

# Board Policy Type: Executive Limitations

## Policy Title: Financial Planning

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The Executive Director shall not, with respect to planning and budgeting for any fiscal year, deviate materially from Board stated Ends, risk fiscal jeopardy, or fail to show a reasonable level of foresight.

### **Executive Director's Interpretation**

*"Planning" are the Strategic Initiatives.*

*"Deviate from Board Stated Ends" would be including Strategic Initiatives, Strategic Direction, or other activities in the financial planning and budgeting that fail to move CommunityIMPACT, Inc. toward the Milestones and Targets.*

*"Risk financial jeopardy" means to risk long-term sustainability.*

*"Reasonable Level of Foresight" refers to an ability to look internally ahead and externally at least the number of years used to define Targets.*

Accordingly, the Executive Director shall not cause or allow staff to:

1. Propose a budget which does not take into account all Board Ends priorities;

### **Means of Measuring Executive Director's Compliance of His Interpretations**

*Annually, prior to the beginning of the fiscal year, the Executive Director will provide the Board of Directors an annual operating budget with an explanation of the primary source of projected receipts and the way the primary expenditures support the Strategic Initiatives necessary to achieve the Milestones.*

2. Make unbudgeted expenditures that exceeds revenues;

### **Means of Measuring Executive Director's Compliance of His Interpretations**

*The Executive Director will provide the Board of Directors quarterly updates in relation to the operating budget with an explanation for any unbudgeted expenditures and how each expense was funded without incurring organizational indebtedness.*

3. Violate the applicable Evangelical Council for Financial Accountability (ECFA) Standards.

### **Executive Director's Interpretation**

*"Applicable" are the seven standards posted online, <http://www.ecfa.org/Content/Standards>*

### **Means of Measuring Executive Director's Compliance of His Interpretations**

*The Executive Director will provide the letter of compliance from ECFA to the Board annually.*