

Gaylord Area Council for the Arts

Finance Committee

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Financial Management

Budget

The annual budget shall be prepared by the Executive Director or the budget/finance committee and submitted for approval to the Board. Anything outside of the budget or changes to the budget must be approved by the Board. Source: GACA By-Laws

Investment Policy

It is the goal of GACA to achieve a reasonable rate of return on any monies invested. The objectives of any investment are to make regularly scheduled budgeted deposits; and, to achieve balanced growth and income of invested monies. Investments are anticipated to be held for five (5) years or longer. With approval from the Board, the Executive Committee has the authority to act on behalf of GACA. The status of any invested monies is reviewed on a quarterly basis by the Finance Committee. An annual evaluation and review is completed, including the financial advisor as needed. Results of the evaluation and review, along with recommendations, as appropriate, are submitted to the Board by the Finance Committee. (Adopted by the Board July 9, 2013)

The intent of the investment account by the original contributors is financial growth with the interest being available for use for expenses. The principal is designated for use only to purchase, renovate and maintain a building as a permanent home for GACA.

Safety Net

GACA sets aside a minimum of \$5,000 in an account which can be easily accessed in case of an urgent need. In addition twelve (12) months' operating expenses are also set aside. These two (2) funds can be located in the account and are to be used when specific unforeseen need arises.

Income/Fundraising

Generating philanthropic support for GACA in the community enhances GACA's ability to provide no or low cost performing art and visual art programs and expand programs offered. Various means of fundraising to generate **income** are used by GACA Board, staff and volunteers. All fundraising efforts are conducted in an ethical manner. Oversight of all fundraising efforts is provided by the Board of Directors.

Campaigns

GACA conducts both long-term and time-limited efforts to raise dollars for the organization. These efforts provide funding for on-going operational expenses as well as for specific projects (examples: building improvements, building an endowment, purchasing an expensive piece of equipment).

Donors

All donors are provided specific acknowledgement(s) of charitable contributions. GACA respects the privacy of donors and does not sell or otherwise make available the names and contact information of its donors, except where disclosure is required by law. Donors may opt-out, at any time, of the use of their names on GACA website and newsletter materials.

Gifts

The Gift Acceptance policy establishes the parameters for accepting both cash and non-cash gifts by GACA.

Grants

GACA seeks out and submits application(s) for a minimum of \$5,000 per year in grants that support the mission of the organization.

Membership

Membership in GACA is on an annual basis via direct mail and direct solicitation. GACA seeks out a minimum of 130 members per year generating \$13,000 per year income. All members are listed on the GACA website and all programs in the category of their giving. Members can select membership options and benefits:

Benefactor \$1,000 receives six tickets to a performing arts event and a certificate of appreciation.

Sponsor \$500 receives four tickets to a performing arts event and a certificate of appreciation.

Patron \$300 receives two tickets to a performing arts event.

Supporter \$100; Family \$60; Individual \$40; student \$20.

Appendix 1 – Definition of Terms

Balanced growth and income – funds are invested longer term (five years or longer) with a focus on income producing in terms of dividends with low risk of loss.

Business Investment Savings account – a savings account for businesses that has a set rate of interest (return) and is totally liquid. The account is FDIC insured.

Component – a uniquely identifiable input or part required to be included and complete the organization’s long-term financial plan.

Dollar cost averaging (DCA) - an investment strategy that takes the form of investing equal monetary amounts regularly and periodically over specific time periods in a particular investment or portfolio. The dollar cost averaging strategy minimizes risk because it reduces the difference between the initial investment and the current market value over a long enough timeline. This is accomplished by making fixed investment amounts at predetermined times.

Investment objectives – the financial results desired by the organization as a result of fund investment.

Investment policy – a document that provides direction and guidance for fund investment.

Risk tolerance – the degree of variability in investment returns that an organization is willing to withstand. The degree of variability in achieving long-term investment goals that an organization is willing to withstand.

Culture of philanthropy – refers to a set of organizational values and practices that support and nurture development within a non-profit organization. Fund development is viewed and valued as a mission aligned program of the organization. Organizational systems are established to support donors.

Fundraising – the raising of assets and resources from various sources for the support of an organization or specific project. (reference: Association of Fundraising Professionals)