

**The Lake Chapala Society**  
**INDEX OF POLICIES, PROCEDURES, AND FORMS**

**A. GOVERNANCE**

#	Name	Date
A-1	Implementation of Policies and Procedures	Aug. 11/2011
	Procedure A-1 Appendix A Initiating New Policies	
	Procedure A-1 Appendix B Template for Policies	
	Procedure A-1 Appendix C Template for Procedures	
A-2	Appeal of Suspension or Expulsion	Nov. 10/2011
	Procedure A-2 Appeal of Suspension or Expulsion	
A-3	Election of Board Members	Feb. 11/2014
	Procedure A-3 Appendix A - Elections General Responsibilities	
	Procedure A-3 Appendix B - Absentee Voting	
	Form A-3.7 Register of Absentee Ballots (In-Person)	
	Form A-3.8 Register of Absentee Ballots (Remote)	
	Procedure A-3 Appendix C - Sample Ballot	
	Form A-3.1 Sample Ballot	
	Procedure A-3 Appendix D - Nomination Acceptance Agreement	
	Form A-3.2 Nomination Acceptance Agreement	
	Procedure A-3 Appendix E - Instructions for Election Workers	
	Procedure A-3 Appendix F - Voter Sign-In Sheets	
	Form A-3.3 Voter Sign-In Sheet	
	Procedure A-3 Appendix G - Sign-In Table Placards	
	Form A-3.4 Sign-In Table Placards	
	Procedure A-3 Appendix H - Speech Script for the Election Chair	
	Procedure A-3 Appendix I - How to Verify a Voter's Membership	
	Form A-3.5 Membership Verification Voucher	
	Procedure A-3 Appendix J - Election Operation Reminders	
	Procedure A-3 Appendix K - Instructions for Counting Ballots	
	Form A-3.6 Tally Sheet for Counting Ballots	
A-4	Bilingualism	Jan. 12/2012
A-5	Programs and Services Evaluations and Reviews	Jan. 12/2012
A-6	Copyrights	Feb. 15/2012

**B. OPERATIONS**

#	Name	Date
B-1	Not-For-Profit Use of LCS Facilities	23 June 2020
	Procedure B-1 Not For Profit Use of Facilities	
B-2	For-Profit Use of LCS Facilities	23 June 2020
	Procedure B-2 For Profit Use of Facilities	
	Form B-2.1 Application for Outside Groups to Use LCS Facilities	

**The Lake Chapala Society**  
**INDEX OF POLICIES, PROCEDURES, AND FORMS**

	Form B-2.2 Documentation Required from Organizations Using LCS Facilities	
	Form B-2.3 Waiver Statement Required for Organizations Using LCS Facilities	
	Form B-2.4 Disclaimer Notice and Permitted User Signs for Display	
	Form B-2.5 Sheets for Evaluating Outside Organizations Using LCS Facilities	
B-3	U.S. Mail Delivery	Oct. 13/2011
	Procedure B-3 U.S. Mail Delivery	
B-4	Buildings and Grounds	Nov. 10/2011
B-5	Service Desk	Feb 15, 2012
B-6	Vendor and Services Management	June 14, 2012
	Procedure B-6 Appendix A Vendor and Services Management	
	Form B-6.1 Appendix B Vendor Assessment Rating	
	Form B-6.2 Appendix C Vendor Information Sheet	
B-7	Records Retention & Destruction	July 11, 2013
B-8	Political, Religious, and Other Activities	23 June 2020
	Procedure B-8 Politics, Religion and Other Activities	

**C. PROGRAMS**

#	Name	Date
C-1	Talking Books	Nov. 10/2011
	Procedure C-1 Talking Books of the Library of Congress	
C-2	LCS Member Libraries	Jan. 12/2012
	Procedure C-2.1 English Language Books	
	Procedure C-2.2 Audio Books and Books on Tape	
C-3	Biblioteca Neill James	Jan. 12/2012
	Procedure C-3 Biblioteca Neill James Operations	
C-4	Health Services	Jan. 12/2012
	Procedure C-4 Health Services Operations	

**D. MEMBERS AND EMPLOYEES**

#	Name	Date
D-1	Behavior on LCS Property	Jan. 12/2012
	Procedure D-1 Behavior on LCS Property	
D-2	Conflicts of Interest	Dec. 12, 2013
	Procedure D-2 Appendix A Conflicts of Interest	

**The Lake Chapala Society**  
**INDEX OF POLICIES, PROCEDURES, AND FORMS**

D-3	Misuse of LCS Resources	Nov. 8, 2012?
	Procedure D-3 Appendix A Misuse of LCS Resources	
D-4	Other Employment by Paid Employees, Paid Consulting or Public Speaking	Nov. 8, 2012
	Procedure D-4 Appendix A Outside Work by Paid Employees	
D-5	Confidentiality of LCS Information	Nov. 8, 2012
	Procedure D-5 Confidentiality and Non-Disclosure Agreements	
	Form D-5 Non-Disclosure Agreement	
D-6	Official Spokesperson and Media Responses	Feb. 14, 2013
D-7	Corporate Memberships	
	Procedure D-7 Corporate Memberships	
D-8	Complaints and Grievances	
	Procedure D-8 Handling Complaints and Grievances	

**E. MANAGEMENT (Including Personnel/Staff & Volunteer Policies)**

#	Name	Date
E-1	Compliance with Mexican Labor Laws	Nov. 8, 2012
E-2	Performance Evaluation for Paid Employees	Nov. 8, 2012
	Procedure E-2 Appendix A - Performance Evaluation for Paid Employees	
	Procedure E-2 Appendix B - Performance Evaluation for the Executive Director	
E-3	Probationary Period for Paid Employees	Nov. 8, 2012
	Procedure E-3 Probationary Period for Paid Employees	
E-4	Travel and Business Expense Reimbursement	Nov. 8, 2012
	Procedure E-4 Travel and Business Expense Reimbursement	
	Form E-4 Request for Travel and Business Expense Reimbursement	
E-5	Pay Periods	Dec. 13, 2012
E-6	Leave Without Pay	Dec. 13, 2012
E-7	Contract Employees	Dec. 13, 2012
E-8	Employee Pay Advance	Dec. 13, 2012
	Procedure E-8 Employee Pay Advances	
	Form E-8 Request for Employee Pay Advance	
E-9	Hiring Process for Operating Employees	15 Aug. 2020
	Procedure E-9 Hiring Process	

**F. FINANCE**

**The Lake Chapala Society**  
**INDEX OF POLICIES, PROCEDURES, AND FORMS**

<b>#</b>	<b>Name</b>	<b>Date</b>
F-1	Investment Accounts	Feb 15, 2012
F-2	Budgeting Process	Aug 9, 2012
	Procedure F-2 Budgeting Process	
F-3	Philanthropic Activities	Aug 9, 2012
	Procedure F-3 Philanthropy	
F-4	Banking Deposits	Aug 9, 2012
	Procedure F-4 Banking Deposits	
F-5	Documentation of Expenditures	Aug 9, 2012
	Procedure F-5 Expenditure Documentation	
	Form F-5.1 Record of Expenditures	
F-6	PayPal Accounts	Aug 9, 2012
	Procedure F-6 PayPal Accounts	
	Form F-6.1 PayPal Membership	
	Form F-6.2 PayPal Donation	
	Form F-6.3 PayPal Bank Transfer	
	Form F-6.4 PayPal Reconciliation	
F-7	Petty Cash and Cash Float Accounts	Aug 9, 2012
	Procedure F-7 Petty Cash & Cash Float Accounts	
	Form F-7.1 Petty Cash LCS	
	Form F-7.1 Petty Cash Children's Art	
	Form F-7.1 Petty Cash Wilkes	
	Form F-7.2 Petty Cash Audit	
	Form F-7.3 Stamp Cash	
	Form F-7.4 Cash Float Audit	
F-8	Checking Account	Aug 9, 2012
	Procedure F-8 Bancomer Debit Card	
F-9	Interest Earned on Restricted Funds	July 2013
F-10	Bank Reconciliation	10 Oct 2013
	Procedure F-10 Bank Reconciliation	
	Form F-10.1 Bank Reconciliation Sheet	
F-11	Cash Receipts	10 Oct 2013
	Procedure F-11 Cash Receipts	
	Form F-11 Record of Cash Receipts	
F-12	Cash Management and Investment	10 Oct 2013
F-13	Modified Cash Basis of Accounting - 2013	10 Oct 2013
F-13	Accrual Basis of Accounting - 2014	13 Nov 2014
	Procedure F-13 Accounting Operations	
F-14	Internal Controls - 2013	10 Oct 2013
F-14	Internal Controls - Amended 2014	13 Nov 2014
	Form F-14.1 Internal Controls Questionnaire - Finance	
	Form F-14.2 Internal Controls Questionnaire - Payroll	
	Form F-14.3 Internal Controls Questionnaire - IT Systems	
F-15	Purchases and Procurement	19 Aug 2021

**The Lake Chapala Society**  
**INDEX OF POLICIES, PROCEDURES, AND FORMS**

F-16	Operating Reserve	10 Oct 2013
F-17	Contracts	10 Oct 2013
	Procedure F-17 Contracts	
F-18	Recognition of Revenues	10 Oct 2013
F-19	Physical Security	10 Oct 2013
F-20	Monthly Closing - 2013	10 Oct 2013
F-20	Monthly Closing - Amended 2014	13 Nov 2014
F-21	Invoice Approvals & Processing	10 Oct 2013
	Procedure F-21 Invoice Approval and Processing	
	Form F-21 Invoice Approval and Processing Sheet	
F-22	Segregation of Duties	10 Oct 2013
	Procedure F-22 Segregation of Duties	
F-23	Regulatory Reporting and Tax Compliance	13 Nov 2014
	Procedure F-23 Regulatory Reporting and Tax Compliance	
F-24	Payroll	10 Oct 2013
	Procedure F-24 Payroll Processing	
	Form F-24 Payroll Processing Sheet	
F-25	Acceptance of General Gifts	14 Nov 2013
	Procedure F-25 1 of 2 Gift Acceptance - General	
	Form F-25.1 Record of Donations and Gifts	
	Procedure F-25 2 of 2 Gift Acceptance - Mexican Law	
F-26	Acceptance of Deferred Gifts	14 Nov 2013
F-27	Acceptance of Personal Tangible and Intangible Non-Cash Assets	14 Nov 2013
F-28	Audit Committee Operations	6 Mar 2014
F-29	Accounting for Fixed Assets	13 Nov 2014

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # A-1

### POLICY AND PROCEDURE DEVELOPMENT AND IMPLEMENTATION

**1. Policy**

It is the policy of LCS that all policies and procedures are prepared in compliance with the LCS Constitution, using a standard format.

**2. Reference**

LCS Constitution, Article 9, Section 9.04, dated Dec., 2010  
Governance Structure and Responsibilities, Board of Directors, Revised March 2011

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999.

**4. Purpose**

To ensure all LCS policies and procedures are developed, written, managed, maintained, accessed, approved and revised in a consistent and controlled manner.

**5. Scope**

This policy applies to all new and revised policies, procedures and forms necessary for their implementation.

**6. Appendices**

The Procedure, Policy and Procedure Development and Implementation, accompanies this policy.

**7. Date Approved/Revised:** August 11, 2011

**8. Signature** \_\_\_\_\_

Howard Feldstein, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # A-2

### APPEAL OF SUSPENSION OR EXPULSION

#### 1. Policy

It is the policy of LCS that appeal of suspension or expulsion by the Board shall be to the Audit and Advisory Committee within 30 days of receiving notification.

#### 2. Reference

- LCS Constitution Article 6.02
- Audit and Advisory Committee mandate "To handle grievanced filed by LCS members".

#### 3. Background

This is a new policy to meet the requirement of the Constitution.

#### 4. Purpose

To provide an appeal body independent of the Board to ensure that any grievance arising from the Board action shall be fairly heard.

#### 5. Scope

This policy shall apply to any member suspended or expelled under Article 6.02.

#### 6. Appendices

The procedure, Appeal of Suspension or Expulsion, accompanies this policy.

#### 7. Date Approved / Revised: November 10, 2011

#### 8. Signature: \_\_\_\_\_

Howard Feldstein, President

**DRAFT**  
**THE LAKE CHAPALA SOCIETY A.C. (LCS)**

**POLICY # A-3**

**ELECTION OF BOARD MEMBERS**

**1. Policy**

It is the policy of LCS that all elections for Board members be performed consistently, fairly, and in accordance with the Constitution of the Lake Chapala Society A.C.

**2. Reference**

LCS Constitution Article Sections 7.03, 8.03, 9.04 (g), and 10.03.

**3. Background**

This policy revision replaces all previous election policies. More specifically, it is informed by the previous policy dated Oct. 13, 2011, and the 1999 Policy on Election of Officers, and separates policy from procedures.

**4. Purpose**

- To ensure that all elections are performed consistently.

**5. Scope**

- This policy addresses elections for members of the Board of Directors at LCS, but includes guidance for all issues that might come to a vote.

**6. Procedures and Appendices**

- Appendix A: Review of scope of duties and time requirements.
- Appendix B: Absentee Ballot Procedures (to be developed)
- Appendix C: Sample Ballot
- Appendix D: Nomination Acceptance Agreement form
- Appendix E: Sign-in Table Instructions
- Appendix F: Sign-in Sheets
- Appendix G: Sign-in Table Signs
- Appendix H: Nominations and Election Script
- Appendix I: LCS Member Clearance Form for Voting
- Appendix J: Misc. Operations & Logistics
- Appendix K: Vote Counting

**7. Date Approved / Revised:** February 11, 2014

**8. Signature:** \_\_\_\_\_

Howard Feldstein, President



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # A-4

### BILINGUALISM

1. **Policy**  
It is the policy of LCS that whenever possible, and feasible, certain LCS information will be provided in both English and Spanish.
2. **Reference**  
(Refer to appropriate Constitution Article or section of the Governance Document)
3. **Background**  
This is a new policy.
4. **Purpose**
  - To encourage a more welcoming and comfortable environment for Spanish speakers using LCS facilities and grounds.
  - To enable the lakeside Mexican community to become more aware of the LCS facilities and programs
  - To ensure Spanish speaking employees are provided all appropriate information in their own language.
5. **Scope**
  - Signage on the LCS grounds
  - Staff manuals
6. **Appendices**  
(The Procedures – “Bilingualism” covering operations and evaluations accompany this policy.)
7. **Date Approved / Revised** January 12, 2012
8. **Signature:** \_\_\_\_\_

Howard Feldstein, President

January 12, 2012

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # A-5

### PROGRAMS & SERVICES REVIEW & EVALUATION POLICY

#### 1. Policy

It is the policy of LCS that all LCS programs and services be reviewed on an on-going basis, and that all educational and health service programs be evaluated yearly using approved evaluation methods.

#### 2. Reference

LCS Constitution Article 3.5 – To establish and provide relevant programs, services and facilities to LCS members and the Lakeside community.

#### 3. Background

This is a new policy.

#### 4. Purpose

- To ensure that all programs and services are being offered in the best possible manner;
- To ensure programs and services continue to be relevant;
- To provide information regarding other programs/services that members are interested in.

#### 5. Scope

These services may include, but are not limited to:

- Recreational and exercise programs
- Member services (information desk, front office, libraries, mail service, Post Life Planning)
- General interest programs
- Educational programs/services
- Health Services programs/services

#### 6. Appendices

Form A-5 Survey of Programs, Services and Activities accompanies this policy.

#### 7. Date Approved / Revised: January 12, 2012

#### 8. Signature: \_\_\_\_\_

Howard Feldstein, President

# **THE LAKE CHAPALA SOCIETY A.C. (LCS)**

## **POLICY # A-6**

### **POLICY FOR COPYRIGHT**

#### **1. Policy**

It is the policy of LCS that products that are not subject to specific business relationships will be handled in a manner that is usual and customary in Mexico.

#### **2. References**

- LCS Constitution, Article 3, Mandate 5

#### **2. Background**

This is a new policy.

#### **3. Purpose**

To provide direction to staff, volunteers and members with a consistent standard for the use of copyrighted materials.

#### **4. Scope**

To ensure that copyright obligations entered into with specific business partners or vendors are honored.

#### **5. Appendices**

The procedures covering standards on how copyrighted materials will be handled will accompany this policy.

**6. Date Approved / Revised:** February 15, 2012

**7. Signatures:** \_\_\_\_\_

Howard Feldstein, President

# **THE LAKE CHAPALA SOCIETY A.C. (LCS)**

## **POLICY # B-1**

### **Not-For-Profit Use of Facilities**

#### **1. Policy**

It is the policy of LCS that charity organizations, service groups and individuals providing information about charitable causes and service organizations that meet the LCS selection criteria may be permitted to use LCS facilities.

#### **2. Reference**

LCS Constitution Article 3.4 – To provide or establish relevant programs, services and facilities to LCS members and the Lakeside community.

#### **3. Background**

This is a revised policy to replace “Use of Facilities by Organizations & Individuals Operating as Not-For-Profit Groups” approved by the Board of Directors in July 2011.

#### **4. Purpose**

To provide LCS members and members of the Lakeside community with improved access to information regarding charitable and service organizations within the community.

#### **5. Scope**

- Registered Not-for-Profit Organizations (Mexico A.C.) – organizations approved by Hacienda that continue to maintain their tax exempt status.
- Charitable Organizations and Individuals – individuals and groups without legal authorization that provide services to improve our communities.
- Service Organizations – organizations, national or international, that have a restricted membership. These have service components in their missions that improve our communities.

#### **6. Appendices**

Procedure B-1 Not-For-Profit Use of Facilities covering operations, evaluations and fees accompanies this policy.

**7. Date Approved / Revised:** 23 June 2020

#### **8. Signature:**

\_\_\_\_\_  
Carole Wolff, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # B-2

### For-Profit Use of Facilities

#### 1. Policy

It is the policy of LCS that For-profit corporations and individuals who are legal and licensed in Mexico, and who meet the LCS selection criteria, may be permitted to use LCS facilities.

#### 2. Reference

LCS Constitution Article 3.4 – To provide or establish relevant programs, services and facilities to LCS members and the Lakeside community

#### 3. Background

This is a revised policy to replace “For-Profit Use of LCS Facilities”, approved September, 2010.

#### 4. Purpose

To provide LCS members and members of the Lakeside community improved access to information, products and services commercially available in the community.

#### 5. Scope

Corporate or individual members of LCS who wish to promote or provide their information, services and/or products on the LCS premises.

#### 6. Appendices

Procedure B-2 For-Profit Use of Facilities covering operations, evaluations and fees accompanies this policy.

#### 7. Date Approved / Revised: 23 June 2020

#### 8. Signature:

\_\_\_\_\_  
Carole Wolff, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # B-3

### U.S MAIL DELIVERY

#### 1. Policy

It is the policy of LCS that a service will be provided for the transport of personal mail across the U.S. border.

#### 2. Reference

LCS Constitution, Article 3.5 Mandate

#### 3. Background

This policy replaces the Policy – U.S. Mail Drop, March 11, 1999.

#### 4. Purpose

To provide a rapid and secure mail service for LCS members.

#### 5. Scope

- This service is for LCS members only.
- The service applies only to personal letters and cards and may not be used for mailing of packages, books or business materials.

#### 6. Appendices

Procedure B-3 U.S. Mail Delivery covering operations, evaluations and fees accompanies this policy.

#### 7. Date Approved / Revised October 13, 2011

#### 8. Signature \_\_\_\_\_

Howard Feldstein, LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # B-4

### BUILDINGS & GROUNDS

#### 1. Policy

It is the policy of LCS that there will be a comprehensive buildings and grounds management program.

#### 2. Reference

LCS Constitution, Article 3.7 Mandate

#### 3. Background

This is a new policy.

#### 4. Purpose

To keep the facilities in good operating condition, identify capital improvements for annual budget, and to enrich the quality of membership experience.

#### 5. Scope

- Provide direction to staff and volunteers relating to the maintenance needs for buildings and grounds.
- Work with contractors to develop an overall assessment of all buildings and surrounding grounds.
- Develop a routine maintenance schedule for all buildings and grounds.
- Implement a system to monitor scheduled maintenance and make adjustments as necessary.
- To identify maintenance conditions that may signal the need for immediate attention to avoid urgent repair or replacement.

#### 6. Appendices

Separate procedures for maintenance of buildings and grounds will be attached as appendices to this policy.

#### 7. Date Approved / Revised: November 10, 2011

#### 8. Signature \_\_\_\_\_

Howard Feldstein, LCS President

November 8, 2011

# **THE LAKE CHAPALA SOCIETY A.C. (LCS)**

## **POLICY # B-5**

### **SERVICE DESK**

#### **1. Policy**

It is the policy of LCS to have a service desk in the office to provide general services to members.

#### **2. References**

- LCS Constitution Article 3.5

#### **2. Background**

This is a new policy to meet the requirements of the Constitution.

#### **3. Purpose**

To provide consistent procedures for services offered to members.

#### **4. Scope**

To ensure that all members are provided with the following services:

- general office services
- general reception services
- selling postage and accepting mail
- scheduling medical services
- Post-Life planning
- Other duties as assigned by the Board of Directors or Executive Director

#### **5. Appendices**

Procedures for office services accompany this policy.

#### **6. Date Approved / Revised:** February 15, 2012

#### **7. Signatures:**

\_\_\_\_\_  
Howard Feldstein, President



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # B-6

### VENDOR AND SERVICES POLICY

#### 1. Policy

It is the policy of LCS that all vendor and service contracts adhere to applicable Mexican Law and the guidelines in the accompanying appendices. These contracts and their renewal require review by the Board or Executive Committee of the Board and the signatures of the Executive Director AND the LCS President or a member of the Executive Committee.

#### 2. Reference

LCS Constitution Article 3.4 and LCS Policy A-5.

#### 3. Background

This is a new policy. Its development conforms to LCS Policy A-1, Policy and Procedure Development and Implementation.

#### 4. Purpose

The purpose of this policy is to provide guidance relative to the management of vendor relationships. The Executive Director and the Board of Directors recognize that the development of relationships with vendors is established as a way for LCS to offer certain products and services without the need to develop the products and services "in house."

The Executive Director and the Board of Directors also recognize that they are ultimately responsible for managing activities conducted by vendors, and identifying and controlling the risks arising from such relationships, to the same extent as if they were handled within LCS. The Executive Director and the Board of Directors recognize that vendor relationships present potential risks that must be properly managed on an ongoing basis, beginning with a sound due diligence process at the outset and continuing with annual or more frequent reviews of all vendor relationships

The Board of Directors holds the Executive Director accountable for the review and evaluation of all new and existing vendor relationships. The Executive Director is responsible for ensuring that an adequately documented contractual agreement is in place to protect both LCS and its vendors.

#### 5. Scope

- All Vendor and Service Contracts.

**6. Appendices**

Procedures and forms to assist in the development and management of vendor and services contracts are attached in Appendix A.

**7. Date Approved / Revised:** -----

**8. Signature:** \_\_\_\_\_

Howard Feldstein, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY B-7

### RECORDS RETENTION & DESTRUCTION POLICY

**1. Policy**

It is the policy of LCS that all necessary financial & employee records be retained for a period of 10 years according to the laws of Mexico. After this period of time the records will be appropriately destroyed to prevent any recreation of, or access to, these records.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to manage retention of & appropriate destruction of records.

**5. Scope**

This policy applies to all paid employees, officers, Board members and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:**            Date of Board approval: 11 July 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY B-7

### RECORDS RETENTION & DESTRUCTION POLICY FINANCIAL AND ACCOUNTING DOCUMENTS

#### 1. Policy

It is the policy of LCS that all necessary financial and accounting records, except as indicated below, be retained for a period of 5 (five) years according to the laws of Mexico. After this period of time the records will be appropriately destroyed to prevent any recreation of, or access to, these records.

However, certain documents and files will be retained permanently including the following types of records

- Deeds, mortgages, and real estate bills of sale
- Depreciation schedules and fixed asset records
- Insurance records
- Retirement and pension records
- Tax returns and worksheets
- Year-end financial statements

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated December 2010.

#### 3. Background

This directive replaces Policy B-7 dated 11 July 2013.

#### 4. Purpose

The intent of this policy is to manage retention of & appropriate destruction of records.

#### 5. Scope

This policy applies to all paid employees, officers, Board members and volunteers.

#### 6. Appendices

Not applicable.

7. **Date Approved/Revised:**      Date of Board approval: 17 June 2021

#### 8. Signature

\_\_\_\_\_   
LCS, President

# **THE LAKE CHAPALA SOCIETY A.C. (LCS)**

## **POLICY # B-8**

### **POLITICAL, RELIGIOUS, AND OTHER ACTIVITIES**

#### **1. Policy**

In order to fulfill the mission and uphold the vision of the organization, it is the policy of The Lake Chapala Society (LCS) to observe certain restrictions concerning political, religious, and other activities.

#### **2. References**

- LCS Constitution Article 3
- LCS Policy # B-1 Not-For-Profit Use of Facilities
- LCS Policy # B-2 For-Profit Use of Facilities
- LCS Policy # D-1 Behavior on LCS Property
- LCS Endorsed Programs Leaflet

#### **3. Purpose**

The purpose of this policy is to outline the organization's position concerning political, religious, and certain other activities and to provide guidelines concerning these matters to LCS members, non-members, and staff.

#### **4. Scope**

- Political activities
- Religious activities
- Obscenity
- Profanity

#### **5. Appendices**

The document entitled B-8 Procedures for Political, Religious, and Other Activities accompanies this policy.

#### **6. Date Approved / Revised: 23 June 2020**

#### **7. Signatures: \_\_\_\_\_**

Carole Wolff, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # C-1

### TALKING BOOKS

#### 1. Policy

It is the policy of LCS that a "Talking Books of the U.S. Library of Congress" program will be provided for any qualified U.S. citizen.

#### 2. Reference

LCS Constitution Article 3.4 Mandate: to manage a library system relevant to our communities' needs, using appropriate technology.

#### 3. Background

This policy replaces the policy – Talking Books, March 30, 1999

#### 4. Purpose

To administer a Talking Books of the U.S. Library of Congress Program for qualified U.S. citizens.

#### 5. Scope

- LCS will provide the Library of Congress Talking Books Program to any qualified U.S. citizen.
- Qualified is defined as "those U.S. citizens who have been certified by a doctor or R.N. to be visually or physically impaired.

#### 6. Appendices

Procedure C-1 Talking Books of the Library of Congress accompanies this policy.

#### 7. Date Approved / Revised November 10, 2011

#### 8. Signature \_\_\_\_\_

Howard Feldstein, LCS President

November 6, 2011

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # C-2

### LCS MEMBER LIBRARIES

#### 1. Policy

It is the policy of LCS that a library system shall be maintained for the use of LCS members.

#### 2. Reference

LCS Constitution, Article 3.4 Mandate –to manage a library system relevant to our community's needs using appropriate technology.

#### 3. Background

This policy replaces Policy – English Library, March 30, 1999, and Policy – Video Library, March 11, 1999.

#### 4. Purpose

This program meets a demand from LCS members for a library of English works.

#### 5. Scope

- English language library
- Video library
- Books on tape and audio books

Consistent with Mexican Law regarding non-profit organizations, religious material of a proselytizing nature or materials promoting political ideas and persons affecting the Mexican legal system will not be offered in the libraries.

#### 6. Appendices

The following procedures accompany this policy:

- Procedure C-2.1 English Language Book Library
- Procedure C-2.2 Audio Books and Books on Tape
- Procedure C-2.3 Video Library

#### 7. Date Approved / Revised January 12, 2012

#### 8. Signature \_\_\_\_\_

Howard Feldstein, LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # C-3

### BIBLIOTECA NEILL JAMES

**1. Policy**

It is the policy of the LCS that a public, Spanish-language library be maintained.

**2. Reference**

Constitution of the Lake Chapala Society, AC. Article 3: Mandate  
Item 4: to manage a library system relevant to our communities' needs, using appropriate technology.

**3. History**

This is a new policy representing history, current practice and a vision for the future.

**4. Purpose**

To operate a community public library as part of the LCS community education program for the Lakeside community.

**5. Scope**

This library will provide:

- a current selection of Spanish language works with an emphasis on Mexican literature for both adults and children;
- internet services;
- school-age educational activities;
- English children's books for Spanish speaking readers; and
- educational outreach to schools and parents.

**6. Appendices**

The Procedure C-3 Biblioteca Neill James covering operations, evaluations and fees accompanies this policy.

**7 Date Approved/Revised:** January 12, 2012

**8. Signature** \_\_\_\_\_

Howard Feldstein, President

January 12, 2012



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # C-4

### HEALTH SERVICES

#### 1. Policy

It is the policy of LCS that health services of a diagnostic and preventive nature will be provided to LCS members and the Lakeside community. It is understood these services do not constitute medical treatment nor are they to be seen as substituting for regular medical consultation from a physician.

#### 2. Reference

LCS Constitution Article 3.4 – To provide or establish relevant programs, services and facilities to LCS members and the Lakeside community.

#### 3. Background

This is a new policy reflecting current and past practice at LCS.

#### 4. Purpose

To encourage early diagnosis and facilitate certain health evaluations for members and residents of the Lakeside community.

#### 5. Scope

These services may include, but are not limited to:

- Blood pressure monitoring;
- Skin cancer screening
- Flu vaccine shots,
- Hearing loss and vision impairment evaluations.

#### 6. Appendices

The Procedure – “Health Services”, covering operations and evaluations accompanies this policy

7. **Date Approved / Revised:** January 12, 2012

8. **Signature:** \_\_\_\_\_

Howard Feldstein, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-1

### BEHAVIOR ON LCS PROPERTY

#### 1. Policy

It is the policy of LCS that the facilities and grounds provide a congenial, respectful and safe environment for members and visitors.

#### 2. Reference

LCS Constitution Article 3

#### 3. Background

This policy replaces the policy – “Abusive Behavior” dated March 30, 1999.

#### 4. Purpose

- To define the types of behavior and activities which are inappropriate and unacceptable.
- To provide methods to deal with inappropriate and unacceptable behavior and activities.

#### 5. Scope

- Abusive behavior and activities
- Disrespectful behavior and activities
- Illegal behavior and activities
- Destructive behavior and activities
- Dangerous behavior and activities
- Smoking policy
- Pet policy

#### 6. Appendices

- The Procedures – “Member Behavior” covering operations, how to deal with policy infractions and evaluations accompanies this policy

7. **Date Approved / Revised:** January 12, 2012

8. **Signature:** \_\_\_\_\_

Howard Feldstein, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-2

### CONFLICTS OF INTEREST

#### 1. Policy

It is the policy of LCS that conflicts of interest should be avoided. The policy recognizes that from time to time the appearance of a conflict of interest cannot be avoided if the LCS is to carry out its responsibilities. In such cases a majority of the LCS Board must approve the activity in which the conflict or potential conflict of interest may exist. In such cases full disclosure to the Board of Directors and the Executive Director is required.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010; also Article 9.04, Section j, dated Dec., 2010 (Voting by the Board of Directors)

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

#### 4. Purpose

The intent of this policy is to appropriately manage conflicts of interest.

#### 5. Scope

This policy applies to all paid employees, officers, Board members, volunteers, all members, and vendors.

#### 6. Appendices

See Procedure D-2 Appendix A for procedures related to this policy.

7. **Date Approved/Revised:**                      Date of Board approval: 12 December 2013

8. **Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-3

### MISUSE OF LCS RESOURCES

**1. Policy**

It is the policy of LCS that misuse of LCS resources will not be tolerated and should be reported immediately. Information about who reported the suspected abuse will be kept confidential.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

The intent of this policy is to appropriately manage claims of misuse of LCS resources.

**5. Scope**

This policy applies to all paid employees, officers, Board members, volunteers, all members, and vendors.

**6. Appendices**

See Procedure D-3 Appendix A for procedures related to this policy.

**7. Date Approved/Revised:**            Date of Board approval

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-4

### OTHER EMPLOYMENT BY PAID EMPLOYEES, PAID CONSULTING OR PUBLIC SPEAKING

**1. Policy**

It is the policy of LCS that paid employees receive prior approval from the Executive Director for other employment, paid consulting or public speaking if such activities rely on information about or obtained from LCS, or if such activity will detract from the employee's job performance at LCS.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

The intent of this policy is to appropriately protect the interests of LCS.

**5. Scope**

This policy applies to all paid employees.

**6. Appendices**

See Procedure D-4 Appendix A for procedures related to this policy.

**7. Date Approved/Revised:**            Date of Board approval

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-5

### CONFIDENTIALITY

#### 1. Policy

It is the policy of LCS that all information within the organization is confidential unless it has appeared in a public forum such as the LCS Directory, website, or has been publicly posted or distributed. Requests for confidential information require the approval of the President or Executive Director.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated August 20, 2024.

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999.

#### 4. Purpose

The intent of this policy is to appropriately protect the interests of LCS.

#### 5. Scope

This policy applies to all paid employees, officers, Board members-at-large and volunteers.

and

#### 6. Appendices

See Procedure D-5 Appendix A for procedures.

#### 7. Date Approved/Revised:

#### 8. Signature \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-5

### CONFIDENTIALITY

**1. Policy**

It is the policy of LCS that all information within the organization is confidential unless it has appeared in a public forum such as the LCS Directory, website, or has been publicly posted or distributed. Requests for confidential information requires the approval of the Executive Director.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999.

**4. Purpose**

The intent of this policy is to appropriately protect the interests of LCS.

**5. Scope**

This policy applies to all paid employees, officers, Board members, volunteers, all members, and vendors.

**6. Appendices**

See Procedure D-5 Appendix A for procedures.

**7. Date Approved/Revised:** Nov. 8, 2012

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-6

### AUTHORIZED LCS SPOKESPERSON & STANDARDIZED RESPONSE TO PUBLIC DISCUSSIONS ABOUT LCS

#### 1. Policy

LCS is aware of the need to reflect a positive image throughout the Lakeside Community and will monitor what is reported in the community regarding that image and respond appropriately as follows.

The only authorized spokespersons for the LCS are the Executive Director, the President, or their designees. LCS does not respond to anonymous public discussions about LCS except with the following statement:

"The Lake Chapala Society welcomes the opportunity to discuss matters concerning the organization with clearly identified individuals and organizations. Except for this statement, LCS does not respond to anonymous sources of discussion such as on-line discussion groups. The LCS President and Executive Director are the only authorized spokespersons for the Society. LCS encourages individuals with questions, complaints or compliments to direct such issues to the Executive Director for appropriate action".

#### 2. Reference

LCS Constitution, Article 3, Sections 1, 2 and 6, dated Dec., 2010.

#### 3. Background

This is a new policy.

#### 4. Purpose

The intent of this policy is to appropriately protect the interests of LCS.

#### 5. Scope

This policy applies to all paid employees, officers, Board members, volunteers, all members, and vendors.

#### 6. Appendices: None required.

#### 7. Date Approved/Revised:           Date of Board approval: 2/14/13

#### 8. Signature \_\_\_\_\_

LCS, President



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-7

### REQUIREMENTS AND PRIVILEGES OF CORPORATE MEMBERSHIP

**1. Policy**

It is the policy of LCS that the dues for corporate members will be determined annually. It is also the policy of LCS that corporate members will be permitted to post an ad on the LCS grounds, the size of the ad and its location to be determined by the LCS.

**2. Reference**

LCS Constitution, Article 6, Section 6.01, dated Dec., 2010.

**3. Background**

This policy is to facilitate the AGM decision of February 2013 to establish corporate as a new category of dues paying membership.

**4. Purpose**

The intent of this policy is to define the requirements and privileges of corporate membership.

**5. Scope**

This policy applies to all corporate members of LCS.

**6. Appendices**

See Appendix A for procedures

**7. Date Approved/Revised:**      Date of AGM approval

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # D-8

### COMPLAINTS AND GRIEVANCES

**1. Policy**

It is the policy of The Lake Chapala Society to attend to complaints involving the organization and to respond to complaints, grievances, and disputes in a fair, timely, and respectful manner.

**2. Reference**

LCS Constitution 2010 Revised 2015, Article 4, Sections (6), (10), (13)

**3. Background**

This is a new policy.

**4. Purpose**

The purpose of this policy is to provide an efficient and fair process for resolving complaints in order to promote the continuous improvement of LCS governance and operations.

**5. Scope**

This policy applies to any person or persons that brings forward a complaint which concerns The Lake Chapala Society.

**6. Appendices**

The Procedure D-8 Handling Complaints and Grievances accompanies this policy.

**7. Date Approved/Revised:** 17 September 2020

**8. Signature** \_\_\_\_\_

**LCS, President**

# LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-1

### Compliance with Mexican Law

**1. Policy**

It is the policy of LCS that all employees will be dealt with in compliance with applicable Mexican Law as it applies to compensation, overtime, holidays, holiday pay, annual leave, sick leave, parental and family leave, bereavement leave, and all other legally required benefits.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

To ensure all personnel are managed in compliance with applicable Mexican Law and to meet legal requirements.

**5. Scope**

This policy covers all paid employees and applicable Mexican Law.

**6. Appendices**

None required.

**7. Date Approved/Revised:**            Date of Board approval

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-2

### Performance Evaluation for Paid Employees

**1. Policy**

It is the policy of LCS that all paid employees will have their performance evaluated at the conclusion of their probationary period and at least annually thereafter.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

The intent of this policy is to provide appropriate and timely feedback to employees and to continually monitor organizational progress toward meeting established goals.

**5. Scope**

This policy applies to all paid employees

**6. Appendices**

Procedure E-2 - Appendix A - Performance Evaluation for Paid Employees

Procedure E-2 - Appendix B - Performance Evaluation for the Executive Director

**7. Date Approved/Revised:**

**8. Signature** \_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-3

### Probationary Period for Paid Employees

**1. Policy**

It is the policy of LCS that all paid employees serve a probationary period of up to six month. They will have their performance evaluated at the conclusion of their probationary period and at least annually thereafter.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010. Also see Policy A-4 (Bilingualism)

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

The intent of this policy is to provide a time when the employee and The Lake Chapala Society, A.C. can test their ability to work together and the LCS can evaluate the employee's interest, qualifications, and job performance under actual working conditions.

**5. Scope**

This policy applies to all paid employees, both new and current employees moving to a new position.

**6. Appendices**

Procedure E-3 Probationary Period for Paid Employees

**7. Date Approved/Revised:**            Date of Board approval

**8. Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-4

### Travel and Business Expense Reimbursement

#### 1. Policy

It is the policy of LCS that approved travel and business expenses will be reimbursed or advanced to paid employees, officers, Board members, and volunteers. Approval for paid employees is granted by the Executive Director. Approval for the Executive Director and all others is granted the LCS President. All such travel must advance the stated goals of the LCS.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

#### 4. Purpose

The intent of this policy is to provide the LCS with personnel who are informed and trained appropriately.

#### 5. Scope

This policy applies to all paid employees, officers, Board members, and volunteers.

#### 6. Appendices

See Appendix A for procedures

7. **Date Approved/Revised:**            Date of Board approval

8. **Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-5

### Pay Periods

**1. Policy**

It is the policy of LCS that employee are paid in cash on a weekly basis on Saturday. If Saturday falls on a holiday, employees will receive their pay on the previous workday.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010. See also Policy E-1.

**3. Background**

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

**4. Purpose**

The intent of this policy is to provide employees a predictable pay schedule.

**5. Scope**

This policy applies to all paid employees.

**6. Appendices**

None required

**7. Date Approved/Revised:**

Date of Board approval: 13 December 2012

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-6

### Leave Without Pay

#### 1. Policy

It is the policy of LCS that paid employees may be granted leave without pay in special circumstances according to the following conditions:

1. Eligibility: Employees who have served a minimum of three (3) months of satisfactory service.
2. Documentation of need: Employees must provide a written request outlining the need for leave without pay.
3. Maximum leave without pay is one month.
4. Granting of leave without pay is at the discretion of the Executive Director who will consider the needs of LCS before the needs of the employee. Employees are not entitled to leave without pay, but MAY be granted the leave.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

#### 4. Purpose

The intent of this policy is to provide the Executive Director with a tool to retain valued employees who may need to temporarily step away from their LCS responsibilities.

#### 5. Scope

This policy applies to all paid employees.

#### 6. Appendices

None required.

7. **Date Approved/Revised:**                      Date of Board approval: 13 December 2012

8. **Signature** \_\_\_\_\_

**LCS, President**



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-7

### Contract Employees

#### 1. Policy

It is the policy of LCS that contract employees are defined as those individuals who are hired on a short-term basis for a specifically defined purpose. Contract employees do not have tax deducted from their pay and are not eligible for any employees benefits such as paid leave, insurance, or other benefits. If a contract employee is later hired as a regular employee, the date of employment as a regular employee will become the date of hire for the purpose of eligibility for benefits.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

#### 4. Purpose

The intent of this policy is to define Contract Employees and address how they are viewed for purposes of pay and benefits.

#### 5. Scope

This policy applies to all contract employees.

#### 6. Appendices

None required.

#### 7. Date Approved/Revised:

Date of Board approval: 13 December 2012

#### 8. Signature \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-8

### Employee Pay Advances

#### 1. Policy

It is the policy of LCS that paid employees may be granted pay advance under special circumstances according to the following conditions:

1. Eligibility: Employees who have served a minimum of three (3) months of satisfactory service.
2. The maximum of any pay advance cannot exceed \$1000 MXN.
3. Con-current pay advances are prohibited.
4. All pay advances must be re-paid by the end of the fiscal year.
5. Granting of the pay advance and the conditions of repayment are at the discretion of the Executive Director who will consider the needs of LCS before the needs of the employee.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010

#### 3. Background

This policy replaces Policy, Policies and Procedures Implementation, September 20, 1999".

#### 4. Purpose

The intent of this policy is to provide the Executive Director with a tool to retain valued employees who may need pay advances from time to time.

#### 5. Scope

This policy applies to all paid employees.

#### 6. Appendices

Procedure E-8 Employee Pay Advance

7. Date Approved/Revised: 13 December 2012

8. Signature \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # E-9

### Hiring Process

**1. Policy**

It is the policy of LCS to follow a standard set of procedures when hiring operating personnel.

**2. Reference**

LCS Constitution, Article 9, Section 9.4-b-(1)

**3. Background**

This is a new statement of policy.

**4. Purpose**

The purpose of this policy is to make sure all hiring decisions made by the Executive Director are properly supervised by the Board of Directors.

**5. Scope**

This policy applies to the hiring of all paid employees.

**6. Appendices**

Procedure E-9 Hiring Operating Personnel accompanies this policy

**7. Date Approved/Revised:** August 15, 2019

**8. Signature** \_\_\_\_\_  
**LCS, President**

# **THE LAKE CHAPALA SOCIETY A.C. (LCS)**

## **POLICY #F-1 (Amended)**

### **LCS INVESTMENT ACCOUNTS**

#### **1. Policy**

It is the policy of LCS that THE Finance Committee will direct investments of excess operating and restricted LCS funds in banks or firms registered with the Mexican Banking and Securities Commission. Funds may not be invested in any high risk investments.

The primary objectives, in priority order, of investments activities shall be:

#### **Safety**

Investment funds should be rated AAA by rating agencies. Consideration should be given to CETES, certificates of deposit, government securities and government debt that focuses on preservation of capital. No more than 10% of funds may be invested in moderate risk investments - companies with debt having a AAA rating.

#### **Liquidity**

Investments may be made for up to 365 days provided the funds can be withdrawn before maturity in whole or in part on 3 business days' notice and with no penalty other than the loss of any interest up to the time of such early withdrawal.

#### **Yield**

Yields should be monitored by the Treasurer and reported monthly to the Finance Committee for their review and management considerations.

#### **2. Reference**

LCS Constitution, Section 9, Article 9. 04, dated December 2010

#### **3. Background**

This policy replaces the policy implemented in December 2010.

#### **4. Purpose**

The purpose of this policy is to ensure that LCS maintains investment accounts which accrue interest income and safeguards financial stability for the organization.

#### **5. Scope**

Authorized signers for this account are the President, Vice-President, Secretary or Treasurer.

Two signatures will be required to transfer funds from the investment account to the checking account.

**6. Appendices**

Procedures will accompany this policy.

**7. Date Revised**

Revised 6/18/2015

**8. Signature**

\_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY #F-2

### LCS BUDGETING PROCESS

**1. Policy**

It is the policy of the LCS Board that its Finance Committee, the Executive Director and the Finance Coordinator will develop an annual budget to be approved by the Board by December 31 of each year. The Board may revise or amend the budget at any time during the year.

**2. Reference**

LCS Constitution, Article 9, Section 9.04, dated December 2010

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of this policy is to clarify the responsibilities of the LCS Board regarding the budgeting process.

**5. Scope**

The scope of this policy is to ensure that the Board, on the recommendation of the Finance Committee approves the LCS budget by December 31 of each year.

**6. Appendices**

Procedure F-2 Budgeting Process accompanies this policy.

**7. Date Revised**

Revised 8/9/2012

**8. Signature**

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LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY F-3

### LCS PHILANTHROPIC ACTIVITIES

**1. Policy**

It is the policy of LCS to provide its own philanthropic programs. The Board has the discretion to decide whether or not to approve financial philanthropic support to an Association Civil (AC) that has solicited LCS for funds.

**2. Reference**

LCS Constitution, Article 9, Section 9.04, dated December 2010

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of this policy is to ensure guidelines for legal and appropriate donations are in accordance with the LCS Constitution.

**5. Scope**

The scope of this policy is to clarify the distribution of LCS philanthropic funds and donations.

**6. Appendices**

The Procedure F-3 - Philanthropy accompanies this policy.

**7. Date Revised**

Revised 8/9/2012.

**8. Signature**

\_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY #F-4

### LCS BANKING DEPOSITS

- 1. Policy**  
It is the policy of LCS to make regular banking deposits to mitigate against loss and to provide accountability on daily cash receipts.
- 2. Reference**  
LCS Constitution, Article 9, Section 9.04, dated December 2010
- 3. Background**  
This policy replaces the policy implemented in December 2010.
- 4. Purpose**  
The purpose of this policy is to ensure that deposits are received, safeguarded and deposited according to policy.
- 5. Scope**  
It is the responsibility of the Executive Director to direct and monitor the appropriate Clerk who makes regular deposits to the appropriate bank.
- 6. Appendices**  
Procedure F-4 The Management of Banking Deposits accompanies this policy.
- 7. Date Revised**  
Revised 8/9/2012
- 8. Signature** \_\_\_\_\_  
LCS President



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY #F-5

### LCS EXPENDITURE DOCUMENTATION

**1. Policy**

It is the policy of LCS that all expenditures must be documented and will require proper approval in advance before funds are expended.

Individuals who are approved to authorize LCS expenditures are specified in Financial Policy F-15: Purchases and Procurement.

**2. Reference**

LCS Constitution, Article 9, Section 9.04, dated December 2010

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of this policy is to ensure correct signatory control of expenditures.

**5. Scope**

The application of this policy ensures that expenditures are documented properly.

**6. Appendices**

Procedure F-5 LCS Expenditure Documentation accompanies this policy.  
Policy Policy F-15 Purchases and Procurement accompanies this policy.

**7. Date Revised**

Revised 8/9/2012

**8. Signature**

\_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY F-6

### PAYPAL ACCOUNT

**1. Policy**

It is the policy of LCS to maintain a PayPal account to receive and make electronic payments.

**2. Reference**

LCS Constitution, Section 9, Article 9.04, dated December 2010

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of this policy is to insure that LCS can accept and distribute funds to transact business electronically.

**5. Scope**

The Finance Coordinator, Executive Director and/or Treasurer are the only persons with the authority to transfer funds from the PayPal account to the checking account.

**6. Appendices**

Procedure F-6 PayPal Account Transactions accompanies this policy.

**7. Date Revised**

Revised 8/9/2012

**8. Signature**

\_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY #F-7

### PETTY CASH AND CASH FLOAT ACCOUNTS

**1. Policy**

It is the policy of LCS is to maintain Petty Cash and Cash Float accounts to cover small day to day transactions.

**2. Reference**

LCS Constitution, Article 9, Section 9.04, dated December, 2010

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of the Petty Cash account is to pay for minor expenditures.

The purpose of a Cash Float account is to provide change to facilitate transactions.

**5. Scope**

The Executive Director is responsible for ensuring that small day to day transactions can be effected as well as ensuring that each operations group has funds on hand to facilitate transactions.

**6. Appendices**

The procedure F-7 Petty Cash and Cash Float Accounts accompanies this policy.

**7. Date Revised**

Revised 8/9/2012

**8. Signature**

\_\_\_\_\_

LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY F-8

### LCS CHECKING ACCOUNT

**1. Policy**

It is the policy of LCS to maintain a checking account for deposits and expenditures.

**2. Reference**

LCS Constitution, Article 9, Section 9.04 and Article 11, Section 11.02, Subsection 3, dated December 2010. See Policy F-5, LCS Expenditure Documentation.

**3. Background**

This policy replaces the policy implemented in December 2010.

**4. Purpose**

The purpose of this policy is to ensure LCS maintains an account for checking account deposits, documents financial records of operations and safeguards the disbursement of funds through check writing.

**5. Scope**

This policy documents financial records of operations and safeguards the disbursement of funds through check writing. Persons authorized to sign on the account are the Executive Director (primary signer) or one of the following: President, Vice-President or Treasurer.

**6. Appendices**

Procedure F-8 - Bancomer Debit Card accompanies this policy.

**7. Date Revised**

Revised 8/9/2012

**8. Signature**

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LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY F-9

### INTEREST EARNED ON RESTRICTED FUNDS

**1. Policy**

It is the policy of LCS that all interest earned on restricted funds be assigned to non-restricted investments. All donors of restricted funds will be strongly encouraged to assign all interest earned on the restricted fund to go to non-restricted investments.

**2. Reference**

LCS Constitution, Article 3, Section 6; Article 9.02, Section 2f; Article 9.03 dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to specify the treatment of interest earned on restricted funds.

**5. Scope**

This policy applies to all paid employees, officers and volunteers involved in making entries to the books of LCS.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:**            Date of Board approval: 11 July 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-10

### Financial Policies: Bank Reconciliation

**1. Policy**

It is the policy of LCS that all bank statements will be downloaded and reviewed in a timely manner. A bank reconciliation will be performed by the designee of the Executive Director and approval of the reconciliation will occur within 15 days of the close of the month by the Treasurer.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to specify time period for, preparation of and approval of bank reconciliations.

**5. Scope**

This policy applies to all paid employees, officers, the Treasurer and volunteers involved in preparing or reviewing the bank reconciliations of LCS.

**6. Appendices**

Procedure F-10 Appendix A - Reviewing Bank Reconciliations accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-11

### Financial Policies: Cash Receipts

**1. Policy**

It is the policy of LCS that all cash received by LCS will be receipted and or received in a verifiable manner, with appropriate segregation of duties to insure against misappropriation.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure appropriate control, recognition & recording of cash receipts by LCS.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Procedure The F-11 - Handling Cash Receiptes accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-12

### Financial Policies: Cash Management and Investment

**1. Policy**

It is the policy of LCS that all investment accounts will be managed by the Finance Committee with the approval of the Board of Directors. All reserve funds will be invested in accordance with the Constitution of LCS.

**2. Reference**

LCS Constitution, Article 3, Section 6 and Article 11, Section 2, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate cash management & investment.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-13

### Financial Policies: Accounting Policy

**1. Policy**

It is the policy of LCS that LCS uses the modified cash basis of accounting. The modified cash basis of accounting is the method whereby income & expenses are identified with specific periods of time, such as a month or year. This method of recording income or expenses is based strictly on the date of receipt or payment of cash.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to specify the method of recording financial transactions at LCS.

**5. Scope**

This policy applies to all paid employees, officers and volunteers involved in recording the financial transaction of LCS.

**6. Appendices**

Procedure F-13 Accounting Operations accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-13 Amended

### Financial Policies: Accounting Policy

#### 1. Policy

LCS policy is to use the accrual basis of accounting. The accrual basis of accounting is the method whereby income & expenses are identified with specific periods of time, such as a month or year. This method of recording income or expenses is without regard to the date of receipt or payment of cash. The financial reporting of LCS on an annual basis will conform to the Mexican Financial Reporting Standards.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

#### 3. Background

This is an amendment of the previous accounting policy.

#### 4. Purpose

The intent of this policy is to specify the method of recording & reporting financial transactions at LCS.

#### 5. Scope

This policy applies to all paid employees, officers and volunteers involved in recording & reporting the financial transaction of LCS.

#### 6. Appendices

Procedure F-13 Accounting Operations accompanies this policy.

7. **Date Approved/Revised:** 13 November 2014

8. **Signature** \_\_\_\_\_

**Ben White, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-14

### Financial Policies: Internal Controls

#### 1. Policy

It is the policy of LCS that LCS employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed & recorded. The Board will review the Internal Controls Checklist prepared by the Audit & Advisory Committee on an annual basis. The Board will approve & review all financial policies on an annual basis, using the Internal Controls Checklist as a guideline to ensure that proper safeguards are in place to ensure that financial transactions are properly authorized, appropriated, executed and recorded. The Executive Director will have the authority to approve expenses in accordance with the approved budget.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

#### 3. Background

No previous policy had been established.

#### 4. Purpose

The intent of this policy is to ensure adequate internal controls are in place & these controls are periodically reviewed to make sure that financial transactions are properly authorized, appropriated, executed and recorded.

#### 5. Scope

This policy applies to the Board Members & the Executive Director.

#### 6. Appendices

Not applicable.

7. **Date Approved/Revised:** 10 October 2013

8. **Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-14 Amended

### Financial Policies: Internal Controls

#### 1. Policy

LCS policy is to employ several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded. The Audit Committee will, on an annual basis and in conjunction with the Treasurer, develop an Internal Controls Checklist that will reflect sound financial controls practices, as well as incorporating recommendations from LCS's external auditor.

The Audit Committee will approve and review all financial policies on an annual basis, using any interim and final findings and recommendations communicated by LCS's external auditors as a guideline to ensure that proper safeguards are in place to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

The Executive Director will have the authority to approve expenses in accordance with the approved budget.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

#### 3. Background

The policy was amended to reflect the addition of an Audit Committee to the Board and the use of an external auditing firm.

#### 4. Purpose

The intent of this policy is to ensure adequate internal controls are in place & these controls are periodically reviewed to make sure that financial transactions are properly authorized, appropriated, executed and recorded.

#### 5. Scope

This policy applies to the Board Members & the Executive Director.

#### 6. Appendices

Not applicable.

7. Date Approved/Revised: 13 November 2014

8. Signature \_\_\_\_\_  
Ben White, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-15

### Financial Policies: Purchases & Procurement

#### 1. Policy

It is the policy of LCS that decisions to make sizable expenditures must be made with the involvement of more than one person alone. Before any individual makes a commitment on behalf of LCS to spend an amount greater than 20,000 pesos, that person must collaborate in advance with others in the organization as indicated below:

Person making a commitment to spend more than 20,000 pesos:	Must collaborate in advance with one of the following persons:
LCS Officer (President, Vice President, Secretary)	LCS Treasurer and LCS Executive Director
LCS Executive Director	Member of the LCS Executive Committee
LCS Employee	LCS Executive Director
LCS Volunteer	LCS Executive Director
All Others	LCS Treasurer and LCS Executive Director

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

#### 3. Background

This directive replaces LCS Policy F-15 dated 10 October 2013.

#### 4. Purpose

The intent of this policy is to ensure adequate controls for Purchases & Procurement by LCS.

#### 5. Scope

This policy applies to the all paid employees, officers and volunteers.

#### 6. Appendices

-- none --

7. Date Approved/Revised: 19 August 2021

8. Signature \_\_\_\_\_  
LCS President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-16

### Financial Policies: Operating Reserve

**1. Policy**

It is the policy of LCS that the target minimum operating reserve fund for LCS is two (2) months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, office, travel, program and ongoing professional services.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate operating reserves.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-17

### Financial Policies: Contracts

**1. Policy**

It is the policy of LCS that any relationships with vendors, concessionaires, contractors, service providers or joint ventures which are not in the normal course of day to day operations of LCS and exceed a nominal amount of time, must be memorialized in a properly executed, written contract approved by the Board of Directors. Any material changes to these contracts must also be memorialized in a properly executed, written contract, appended to the existing contract and approved by the Board of Directors.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate oversight of contracts.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Procedure F-15 Purchases and Procurement accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-18

### Financial Policies: Revenue Recognition

**1. Policy**

It is the policy of LCS that all contributions will be recorded in accordance with the LCS Chart of Accounts, with regards to the designation of the contributors. Contributions are recorded as received, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the LCS Chart of Accounts.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure appropriate recognition of revenue by LCS.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers involved in recording financial transaction of LCS..

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**



# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-19

### Financial Policies: Physical Security

**1. Policy**

It is the policy of LCS that LCS maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate physical security of the assets of LCS.

**5. Scope**

This policy applies to all paid employees, officers and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-20

### Financial Policies: Monthly Closing

**1. Policy**

It is the policy of LCS that the books of LCS will be closed three days before the scheduled Finance Committee meeting. The Finance Committee will review & approve the Financial Statements (Balance Sheet and Statement of Cash Receipts & Payments) for presentation to the Board of Directors of LCS at the next scheduled meeting of the Board.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to specify the time for monthly closing of the financial records of LCS & the review, approval & presentation to the Board.

**5. Scope**

This policy applies to all paid employees, officers and volunteers involved in the monthly closing of the financial records & the preparation, review & approval of the monthly financial statements.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-20 Amended

### Financial Policies: Monthly Closing

**1. Policy**

It is the policy of LCS that the books of LCS will be closed three days before the scheduled Finance Committee meeting. The Finance Committee will review and approve the Financial Statements (Statement of Financial Position, Sources & Uses of Cash and Statement of Cash Receipts & Payments) for presentation to the Board of Directors of LCS at the next scheduled meeting of the Board.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

Policy was amended to reflect all of the reports to the Board & their correct titles.

**4. Purpose**

The intent of this policy is to specify the time for monthly closing of the financial records of LCS & the review, approval & presentation to the Board.

**5. Scope**

This policy applies to all paid employees, officers and volunteers involved in the monthly closing of the financial records & the preparation, review & approval of the monthly financial statements.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 13 November 2014

**8. Signature** \_\_\_\_\_

**Ben White, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-21

### Financial Policies: Invoice Approvals & Processing

**1. Policy**

It is the policy of LCS that all invoices must be approved by the manager of the department for which the expense was incurred. Approved invoices will be paid within the terms of the invoice.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate approvals & processing of invoices.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Procedure F-21 Invoice Approval and Processing accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-22

### Financial Policies: Segregation of Duties

**1. Policy**

It is the policy of LCS that the financial duties are distributed among multiple people to help ensure protections from fraud & error. The distribution of duties aims for maximum protection of LCS's assets while also considering the efficiency of operations.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure adequate segregation of duties to prevent fraud & error, while safeguarding the assets of LCS.

**5. Scope**

This policy applies to all paid employees, officers and volunteers.

**6. Appendices**

Procedure F-22 Segregation of Duties accompanies this policy.

**7. Date Approved/Revised:** 10 October 2013

**8. Signature** \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-23 Amended

### Financial Policies: Regulatory Reporting & Tax Compliance

**1. Policy**

It is the policy of LCS that it will conform to all financial and tax reporting and payment policies of the Government of Mexico, the State of Jalisco and any other government entity under whose jurisdiction the organization may fall. This will include all financial, compliance and payroll reports and payments to the appropriate jurisdictions.

**2. Reference**

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

**3. Background**

Policy is amended to reflect additional reporting requirements.

**4. Purpose**

The intent of this policy is to ensure tax compliance by LCS.

**5. Scope**

This policy applies to all paid employees, officers and volunteers.

**6. Appendices**

Procedure F-23 Regulatory Reporting and Tax Compliance accompanies this policy.

**7. Date Approved/Revised:** 13 November 2014

**8. Signature** \_\_\_\_\_

**Ben White, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-24

### Financial Policies: Payroll

#### 1. Policy

It is the policy of LCS that all employees will be paid on a weekly basis in cash each Friday, with the net amount to be determined by the Executive Director. The Finance Coordinator will be responsible for monitoring the outside accountant for accurate calculation of payroll and reporting on a timely basis to the appropriate authorities. The employees are required to record time worked, holidays and leave taken for payroll and benefits for tracking purposes. The Executive Director will have overall authority to approve payroll changes, which are to be recorded in writing. In the case of the Executive Director, only the Board of Directors can authorize a change in pay and benefits.

#### 2. Reference

LCS Constitution, Article 3, Section 6, dated Dec., 2010.

#### 3. Background

No previous policy had been established.

#### 4. Purpose

The intent of this policy is to ensure adequate controls for Payroll and appropriate reporting by LCS.

#### 5. Scope

This policy applies to the all paid employees, officers and volunteers.

#### 6. Appendices

Procedure F-24 Payroll Processing accompanies this policy.

7. Date Approved/Revised: 10 October 2013

8. Signature \_\_\_\_\_

LCS, President

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-25

### General Gift Acceptance Policy

#### 1. Policy

A. LCS accepts undesignated gifts, unless there is a question as to whether the donor has sufficient title to the asset given or is mentally competent to transfer the asset to LCS legally. These gifts will be labeled non-restricted and accounted for accordingly.

B. All checks must be made payable to "The Lake Chapala Society, A.C." and will not be made payable to an employee, volunteer or any other agent for the credit of LCS.

C. LCS will accept designated gifts (*i.e., named scholarships*) only as those gifts are consistent with our purpose and our non-profit status. Without exception, all designated gifts accepted will be used per the requested designation. These gifts will be labeled restricted and accounted for accordingly.

D. **Gifts received through on-line or electronic solicitation:** All gifts received with a reply device are designated. All gifts received for expressed appeal amounts are designated.

E. **Gifts received through capital campaigns and special projects:** All designated capital campaign gifts accepted will be noted on devices of commitment and applied to campaign use. All designated special project gifts accepted will be used per the requested designation.

F. LCS accepts major gifts consistent with our purpose and our non-profit status. A "Major Gift" is defined as a gift having value *equal to or greater than \$130,000 MXN*, and includes, but is not limited to:

- One time cash gifts (*individuals and corporate sources*)
- Bequests
- Terminated Trusts
- Real estate with fair market value (*FMV*)
- Stocks, bonds and mutual funds with *FMV*
- Marketable tangible assets
- Life insurance policies



Unless designated (*in part or in whole*) to the operating budget, a special program or a special project, these gifts will be invested into LCS investment accounts consistent with LCS Investment Policy.

G. Major non-cash, deferred gifts will be received within a structure designed to maximize the benefits both to the donor and to LCS. In every case, LCS will first look to the donor's interest. LCS will not look to encumber itself with gifts which may prove to generate more costs than benefits.

H. In situations where advisors retained by LCS prepare documents or render advice in any form to LCS and/or a donor to LCS, it shall be disclosed 1.) that the professional involved is in the employ of LCS and is not acting on behalf of the donor, and 2.) that any document or other advice rendered in the course of the relationship between LCS and the donor should be reviewed by counsel for the donor prior to the completion of the gift.

**2. Reference**

LCS Constitution, Article 3, Section 6 & 7 and Article 5, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure appropriate handling of all gifts received.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Procedure F-25 1-of-2 General Gift Acceptance accompanies this policy.

Procedure F-25 2-of-2 Gift Acceptance - Mexico Law accompanies this policy.

**7. Date Approved/Revised:** 14 Nov. 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-26

### Policy for Acceptance of Deferred Gifts

#### 1. Policy

A. BEQUESTS: Gifts through wills (bequests) will be encouraged by LCS. In the event of inquiry by a prospective donor about their giving a specific gift by bequest, representations as to the future acceptability of property proposed to be left to LCS in a will or through any other gift arrangement will be made only in accordance with our established **Policy for Acceptance of Specific Personal Tangible and Intangible (Non-Cash) Assets**. Gifts from the estates of deceased donors consisting of property that is not acceptable will be rejected only by the action of the Board of Directors. The legal counsel of LCS will communicate expeditiously the decision of the Board of Directors to the legal representative of the estate.

Attempts will be made to discover bequest expectancies whenever possible in order to reveal situations that might lead to unpleasant donor relations in the future.

Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Board of Directors and every attempt be made to encourage the donor to conform his/her plans to LCS policy.

B. CHARITABLE GIFT ANNUITIES: It is the policy of LCS that no charitable gift annuities be accepted at this time due to the complexity of administration.

C. CHARITABLE TRUSTS: In general, LCS will not serve as sole trustee of a charitable trust for the benefit of the organization. This policy may be waived only by a written and ratified resolution from the Board of Directors. The Board of Directors will identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the Board of Directors may any corporate fiduciary be recommended to a donor.

The fee for management of a charitable trust will be paid by LCS upon the approval of the Board of Directors. The Board of Directors and other volunteers and employees acting on behalf of LCS will become familiar with the types of property generally accepted by a corporate fiduciary as suitable contributions to charitable trusts. Employees or others acting on behalf of LCS will not encourage others to make gifts of any property to charitable trusts not in keeping with such guidelines.

No representations will be made by any employee or other persons acting on behalf of LCS as to the manner in which charitable trust assets will be managed or

invested by a corporate fiduciary who may be recommended by LCS, without the prior approval of such representation by the fiduciary.

Charitable remainder trusts and all other deferred gifts will be encouraged as a method of making gifts to LCS while retaining income which may be needed by the donor or other persons chosen by the donor for any number of personal purposes. Such trusts will not be marketed as tax avoidance devices or as investment vehicles, as it is understood such activity may violate United States federal and/or state securities regulations, or the tax codes of other countries.

No charitable remainder trust will be encouraged where it is determined that the net present value of the remainder interest in the trust is less than **\$320,000.00MXN** or **10%** of the value of the funds transferred, as it is thought to be unwise to encourage donors of a young age to make such gifts because of a possible detrimental impact on their future "current" giving.

The minimum amount required to establish a charitable remainder trust for which LCS serves as co-trustee is **\$1,300,000.00 MXN**.

D. LIFE ESTATE GIFTS: Donors generally will not be encouraged to make gifts of real property to LCS under which they maintain a life interest in the property. Such transfers are often not in the best interest of the donor involved, and there is potential for negative publicity for LCS should the donor have a need to sell the property to generate funds, only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.

Such gifts may be accepted by approval of the Board of Directors in situations where 1) the asset involved appears to be a minor portion of the donor's wealth, and 2) the Board is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

E. GIFTS OF LIFE INSURANCE: Donors will be encouraged to name LCS as the "last beneficiary" to receive all or a portion of the benefits of insurance policies they have purchased on their lives.

As a matter of course, LCS will not agree to accept gifts from donors for the purpose of purchasing insurance on the donor's life. LCS will endorse no insurance product for use in funding gifts without the approval of the Board of Directors. In no event will LCS furnish lists of its donors to anyone for the purpose of marketing life insurance for the benefit of donors and/or LCS, as this practice 1) represents a potential conflict of interest, 2) may cause donor relation problems, and 3) may subject LCS to insurance regulations should the activity be construed as involvement in marketing of life insurance.

F. ENDOWMENT GIFTS: A permanent endowment for approved purposes may be established with a minimum gift of **\$320,000.00 MXN**. Only endowment gifts will

have interest from the gift credited to the stated purpose of the gift, unless otherwise specified by the donor at the time of the gift. If no specification is made as to the disposition of the interest received from the investment of the gift, other than an endowment gift, the use of such interest earned shall be at the direction and discretion of the Board of Directors.

G. DEFERRED GIFT DESIGNATIONS: No designations on how deferred gifts may be used by LCS will be honored without prior approval of the Board of Directors in the case of current gifts, or subsequent approval by the Board of Directors in the case of gifts received by bequest or by any other gifts effective at death.

H. FINDER'S FEES OR COMMISSIONS: No fee or commission will be paid to any person as consideration for directing a gift to LCS.

**2. Reference**

LCS Constitution, Article 3, Section 6 & 7 and Article 5, dated Dec., 2010.

**3. Background**

No previous policy had been established.

**4. Purpose**

The intent of this policy is to ensure appropriate handling of all gifts received.

**5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 14 Nov. 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-27

### Policy for Acceptance of Specific Personal Tangible & Intangible (Non-Cash) Assets

#### 1. Policy

A. PUBLICLY TRADED SECURITIES: Securities traded on the major stock exchanges or the Bolsa Mexicana de Valores, or other readily marketable securities, will be accepted. It may be anticipated that such securities will be immediately sold. In no event will an employee or volunteer working on behalf of LCS commit to a donor that a particular security will be held unless authorized by the President with the advice and consent of the Board of Directors.

B. CLOSELY HELD SECURITIES: Non-publicly traded securities may only be accepted after approval of the Board of Directors. Such securities subsequently may be disposed only with the approval of the Board of Directors. Prior to completion of any gift of this kind, LCS will not commit to re-sell the gift to any specific party or parties.

C REAL PROPERTY: No gift of real estate will be accepted without prior approval of the Board of Directors. No gift of real estate will be accepted without first receiving a qualified appraisal by a party chosen by LCS who will have no business or other relationship to the donor.

In general, real estate located within the Lakeside area will be accepted unless the Board of Directors determines the property is not suitable for acceptance as a gift.

In general, real estate located outside of the Lakeside area will not be accepted as gift unless its value appears to be 1) in excess of **\$1,300,000.00 MXN** and 2) there is reason to believe it a highly marketable property. The Board of Directors may make exceptions to this specific policy statement if conditions warrant.

Regarding a gift of real property, the Board of Directors will review an acceptable deed and necessary documentation. The cost of obtaining necessary documents and fees associated with environmental studies; property taxes; maintenance, management and insurance appraisals; title reports and legal fees should be borne by the donor.

The Board of Directors will not accept real estate to fund a charitable gift annuity.

Special attention will be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for LCS and disqualification of certain split interest gifts unless handled in the proper manner.

**D. TANGIBLE PERSONAL PROPERTY:** Jewelry, artwork, collections and other personal property will not be accepted unless the employee, agent or volunteer working on behalf of LCS have reason to believe the property has a value in excess of **\$13,000.00 MXN**. Such property can only be accepted by the Executive Director or such other person or persons authorized by the Board of Directors.

No personal property will be accepted unless there is reason to believe the property can be quickly disposed of in an expeditious manner. No personal property will be accepted that obligates LCS to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to safeguard properly will be accepted without prior approval of the Board of Directors.

If there is reason to believe particular personal property has a value of **\$13,000.00 MXN** or more, it may be accepted only after receipt and review of an appraisal qualified under terms of the IRS or other appropriate tax code governing gifts of this type property. Only the Board of Directors or the person(s) authorized by them may represent to a donor that property will or will not be held by LCS for a specific period of time, or for purposes related to a specific period of time, or for purposes related to its 501(c)(3) or other applicable tax code purposes. Donors should be notified at the time of receipt of a gift that LCS will - as a matter of corporate policy - cooperate fully in all matters related to IRS or other appropriate tax authorities investigation of non-cash charitable gifts.

**E. INTANGIBLE PERSONAL PROPERTY:** Other property of any description - including mortgages, notes, copyrights, royalties, easements - whether real or personal, will be accepted only by action of the Board of Directors or the person(s) duly acting on their behalf. Appropriate inquiry will be made and special consideration shall be given to the nature of any gift property and whether it is in keeping with the purpose of LCS, prior to its acceptance.

## **2. Reference**

LCS Constitution, Article 3, Section 6 & 7 and Article 5, dated Dec., 2010.

## **3. Background**

No previous policy had been established.

## **4. Purpose**

The intent of this policy is to ensure appropriate handling of all gifts received.

## **5. Scope**

This policy applies to the all paid employees, officers and volunteers.

**6. Appendices**

Not applicable.

**7. Date Approved/Revised:** 14 Nov. 2013

**8. Signature** \_\_\_\_\_

**LCS, President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F- 28

### The Lake Chapala Society Audit Committee Policy

#### 1. Policy

**A. Name and Purpose.** The Audit Committee oversees proper external review of the not-for-profit audited financial statements, as well as the organization's risk management to include monitoring the internal control environment. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment.

**B. Reporting.** The Audit Committee is a Standing Committee of the Board which reports directly to the LCS Board.

**C. Responsibilities.** Specifically the Audit Committee performs the following functions:

- Develops and periodically reviews audit-related policies; has a regular process of determining whether it is receiving quality audit services for a fair price based on established policies and regulations;
- Meets with the audit firm to review the audited financial statements;
- Addresses any issues identified in the required communications and management letter;
- Solicits from the audit firm observations on staff and volunteer skills, qualifications and performance related to those audited functions;
- Reviews the performance of the auditors, ensuring continued independence;
- Reviews the audit plans for the coming year and discusses with the external audit firm;
- Reviews with management and the external auditor the internal control process and risk management and mitigation process;
- Reports and recommends the results of audit findings to the LCS Board for approval;
- Acts as external point of contact for any whistle-blowing issues and, if necessary, initiates special investigations of policies, procedures and practices;
- If applicable, review the IRS Form 990 &/or CRA Form T3010 annually, prior to submission;
- Reviews the presentation of the financial information in the annual report before being printed; and
- Conducts private, executive sessions at least annually with the external auditors and management.

A further delineation of the role and responsibilities of the Audit Committee is detailed in The Lake Chapala Society Audit Committee Procedures Matrix (Appendix A).



**D. Composition.** The committee consists of three to five persons, a majority of whom must be LCS Board members. The committee must include members with basic expertise in financial management. The committee may wish to consult with an independent financial expert on special topics. Members of the Finance Committee may not serve on this committee. The LCS Executive Director and any LCS staff members may not serve on the Audit Committee because they are not independent.

**E. Terms.** The members of this committee are selected by the President, in consultation with the Executive Director and the Audit Committee chair, and are approved by the LCS Board. All committee members, excluding the person serving as chair, may serve two two-year terms. The chair may only serve one consecutive two-year term.

**F. Meetings.** The Audit Committee meets as needed to fulfill its responsibilities, but will meet at least twice annually; once to review the audit plan and once to review the audited financial statements and, if applicable, the IRS Form 990 &/or CRA Form T3010 and related documents, and approve the audit engagement and special investigations related to fraud, financial irregularities and internal control failures. Unanimous consent is necessary for approval of actions dealing with decisions required between meetings.

**2. Reference**

LCS Constitution, Article 10, Section 10.02, dated Dec. 2010.

**3. Background**

This policy replaces The Lake Chapala Society Audit and Advisory Committee Polices & Procedures dated April 14, 2011.

**4. Purpose**

The intent of this policy is to appropriately protect the interests of LCS.

**5. Scope**

This policy applies to all officers and Board members .

**6. Appendices**

See Appendix A for procedures.

**7. Date Approved/Revised: 6 March 2014**

**8. Signature** \_\_\_\_\_

**LCS President**

# THE LAKE CHAPALA SOCIETY A.C. (LCS)

## POLICY # F-29

### ACCOUNTING FOR FIXED ASSETS & DEPRECIATION

#### 1. Policy

It is the policy of LCS that all "Capital Assets" defined as a unit of tangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than **\$10,000.00 MXN**, including acquisition and installation costs on the same invoice. Capital Assets must be capitalized and depreciated for bookkeeping and financial statement purposes. All Capital Assets are recorded at historical cost as of the date acquired. Any items costing below this amount will be expensed on LCS's books and in the annual financial statements.

Capital Assets are to be depreciated over the useful life of the asset as determined by the Secretaria de Hacienda y Credito Publico ("Hacienda") regulations upon the advice of the LCS external auditor. The depreciation will be calculated on an annual basis for preparation of the year end accounts and reflected in the annual financial statements.

#### 2. Reference

LCS Constitution Article 3, Section 6 dated December 2010.

#### 3. Background

This is a new policy.

#### 4. Purpose

- This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in LCS's books and reported in the annual financial statements and the corresponding depreciation of the capital assets to be recorded annually in LCS's books and reported in the annual financial statements.

#### 5. Scope

This policy applies to all paid employees, officers and volunteers involved in recording the financial transaction of LCS.

#### 6. Appendices

Not applicable.

7. **Date Approved / Revised:** November 13, 2014

8. **Signature:** \_\_\_\_\_

Ben White, President