



1. PURPOSE

- 1.1. Purpose: To establish protocol for handling interfund payables and receivables.
- 1.2. Scope: All interfund payables and receivables.

2. POLICY / PROCEDURE

From time to time, there may exist cash deficits in any particular fund. As such it may be necessary for one fund to temporarily transfer cash from another fund. In order to maintain the accounting integrity of each fund, an interfund payable / receivable will be established for each such borrowing. In the event that an interfund transaction is required, the Finance committee is responsible for assessing the necessity of the payable/receivable as well as determining the plan of correction to eliminate the interfund transaction.

- 2.1. As it becomes apparent through the quarterly closing of the Foundation's books that an interfund receivable / payable is required to balance the funds, the Foundation's accounting staff will record the necessary journal entries to establish the receivable / payable.
- 2.2. The Finance Committee will meet at least quarterly and will validate the necessity of the payable / receivable. Reference JD7.1
- 2.3. If the fund from which the money was borrowed is entitled to investment earnings, the Foundation shall remedy this loan by making monthly payments including interest paid at a rate equal to the average earnings for all restricted investment accounts until the principle of the loan is paid in full.
- 2.4. Should the Committee determine that the interfund payable / receivable cannot be remedied within a reasonable time-frame, then the interfund accounting will need to be reviewed by the VVCDF Board of Directors.

Adopted:

REV: 04.28.16 (last reviewed in 2011)