

Darrington Internet Users Association Board Oversight

Contents

Darrington Internet Users Association Board Oversight	1
Fiscal Oversight	1
Unrestricted Funds.....	1
Temporary Restricted Funds.....	2
Permanently Restricted Funds.....	2
Reserve Funds	2
Contractual Oversight	3
Verbal Agreements	3
Written Agreements	3
Asset Management Oversight.....	3

Darrington Internet Users Association (DIUA) is a public non-profit organization dedicated to bringing high speed internet access to the rural community of Darrington and the surrounding communities. www.diua.org can be referenced for the organizations mission statements and other information. A board of directors (board) was elected by the members of the association to represent their (and in proxy the communities) interests in this project. This board must ensure that we have complete and transparent oversight of the operations of DIUA to ensure it continues to support the communities' best interests.

This document establishes the first set of oversight agreements between the board and the management of DIUA across the following categories: Fiscal oversight, Contractual oversight, Asset management oversight.

Fiscal Oversight

The board is responsible to ensure that DIUA is operating in a fiscally responsible way given that the primary recurring revenue stream will be the member recurring monthly payments for access to the DIUA network. Funds collected or donated to DIUA **MUST** be classified into one of the following fund definitions: Unrestricted Funds, Temporary Restricted Funds, Permanently Restricted funds and Reserve Funds.

Unrestricted Funds

Unrestricted funds are those funds which do not have any restrictions towards what they can be used for. The membership fee along with any recurring monthly fee for using the DIUA network are examples of Unrestricted funds. These funds should be what primarily covers the DIUA recurring monthly operating costs.

Use Restrictions

The DIUA management **MAY** spend up to 250.00 of Unrestricted funds without consulting the board on any given invoice. If an invoice is expected to exceed the 250.00 limit, the bid or estimate for the invoice **MUST** be brought before the board for approval prior to moving forward.

This limit **SHOULD** be re-evaluated on a quarterly basis by the board to see if adjustments need to be made to ensure the day to day operations of DIUA are not at risk.

The limit **MAY** be exceeded in an **Emergency** situation related to the continued operation of DIUA and the board being unresponsive or available for fund usage approval. Examples of Emergency situations would include an impending outage of our services or unexpected service outage recovery once DIUA is collecting a recurring monthly fee from members. The board would be considered unresponsive if a quorum cannot be achieved within a 1-hour period and funding is required immediately to restore service.

Temporary Restricted Funds

Temporary restricted funds are those funds which may only be used in the manner specified by the donor. These funds are mostly acquired through grants. These funds have either a time bound expiration or a performance criterion associated with them and thus tracking against those criteria becomes vital.

Use Restrictions

The DIUA management **MUST** present a bid or estimate for the requested use to the board which must then ensure the expenditure is in-line with the funding restrictions prior to approval.

Permanently Restricted Funds

Permanently Restricted Funds are funds which may only be used in the manner specified by the donor, but which do not have a performance or time bound criterion associated with them which if not met will see the funding revoked. It is still vital that these funds and their usage are evaluated against the manner in which the donor specified.

Use Restrictions

The DIUA management **MUST** present a bid or estimate for the requested use to the board which must then ensure the expenditure is in-line with the funding restrictions prior to approval.

Reserve Funds

The board shall establish a reserve fund balance which should be kept by DIUA to cover any unforeseen consequences or unexpected expenditures. This fund will be established once DIAU has a better handle on recurring operating costs. In general, between 3 and 9 months of recurring operating costs should be accounted for within the reserve funds.

Use Restrictions

Any use of reserve funds **MUST** be brought before the board for approval of use. These plan to leverage these funds should also include a plan to replenish the reserve funds. Reserve funds should not be used to cover fundraising shortfalls. The reserve should be used to cover costs arising from extraordinary events, such as the unexpected loss of a major grant, delayed payments, unexpected building repairs, or a significant economic downturn.

Contractual Oversight

Prior to DIUA entering any agreement verbal or written the DIUA management **MUST** get approval from the board.

Verbal Agreements

Verbal agreements **MUST NOT** be entered by any of the DIUA management unless explicitly approved by the board. Verbal agreements can often lead to unexpected financial impact as a result of legal defense and/or political favor impact depending on the parties involved in the agreement. It is best that DIUA avoid any verbal agreements.

If a verbal agreement was made (in any form) either intentionally or otherwise, it must be communicated to the board immediately. The board may then vote to uphold the verbal agreement by transitioning it to a written agreement or to withdraw from said verbal agreement.

If the board votes to withdraw then DIUA management **MUST** absolve the verbal agreement within a 48-hour time period.

If the board votes to transition the verbal agreement into a written agreement then DIUA management **MUST** draft up the written agreement and present to the board for approval at the next board meeting (or call a special meeting if the next meeting would exceed 2 weeks) with no longer than 4 weeks elapsed without a fully signed written agreement after the vote to transition.

Written Agreements

Written agreements **MUST** be the only agreements which DIUA enters into. All written agreements **MUST** be approved by the board. Once a written agreement is approved by the board it **MUST NOT** change, otherwise it **MUST** be re-approved by the board either at the next board meeting or by a special board meeting being called.

All written agreements **MUST** be stored in a manor to allow quick and easy recall and review by the board at any time.

Asset Management Oversight

Any and all assets which are acquired by DIUA through any means must be tracked and inventoried in the approved DIUA asset tracking method. This method should be available by DIUA management and the board and should be part of the board meeting review.

All Assets must have their asset number clearly affixed or engraved in a permanent or semi-permanent manner along with a DIUA asset identification logo or sticker.