



## Fiscal Management Policy

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KELP ARK (formally AltaSeeds Conservancy)  
A California Public Benefit Corporation

2451 Signal Street, San Pedro, CA 90731

**Approved by:** Board of Directors

**Last Revised:** January 16, 2025

## **I. Purpose**

The purpose of this Fiscal Management Policy is to establish guidelines and procedures for the financial operations of Kelp Ark (the “Organization”). This Policy aims to ensure the efficient, transparent, and accountable management of the Organization’s financial resources, in compliance with applicable laws and regulations, and in alignment with the Organization’s mission and values.

## **II. Scope**

This Policy applies to all financial activities of Kelp Ark, including budgeting, accounting, financial reporting, internal controls, and the management of assets and liabilities. The policy applies to all staff, volunteers, board members, and any other individuals involved in the Organization’s financial management.

## **III. Fiscal Management Principles**

Kelp Ark adheres to the following principles in managing its financial resources:

1. **Transparency:** The Organization’s financial operations will be conducted transparently, with clear and accurate financial reporting to stakeholders, including the Board of Directors, donors, and regulatory authorities.
2. **Accountability:** Financial resources will be managed responsibly to ensure that funds are used effectively in pursuit of the Organization’s mission.
3. **Compliance:** The Organization will comply with all applicable federal, state, and local laws, as well as generally accepted accounting principles (GAAP) and nonprofit accounting standards.
4. **Efficiency:** Resources will be allocated in a way that maximizes the impact of the Organization’s programs and minimizes waste and inefficiencies.
5. **Sustainability:** The Organization will maintain fiscal responsibility to ensure long-term financial stability and sustainability.

## **IV. Financial Oversight**

1. **Board of Directors:** The Board of Directors is ultimately responsible for the financial health of the Organization. The Board will review and approve the annual budget, major financial policies, and significant financial transactions. The Board will also ensure regular financial reporting and audits are conducted.
2. **Executive Director:** The Executive Director is responsible for the day-to-day financial management of the Organization, including implementing financial policies, managing budgets, overseeing financial transactions, and reporting to the Board. The Executive Director will work with staff to ensure accurate accounting practices and timely financial reporting.

## **V. Budgeting**

1. **Annual Budget:** The Organization will prepare an annual budget that reflects its financial goals, program priorities, and operational needs. The budget will be developed in

collaboration with the Board of Directors and approved by the Board prior to the start of the fiscal year.

2. **Budget Monitoring:** The Executive Director and finance staff will monitor expenditures and revenues throughout the year to ensure that the Organization stays within the approved budget. Regular financial reports will be presented to the Board to keep them informed of the Organization's financial status.
3. **Budget Adjustments:** If significant budget deviations occur, the Executive Director will notify the Board, and if necessary, request approval for budget adjustments. Any major changes or reallocations within the budget will be reviewed and approved by the Board.

## VI. Accounting and Financial Reporting

1. **Accounting System:** The Organization will maintain an accounting system that complies with GAAP and is capable of tracking all financial transactions in a clear, accurate, and organized manner. The system should allow for accurate record keeping of income, expenses, assets, liabilities, and net assets.
2. **Financial Statements:** The Organization will produce monthly and/or quarterly financial statements that include a balance sheet, income statement, and statement of cash flows. These reports will be reviewed by the Executive Director and Finance Committee and shared with the Board.
3. **Audit:** An independent auditor will be engaged annually to perform an audit of the Organization's financial statements. The audit report will be presented to the Board of Directors, and the Organization will take appropriate action to address any recommendations or findings. The audited financial statements will be made available to the public upon request, in compliance with state and federal regulations.

## VII. Internal Controls

To ensure the integrity and accuracy of the Organization's financial operations, the following internal controls will be implemented:

1. **Segregation of Duties:** Responsibilities for financial transactions (e.g., authorization, recording, and custody of funds) will be viewed by board members to reduce the risk of errors or fraud.
2. **Authorization and Approval:** All expenditures will require proper authorization and approval, following the Organization's established approval processes. The Executive Director is authorized to approve expenses within the budget, and the Board must approve any significant unbudgeted expenditures or capital investments.
3. **Bank Account Management:** Bank accounts will be maintained in the Organization's name, and all transactions will be properly recorded. Signatories on bank accounts will be limited and approved by the Board.
4. **Petty Cash:** If applicable, petty cash funds will be used for minor, incidental expenses and will be reconciled regularly. Disbursements from petty cash will require appropriate documentation and approval.

5. **Financial Reconciliation:** Bank statements, credit card statements, and other financial accounts will be reconciled monthly by a designated individual who is independent of the transaction process.

### **VIII. Fundraising and Grant Management**

1. **Revenue Tracking:** All revenue, including donations, grants, and program fees, will be tracked separately to ensure compliance with donor restrictions and grant conditions. The Organization will maintain clear documentation of how funds are used in accordance with donor agreements and grant contracts.
2. **Restricted and Unrestricted Funds:** The Organization will maintain separate tracking for restricted and unrestricted funds, ensuring that restricted funds are used for their designated purpose. Any use of restricted funds outside of the terms of the restriction will require approval from the donor or a proper amendment of the agreement.

### **IX. Tax Compliance**

The Organization will comply with all federal, state, and local tax obligations, including but not limited to the filing of Form 990, payroll tax filings, and any other required reports. The Organization will work with a qualified tax professional or accountant to ensure timely and accurate tax filings.

### **X. Conflict of Interest and Ethical Standards**

All financial activities will be conducted in accordance with the Organization's Conflict of Interest Policy and ethical standards. Employees, volunteers, and board members must disclose any potential conflicts of interest that may affect financial decisions, and the Organization will take steps to address such conflicts in a transparent manner.

### **XI. Fiscal Management Review and Policy Updates**

This Fiscal Management Policy will be reviewed by the Board of Directors annually to ensure that it remains relevant, effective, and in compliance with applicable laws and regulations. The Board will update the Policy as necessary to reflect changes in financial best practices, the Organization's operational needs, or legal requirements.