

Revised and adopted January 2020

Gaylord Area Council for the Arts

Finance Plan: 2020 to 2025

Financial Management

Budget

The annual budget shall be prepared in draft form by the Executive Director, then reviewed by the Finance Committee for review and changes. The final budget shall then be submitted for final approval to the Board. Any major expenditures (in excess of \$1,000) that exceed the budget line items for that fiscal year must be approved by the Board.

Investment Policy

It is the goal of GACA to achieve a reasonable rate of return on GACA's funds, without putting those funds at risk. The objective of any investment is to make regularly scheduled deposits and to achieve balanced growth and income of invested monies. The Executive Director and Finance Committee, (with assistance of a financial advisor, if needed), will make recommendations to the Board regarding the investment of GACA funds. The status of any invested monies shall be reviewed on a monthly basis by the Finance Committee. An annual review, along with recommended changes, as appropriate, shall be submitted to the Board by the Finance Committee for their approval.

Safety Net

GACA shall set aside a minimum of \$5,000 in a local account, which can be easily accessed, in case of urgent need. In addition, a minimum of twelve (12) months' operating expenses (\$50,000¹) will also be set aside in an account(s) which can be accessed within a six month period.

GACA Endowment

GACA shall transfer \$100 per month from its general funds into the GACA Endowment located at the Otsego Community Foundation. At the end of the fiscal year, the Board may elect to transfer more funds to the Endowment, based on the recommendations of the Finance Committee and Executive Director.

¹ This amount will be reviewed annually to determine if the "safety net" should be adjusted.

Income/Fundraising

Generating philanthropic support for GACA in the community enhances GACA's ability to provide no or low cost performing art and visual art programs and expand programs offered. Various means of fundraising to generate income shall be used by GACA Board, staff and volunteers. All fundraising efforts shall be planned and executed by the Fund Development Committee and Executive Director, with the approval and support of the Board of Directors.

Campaigns

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

Donors

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

Gifts

GACA's "Gift Acceptance Policy" establishes the parameters for accepting both cash and non-cash gifts by GACA.

Grants

GACA shall seek grant funding from various local, State and federal sources for a minimum of \$25,000 per year in funds that support the mission of the organization.

Membership

Membership in GACA will be solicited on an annual basis via direct mail and by other means. GACA shall seek a minimum of 175² members per year generating at least \$13,000 per year income. All members will be listed on the GACA website and one time per year in the GACA newsletter, unless they wish to remain anonymous. Membership donations shall be classified into categories as approved annually by the Board (e.g. For the 2019/20 year the classifications are - Underwriter = \$2,500; Benefactor = \$1,000; Sponsor = \$500; Patron = \$300; Supporter = \$200; Friends & Family = \$100; Individual = \$50; Senior = \$40; Student = \$20).

² This number will be reviewed annually to determine if it should be changed.

Membership Benefits

Artists, art lovers, residents, businesses and other organizations located in GACA's coverage area (and beyond) are encouraged to become "members" by making an annual donation to GACA. The definition of membership "categories" is found above.

The costs of operating the GACA Art Center, overhead and administration are spread-out as more individuals, organizations and businesses become members. This allows GACA to offer programs and activities to the community at low to no cost. The major "benefit" of being a GACA member, therefore, is knowing that one's contribution is helping to make the arts available to all in this part of northern Michigan.

Members are also able to attend most adult workshops at a \$5.00 discount from the non-member rate. They are also charged less to enter their art work in most of our exhibits. At least two exhibits per year are open to members only. Additionally, only members are allowed to sell their art work in GACA's Art Market, in accordance with GACA's Art Market Policy.