

Multidisciplinary Academic Grants in Cryptocurrencies
Fiscal Policy
Updated 2021-11-29

Purpose

The purpose of the financial policy is to: protect the assets of Multidisciplinary Academic Grants in Cryptocurrencies (MAGIC); ensure the maintenance of accurate records of the organization's financial activities; provide a framework for the organization's financial decision-making; establish operating standards and behavioral expectations; serve as a training resource for staff; ensure compliance with federal, state, and local reporting requirements; recognize and promote adherence to nonprofit industry standards and guidelines.

Accounting Policy and Procedures

Policy:

The organization will keep a current set of books in a form suitable for tax preparation

Procedures:

- The Bookkeeper records transactions in Quickbooks or other accounting software
- Transactions are recorded in a timely manner
- Revenue/expenses are recognized in the month in which they occur (cash basis)
- The Executive Director or Treasurer reviews and approves recorded transactions
- The Bookkeeper/Accountant will reconcile the bank statements
- The Treasurer will oversee the Bookkeeper
- The Board of Directors will periodically review and approve the financial statements

Internal Controls

Policy:

All volunteers, staff and Board of Directors are expected to use good judgement, to adhere to high ethical standards, to act in the best of the organization and to avoid actual or potential conflicts of interest (see conflict of interest policy).

Procedures:

- Volunteers, staff, and board of directors must reveal conflicts of interest
- Password access for the accounting software is given to Executive Director, President, Treasurer, and Accountant/Bookkeeper.

- Privileges for certain user roles in the accounting software may be limited, to maximize segregation of duties.
- The organization prefers that the Executive Director and a minimum of 50% of the Board be signers on the checking account and cryptocurrency wallets. All board members are given viewing access to all accounts.
- Any non-custodial cryptocurrency accounts (those for which the organization owns and manages the private keys) will preferably be set up as multi-signature accounts that require at least two signers (one of which to be the Executive Director) for every outgoing transaction. Board members will receive view access.

Financial Planning and Reporting

Policy:

The organization's annual budget is prepared by the Executive Director and approved annually for all departments by the Board of Directors. The budget is to be approved by the Board Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors. The Treasurer, Executive Director and/or Bookkeeper prepares regular financial reports. The organization will have an annual audit conducted by an outside accounting firm when required by law.

Procedures:

- The Executive Director will work with staff and Accountant/Bookkeeper to ensure that the annual budget is an accurate reflection of operations, programs and fundraisers and infrastructure goals for the coming year. The draft budget shall contain income and expenses for each activity/program/event as well as any other expected sources of revenue or expenses.
- Financial reports are provided to the Executive Director and Treasurer by the Accountant/Bookkeeper on a quarterly basis and/or as needed.

Expense/Accounts Payable

Policy:

All employees, exempt and non-exempt, are required to record time worked, holidays, and leave taken for payroll, benefits tracking and cost allocation. Any expenditure of over \$1,000 for the purchase of a single item should have bids from three (3) suppliers. These bids will be reviewed by the Executive Director. Any bid award over \$2,500 must be specifically approved by the Board of Directors. All non-recurring bills over \$150 must be approved by the Executive Director, and approved bills shall be paid in a timely manner.

Procedures:

- The Executive Director will review any employee timesheets.
- Bids for larger expenditures are prepared by the Executive Director.
- Contracts are signed by Executive Director
- The debit card may be authorized for any signer on the checking account. All receipts shall be submitted to the Bookkeeper and/or Executive Director.
- Credit cards can be issued to the Executive Director.
- The organization will make best efforts to pay off all debts in a timely manner.

Asset Management**Policy:**

The target minimum operating reserve fund for the organization is three months of average operating costs. The strategy for holding securities or other investments is to preserve capital, as opposed to trying to achieve growth. Regarding cryptocurrencies, we will only sell cryptocurrencies for USD, and we will not purchase any cryptocurrency (any cryptocurrency held by MAGIC will be from donated funds). Please see our Investment Policy for further details.

Procedures:

- The organization will not delay in liquidating investment holdings if the resulting funds will be spent on programs the organization has committed to.

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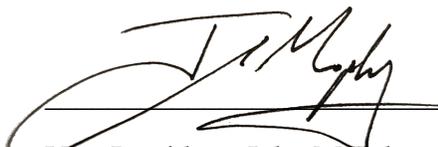
Adoption of Financial Policy

The Board of Directors has received a copy of, read and understood, and agreed to comply with the terms and conditions of the Financial Policy.

Approved and accepted on November 29, 2021.



President, Justin Ehrenhofer



Vice President, John Murphy



Secretary/Treasurer, Matt Shroyer