completed by all board members and returned to the evaluation coordinator via email no later than two weeks before the winter board meeting. The evaluation coordinator will compile all board member responses and create a brief summary for presentation at the winter board meeting. The clerk communicates with the editor an appropriate summary of the evaluation comments prior to the winter Board meeting. The Performance Appraisal will be discussed and Part Three will be completed during the winter board. The Clerk and Executive Director/Editor will sign the completed Performance Appraisal within one month after the winter board meeting and a copy will be placed in the Employee File and in the Personnel Committee Records.

#### **Part One: Executive Director/Editor**

1. Using the work plan for the year, describe your accomplishments for the year.
  - a. Did you meet your work plan goals for the year?
  - b. Are there tasks that remain unfinished?
  - c. Are there tasks that you would prefer to have spent more or less time on?
  - d. What made it difficult [or easy] to meet work goals for the year?
  - e. What resolutions or learnings have come out of the challenges of doing so?
  
2. Describe briefly the tasks you assign to administrative assistants.
  - a. Do you have adequate support from administrative assistants?
  - b. What challenges are hardest for you in working with assistants?
  - c. Are there changes you would make to improve effective use of assistants?
  
3. Describe briefly the tasks completed by board members.
  - a. Do you have adequate support from the board?
  - b. What makes it easy or difficult to ask the board to help?
  - c. Are there specific tasks that you would like to engage board members with?

4. Describe briefly any opportunities for growth and development of professional or personal skills that were useful for you this year.
  - a. Do you have enough opportunities for development?
  - b. Are there specific areas where you would welcome increased opportunities for training or development?
  
5. Describe briefly any challenges that you faced this year.
  - a. Were you able to work effectively to meet these challenges? What helps you most in meeting challenges?
  - b. What resources would help you handle work challenges best?

### **Part Two: Board Member**

1. Briefly describe your general level of satisfaction with the work performance of the Executive Director/Editor.
  - a. Are there particular accomplishments that you view as most valuable to the mission of Western Friend?
  - b. Are there *current* tasks that you are concerned about (not completed, too time consuming, etc.)?
  - c. Are there areas of work you would recommend for attention in the coming year, alternative directions or new approaches?
  - d. Does the editor work well with the Board, making the most of the resources found there?
  - e. Are you pleased with new directions arising in the editor's work or do you feel hesitations about some of them—which and why?
  
2. Briefly describe your reaction to changes or suggestions made by the Executive Director/Editor.
  - a. Are there any changes or development opportunities you would recommend to the Executive Director/Editor?
  - b. Would you recommend additional supports for her—which and why?
  - c. Are there ways the editor could strengthen her performance?
  - d. Do you have suggestions for more collaborative practices or relationships that would improve the Western Friend operation?

### **Part Three: Summary of Board and Executive Director/Editor Discussion**

## **APPENDIX F:**

### **Employee Exit Survey for Western Friend Director/Editor (March 2013)**

1. Why did you want to become the executive director of Western Friend?
2. What are your reasons for leaving Western Friend?
3. How effectively were your skills put to use at this organization?
4. How easy was it to get the resources you needed to do your job well at this organization?
5. How much room for professional growth did you have at this organization?
6. How well were you paid for the work you did at this organization?
7. How fairly were you treated by your supervisor (i.e. board of directors) at this organization?
8. How consistently did your supervisor (i.e. board of directors) reward you for good work?
9. How realistic were the expectations of your supervisor (i.e. board of directors)?
10. In a typical week, how often did you feel stressed at work?
11. How easy was it to balance your work life and personal life while working at this organization?
12. What do you think the Board does well? Where might it improve?
13. What actions can your employer take to build a better workplace?
14. What are you most proud of about your tenure?
15. What are your biggest regrets about your tenure?
16. Do you think the job description is appropriate and realistic?
17. What do you think made the transition out easier? Harder? Are there transition pieces you would do differently?
18. Have you received all pay, benefits, reimbursements, etc. that you were expecting before departure?

## **APPENDIX G:**

### **INVENTORY OF CORPORATION RECORDS**

The Editor / Executive Director maintains:

Two current paper copies of the following documents, stored separately in fireproof boxes at two different physical addresses:

Bylaws

Articles of Incorporation

Oregon documents

Certificate of Incorporation

Most recent Annual Report filed with Oregon Secretary of State

California (or other state of operations) documents

Certificate of Qualification

Most recent Statement of Information filed with California Secretary of State

IRS documents

IRS Determination Letter

Most recent change of address filing with IRS

USPS documents

Most recent filing of Application for Additional Entry, Re-entry, etc.

Most recent Statement of Ownership document

Current Policies and Procedures document

Current Personnel Policies document

Two current electronic copies of board meeting minutes (including attachments), stored separately in fireproof boxes at two different physical addresses.