



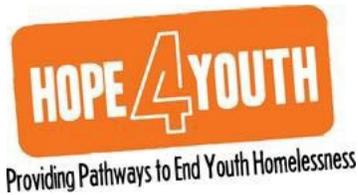
**BOARD OF DIRECTORS MEETING**

Monday, December 1<sup>st</sup>, 2025

5:00pm – 7:00pm

Meeting Location: Anoka County Sheriff’s Office  
(If needed, virtual/call in within body of invitation)

<b>AGENDA</b>	<b>TIME</b>
I. Call to Order (Julie Cole)	5:00pm
II. Mission Moment (Krista Benjamin)	5:10pm
III. Chairman’s Report (Julie Cole) <ul style="list-style-type: none"><li>• Approval of Minutes<ul style="list-style-type: none"><li>○ Questions, discussion, any modifications</li></ul></li><li>• Confirmation of Agenda</li><li>• Update from Executive Committee</li></ul>	5:15pm
<b>Operational updates: Presentation and Feedback</b>	
IV. Closing out 2025 – A quick recap (LaChelle Williams) <ul style="list-style-type: none"><li>• Building HOPE Project<ul style="list-style-type: none"><li>○ Construction</li><li>○ DEED Partnership</li></ul></li><li>• Strategic Operational Goals for 2026<ul style="list-style-type: none"><li>○ Global process   Department process   Staff process</li></ul></li></ul>	5:30pm
V. Program/Committee Update (Mark McNamer   Pat Chen)	5:45pm
VI. Advancement Update (Mark McNamer   Paul Moore)	5:55pm
VII. Finance/Committee Update (Brooke Limanen   James Lyght)	6:05pm
VIII. Open Business	
<hr/>	
<b>ANNUAL MEETING</b>	<b>6:15pm</b>
I. Discuss 2026 Proposed Budget – vote required	
II. 2025 Slate of Officers – vote required	
III. Committee Chairs for 2025	
IV. Bylaws & Policy review	
V. Close of Annual Meeting	
<b>Adjourn</b>	<b>7:00pm</b>



# HOPE 4 Youth Board of Directors

## Meeting Minutes

Date: Monday, October 27, 2025

Time: 5:00 pm | Anoka County Sheriff's Office or Zoom

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Board Members Present: Anna VonRueden, Linda Barnum, Bri Clarin, Paul Moore, JJ Slag, Krista Benjamin, Brad Wise, Pat Chen, Steve Nash, James Lyght, Julie Cole, Shawn Beatty, Don Phillips

Board Members and Staff Absent: Sue Woodard, Liz Cook, Breanne Patton

Staff and Guests Present: LaChelle Williams, Mark McNamer, Brooke Limanen, Anita Lancello-Bydlon

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### Minutes:

#### Call to Order

- The meeting was called to order at 5:00pm by Julie Cole.

#### Mission Moment Anna VonRueden)

- Anna shared how she has brought her family into the mission of HOPE 4 Youth through the Darkest Night 4K event. Her children began their journey into the mission through the Darkest Night 4K when they were in strollers to now running at the event. Through the event, her children have learned to recognize their privilege and be understanding of others who are struggling. They understand how impactful community support can be for those who are under-resourced.
- Julie asked how many individuals attended the Darkest Night 4K. LaChelle responded over 400 people and over 100 people registered the week of the event. The Darkest Night 4K was on Friday, October 3, 2025.

#### Approval of Agenda and Minutes

- **Motion** made by Anna VonRueden, seconded by Linda Barnum and passed unanimously to approve the agenda and July 28, 2025 minutes.

#### Board Executive Committee Update (Julie Cole)

- **Retreat Recap/Next Steps:**
  - Julie thanked the Board Members for their participation at the Board Retreat, which was on Thursday, September 18, 2025. She also thanked Sue Woodard and the HOPE 4 Youth team for capturing all the notes and discussion points. The Retreat Recap was included in the Board Packet. Please review the recap and see if anything is missing.
- **Committee Support for the Building HOPE Project (BHP):**
  - LaChelle let the Board know work for HOPE 4 Youth's new facility will be dispersed to each of the Committees such as the Development, Program and Finance Committees.
- **Board Portal Reminder:**
  - Julie shared with the Board there is currently a glitch with the Board Portal. The HOPE 4 Youth team is working to resolve the issue. Krista suggested doing a demo at the next Board meeting, showing Board Members how to log in and where to find information.
- **Strategic Planning Process:**
  - The Strategic Planning Process is for years 2027-2029.
  - Julie discussed the key focus areas of honoring past successes, building sustainable infrastructure, evaluating and adapting programs to meet the needs of youth, and ensuring accessibility.
  - Julie laid out the timeline for the Strategic Planning Process and shared the categories for the Thought Leader Input interviews. Please see the October 27, 2025 Board Meeting PowerPoint, slides 9 and 10. Please let LaChelle and Julie know if a category is missing.
  - How can Board Members be engaged in the Strategic Planning Process?
    - Share connections to Thought Leader interviews

- Share professional experience input within outreach categories
- Join the Strategic Steering Committee; LaChelle listed the Strategic Steering Committee members: Sue Woodard, Linda Barnum, Brad Konik and Karen Anderson

### **New Facility Update (LaChelle Williams, Steve Nash, Anita Lancello Bydlon)**

- LaChelle reminded the Board about the four phases of the Building HOPE Project.
  - Phase 1: Property Acquisition is completed.
  - Phase 2: Pre-construction and Socialization
  - Phase 3: Full Construction and Socialization
  - Phase 4: Facility Completion and Opening
  - Part of Phase 2 and 3 is HOPE 4 Youth's Comprehensive Campaign. LaChelle's goal was to be 80% funded, and right now, we are 79% funded. She is confident the goal will be met.
- Krista introduced Anita, HOPE 4 Youth's Owner Representative.
- Anita spoke about HOPE 4 Youth's new facility at 8565 Central Ave in Blaine.
  - Property Development:
    - Pre-construction:
      - Starts with vision, scope and budget – government funding is secured and stakeholders are being engaged
      - Property acquisition is completed as LaChelle mentioned earlier in the meeting.
      - Team Selection and Methodology:
        - Interviews were conducted with architects and contractors.
        - There are three types of methodology:
          - Contractor at Risk
          - Design, Bid, Build
          - Design, Build
        - HOPE 4 Youth hired RJM as the contractors, and RJM hired LSE as the design firm.
      - Design and Budget Checks:
        - Concept Design: 10% time and money resources allocated
        - Schematic Design: 15% time and money resources allocated
        - Design Development: 20% time and money resources allocated
        - Construction Documents: 40% time and money resources allocated
        - Bidding/Procurement: 15% time and money resources allocated
      - Construction:
        - Includes site work, building work, quality control and inspections
      - Post Construction:
        - Includes commissioning, punch list, project closeout and occupancy
  - Anita shared a tentative schedule for the building construction:
    - October: Complete AIA Contracts
    - November-January: Design
    - February: Procurement and Bidding
    - March-November: Demolition and Construction
    - December-Early January: Commissioning, Punch List and CO
    - End of January 2027: Grand Opening

### **Operational Health Update (LaChelle Williams)**

- **Operational Plan Snapshot:**
  - HOPE 4 Youth needs the Board's help with making introductions to partners.
- **Staffing:**
  - The Director of Advancement took on a new role at a different organization. HOPE 4 Youth is evaluating what gaps need to be filled within the Advancement team. The Director of Advancement will not be replaced in 2026. HOPE 4 Youth will hire a Development Associate.
  - Program team is fully staffed.
  - HOPE Place is hiring for a couple part-time positions.
- **Compensation Philosophy:**
  - It is a document that will help HOPE 4 Youth stay true to what they promised staff, share why individuals should work for HOPE 4 Youth and what they can expect working for HOPE 4 Youth.
  - Please see the Board Packet for more information.

- **Staff Engagement Survey Results:**

- Every year staff are asked to complete an Employee Engagement Survey. A total of 16 responses were received, which is an 80% response rate.
- The purpose of the Employee Engagement Survey is to gauge the feelings of HOPE 4 Youth employees, discover areas for improvement, and set goals to make needed change.
- Typical time spent on the survey was 7 minutes.
- LaChelle shared the measurement areas in the survey. HOPE 4 Youth scored over 90% on all the areas.
- 100% of staff reported they have the tools to enable them to do their jobs effectively and their supervisor treats them with respect.
- 100% of the team reported they understand how their role contributes to the mission of HOPE 4 Youth and are committed to the mission and goals of HOPE 4 Youth.
- 100% of staff said HOPE 4 Youth supports a balance between work and personal life.
- 94% of staff said the amount of stress caused by my job is manageable.
- The Leadership Team looked at ways to improve the work culture of HOPE 4 Youth. They are going to focus on communication, development and work-life blend.
- The Board was wondering if HOPE 4 Youth surveys volunteers. Yes, HOPE 4 Youth does.

**Advancement Update (Mark McNamer/Paul Moore)**

- **Events:**

- Mark mentioned how Clays 4 Youth, Hunt 4 HOPE, Darkest Night 4K and Hops 4 HOPE brought in \$170, 000 for our organization.
- He spoke further about the Darkest Night 4K and Hops 4 HOPE.
  - Darkest Night 4K:
    - Brought in about \$52,000; attendance was over 400 people; Paul asked what caused the increase in attendance? There were several factors: consistent marketing, good weather, more activities to do pre-walk/run and a great location.
  - Hops 4 HOPE:
    - This was the 2<sup>nd</sup> annual event.
    - It was put on by Culligan on Saturday, October 18, 2025 at Heavy Rotation.
    - The event brought in \$7,500 and Culligan will match the donations.

- **Upcoming Events:**

- Out of the Cold is on Thursday, November 20 from 4-7:30pm at the Anoka County Sheriff's Office and the HOPE 4 Youth Center in Anoka.
- Donor Appreciation is on Sunday, December 7 at Carlson Toyota from 4-6pm.

- **Holiday Giving:**

- Youth submit a survey for gifts they want and then they are matched with a community sponsor. There are 205 spots booked for donors, and currently, 87 youth and 67 kids have signed up.

- **HOPE 4 Youth Development and Fundraising Philosophy:**

- Mark talked about the core pillars of Development and Fundraising:
  - Mission alignment and strategic relationships
  - Donor stewardship and cultivation
  - Diversified revenue and streams
  - Community engagement and visibility
  - Foundation and grant strategy
  - Corporate engagement
- Krista asked if a corporate donor list has been shared with the Board. LaChelle mentioned HOPE 4 Youth is working on it. Bri asked if there was a corporate sell sheet that shows the sponsor levels and the impact the partnering sponsorship would make on the organization.

**Facility & Program Update (Mark McNamer/Pat Chen)**

- HOPE 4 Youth completed a two year process of updating units at HOPE Place. Every time a resident moved out, HOPE 4 Youth replaced the carpet and furniture. The plan is to replace carpet and furniture every five years.
- Last year at the HOPE 4 Youth Center, the team saw 650 youth total. In 2025, there has been 722 youth served through September 2025. That is a 47% increase.
- SNAP is at risk of being cut off on November 1, 2025. Most of the parenting youth that HOPE 4 Youth serves are on SNAP. The Leadership team is starting to plan for the SNAP impact. HOPE 4 Youth underspent on the food budget, so the organization may pull from that budget to help support.

- Don asked if HOPE 4 Youth could get more resources from Second Harvest. Mark replied that HOPE 4 Youth has reached our max with food coming from Second Harvest to HOPE 4 Youth.

### **Financial Report (Brooke Limanen/James Lyght)**

- 87.2% of our expenses went to programs
- Individual Giving continues to rise due to focused stewardship.
- Civic/Faith Contributions are down, researching why.
- Corporate Donations are underperforming; HOPE 4 Youth is adjusting our strategies to reach this donor group.
- In-kind Contributions exceeded budget thanks to new partnerships.
- Insurance and Youth Program Expenses were higher than expected.
- Payroll came in under budget due to open positions.
- Building HOPE Costs:
  - Brooke shared the reimbursement process through DEED: HOPE 4 Youth submits the cost to DEED, DEED receives it and then reimburses HOPE 4 Youth. The current turnaround time is 4 days.
  - Costs so far has been \$2.6 million, some of that being pre-construction costs.
  - Most costs are covered by DEED but there are some fees not covered by the DEED grant:
    - Attorney fees
    - Property taxes: HOPE 4 Youth will pay full property taxes for the building in 2026, however, in 2027, HOPE 4 Youth will be at a non-profile price; property taxes paid this year will be \$33,000.
    - Marketing costs
    - Utilities
    - \$58,082 of soft costs (non-reimbursable)
      - Don was wondering if HOPE 4 Youth can project the soft costs. James said we do not know that yet. We will be able to better project soft costs once the plans, specs, architectural final drawing and sworn construction statement come in.
    - Linda was wondering why marketing costs and utilities were separate from our other operational costs. Brooke said since HOPE 4 Youth is not occupying the building yet. Once HOPE 4 Youth is operating the building, those costs will be part of the normal operating budget.
- Brooke asked the Board what information they would like to know?; is there a different way you would like the financials presented? Please share any feedback with Brooke.

### **Open Business (Julie Cole)**

- None

### **Adjourn**

- **Motion** to adjourn was made by JJ Slag, seconded by Anna VonRuedon, and approved unanimously.

The meeting ended at 7:01pm.

Respectfully Submitted,

Breanne Patton, Administrative Coordinator

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### **Action Items:**

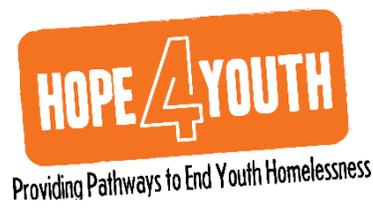
- Please review the Board Retreat Recap.
- Let LaChelle and Julie know if there are any missing categories for the Thought Leader interviews as part of the 2026-2028 Strategic Planning Process.
- Share with LaChelle if you would like to join the Strategic Steering Committee.
- Please contact Brooke with information you would like to know about HOPE 4 Youth financials, and if there is a different way you would like the financials presented.

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### **Upcoming Events:**

- Holiday Wishlist: open October to December

- Out of the Cold: Thursday, November 20th from 4-7:30 pm; two locations – HOPE 4 Youth Center and Anoka County Sheriff's Office
- Donor Appreciation is on Sunday, December 7 at Carlson Toyota from 4-6pm.



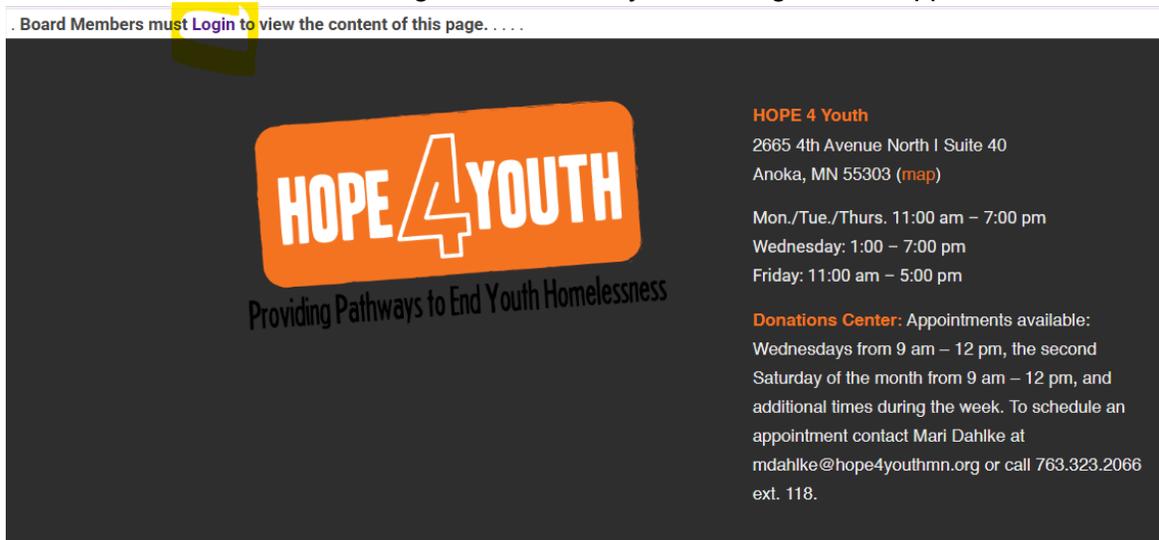
## Board Portal

HOPE 4 Youth provides the Board of Directors with a secure, central repository for board information and document storage. Every Board Member is provided with their own username and password, which is provided at their onboarding.

Should there be any difficulty accessing and using the Board Portal, please email Breanne Konitzer-Patton at [bpatton@hope4youthmn.org](mailto:bpatton@hope4youthmn.org) for assistance.

### Login to Board Portal

1. Open a new web browser (preferably Google Chrome).
2. Type <https://www.hope4youthmn.org/board-portal/> in the address bar.
3. You'll be taken to the following screen, where you can Login in the upper left corner.



4. Enter the username and password provided to you at your onboarding.
  - If you have forgotten your username, please email Breanne Konitzer-Patton at [bpatton@hope4youthmn.org](mailto:bpatton@hope4youthmn.org).
  - If you have forgotten your password, please select “Lost your password?”.
5. Select “Log In” and you’ll be taken to the Board Portal.

### Board Portal - Repository

You’ll find the following in the repository:

- Board Packets
- Meeting Minutes
- Committee Files
- General Board Documents
- Calendar



## 2025 Matrix of Progress Q4 - December

### Strategic Goal 1: Provide life-enhancing programs empowering youth to reach their full potential

Prevention and Outreach advancements	Increased Engagement
Referral progress	Completed
HOPE Place Job Readiness/Work Experience Program pilot	on track
Youth Voice; how are we engaging youth voice at H4Y	on track

### Strategic Goal 2: Engage in transformational partnership with community leaders, donors, and volunteers

Fundraising actual to goal	Slightly behind
Relational movement (New sponsors)	In process
Volunteer movement	Strong retention
Major Gift (\$10,000+) cultivation	In process

### Strategic Goal 3: Laser focus on premier staff retention and operational improvement

HR strategies driving transparent culture	Strong survey results
H4Y benefits	Closed Open Enrollment
Staff training and support efforts (secondary trauma mitigation)	First Aid/CPR/AED
Strengths focus to elevate culture	Coaching   Mentorship

### Strategic Goal 4: Select Location and determine funding and operational plans for new HOPE 4 Youth Center

Progress on location	WE CLOSED
Progress with DEED partnership	Moved to an Advance Process
Progress on community outreach - support	Ontrack
Progress on new facility annual budget	Over 80%

#### Tracking Key:

**GREEN - On track | Moving forward**

**YELLOW - Concern elevating | Attention required**

**RED - Urgency of board/staff ACTION**



Providing Pathways to End Youth Homelessness

# Program Snapshot October 2025

## HOPE 4 Youth Center Youth Statistics

**649**

H4Y Center Visits  
Children Visits = 94  
Total Visits = 743  
YTD Youth Visits = 5382

**253**

Unique Youth  
Under 18 = 18  
YTD Youth = 787

**35**

New Enrollments  
YTD = 414

### H4Y Center Community Referrals

Basic Needs	7
Education	2
Emergency Shelter	16
Employment	4
Financial Assistance	25
Health (physical, mental, etc.) Support	5
Housing	7
Legal Support	6
Parenting Support	1
Domestic Violence	0
<b>Total Community Referrals</b>	<b>73</b>

### Case Management Services– All Programs

**178 Youth Received 231 Hours of Case Management Services**

**77% of Youth Received CM**

**H4Y Center: 252 youth received 1904 basic need services**

### H4Y Center On-Site Resources

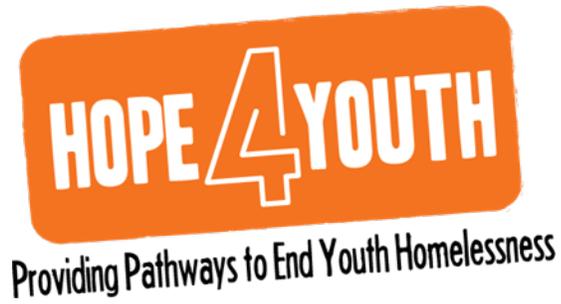
Transportation Supports =	63
Amount of Transportation Supports =	\$905
Food Shelf Visits =	577
Pounds of Food =	16214
Clothing Closet Visits =	264
Hygiene Closet Visits =	510
Meals Eaten =	406
On-Site Professional Services =	10

### H4Y Center Parenting Youth

Number of Children Visits = 94  
Youth w/Children present = 44(17%)  
Baby Products Provided = 82  
Community Referrals Parenting Support = 0

### HOPE Place Youth Statistics - 12 youth served

- 1 open units
- 8 residents continue to work on a career path
- 9 residents are working (8 FT, 2 PT)
- 3 enrolled in post-secondary education
- 1 enrolled in GED Program
- 3 are receiving health support (physical, mental)



## MISSION OUTCOME – September 2025

**Participants Assisted w/Housing Stability = 25**

Prevention (assisted in maintaining current housing) = 3

H4Y Housing Stability Assistance (rent and deposits) = 5

HOPE Place New Resident = 0

HOPE Place Successful Completion = 0

Host Homes (assisted youth in alternative housing option) = 4

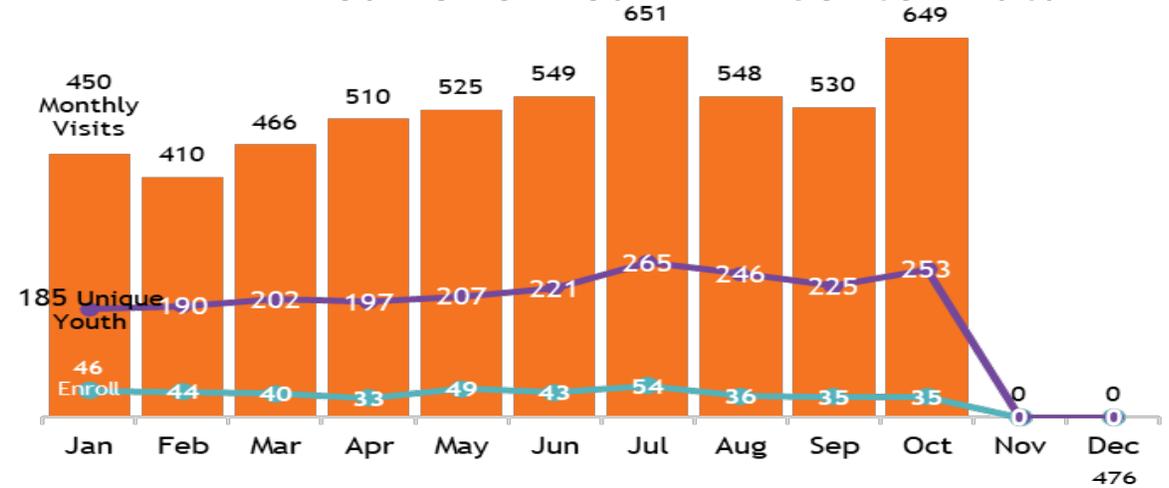
Referrals for Transitional or Permanent Housing = 7

Community Referrals for Emergency Shelter = 16

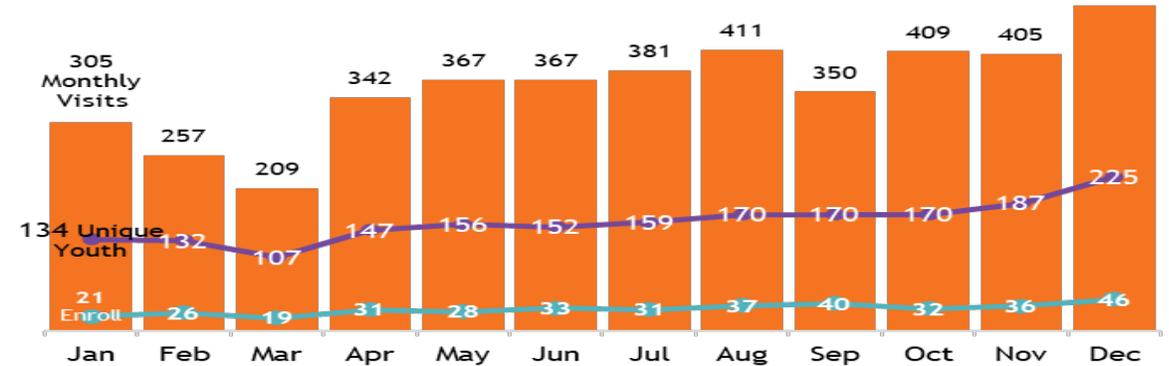
Dollars toward rent supports = **\$9410**

## Year Over Year H4Y Center Data

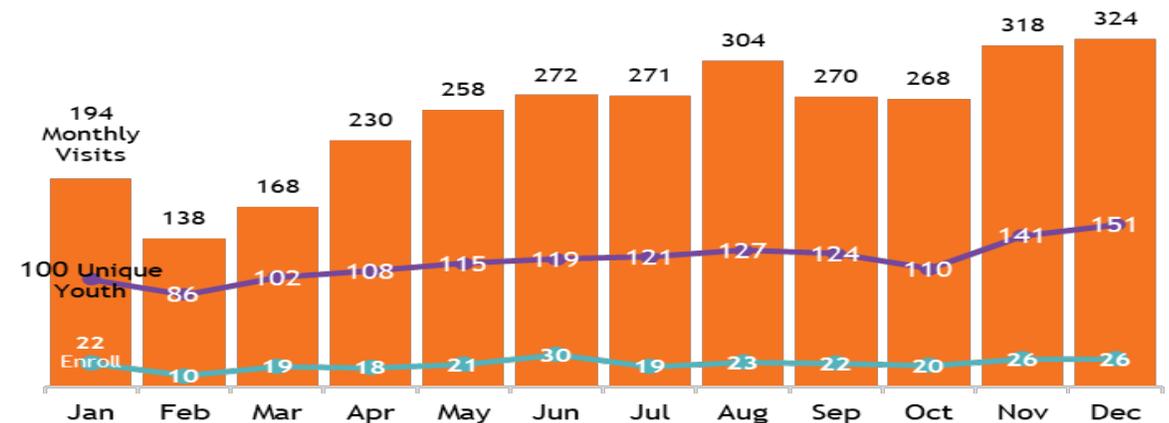
**2025**



**2024**



**2023**



# ADVANCEMENT SNAPSHOT OCTOBER 2025

## DONATIONS: \$94,488

Individual giving continues to be above expectations. We continue to look at strategies to improve civic/faith and Corporate giving.

	Actuals	Budgeted
<b>Individuals</b>	\$30,081	\$14,860
<b>Civic, Faith, Small Business</b>	\$3,819	\$11,638
<b>Corporations</b>	\$7,184	\$21,232
<b>Foundations</b>	\$0	\$20,000
<b>Government</b>	\$36,910	\$36,521
<b>Events</b>	\$16,494	\$25,135

### SPECIAL ADVANCEMENT UPDATES:

- Darkest Night 4K exceeded fundraising and participant goals. Over 55 volunteers supported this event.
- Hops 4 HOPE was also a huge success, raising over \$7,500 that Culligan will match.
- Began preparing for Annual Appeal to be sent out in Nov.
- Out of the Cold planning is in full swing
- Community Events: A Walk to Honor, An Honor to Walk, Community Connect Event, SLP Lions Pancake Breakfast

### VOLUNTEER AND IN KIND DONATIONS

**921** TOTAL HOURS

**2,619 LBS** of Food Donated

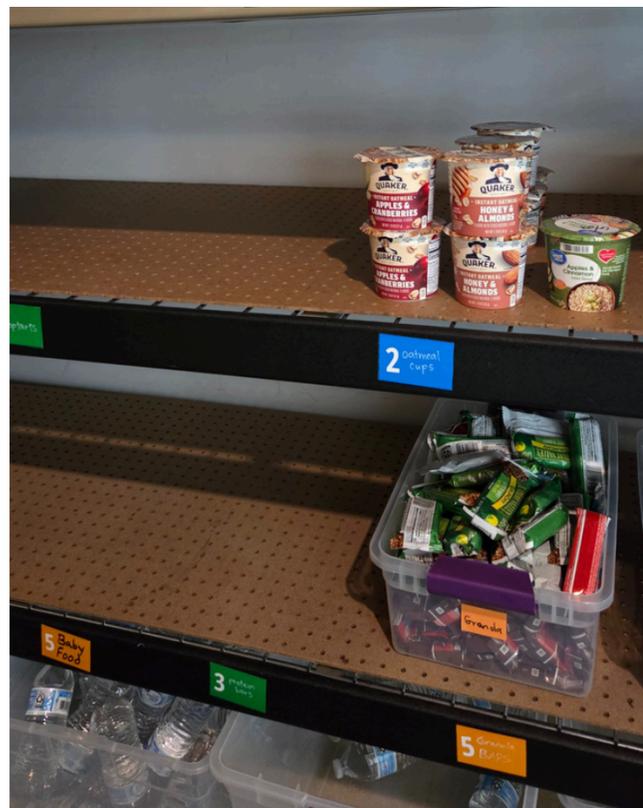
**2** New Volunteers

**16** Donation Drives Completed

**19** # of Speaking Engagements

### SOCIAL MEDIA STATISTICS

POST W/ MOST ENGAGEMENTS & IMPRESSIONS:

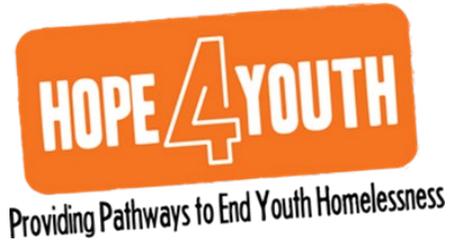


**97** TOTAL POSTS  
Instagram, Facebook, LinkedIn, & Stories.

**3,720** ENGAGEMENTS  
# of times a user saved, commented, reacted, shared, or clicked on content.

**513** AVERAGE REACH  
Average # of unique users per post

**95,386** IMPRESSIONS  
# of times content appears in front of user.



# FINANCE AND ADMINISTRATION SNAPSHOT

## 4<sup>TH</sup> QUARTER 2025

### Finance

- Finance Committee will be creating an Investment Policy in 2026
- Successfully completed the Financial Reconciliation Process (Audit) for OJP-YIP grant

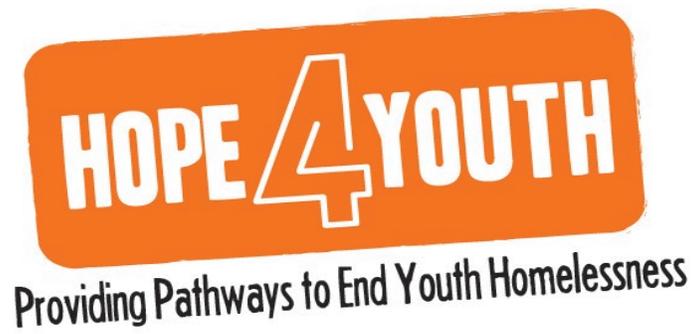
**Who has signing authority for HOPE 4 Youth's bank accounts?**

**Old National – LaChelle, Mark.  
Brooke**

**21<sup>st</sup> Century – LaChelle, Mark**

### Administration

- Successfully transitioned to our new IT Partner MACC/Crossfuze
- H4Y Benefits cost at 8% increase compared to the median proposed 18% increase in the industry
- MN Paid Leave goes into effect January 1, 2026



**Fiscal Year 2025**  
**Financial Statements**  
**as of October 31, 2025**

**Statement of Financial Position**  
**October 2025**

		<b>Comments</b>
<b>Assets</b>		
Cash and Cash Equivalents	301,514	
Board Designated Operating Reserve	252,660	
Receivables	102,476	GRH, OEO, FHPAP, Rent
Prepaid Expenses	41,784	
Inventory & Other Assets	110,922	
Investments-General	1,303	Fidelity Investments (Stocks Donated)
Property and Equipment, net	3,906,384	
*Building Fund	143,933	Individual and Civic/Faith Donations, Sale of Admin Office
*Restricted-Building Campaign	501,447	Reserve Account for Loan (approx \$217,000 is building fund)
<b>Total Assets</b>	<b>5,362,421</b>	
<b>Liabilities</b>		
Accounts Payable & Other Accrued Liabilities	55,487	Payroll liabilities, credit card, loan payable
<b>Total Liabilities</b>	<b>55,487</b>	
<b>Net Assets</b>		
Unrestricted-Undesignated	2,830,049	
Unrestricted-Board Designated Operating Reserve	252,660	
Temporarily Restricted	4,267	Anoka County Mental Wellness Campaign and Open Your Heart Housing Support
Current Year Net Surplus(Deficit)	2,219,958	
<b>Total Net Assets</b>	<b>5,306,934</b>	
<b>Total Liabilities &amp; Net Assets</b>	<b>5,362,421</b>	

**Statement of Activity  
October2025**

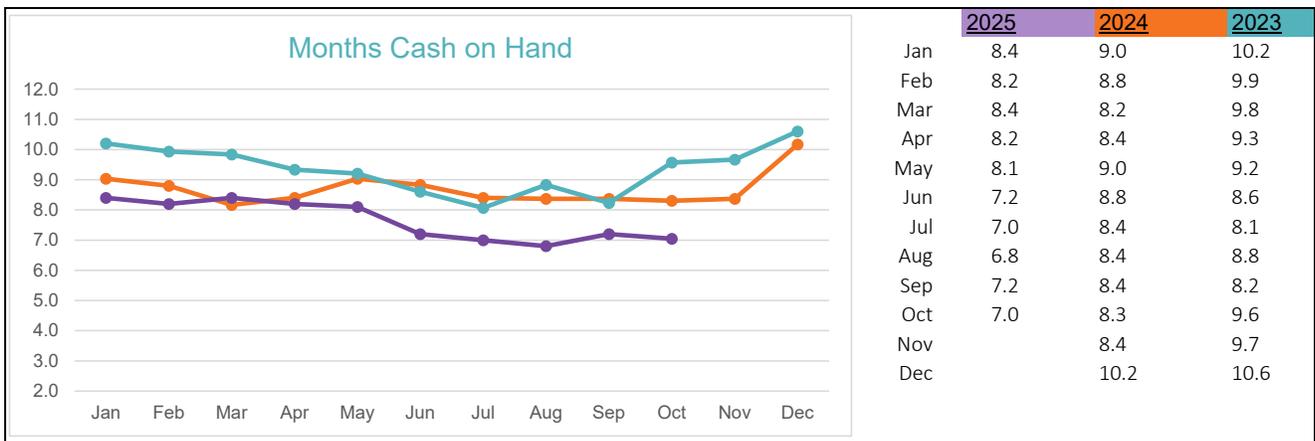
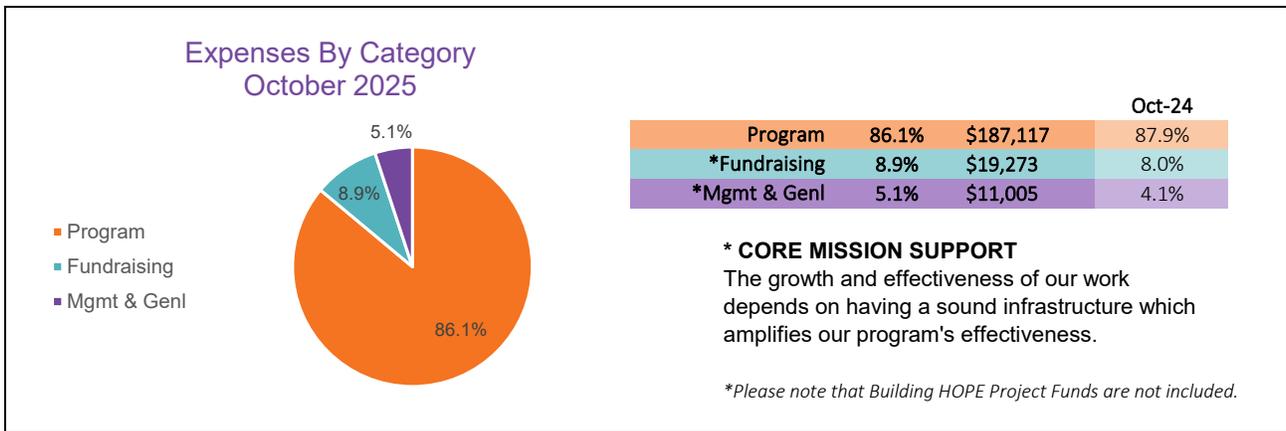
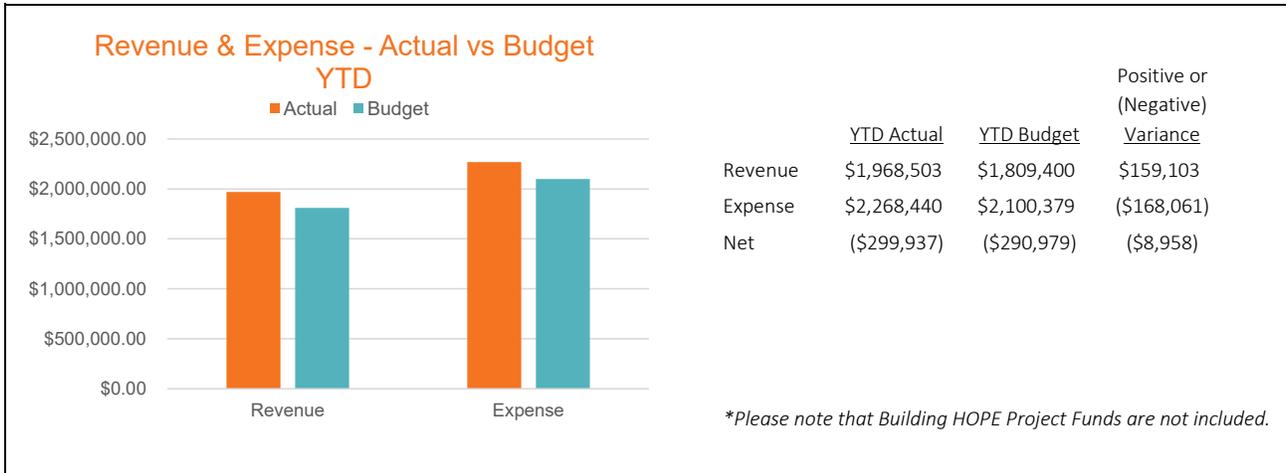
	Operations			Building HOPE Project			Act to Bud Variance Comments
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
<b>DONATIONS, GIFTS, &amp; GRANTS</b>							
<b>Individuals</b>	30,801	14,860	15,941	0	0	0	Continuing to see an increased trend in Individual Giving
<b>Civic/Faith</b>	3,819	11,638	(7,819)	0	0	0	We are reviwing to see who gave last year but not this year and have a plan to reach out.
<b>Corporations</b>	7,184	21,232	(14,048)	0	0	0	Our strategies were not executed as planned, but we will continue to explore options for increasing corporate funding
<b>Foundations</b>	0	20,000	(20,000)	0	0	0	expected funding came in November
<b>Government Grants</b>	36,910	36,521	389	4,850	0	4,850	
<b>INVSTMT INC &amp; OTHR GAIN(LOSS)</b>	1,578	2,832	(1,254)	0	0	0	
<b>OTHER SUPPORT</b>	56,993	64,350	(7,357)	0	0	0	More in-kind donations than budgeted due to new partnership with Hope for the Community
<b>PROGRAM SERVICE FEES</b>	18,479	13,154	5,325	0	0	0	The State is catching up in processing Housing Fund support (GRH).
<b>SPECIAL EVENTS</b>	16,494	25,135	(8,641)	0	0	0	
<b>Total Income</b>	<b>172,258</b>	<b>209,722</b>	<b>(37,464)</b>	<b>4,850</b>	<b>0</b>	<b>4,850</b>	
<b>Expense</b>							
<b>BUILDING &amp; FACILITIES EXPENSE</b>	10,526	10,523	3	59	0	59	
<b>CONTRACTED SRV &amp; PROF FEES</b>	20,209	19,666	543	4,000	0	4,000	
<b>DEPRECIATION EXPENSE.</b>	4,973	3,833	1,140	0	0	0	
<b>INSURANCE.</b>	5,138	3,726	1,412	3,836	0	3,836	
<b>LICENSES-MEMBRSHPS-DUES-FEES</b>	3,857	4,329	(472)	11,719	0	11,719	
<b>PAYROLL, TAXES, &amp; BENEFITS</b>	97,271	103,011	(5,740)	0	0	0	Open positions
<b>POSTAGE, MAILING, &amp; DELIVERY</b>	483	0	483	0	0	0	
<b>PRINTING &amp; PROMOTION EXPENSE</b>	1,172	4,425	(3,253)	0	0	0	
<b>PROGRAM EXPENSES (YOUTH SUPPORT)</b>	13,709	16,257	(2,548)	0	0	0	
<b>PROGRAM EXPENSES (In Kind Expenses)</b>	57,155	64,866	(7,711)	0	0	0	Less in-kind received this month.
<b>STAFF, BOARD, &amp; VOLUTEER EXP</b>	741	791	(50)	40	0	40	
<b>SUPPLIES &amp; MINOR EQUIPMT</b>	1,416	417	999	0	0	0	
<b>TRAVEL &amp; TRANSPORTATION</b>	704	583	121	0	0	0	
<b>Total Expense</b>	<b>217,355</b>	<b>232,427</b>	<b>(15,072)</b>	<b>19,654</b>	<b>0</b>	<b>19,654</b>	
<b>Net Income</b>	<b>(45,097)</b>	<b>(22,705)</b>	<b>(22,392)</b>	<b>(14,804)</b>	<b>0</b>	<b>(14,804)</b>	

Statement of Revenue and Expense

Fiscal Year 2025 -October 31, 2025

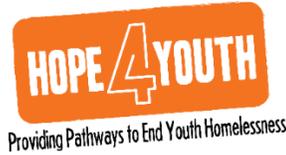
	Operations				Building HOPE Project				Notes
	Over(Under)			Full Year	Over(Under)			Full Year	
	YTD Actual	YTD Budget	YTD Budget	Budget	YTD Actual	YTD Budget	YTD Budget	Budget	
<b>Revenue</b>									
Donations, Gifts, and Grants									
Individuals	236,107	156,619	79,488	337,645	0	0	0	0	Individual giving continues to trend higher – due to focused stewardship
Civic/Faith	49,654	92,481	(42,827)	125,077	0	0	0	0	Civic and Faith is trending lower. We are reviwing to see who gave last year but not this year and have a plan to reach out.
Corporations	132,909	166,846	(33,937)	415,000	0	0	0	0	Our strategies were not executed as planned, but we will continue to explore options for increasing corporate funding
Foundations	31,000	113,420	(82,420)	133,420	0	0	0	0	Budgeted amount for \$20,000 comes in November (44 North). Did not receive Otto Bremer Grant and Schultze. H4Y does have a pipeline in place to address these shortfalls.
Government Grants	546,793	544,982	1,811	637,616	2,569,927	0	2,569,927	0	
Investment & Other Income	26,825	28,320	(1,495)	33,987	3,757	0	3,757	0	
Inkind Contributions	535,608	329,500	206,108	475,000	0	0	0	0	More in-kind donations than budgeted due to new partnership with Hope for the Community
Program Service Revenue	131,272	123,535	7,737	149,843	0	0	0	0	
Special Events, net	278,334	253,697	24,637	290,500	0	0	0	0	Successful Gala
	<b>1,968,503</b>	<b>1,809,400</b>	<b>159,103</b>	<b>2,598,088</b>	<b>2,573,684</b>	<b>0</b>	<b>2,573,684</b>	<b>0</b>	
<b>Expense</b>									
Interest Expense	8,526	0	8,526	0					Interest charge to be reimbursed by IRS (ERC)
Building and Facilities Expense	109,730	105,261	4,469	149,839	59	0	59	0	
Contracted Srvs & Professional Fees	209,595	202,756	6,839	234,600	34,811	0	34,811	0	Building HOPE Project Expenses
Depreciation Expense	49,152	38,330	10,822	46,000	0	0	0	0	New camera/alarm system for HOPE Place; Refrigerators and a freezer for the pantry
Insurance	47,974	34,889	13,085	42,345	3,836	0	3,836	0	Insurance costs higher than budgeted
Licenses, Membrshps, Dues, & Fees	43,601	50,136	(6,535)	60,051	11,857	0	11,857	0	Payment to YIPA not as much as budgeted
Payroll, Taxes, and Benefits	1,065,058	1,133,118	(68,060)	1,339,142	0	0	0	0	Open positions
Postage, Mailing & Delivery	2,092	3,000	(908)	4,600	0	0	0	0	
Printing and Promotion Expenses	17,035	21,800	(4,765)	23,150	2,884	0	2,884	0	
Program Expenses (Youth Support)	162,695	151,648	11,047	655,816	0	0	0	0	Coming to the end of a grant and trying to utilize funds
Program Expenses (In Kind Expenses)	522,907	328,760	194,147		0	0	0	0	More in-kind donations than budgeted due to new partnership with Hope for the Community
Staff, Board, & Volunteer Expense	17,078	15,435	1,643	21,900	342	0	342	0	
Supplies and Equipment	8,075	8,666	(591)	10,000	0	0	0	0	
Travel and Transportation	4,923	6,580	(1,657)	8,000	0	0	0	0	
	<b>2,268,440</b>	<b>2,100,379</b>	<b>168,061</b>	<b>2,595,443</b>	<b>53,789</b>	<b>0</b>	<b>53,789</b>	<b>0</b>	
<b>Net Surplus(Deficit)</b>	<b>(299,937)</b>	<b>(290,979)</b>	<b>(8,958)</b>	<b>2,645</b>	<b>2,519,895</b>	<b>0</b>	<b>2,519,895</b>	<b>0</b>	

# HOPE 4 Youth Financial Dashboard - October 2025









## **Budget Narrative and Assumptions** **Fiscal Year 2026** (January 1, 2026 – December 31, 2026)

The fiscal year 2026 budget reflects:

Total Revenue	\$2,585,470
Total Expenses	\$2,849,659
Net Surplus (Deficit)	\$ (264,189)*

The 2026 budget has been created with insight from HOPE 4 Youth’s (H4Y) five-year trends, the assumption of a reduction in Government funding pertaining to the Anoka County FHPAP funding, the consideration of the 2025 fiscal year revenue outcomes, in-kind increases due to the partnership with Hope for the Community/Second Harvest, and the reduction of the Heartland Tire Foundation operational funding. The budget was additionally developed with the implementation of revenue generation plans and expense management parameters to establish a well-founded vision for our work. The 2026 operating budget is based on the following assumptions and criteria. We have noted details for board review and will follow up in quarter one of 2026 with our fundraising and program plans. *The Building HOPE Project revenue and expenses are tracked in a separate budget.*

### **REVENUE**

**We are planning for a flat increase by comparison per 2025 budget and a 6% decrease in overall revenue generation per current 2025 projected year end. In 2026, we are planning for significant changes in Corporate and Government categories.**

***Donations, Gifts, and Grants – 11% decrease from current yearend projection.***

HOPE 4 Youth continues to maintain a focus on partner stewardship, partner expansion, and further diversification of funding streams in 2026. H4Y will focus on Corporate engagement strategies (i.e. Match Program and Workplace Giving) and greater Corporate outreach. H4Y staff will reassign portfolio management with in-depth review of previous partners, current advocates, and potential partners. Staff were fully engaged in the vision of our 2025 Fundraising Plan and relationship management strategies with specific plans tailoring our outreach intentions, however, Corporates strategies we not fulfilled in 2025; we will focus and fulfill planned strategies in 2026. We will continue to expand and cultivate growth in Individual and Civic | Faith categories; however, are cautious regarding growth potential Private and Family Foundation partnerships. We did remove Heartland Tire Foundation operating funds (\$170,000) from our 2026 Corporate budget. H4Y is currently

researching new funding opportunities through our contracted Grant Writer with encouraging prospects. Additionally, we have a large donor who funds organizations every other year, we are up for resubmission. H4Y has multi-year funding with two-year and four-year grant funding from the MN Dept of Human Services OEO grant, Anoka County FHPAP and Aid to Counties grants, and newly acquired OJP grant funding. Although great partnerships, we did reduce FHPAP funding by nearly \$90,000 in 2026. While the roll up is declining in overall revenue generation; we are increasing each category over 2025.

Detail of fundraising goals – *formal development plan presented on January 2026*

*Fundraising Total represents Donations, Gifts, & Grants. Change represent percentage of impact over 2025 projected actual not 2025 budget*

- Individuals - \$420,000 (30% of DGG total | 1% over 2025 forecast)
- Civic & Faith Partners - \$100,000 (7% of DGG total) | 22% over 2025 forecast)
- Corporate Partners - \$280,000 (20% of fundraising total | 27% below 2025 forecast)
- Private Foundations - \$81,000 (6% of fundraising total | 59% over 2025 forecast)
- Government - \$513,480 (37% of fundraising total | 20% below 2025 forecast)

***Special Events – Slight increase (based on 2025 yearend projection)***

The 2026 net revenue of \$305,800 is up from 2025 net goal of \$290,500 and forecasted \$313,334 2025 yearend; however, is factoring in a onetime \$11,000 donation from the Hunt 4 HOPE event. HOPE 4 Youth’s objective is to remain at roughly 11-13% fundraising total; our 2026 plan has us at 12% of overall revenue generation. H4Y’s vision is to leverage community confidence in our mission, ultimately strengthening H4Y’s ability to elevate greater donor/community engagement. *A Night 4 Hope* and the *Darkest Night 4K* will continue to be offered at the Bunker Hills Event Center. Sponsorship focus at our events is a priority we will focus on at a leadership level. We will continue to offer and evaluate peer-to-peer fundraising at the Fall Darkest Night 4K and the Out of The Cold events. The community led events of The Heartland Tire Golf Classic (Capital), Hunt 4 HOPE, Clays 4 HOPE, and Hops 4 HOPE (each Operations) will require staff to support and steward appreciation while stepping out of the event details. All Special Events will be assessed for enhancement opportunities while always educating the community on the *why* of H4Y.

- A Night 4 HOPE - \$160,000net
- Hunt 4 HOPE - \$33,000net
- Darkest Night 4K - \$40,000net
- Clays 4 HOPE – \$32,000net
- Out of the Cold - \$42,800net
- General special events – open to community led events with no staff engagement

***Program Service Revenue – no Increase (based on 2025 projection)***

The budgeted revenue of \$145,190 for Program Services Revenue represents the rental income and supplemental services subsidy payment for the HOPE Place housing units. We continue with a monthly receivable process when working with youth in the onboarding process and when in arrears of owed rent. We were realistic in our planning to accommodate for youth transition on an annual basis.

### ***In-Kind***

Contra account – seen as revenue and as expense

### ***Investment & Other Income***

Deliverables are based on market performance. We do not have large dollars invested; this income is interest accrued from our cash reserves. We currently have a \$500,000 restricted account with Old National Bank earning a lower interest rate than 21<sup>st</sup> Century, however, once the Bridge Loan is closed we will reassess investment partners. The net loss in 2026 revenue is estimated to be roughly \$12,000.

We have confidence in the management of our revenue opportunities; with greater net Special Event revenue; Corporate strategy additions, and expense oversight.

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## **EXPENSES**

### ***Building and Facilities Expense***

We are not planning significant changes in this category as all HOPE Place facility investments were completed in 2025. The budgeted Building and Facilities Expense includes building operations pertaining to utilities, trash/recycling, phone/internet, repairs & maintenance, cleaning, HVAC, fire systems, snow removal, and miscellaneous building expenses.

### ***Contracted Services***

Our contracted service partners allow us to hire expertise while managing our internal personnel costs. We will see a slight increase in this category from our primary partners delivering our third-party financial audit, our HR contract with MACC, our invaluable investment in an exceptional Grant Writer, IT support needs, and our overnight security. Our partner investment for 2026 includes:

- \$60,720 for HR support with MACC
- \$105,000 for Hope Place evening security
- \$30,000 for IT Solutions
- \$27,100 audit expense
- \$15,800 for Grant Writer
- Additionally, it includes contracting talent in Photography | Videography, Website, and social media partnerships.

### ***Depreciation Expense***

The budgeted depreciation expense includes depreciation expenses for our owned building (HOPE Place), building and leasehold improvements at H4Y facilities, and vehicle depreciation related to the agency van. Depreciation expense will begin upon occupancy in 2027 for the 8565 Central Ave NE, Blaine property.

### ***Insurance***

The insurance is budgeted at \$57,000 (8% increase) reflecting the estimated premiums for our leased Anoka facility, HOPE Place, D&O, Property, and Liability, Auto, Umbrella, and

Workers Compensation. The budget also includes dollars to policies related to Cyber/Internet Liability, Professional Liability, and Volunteer coverage. The construction insurance for the Blaine facility is captured in the Building HOPE Project budget.

### ***Licenses, Memberships, Due, Fees***

The budgeted line item for licenses, memberships, dues, and fees include the annual fees for the databases used to track client, donor, and volunteer data. It also includes annual membership and dues costs (i.e. Chamber memberships, MN Council of Nonprofits membership, etc...), and the portal administration fees, and merchant service fees associated with credit card transactions.

### ***Payroll, Taxes, and Benefits – Flat per 2025 budget. 2026 planned budget 48% of budget vs 52% in 2025 budget***

- Current staff levels support H4Y operations at the Anoka HOPE 4 Youth Center, HOPE Place, and our administrative team. The organization has fully implemented fiscal policies and procedures, updated staff practices and protocol, and managed through 2025 structure and staff changes.
- H4Y currently employs twenty-two individuals supporting the operation with continued plans to annually engage three unpaid interns. 2026 plan is to remain at current FTE.
- H4Y will not replace the Director of Advancement in 2026 rather will hire a Development Associate and lean into AD and ED for fundraising support and expertise.
- H4Y leadership is reviewing necessary benefit enhancements and talent retention strategies to retain talented people and attract the needed competencies to help the organization thrive.
- A general 3% increase across the board as well as salary adjustments exceeding 3% where role function required increased pay (per MACC recommendation) or merit increases were justified.
- 3% Retirement Match is in budget

### ***Postage, Mailing, & Delivery***

The budgeted expense includes expenses for the regular annual expense and two fundraising appeals.

### ***Printing & Promotion Expenses***

Printing and Promotion budgeted expenses include costs for in-house copying/printing as well as external marketing and promotion expenses. We have added an expenses to for Community Event engagement.

### ***Program Expense – Youth Assistance***

- Transportation expenses (car repair, gas, metro transit, vehicle expenses, etc...)
- Sustainable Housing expenses highlight additions (rental assistance, utilities, phone, bridging, etc...) due to Anoka County pass-through funds and H4Y supportive funds

- Youth programming, training, and workshops (i.e. Treehouse – partnering with community experts, etc...)
- HOPE 4 Youth Center Pantry needs (food, basic needs, hygiene needs, etc...)
- Misc expenses (storage, youth activities, cell phones, Hope Place furnishings, etc...)
- Contra account for all donations is within line item 64201.

**Staff, Board, and Volunteer Expense**

This budget assumes expenses for

- Staff, board, and volunteer meetings
- Volunteer and staff appreciation (including an annual volunteer appreciation events)
- Staff training, education, and professional development
- Staff cell phone expenses

**Supplies & Equipment**

The budgeted expense for supplies and equipment includes costs for office supplies, and equipment. Funds are designated to upgrade outdated equipment while implementing a five-year technology replacement plan.

**Travel & Transportation**

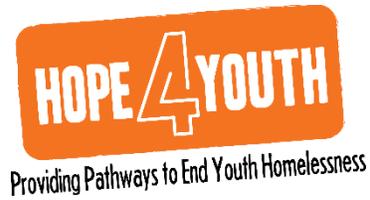
The travel & transportation budgeted expenses include the cost for staff mileage reimbursement as well as the operating experience for the agency van (gas, license tabs, and repairs).

\*\*\*\*\*

**\*H4Y submitted CCIP Grant funding 2026 and 2027: \$350,000**

- **We will learn of gift approval by Q1 2026**
- **Additional Revenue added to 2026 funding \$175,000**
- **Additional Program Expenses added to 2026 (\$60,000)**

**If we receive funding, we will reduce our expected deficit to (\$149,189)**



## 2026 Slate of Officers

- **Chairperson:** Krista Benjamin
- **Vice Chairperson:** Linda Barnum
- **Secretary:** Liz Cook
- **Treasurer:** James Lyght
- **Past Chair:** Julie Cole

- 
- **Executive Committee Chairperson:** Krista Benjamin
  - **Development Committee Chairperson:** Paul Moore
  - **Program Committee Chairperson:** Pat Chen
  - **Finance Committee Chairperson:** James Lyght
  - **Strategic Steering Committee Chairperson:** Linda Barnum
  - **Building Committee Chair:** Steve Nash

# **BYLAWS OF HOPE 4 YOUTH**

## **ARTICLE 1: OFFICES**

The registered office of the corporation shall be as stated in the Articles of Incorporation. The corporation may have offices at such other places as the Board of Directors may determine.

## **ARTICLE 2: MEMBERS**

There shall be no members of the corporation; provided, however, that the Board may designate individuals who have demonstrated extraordinary commitment to the purposes for which the corporation was formed to be honorary members of the corporation. Individuals so designated shall have no rights, voting or otherwise, with respect to any matter concerning the corporation.

## **ARTICLE 3: BOARD OF DIRECTORS**

### **Section 3.1. General Powers.**

The business and affairs of the corporation will be managed under the direction of the Board of Directors. The Board may adopt rules and regulations for the conduct of their meetings and the governance of the corporation, not inconsistent with law, the Articles of Incorporation, or these Bylaws and may, in the execution of its powers, delegate certain authority and responsibility to the Executive Committee.

### **Section 3.2. Number.**

The Board of Directors shall consist of not less than five (5) nor more than twenty five (25) directors.

### **Section 3.3. Qualifications.**

Each director shall be a minimum of eighteen (18) years of age and shall hold office until expiration of his or her term and until his or her successor shall have been elected and shall have qualified, or until his or her death, resignation, removal, or disqualification. No current employee, client, or consultant of HOPE 4 Youth may serve as a member of the Board of Directors.

### **Section 3.4. Term of Office.**

The term of office for all directors shall be three (3) years. At the end of each term, there will be an option to renew for another term. No Board member shall serve more than nine (9) consecutive years

without Executive Committee approval. Board terms shall be staggered so that the terms of approximately one-third of the directors' terms shall expire each year. The Board of Directors shall make appropriate arrangements to accomplish the staggering of terms.

#### Section 3.5. Compensation.

Directors shall not be compensated for services rendered to the corporation in their capacity as directors. A director may, however, be reimbursed for costs and expenses incurred for travel or other purposes for the advancement of the objectives of the corporation.

#### Section 3.6. Conflict of Interest.

A conflict-of-interest policy will be established and reviewed annually by the Board of Directors and key employees of the organization. Each Director shall sign a conflict-of-interest form on an annual basis.

#### Section 3.7. Resignation and Removal.

Any director may resign at any time, effective either immediately or at a specified later date, by written resignation delivered, emailed, or mailed to the Chair. Any director may be removed, with or without cause, except for unlawful reasons, upon the affirmative vote of two-thirds (2/3) of the entire Board of Directors.

#### Section 3.8. Vacancies.

Vacancies on the Board of Directors— whether caused by death, resignation, removal, disqualification, or otherwise—shall be filled by majority vote of the remaining directors, though less than a quorum of the Board. Each director appointed to fill a vacancy shall hold office for the unexpired portion of the vacancy term.

Any director who shall have been absent, without excuse, from three (3) consecutive regular meetings of the Board of Directors shall automatically vacate the seat on the Board and the vacancy shall be filled as prescribed in this Section 3.7. The Board of Directors may, however, consider the circumstances of such absences and may expressly waive such absences by affirmative vote of a majority of its members at a duly called meeting at which a quorum is present.

A public servant director will be excused from abiding to the attendance regulation. However, it is preferred that the public servant is as dedicated as permissible and to be an “active director” in any and all ways possible.

#### Section 3.9. Transferability.

A member may not voluntarily or involuntarily transfer his or her membership or any right arising

therefrom.

## ARTICLE 4: MEETINGS OF BOARD OF DIRECTORS

### Section 4.1. Annual Meetings.

An annual meeting of the Board of Directors shall be held each year, on a date and at a time and place established by the Chair of the Board. The purpose of the annual meeting shall be to receive a report on the operations of the corporation, elect Board members and Committee Chairs, elect officers for the ensuing year, and transact any other business that may properly come before the meeting.

### Section 4.2. Regular Meetings.

Regular meetings of the Board of Directors shall be held at least quarterly throughout the calendar year, at places and times established by the Chair of the Board.

### Section 4.3. Special Meetings.

A special meeting of the Board of Directors may be held on the call of the Chair of the Board, at the place, time, and location determined by the Chair in the notice of the meeting, or by written petition delivered to the Secretary and signed by any three (3) members of the Board, at a place and time (not later than 60 days after receipt by the Secretary of the petition) designated by the Chair, in the notice of the meeting.

### Section 4.4. Notice of Meetings.

Notice of the place, time, and purpose of any Board of Directors meeting shall either be delivered personally, by email, telephone, or be sent to each director by first class mail, addressed to the director either at his or her address shown in the records of the corporation, or, if his or her address is not shown in the records or is not readily ascertainable, to the place where the principal office of the corporation is located. The notices shall be mailed or delivered at least five (5) days before the meeting.

### Section 4.5. Quorum.

Except as otherwise specifically provided for in these Bylaws, the presence of two-thirds (2/3) of the members of the Board of Directors shall constitute a quorum for the transaction of business. If a quorum is initially present at a meeting of the Board of Directors, the directors present may continue to transact business, notwithstanding the loss of a quorum by a withdrawal of directors, provided that any action thereafter is approved by at least a majority of the required quorum for the meeting, or a greater number by law, the Articles of Incorporation, or these Bylaws.

Section 4.6. Participation by Telephone Conference Call or Other Telepresence Means.

A meeting may be held among directors, or members of any committee designated by the Board of Directors, by any means of communication through which the participants may simultaneously hear each other during the conference. This constitutes a meeting of the Board or the committee, as the case may be, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. A director or committee member may participate in any meeting by any means of communication through which he or she, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by either of the foregoing means constitutes personal presence at the meeting.

Section 4.7. Waiver of Notice.

Notice of any meeting of the Board of Directors may be waived by any director before, at, or after the meeting in writing or orally. Attendance by a director at a meeting is waiver of notice of that meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

Section 4.8. Voting.

At all meetings of the Board of Directors, each director shall have one vote. The Board shall take action by the affirmative vote of a majority of directors present at a duly held meeting, except where the affirmative vote of a larger proportion or number is required by law, the Articles of Incorporation, or these Bylaws.

Section 4.9. Emergency Meeting.

In the event of an emergency which immediately affects the endangerment of a client, fiscal health, or security of HOPE 4 Youth assets, the Executive Committee may convene an emergency meeting by phone or in person to take immediate action and immediately report the same to the entire Board of Directors.

## ARTICLE 5: OFFICERS

Section 5.1. Number of Officer Positions.

The officers of the corporation may consist of a Chair, a Vice Chair, a Treasurer, a Secretary, Past Chair, or such other officers deemed necessary or desirable by the Board. New officer positions may be created and filled at any meeting of the Board. Only members of the Board of Directors shall be qualified to serve in the officer positions described in this Section 5.1.

Section 5.2. Election and Terms of Office.

The officers of the corporation shall be elected for one-year (1) terms by the Board of Directors at its annual meeting. Each officer shall hold office until his or her successor shall have been duly elected and qualified.

Section 5.3. Removal.

Any officer of the corporation may be removed at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the entire Board of Directors.

Section 5.4. Vacancies.

Notwithstanding any other provision in these Bylaws, a vacancy in any office caused by death, resignation, removal, disqualification, or otherwise, may be filled by affirmative vote of two-thirds (2/3) of the Board of Directors for the remaining portion of the term.

Section 5.5. Powers and Duties.

The officers shall have the following powers and duties:

(a) Chair.

The Chair shall chair both the Board of Directors and Executive Committee; shall also serve as a member ex-officio on all committees except the Nominating Committee; shall communicate to the Directors at the annual meeting and at such other times as the Chair deems proper concerning the activities of the corporation; shall see that all orders and resolutions of the Board of Directors are carried into effect; shall sign and deliver in the name of the corporation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver such instruments as required by law to be exercised by another person or is expressly delegated by the Articles of Incorporation or Bylaws or by the Board to some other officer or employee of the corporation; shall perform all duties prescribed by the Board; and, in general, shall perform all duties usually incident to the office and functions of a Chair of a Minnesota nonprofit corporation.

(b) Vice Chair.

The Vice Chair shall have such powers and shall perform such duties as may be prescribed by the Board of Directors. In the event of the absence or disability of the Chair, the Vice Chair shall perform the duties of the Chair. In the event the current Chair fails to serve her or his full term, the Vice Chair shall serve the remainder of the outgoing Chair's term.

(c) Treasurer.

The Treasurer of the corporation shall oversee the financial records for the corporation, all monies of the

corporation and the disbursement of corporate funds. The Treasurer shall render to the Chair, Executive Director, or the Board of Directors, whenever requested, an account of all financial transactions and of the financial condition of the corporation and shall perform other duties prescribed by the Chair or the Board of Directors.

(d) Secretary.

The Secretary shall review the minutes of meetings of the Board of Directors and all Board committee HOPE 4 Youth personnel is responsible to keep on file a complete copy of the Articles of Incorporation and all amendments and restatements thereof and a complete copy of these Bylaws and all amendments and restatements thereof; HOPE 4 Youth personnel shall give proper notice of meetings of the Board and all Board committees. The secretary shall oversee these functions and perform other duties that are from time to time prescribed by the Board of by the Chair, and, in general, shall perform all duties usually incident to the office of the Secretary of a Minnesota nonprofit corporation. In the further event of the absence or disability of the Chair and Vice Chair, the Secretary shall perform the duties of the Chair.

(e) Past Chair

The Immediate Past Chair still serving on the Board shall act as an advisor to the Chair and the Board of Directors and act as a member of the Executive Committee. The Past Chair will serve in the role of the Chair of the Nominating Committee.

## ARTICLE 6: COMMITTEES

### Section 6.1. Committees.

The Board may act by and through an Executive Committee and other temporary, standing, or ad hoc committees specified in resolutions adopted by the Board. The Executive Director shall be an ex-officio member of all committees. Except as otherwise specified in these Bylaws, each committee shall have such membership, duties, and responsibilities as are established for it from time to time by the Executive Committee. Each committee shall consist of one or more natural persons who need not be directors and shall at all times be subject to the direction and control of the Board. Committee Chairs are appointed annually at the annual Board of Directors meeting.

### Section 6.2. Executive Committee.

(a) *Duties.*

The Executive Committee may act in place and instead of the Board of Directors between regular Board meetings on all matters, except those specifically reserved to the Board in these Bylaws, pursuant to delegation of authority to such Committee by the Board of Directors. Actions of the Executive Committee shall be reported to the Board for ratification at the next Board meeting.

*(b) Membership.*

The following officers serve as the members of the Executive Committee: Chair, Vice Chair, Immediate Past Chair, Secretary, and Treasurer. During the time of the Building HOPE Project, the Building Committee Chair will also serve on the Executive Committee. Once the building is constructed and opened, the board of directors will conclude the participation of the Building HOPE Committee Chair.

*(c) Vacancies.*

Vacancies on the Executive Committee shall be filled in the manner provided for filling vacancies on the Board of Directors.

Section 6.3. Strategic Steering Committee

The Strategic Planning Steering Committee shall be elected by the Executive Committee and shall consist of at least three (3) Board members. Membership on the Strategic Planning Steering Committee shall be for a term of one (1) year coinciding with the term of the Chair. The Strategic Planning Committee will review the strategic objectives and annual goals determined by the Executive Director and HOPE 4 Youth staff. The Strategic Planning Steering Committee will provide insights and recommendations to the Executive Director and the Board of Directors to ensure consistency and alignment with the corporation's Bylaws and mission.

Section 6.4. Finance Committee.

The Finance Committee shall consist the Treasurer, Executive Director, and at least one other individual who is either a current member, has been a past member or is a representative from the community at large. The Treasurer shall chair the Finance Committee. The Finance Committee shall prepare recommendations for an annual budget of the corporation and perform such other duties in connection with the finances of the corporation as prescribed from time to time by the Board of Directors.

Section 6.5. Nominating Committee.

The Nominating Committee shall be represented by the Executive Committee of HOPE 4 Youth and shall be chaired by the Immediate Past Chair. Membership on the Committee shall be for a term of one (1) year coinciding with the term of office of the Chair. The Nominating Committee shall notify the general board of directors of its nominees on a quarterly basis or as needed.

Section 6.5. Fund Development Committee.

A Fund Development Committee may be appointed by the Board to build and develop a base of corporate

and private funding sources to support the mission and programming of HOPE 4 Youth through fund development, communications, outreach, and marketing. The Fund Development Committee may have three (3) Board Members, with the Executive Director as an ex-officio committee member. Committee members shall serve one-year terms and elect a Chair for a concurrent term.

#### Section 6.6. Program Committee

The Program Committee shall consist of the Program Chair and at least one other individual who is either a current member, has been a past member or is a representative from the community at large. The Program Committee shall work with staff to prepare recommendations for program partner enhancements, program communication improvements, and program best practices in the youth serving industry.

#### Section 6.7. DEI Committee

The DEI Committee shall consist of the DEI Chair from the board of directors and at least two other individuals who are either a current member of the board, has been a past member, or is a representative from the community at large. The DEI Committee shall work with the staff to meet the annual objectives of enhancing HOPE 4 Youth's culture which embraces diversity, inclusivity, equity, innovation, and teamwork to support the delivery of our mission.

#### Section 6.8. Advisory Committee

The Advisory Committee shall consist of individuals from the community who believe in the HOPE 4 Youth mission and will provide specialized expertise needed to fulfill the mission. They can provide important duties such as fundraising, community advocacy and program enhancement. The advisory board may meet up to quarterly to obtain an organizational update and to determine where they can support the mission objectives. This committee does not have fiduciary responsibility to the organization. They do have an important voice but does not vote. These roles can be past board members who have met their terms, candidates to fill future board seats, and/or thought leaders within the community HOPE 4 Youth serves.

### ARTICLE 7: PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO)/EXECUTIVE DIRECTOR (ED)

#### Section 7.1. Executive Director.

The Board of Directors shall employ an individual who shall have the title of Executive Director and whose terms and conditions of employment shall be specified by the Board.

#### Section 7.2. Duties and Authority of Executive Director.

The Executive Director shall manage and direct all daily activities and business dealings of the corporation as prescribed by the Board of Directors and shall be responsible to the Board. The Executive

Director shall employ and may terminate the employment of members of the staff necessary to carry on the work of the corporation and fix their compensation within the approved budget. The Board of Directors shall be informed of and consulted with regarding finalists for any staff position that directly reports to the Executive Director. As Executive Director, he or she shall define the duties of the staff, supervise their performance, establish their titles, and delegate those responsibilities as shall, in his or her judgment, be in the best interests of the corporation. The Executive Director shall have authority to make or delegate to accounting staff financial disbursements for necessary expenses and shall make regular reports to the finance committee per the financial policies.

Section 7.3. Reports to Board of Directors.

The Executive Director shall attend all meetings of the Board of Directors and make a report to the Board at every regular, special, and annual meeting. The Executive Director shall be entitled to a voice at all Board meetings but shall not be entitled to vote.

## ARTICLE 8: FISCAL MANAGEMENT

Section 8.1. Fiscal Year.

The fiscal year of HOPE 4 Youth shall begin on the first day of January of each year.

Section 8.2. Execution of HOPE 4 Youth Documents.

The Board of Directors may authorize any Officer or Officer's agent or agents to enter into any contract or to execute and deliver any instrument in the name of and on behalf of HOPE 4 Youth. Such authority may be general or confined to specific instances.

Unless so authorized by the Board, no Officer, agent, employee, or volunteer shall have any power or authority to bind HOPE 4 Youth by any contract or engagement, or to pledge its credit, or render it financially liable for any purpose or in any amount.

Section 8.3. Loans.

No loans shall be contracted on behalf of HOPE 4 Youth nor shall evidences of indebtedness be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or may be confined to specific instances. If and when it is necessary to secure a line of credit, the Finance Committee will recommend and approve procedures for its use.

Section 8.4. Deposits.

All funds of HOPE 4 Youth shall be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may designate, or as may be designated by an Officer or Officers, agent or agents of the corporation to whom such power may be delegated by the Board. For the purpose of such deposit, any person to whom such power is so delegated may endorse, assign and deliver checks, drafts, and other orders for the payment of money which are payable to the order of HOPE 4 Youth.

#### ARTICLE 9: INDEMNIFICATION

The corporation shall indemnify, and make advances of reasonable expenses to each director, officer, and employee of the corporation, whether or not then in office or employed by the corporation, to the fullest extent prescribed by Minnesota Statutes, Section 317A.521. The corporation shall not indemnify or make advances of expenses to any person who may otherwise be entitled to receive payment under Section 317A.521 by reason of such person's status or former status as an agent of the corporation or otherwise. The corporation may purchase and maintain insurance on behalf of any person in that person's official capacity against any liability asserted against and/or incurred by the person arising from that capacity, whether or not the corporation would have been required to indemnify the person against the liability or under the provisions of Sections 317A.521. The foregoing right of indemnification and the right to receive advances of expenses shall not be exclusive of other rights to which any director, officer, employee, or agent may be entitled as a matter of law or under any bylaw, agreement, or otherwise.

#### ARTICLE 10: REVIEW

These Bylaws shall be reviewed yearly at the Annual Meeting for compliance with Minnesota Statute 317A and for relevance to the organization. Recommendations for changes will be presented to the Board of Directors as outlined in Article 11.

#### ARTICLE 11: AMENDMENTS

These Bylaws may be amended in whole or in part or entirely restated at any meeting of the Board of Directors at which a quorum is present, upon receiving the affirmative vote of two-thirds (2/3) of the entire Board of Directors. Notice of the meeting shall state that the purpose of the meeting is to consider the proposed amendment or restatement of these Bylaws and shall include, or be accompanied by a copy of, each proposed amendment or restatement.



## **HOPE 4 Youth SIGNATURE AND SPENDING AUTHORITY POLICY**

This policy provides guidelines for HOPE 4 Youth pertaining to spending and signature authority. It applies to the Board of Directors, the Executive Director, Associate Director, and the Director of Finance and Administration. It is the responsibility of the Director of Finance and Administration to ensure this is implemented and followed.

### **SPENDING AUTHORITY**

The Executive Director will have the spending authority to approve expenditures within the financial parameters established by the Board of Directors through the approval of the annual budget. For non-budgeted items, the Executive Director may spend up to \$5,000 with dual approval and in the absence of the Board Chair, the Board Vice Chair may be contacted for the dual approval. All non-budgeted items over \$5,000 must go to the Board of Directors for approval, or Executive Committee if action is needed prior to the next Board meeting.

### **SPENDING GUIDELINES**

All expenditures must be prudent and should benefit the organization and its mission.

### **SIGNATURE AUTHORITY**

The Board Chair and/or other Board Officers shall sign and execute the following documents:

- Employment offer to the Executive Director
- Board Resolutions
- Legal Settlements
- Sale, purchase, acquisition, or disposal of buildings regardless of value
- Other items, documents or proposals requiring Board signature or Board Officer signature by the institution requesting signature

The Executive Director shall have the authority to act on behalf of the organization and sign or execute all other documents including:

- Offers of employment and termination
- Banking forms and documents: Loan documents can be signed by Executive Director, but approval to borrow funds or take out a loan must be separately approved in advance by the Board of Directors or Executive Committee if action is needed prior to the next Board meeting
- Insurance contracts and documents
- Rental and maintenance agreements
- Checks
- 401K administration documents
- Employee benefit forms and contracts
- IRS forms
- Donations, gift, and grant documents: Proposals, contracts, and letters
- Sponsorship and partnership agreements
- Other miscellaneous



## **HOPE 4 Youth Reserve Policy**

### **PURPOSE**

The purpose of this Reserve Policy is to maintain an adequate level of unrestricted net assets to support any unforeseen cash shortfalls of the organization's day-to-day operations. With approval of the Board of Directors, the reserve may also be used for opportunities that may arise during the year for one-time, non-budgeted/nonrecurring expenditures that will build long-term capacity or further the mission of the organization.

### **DEFINITIONS AND GOALS**

The Reserve Fund is defined as the designated fund set aside by action of the Board of Directors. The target level of the Reserve Fund will be to maintain 3-6 months annual operating expenses in the fund. The organization intends for any reserves that are used to be replenished within a reasonable period. The Reserve Fund balance will be evaluated annually by staff and can be adjusted by the Board of Directors in response to internal and external changes.

### **ACCOUNTING FOR RESERVES**

The Reserve Fund will be recorded in the financial statements as "Board Designated Operating Reserve". The Reserve Fund will be funded and maintained in a segregated bank account.

### **AUTHORITY TO USE RESERVES**

#### ***Use of Funds for General Operating Cash***

In the event the use of reserves is needed for general operating cash shortfalls, the Director of Finance and Administration will identify the need for access to reserve funds and will prepare a request that will require analysis of the sufficiency of the current level of reserve funds, an evaluation of the time period for which funds will be required, and an estimated timeline and plan for replenishment of the funds. The analysis of the current level of reserve funds will include any unused credit from established Lines of Credit (LOC) with Banking Partners. That request will be submitted and approved by the Executive Director. The use of reserves will be reported to the Board of Directors at their next scheduled meeting including the amount of funds used and plans for replenishment to restore the reserve fund and/or payoff balance of any advancement from established LOC to the target amount.

#### ***Use of Funds for Opportunity/Capacity Building Expenditure***

In the event that the use of reserves is needed for non-budgeted, non-recurring expenses that will build long-term capacity or further the mission of the organization, the Executive Director and/or the Director of Finance and Administration will prepare a formal request to the Board of Directors for approval that will include details surrounding the proposed expenditure, rationale for the request, and plans for replenishment of the reserves used. Reserve Funds cannot be used for opportunity/capacity building expenses unless approved by the Board of Directors.

### **REPORTING AND MONITORING**

The Executive Director and Director of Finance and Administration are responsible for ensuring that the Reserve Fund is maintained and used only as described in this policy and will report the balance of the Reserve Fund to the Board of Directors on a regular basis in conjunction with the preparation of the financial statements and associated financial reports.

*Adopted by the Board of Directors 11.2020*

*Amended 8.2022, 3.2023, Amended with current titles 9.2025*



## **HOPE 4 YOUTH FUND MANAGEMENT POLICY**

HOPE 4 Youth recognizes the importance of establishing policies for managing the funds of the organization in order to accomplish its mission of providing pathways to end youth homelessness. This policy will establish the roles of decision making and authority in making banking and investment decisions, provide parameters for investing, and identify the threshold that triggers the option for investing beyond what is needed to provide sufficient cash to meet the day-to-day financial obligations of HOPE 4 Youth.

The Executive Director, in consultation with the Finance Committee, is responsible for evaluating and monitoring the investment management of the various funds on behalf of HOPE 4 Youth. They will evaluate all HOPE 4 Youth funds annually to determine if recommendations should be made to adjust fund management in order to meet the mission of the organization and will provide recommendations to the Board of Directors. The Executive Director, in consultation with the Finance Committee, is authorized to delegate certain responsibilities to professional experts. These include, but are not limited to Investment Management Consultants, Investment Managers, Custodians, and additional specialists.

When opening or closing a Money Market (MM) or other account or financial product, multiple Financial Institutions will be evaluated to ensure the highest rate of return and diversification. Throughout the process, consideration of interest rate risk, insurability risk, early withdrawal penalties, minimum balance requirements, accessibility, and concentration risk will be evaluated before the opening or closing of a MM or other account, or financial product takes place.

HOPE 4 Youth maintains Operating Funds to provide sufficient cash to meet the day-to-day financial obligations of HOPE 4 Youth in a timely manner. The objectives are preservation of capital, liquidity, and optimization of the investment returns. The Executive Director, in consultation with the Executive Committee, will determine the minimum amount needed to maintain Operating Funds.

The Executive Director, in consultation with the Finance Committee, will provide recommendations to the Executive Committee who is authorized by the Board of Directors to invest in:

- Interest bearing Savings and Checking accounts, and Money Market Funds

At the discretion of the Executive Director, in consultation with the Finance Committee, if and when HOPE 4 Youth has cash on hand in the Operating Funds to cover more than four (4) months of projected expenses, they can recommend to invest in an interest-bearing Money Market account or other financial product. Before investments are made, cash flow projections will be evaluated to maintain necessary liquidity for future growth. Financial Products will be chosen based on the liquidity needs of the organization.



# HOPE 4 Youth Financial Policies

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**Background Information**

HOPE 4 Youth, Incorporated, is organized and operates exclusively for the exempt purpose in accordance with its article of incorporation, by-laws, and the restrictions under Section 501(c)(3) of the Internal Revenue Code. Specifically:

- No part of the net earnings of the organization may incur to the benefit of any individual.
- No substantial part of the activities of the organization may consist of the carrying on of propaganda.
- The organization may not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

For HOPE 4 Youth’s accounting procedures to be effective, internal controls are in place to safeguard the organization’s financial assets against errors and misstatements. Duties are segregated between employees and all transactions must be documented. In instances when employees are handling forms of cash, checks or credit card transactions, these forms will be managed by dual control; one employee counts and records, second employee verifies.

The organization records transactions on the accrual basis of accounting. The accounting principles will be consistent with all applicable laws accepted in the United States of America. These include Generally Accepted Accounting Principles, Statements of Financial Accounting Standards and, if applicable, the Office of Management and Budget (OMB) regulations.

While ultimate responsibility for fiscal management of the organization rests with the Board of Directors, the Executive Committee of the Board authorizes the Treasurer to act on behalf of the Board in urgent financial matters which must be addressed before the Board is able to meet. The Board authorizes the Executive Director to oversee the day-to-day fiscal management, to hire and supervise staff and consultants, pay bills, receive funds, enter into contracts with a cost to the organization, and maintain bank accounts. These activities are to be conducted within the parameters of the annual approved budget and if there are variances from the approved budget, reasons for those variances are to be reported to the Board.

Certain procedures resulting from these accounting pronouncements and releases are discussed in the sections below.

**Internal Control**

HOPE 4 Youth strives to achieve our mission and goals, we also strive for accountability in our operations through an internal control structure that is well designed and operated, appropriately updated to meet changing conditions, and provides reasonable assurance the objectives of HOPE 4 Youth are being achieved.

Internal control includes three major control categories: Effectiveness and efficiency of operations, reliability of financial reporting, and compliance with laws and regulations, and

includes the overarching objective of safeguarding assets from fraud, waste, abuse, misuse, and mismanagement.

There are five standards for internal control: Control Environment, Risk Assessment, Control Activities, Information and Communications, and Monitoring which are defined below.

## **CONTROL ENVIRONMENT**

Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. Management conveys the message that integrity and ethical values must not be compromised and takes appropriate action and discipline when departures or violations from approved policies and procedures occur. HOPE 4 Youth demonstrates a commitment to the competence of its personnel and employs good human capital policies and practices.

## **RISK ASSESSMENT**

HOPE 4 Youth needs to identify the risks that could impede the efficient and effective achievement of objectives at the entity and activity level from both internal and external sources. Internal control activities should mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

## **CONTROL ACTIVITIES**

Appropriate policies, procedures, techniques, and mechanisms help ensure management's directives are carried out and need to be in place. Control activities are essential for proper stewardship and accountability for resources and achieving effective and efficient program results. Control activities occur at all levels and functions of HOPE 4 Youth. They include a wide variety of diverse activities such as approvals, authorizations, verifications, reconciliations, performance reviews, security activities, and the management of records and documentation.

## **INFORMATION AND COMMUNICATIONS**

HOPE 4 Youth should have relevant, reliable information (both financial and non-financial), in relation to external and internal activities and events. It seeks to ensure this information is communicated to management and others within HOPE 4 Youth who need it and within a time frame that enables them to carry out their operational responsibilities efficiently and effectively. HOPE 4 Youth needs to make sure the forms of communication are broad-based, and are useful, reliable, and continuous. Management ensures effective internal communication takes place, and effective external communication occurs with groups which can affect the achievement of HOPE 4 Youth's mission, goals, and objectives.

## **MONITORING**

Internal control monitoring should assess the quality of performance over time and ensure the findings of audits and other reviews are promptly resolved. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. It includes ensuring all

staff are well-versed in policies and procedures and are making monitoring and adherence to policies and procedures part of their responsibility. All staff will be required to sign off on these policies, along with the Finance Procedures to ensure a thorough understanding of these policies and procedures.

## **Revenue Recognition**

Contributions will be recorded as revenue in the period received or the period in which a pledge is received. Management will record pledge receivables on the date of the commitment, whether commitment is in a formal letter, or a formal email specifically expressing the promise to give.

Grants and contributions will be recognized as revenue when all restrictions have been removed and the money is earned. Each restricted grant and/or contribution will be recognized as deferred income to allow for accurate and consistent recording.

### ***Processing of cash, checks, and credit card payments received at events:***

The Director of Finance and Administration will determine for each event the number of cash bags and amount of cash needed per bag. Cash withdrawn from the bank to be used at each event will be verified by two parties before being placed in each cash bag. The cash in each cash bag will be counted by two individuals at the end of each event. The cash will then be recorded on the Event Cash Counting form and signed by all parties. The Director of Finance and Administration and other appointed staff members will batch and balance all deposits at the end of the event. If discrepancies are found, the goal is to ensure all discrepancies will be researched and resolved at the event to confirm balanced records. Batch balance reconciliation summaries will be prepared summarizing the sales and donated revenue transactions by cash, check, and credit cards. If unable to count the night of an event, all funds will be placed in a tamper evident, sealable bag and initialed by two parties.

## **Fixed Assets, Depreciation, and General Inventories**

All equipment and other fixed assets costing more than \$2,500 will be recorded as an asset. All capital assets will be depreciated over their estimated useful lives. Any write-offs or adjustments are approved by the Executive Director. The Board must approve the sale or disposition of any fixed assets totaling \$25,000.00 or more. Computer and Technical Inventory is performed by a third-party vendor. The Computer and Technical Inventory is held by both the third-party vendor and the Administrative Coordinator which is reviewed on an annual basis. This inventory will be updated to the Assets Inventory internal document where all property and equipment will be maintained. The Assets Inventory internal document will contain sufficient information for insurance and funding requirements. The Director of Finance and Administration and the Administrative Coordinator have shared responsibilities for maintaining the Primary Inventory internal document.

Keyholder Inventory will be performed on a regular basis and updated on an ongoing basis. The inventory will be tracked by the individual and position who holds the key(s) during the following events: When a new employee or contractor joins the organization or when an employee or contractor leaves the organization. The Director of Finance and Administration will be responsible for the updating of the Keyholder Inventory, along with tracking of the keys. Example: An employee leaves employment and the keys are returned to their supervisor; the supervisor then notifies the Director of Finance and Administration they have received the keys from the former employee and then secures the keys in an agreed upon location.

The System Access Inventory will be updated on an ongoing basis. The inventory will be tracked by position, along with the individual who holds that position during the following events: When a new employee or contractor joins the organization or when an employee or contractor leaves the organization. The Director of Finance and Administration and the Administrative Coordinator have shared responsibilities for updating the System Access Inventory. Example: An employee leaves employment, on the last day of employment, the Supervisor notifies the Director of Finance and Administration, and accesses will be shut down accordingly. Please note, accesses and special notes regarding Banking Partners, such as mobile apps, online access, and signers of accounts, will be organized accordingly by the Executive Director and maintained on the Access Inventory Passwords document. The Director of Finance and Administration and the Administrative Coordinator will maintain Portal Access Inventory Passwords of pass-through donations.

## **Cash Disbursements**

Generally, HOPE 4 Youth prints vendor and expense reimbursement checks on a weekly basis. The Director of Finance and Administration, who does not initiate or approve expenditures, prepares the checks for disbursement, and ensures each check issued is within the established guidelines illustrated below.

All vendor and expense reimbursement checks will be produced in accordance with the following guidelines:

- a. The timing of disbursements should be made to take advantage of all early-payment discounts.
- b. All vendors shall be paid by the due date indicated on the vendor invoice, typically net thirty (30).
- c. Total cash requirements associated with each check run are monitored by the Director of Finance and Administration in conjunction with the available cash balance within the bank, prior to the release of any checks.
- d. All supporting documentation is attached to the corresponding check request through Approvals in Teams. Supporting documentation includes a vendor invoice and vendor W9 if not already on file.
- e. The supervisor of the requestor is responsible for reviewing the expense prior to approving for forwarding to the Director of Finance and Administration for payment processing.
- f. Checks shall be utilized in numerical order and unused checks are safeguarded by the Director of Finance and Administration.
- g. Checks shall never be made payable to "bearer" or "cash."
- h. Checks shall never be signed prior to being processed.
- i. Two signatures are required for checks written on bank and investment accounts over \$5,000.

The Executive Director, the Associate Director, and the Director of Finance and Administration are authorized check signers. Anyone signing a check must review the supporting invoice and/or other documentation. Individuals may not sign a check payable to themselves.

The Director of Finance and Administration will maintain the accounts payable system. Prior to payment, the Director of Finance and Administration will prepare the checks and organize the documentation.

## **Vendor Management**

A list of HOPE 4 Youth's approved vendors is available within QuickBooks Online (QBO) under Accounts Payable and is available upon request. The Associate Director will oversee the management of this approved vendor list for facility partners. These lists are created to guide internal personnel within HOPE 4 Youth of vendors we are currently working with or who have worked with our organization in the past to purchase goods or services. Any vendor appearing or added to Accounts Payable within QBO must meet and maintain standards set by HOPE 4 Youth in terms of quality and price. These lists allow the organization access to a list of suppliers HOPE 4 Youth prefers to hire or work with and ensures our organization a reference to updated vendors who can be called at any time. Vendor expenditures must be approved by the Executive Director, the Associate Director, and/or the Director of Finance and Administration.

## **Procurement**

The Executive Director is authorized to enter into contracts if there is a cost to the organization within the financial parameters established by the Board of Directors through the approval of the annual budget. This includes lease agreements and memorandums of understanding. For non-budgeted items, the Executive Director may spend up to \$5,000 without board approval, however, will need dual approval by the Board Chair for contract amounts exceeding \$5000. In the absence of the Board Chair, the Board Vice Chair may be contacted for dual approval. Please refer to **HOPE 4 Youth's Signature and Spending Authority Policy** for detailed information.

At least two bids are required, if practical, for the purchase of budgeted capital assets or contractual services more than \$5,000. Selection will be based on cost, service, and other elements of the contract, along with honoring current partnerships. The approval of the Executive Committee of the Board is required if the low bidder is not selected, or a bidding process was not utilized. Any capital assets or contractual services not budgeted by the Executive Committee of the Board must be approved by the Executive Committee of the Board prior to soliciting bids. All contracts and agreements will flow through the Executive Director. Regarding contracts and agreements, if there is a cost to the organization, the Executive Director's signature is required to sign the contract or agreement. If there is no cost to the organization entering into a contract or agreement, a director of the organization is allowed to sign after a thorough review. All bids will be retained in accordance with **HOPE 4 Youth's Document Management Policy**.

Purchase requisitions may be generated by anyone in the office. The requisitions are turned in to their direct supervisor for approval and given to the Administrative Coordinator for order placement and filed appropriately.

### ***Mail Process***

Mail is received, sorted, and opened by employees under dual control. All mail is sorted by events, individual donations, organization/corporate (bills, corporate donations & documentation), junk mail and loose items. Mail is date-stamped by two employees. Individual

and corporate donation mail is opened by two employees, one employee records on the envelope any form of cash, check, or credit card payment, along with the value and initials of the employee. The second employee will then verify the information recorded on the envelope by their initials and if there are discrepancies, they will be reconciled immediately. All other mail will be opened by the Director of Finance and Administration in the presence of a second individual who will not view the contents of the envelope. If a donation is to be found in the mail by the Director of Finance and Administration, the second individual will verify the information recorded on the envelope by their initials. If there are loose items in the mail, such as cash, checks, cashier checks or Silent Auction items, an envelope is filled out to confirm the donation.

### ***Invoices***

Invoices and supporting documentation are submitted through Approvals in Teams. The requests are assigned to the employee's supervisor who approves the expense according to the budget. After supervisor approval, the request is received by the Director of Finance and Administration. Invoices and supporting documentation are saved to the server by the Director of Finance and Administration. Approvers are the Executive Director, the Associate Director, the Director of Finance and Administration, and the Program Director. Approved invoices are entered by the Director of Finance and Administration to the Accounts Payable Computer Module. All documents are filed in the Accounts Payable folder on the server until they are paid.

### ***In Kind Valuation***

For in kind donations received, items will be weighed, and the appropriate value will be recorded. The value will be the average fair market value by weight of the item category. Items donated are divided into five categories: food, clothing, hygiene, water and diapers. There are exceptions for unique or high-value items that will be evaluated on a case-by-case basis. For example: A brand-new computer is donated and is accompanied by a receipt.

The valuation of donated items will be evaluated and updated at a minimum of 3 years, but preferably yearly. To determine the average fair market value of each item category, individual item costs will be investigated. Then multiple items from the same category will be averaged to find the value to apply. Receipts and/or documentation for exceptional items will be retained to ensure proper substantiation.

## **Payroll Procedures**

Payroll is processed through a third-party vendor, UKG, which the Metropolitan Alliance of Connected Communities (MACC) manages and is processed on a bi-weekly basis. Timesheets are approved at the end of each pay cycle where the standard process for timesheet approval is first submitted for approval by the employee and then followed by their supervisor's approval through the UKG timekeeping system website. UKG website is MACC's system for managing payroll, benefits, staffing, and other human resources processes. Once the process of approving timesheets is completed, payroll is processed by MACC. After payroll is processed MACC uploads the reports to a shared drive. When reports are received, the information is then entered into QuickBooks Online (QBO). Please refer to the procedures for entering payroll into QBO. The pay rates used to prepare payroll will be based on emailed rate increases sent to

MACC from the Executive Director and entered into the UKG system by the supervisor. The salary for the Executive Director will be based on a signed memo or email from the Board Chair. In addition, HOPE 4 Youth initially provides MACC information on all personnel where files are established and maintained.

## **End of Month Accounting Procedures**

The Director of Finance and Administration prepares the monthly financial statements, the Statement of Financial Position, and the Statement of Activities which includes the Budget to Actual Expense report. The Executive Director, Associate Director and Director of Finance and Administration review the monthly financials. The Executive Director approves the financial statements before being sent to the Finance Committee members. The financial statements should be given to the Executive Director at least two days prior to the Finance Committee meeting to facilitate this review. The Executive Director presents the monthly financials to the Executive Committee followed by a presentation by the Director of Finance and Administration to the full Board of Directors.

The Director of Finance and Administration will maintain a file for each month to include work papers which document the balance of each balance sheet account. All balance sheet accounts will be reconciled monthly to help ensure accurate statements are provided to management, the Finance Committee, and the Board of Directors.

## **End of Year Accounting Procedures**

The cutoff for financial statements is extended up to four weeks after year end. Upon completion of the year-end financial statements, the Director of Finance and Administration runs the preliminary year-end report and presents it to the Executive Director for review.

When an annual financial audit is scheduled, the Director of Finance and Administration will contact the auditors following the Executive Director's agreement to terms and signature of the audit engagement letter to begin planning the scheduling and work needed to complete the audit. The auditors will be responsible for presenting the Schedule of Events of the audit in a timely manner to prepare for the upcoming audit.

During the scheduled annual financial audit, the Executive Director, and the Director of Finance and Administration will be available to assist the auditors in a timely manner, not to exceed a 48-hour window during the scheduled audit window.

Upon completion of the audit, the Executive Director, and the Director of Finance and Administration, will meet with the auditors to discuss any issues raised, review the audit journal entries, evaluate the audit process, and plan improvements for the following year. The final audit will be presented to the Finance Committee and the Executive Committee. Then the audit is presented to the Board for approval.

## **Annual Budget**

The Annual Budget is the financial reflection of what HOPE 4 Youth expects to accomplish over a 12-month calendar year. The planning process for the upcoming year begins in the fourth

quarter, several months before year-end which will actively engage many staff while planning for HOPE 4 Youth's future by revisiting goals, priorities, events, and activities. Strategic planning is necessary in the planning process which will focus on the overall direction, determine what needs to be accomplished, how much it will cost, and how the necessary resources will be generated. Once the Annual Budget is adopted, it is an essential fiscal management tool for monitoring ongoing organizational activities and expenses compared to the actual performance throughout the calendar year.

## **Cost Allocations**

HOPE 4 Youth will adopt a cost allocation plan each year which satisfies the requirements of all grants for that year and complies with the Form 990 filing requirements. This cost allocation plan will need to be modified any time a new program is started or upon the receipt of a new grant and will be reviewed on an annual basis.

## **Debt Obligations**

Board approval is required for incurring any debt other than operating trade payables and budgeted payroll payables. The Executive Director will be authorized by the Board of Directors to negotiate loan agreements. The Executive Director and Board Chair or Treasurer will sign any debt agreements after receiving full Board approval. The Director of Finance and Administration will periodically review any loan covenants and report to the Executive Director if there are any violations or potential violations of the covenants.

## **Reserves and Designated Funds**

The purpose of a reserve and designated fund is to maintain an adequate level of unrestricted net assets to support any unforeseen cash shortfalls during day-to-day operations. With approval of the Board of Directors, the reserve may also be used for opportunities that may arise during the year for one-time, non-budgeted/nonrecurring expenditures which will build long-term capacity or further the mission of HOPE 4 Youth. The reserve fund is a designated fund which is set aside by action of the Board of Directors. The target level of the reserve fund will be to maintain 3 to 6 months annual operating expenses and the balance will be evaluated annually by staff and can be adjusted by the Board of Directors in response to internal and external changes. The reserve fund will be recorded in the financial statements as "Board Designated Operating Reserve" and be funded and maintained in a segregated bank account. Please refer to **HOPE 4 Youth's Reserve Policy** for detailed information.

## **Internal Controls and Financial Audit**

Internal controls pertaining to the accounting records are established by the Executive Director in consultation with the Director of Finance and Administration. The Finance Committee approves the public accounting firm upon the Executive Directors' recommendation who will perform the required year-end financial audit. The financial audit report is presented to the Finance Committee and the Executive Committee followed by the full Board of Directors who have the authority to approve the audit. To ensure our organization is receiving the best service

for the cost, a shop for public accounting firms will be performed no later than the third quarter, prior to the establishment of the firm for the current year.

Whenever there is a change in administrative personnel or a change in the operating structure of the organization, the Executive Director and the Director of Finance and Administration will meet to ensure the internal control system continues to meet the needs of HOPE 4 Youth and, if appropriate, implement changes to be reflected in this financial policy manual.

To continue receiving government grants and restricted donations, HOPE 4 Youth will maintain systems to ensure compliance with the requirements and restrictions imposed by those grants and donations. The Finance Committee is responsible for overseeing the compliance with all restricted donations and that they are implemented and maintained ensuring the general ledger restricted amounts are applicable.

The Executive Director and/or Associate Director will be responsible for communicating the nature of all donor restrictions to the Advancement Team, the Director of Finance and Administration, and the Program Director. This information will be used to ensure the General Ledger restricted donations account will reflect the restricted donations and the spending of those restricted amounts, as appropriate.

HOPE 4 Youth will maintain a record of all restricted donations in a separate database with the ability to generate periodic reports of the year's cumulative restricted funds. When a restriction has been satisfied, it will be noted in the database. As appropriate, the Executive Director or the Associate Director will be responsible for communicating the satisfaction of the restriction to the donor.

## **Cash Receipts**

Designated staff will receive and open the mail in the presence of another employee to maintain dual control over receipts, please refer to the Mail Process under Procurement. The Administrative Coordinator will store all checks, cash and gift cards in the safe. The bank deposit will be made at least weekly by the Director of Finance and Administration. If the Director of Finance and Administration is unavailable to prepare and drop off bank deposits or scan to remote deposit, the Associate Director or Executive Director will be designated as backup.

A copy of all checks will be scanned and filed on the server. The donation entries will be entered to accurately reflect any restrictions requested by the donor. The deposit is first entered into Giveffect (donor database) by the Administrative Coordinator, and a total batch report is then created. The Director of Finance and Administration will then enter deposit(s) related to donations into QuickBooks Online (QBO) and create a Cash Receipt Log to ensure QBO and Giveffect are in balance. Any cash, check or gift card donations received will be counted by the Administrative Coordinator and an employee to adhere to dual control, then will be placed in the safe until a weekly deposit is made.

HOPE 4 Youth allows constituents to contribute by way of credit card payments which are processed by an online payment system. The website for both HOPE 4 Youth and the system

will include options for the donor to reflect any restrictions on the gift. The Director of Finance and Administration will then record the previous month of transactions in QBO.

The bank statements are received by the Director of Finance and Administration who then reconciles them within QBO and confirms the reconciliation verifying there are no unusual items or changes found to acknowledge compliance with HOPE 4 Youth's stated policies.

## **Computer Authorization and Backup**

The accounting computer software QuickBooks Online (QBO) will have access controlled by password(s). The Director of Finance and Administration, along with the Executive Director, will be given the system password to QBO. The Executive Director will have access to the reporting function within QBO along with any staff the Executive Director deems necessary. Select staff who are authorized to carry an organizational credit card will have limited access to QBO to submit credit card expenses.

HOPE 4 Youth computers deployed to staff will be backed up by a third-party vendor except for any information saved outside of the network. Per the Employee Handbook, all staff are asked to save information and work on their personal drive housed in the network.

## **Grants and Contracts**

Grant and contract billings will be timely prepared and filed. Adequate documentation will be maintained to support all billings. Completed grant and contract files will be electronically maintained. Grant and contract files will contain at least the following documents:

- Signed copy of contract
- Application and budget
- Correspondence
- Periodic billings
- Documentation supporting the billings

All contracts and agreements will flow through the Executive Director. Regarding contracts and agreements, if there is a cost to the organization, the Executive Director's signature is required to sign the contract or agreement. If there is no cost to the organization entering into a contract or agreement, a director of the organization is allowed to sign after a thorough review.

For billings based on a reimbursement of expenses, a copy of the expenses and any reconciliation to the billing will be electronically maintained. The Director of Finance and Administration and the Executive Director will approve billings prior to issuance.

## **Credit and Debit Cards**

For operational effectiveness select staff may be provided with an organizational credit card to pay organizational expenses. Credit cards are to be used for organization expenses only.

In no circumstances should an organizational credit card be used for personal use. If a card is mistakenly used for a personal expense, the organization must be reimbursed within the billing

cycle. The maximum purchase amount without prior approval by the Executive Director, the Associate Director, and the Director of Finance and Administration is \$500.

Original receipts or invoices for each expense must be provided, along with the correct general ledger or department coding. Any purchases greater than \$500 must be pre-approved. When a purchase is made with a credit card the expense should be recorded in QuickBooks as soon as possible. The Director of Finance and Administration will ensure that the expense is allocated to the correct category and the credit card company is paid by the due date according to accounts payable procedures.

Credit card management of purchases, including receipts or invoices, along with entering credit card purchases is the sole responsibility of each staff member to manage ongoing throughout each month. At the end of each month, it is the staff member's responsibility to make sure that all their expenses have been submitted. At no time should credit card expenses be submitted without receipts or invoices to support each purchase. If receipts are missing, the ability to have a company credit card will be evaluated and possibly revoked.

Credit card distribution will be approved by the preset thresholds already established per position by the Executive Director.

## **Mileage Expense Reimbursement**

HOPE 4 Youth will reimburse employees for the use of their personal vehicle used for business purposes and operations. Reimbursement will be at the effective date and rate published by the Internal Revenue Service. Mileage reimbursement is meant to cover only those miles incurred beyond the employee's normal commute to their place of business. For example, if the normal commuting round trip is twenty miles, and the employee goes on a trip that covers fifty miles, only the incremental thirty miles are reimbursable. Board members, contractors, or volunteers are not eligible for reimbursement.

Employees who drive as part of their job responsibilities are required to follow all safe driving practices such as observing traffic regulations, using seat belts, and refraining from distracted driving. Only employees with an unrestricted current driver's license, an acceptable driving record, and who have adequate insurance coverage (at least the minimum amount of coverage required by the State of Minnesota) may operate a vehicle to conduct HOPE 4 Youth business and be eligible for mileage reimbursement. An employee operating a vehicle to conduct HOPE 4 Youth business may be required to provide proof of adequate insurance and licensing. Changes in driving record, the cancellation of vehicle insurance, or the suspension of a driver's license must also be reported to the supervisor within one business day of the incident.

Reasonable and preauthorized expenses incurred by employees conducting HOPE 4 Youth business are reimbursable upon completion of an Employee Expense Report. Employee Expense Reports must be submitted to a supervisor within 30 days. Employee Expense Report requests greater than 30 days old may not be reimbursed. Reimbursement requests should be reflected in the Employee Expense Report and should indicate the points of travel and the miles eligible for reimbursement should be calculated. The Employee Expense Report requests are

processed through Approvals in Teams. The staff's supervisor reviews for approval and the request is forwarded to the Director of Finance and Administration. The request must be submitted within 30 days of the last day of the month for which reimbursement is requested, or no reimbursement will be made.

## **Travel and Meals Expense Reimbursement**

HOPE 4 Youth will reimburse employees for reasonable business travel expenses incurred while on assignments away from normal work locations in accordance with guidelines as issued by HOPE 4 Youth. In all cases travel expenses should be arranged in the most cost-effective way possible to include items such as airline tickets, rental vehicles, and lodging. When traveling, actual reasonable expenses for meals will be reimbursed to include gratuities. Other than when traveling, meal expenses may occur on a limited basis. Supervisory approval is required for all meal expenses and must meet specific business purpose requirements. Employees must obtain advanced approval before incurring any business travel expenses.

## **Access to Records and Record Retention**

The records of HOPE 4 Youth are open to public inspection due to IRS rules, open records, laws, and the spirit of public service. However, certain information is not open to public examination and may only be released with the permission of the Executive Director. Questions in this area are to be resolved by the Executive Director. If the answer to a request is unclear, the Executive Director may contact HOPE 4 Youth's attorney for a consultation. Record retention is governed by various rules, statutes of limitations and common sense. Certain documents must be retained permanently, while other documents are deemed not useful after the required retention time.

It is the intent of HOPE 4 Youth to be a paperless organization where all documents are to be housed on the server. All paper documentation currently housed and stored within our buildings will be positioned to adhere to the intent of HOPE 4 Youth to be a paperless organization. Please refer to **HOPE 4 Youth's Document Management Policy** for detailed information.

## **HOPE 4 Youth Financial Policies Signature**

By signing below, I acknowledge that I have received a copy of HOPE 4 Youth's Financial Policies and that I have read it, understand it, and agree to comply with it.

Staff Name (Print) \_\_\_\_\_

Staff Signature \_\_\_\_\_ Date \_\_\_\_\_

*Adopted by the Board of Directors 3.2015  
Amended 4.2015, 6.2015, 2.2018, 11.2022, Amended with current titles 9.2025*