



FINANCIAL POLICY

Tiny Cat Animal Rescue (“**TCAR**,” “**we**,” “**our**,” or “**us**”) is committed to financial transparency. This Financial Policy (this “**Policy**”) establishes the governing principles for how TCAR authorizes, records, and oversees the use of organizational funds. This Policy applies to persons who handle TCAR funds or authorize expenditures on TCAR's behalf. Expenditures may not be artificially divided to avoid approval thresholds set forth below.

1. NON-VETERINARY EXPENDITURES

(a) Cat Care Costs. "Cat Care Costs" are food, litter, medications, supplements, supplies, and other items used directly for the care of cats in TCAR's custody, excluding Veterinary Expenditures governed by Section 2. Costs not invoiced by a licensed veterinary provider—including medications, supplements, or supplies purchased from pharmacies, retailers, or online suppliers, even if prescribed by a veterinarian or medically related—are Cat Care Costs.

- (i) **Up to \$250:** Requires approval from the Executive Director or Director of Operations.
- (ii) **Over \$250:** Requires approval from two approvers: (1) the Executive Director and (2) one additional officer or Board member.
- (iii) **Over \$1,500:** Board approval required.

(b) All Other Non-Veterinary Expenditures. "All Other Non-Veterinary Expenditures" are expenditures not classified as Cat Care Costs under Section 1(a) or Veterinary Expenditures under Section 2, including filing fees, software, insurance, event costs, marketing materials, office supplies, and administrative expenses.

- (i) **Up to \$250:** Requires approval from the Executive Director or Treasurer.
- (ii) **Over \$250:** Requires approval from two approvers: (1) the Executive Director and (2) one additional officer or Board member.
- (iii) **Over \$1,500:** Board approval required.

(c) Legally Required Expenditures. Expenditures that are legally required for regulatory compliance—including but not limited to state filing fees, charitable solicitation registration fees, and required government filings—may be paid by the Executive Director or Treasurer without regard to the thresholds in Section 1(b), provided the expenditure is documented and reported to the Board.

2. VETERINARY EXPENDITURES

"Veterinary Expenditures" are costs invoiced by a licensed veterinary provider for the direct medical care of a specific cat in TCAR's custody, including examinations, procedures, diagnostics, surgery, treatments, and medications or supplies included on the veterinary invoice. Costs not invoiced by a licensed veterinary provider—including medications, supplements, or supplies purchased from pharmacies, retailers, or online suppliers, even if prescribed by a veterinarian or medically related—are Cat Care Costs governed by Section 1(a).

"Approved Providers" are licensed veterinary providers that have been reviewed and approved by the Executive Director or Director of Operations for use by TCAR. Approved Providers are selected based on the quality of care provided, reliability, willingness to work with rescue organizations, and cost-effectiveness. TCAR prioritizes providers who offer high-quality care at pricing structures designed for rescue organizations or that otherwise reflect efficient use of TCAR's limited resources.

(a) Routine Intake and Preventive Veterinary Care. The Executive Director or Director of Operations may authorize standard intake and preventive veterinary care (including exams, vaccinations, testing, parasite treatment, spay/neuter, and microchipping) without additional approval, provided the care is performed by an Approved Provider. If an Approved Provider is not reasonably available and a provider not on the Approved Provider list must be used for routine care, prior approval from the Executive Director is required regardless of cost.

(b) Non-Routine, Non-Emergency Veterinary Care.

- (i) **Up to \$250:** The Executive Director or Director of Operations may authorize without additional approval.
- (ii) **\$250 or over:** Requires approval from both the Executive Director and the Director of Operations.

(c) Emergency Veterinary Care. In a genuine emergency involving the immediate health, safety, or welfare of a cat, any officer may authorize necessary veterinary care without prior approval. If the estimated or actual cost of emergency care exceeds \$2,000, a second officer should be consulted before authorizing care if

practicable. If consultation is not practicable, the authorizing officer must notify a second officer as soon as possible afterward. The authorizing officer must promptly notify the Board and document the nature of the emergency. The Board may review the expenditure to determine whether the emergency authorization was consistent with this policy and may take appropriate corrective action.

(d) Foster Pre-Approval Requirement. In emergencies where prior approval cannot reasonably be obtained, the foster caregiver should seek immediate care and notify TCAR as soon as possible. Reimbursement for emergency expenditures made without prior approval will be determined on a case-by-case basis in accordance with Section 8.

(e) Cumulative Per-Cat Spending Cap.

- (i) When total non-emergency Veterinary Expenditures for a single cat—across routine and non-routine categories—exceed or are reasonably expected to exceed \$1,500, formal Board approval is required before incurring additional non-emergency Veterinary Expenditures for that cat. Emergency care authorized under Section 2(c) is excluded from the \$1,500 cumulative cap.
- (ii) When total Veterinary Expenditures for a single cat—including both emergency and non-emergency care—exceed \$2,500, the Director of Operations must report the total spending to the Board. This is a notification requirement, not an additional approval requirement; its purpose is to ensure the Board has visibility into high-cost cases.

3. LOANS AND BORROWING

No loan may be contracted and no negotiable instrument may be issued on behalf of TCAR unless authorized by the unanimous vote or unanimous written consent of the Board, consistent with TCAR's Bylaws.

4. SIGNATORY AUTHORITY

(a) Bank Accounts. The Executive Director and Treasurer are authorized to establish and maintain bank accounts on behalf of TCAR, consistent with the Board's formation resolution.

(b) Checks, Drafts, and Electronic Payments. The Executive Director and Treasurer are each individually authorized to sign checks, authorize electronic payments (including Zelle transfers), and execute drafts or other orders for the payment of money, subject to the spending authority thresholds above. The Director of

Operations is also individually authorized to authorize electronic payments for expenditures within their approval authority under Sections 1 and 2.

(c) Contracts. The Executive Director has the power to sign and execute contracts authorized generally or specifically by the Board, consistent with TCAR's Bylaws. Other officers are authorized to execute contracts necessary or appropriate to the usual and ordinary performance of their duties, as provided in the Board's formation resolution. No officer may bind TCAR to any contract involving a financial commitment exceeding \$1,500 without prior Board approval, except that veterinary care contracts, agreements with approved veterinary providers, and individual veterinary treatment authorizations are governed by Section 2 and do not require separate Board approval so long as they fall within the thresholds established therein.

(d) Conflict of Interest. Any expenditure or contract involving a potential conflict of interest is subject to the procedures set forth in TCAR's Conflict of Interest Policy.

5. SEGREGATION OF DUTIES

(a) Acknowledgment of Limitations. TCAR recognizes that full segregation of financial duties is not feasible with a small, all-volunteer team where officers may hold overlapping roles. This Policy establishes compensating controls to mitigate risk.

(b) Separation of Functions. To the extent practicable, the following functions should be performed by different individuals:

- (i) **Authorization** of expenditures
- (ii) **Payment processing** and recordkeeping
- (iii) **Review and reconciliation** of bank statements

(c) When Roles Overlap. If the Executive Director and Treasurer are the same person, the Secretary or another officer shall conduct reconciliation review described below and shall have view access to TCAR's bank account for this purpose.

6. RECEIPTS AND DOCUMENTATION

Every expenditure from TCAR's bank account must be supported by a receipt, invoice, or other documentation. Emailed receipts are sufficient for this purpose.

7. PERIODIC BANK RECONCILIATION

The Treasurer shall periodically reconcile TCAR's bank statement against TCAR's financial records, and no less than annually, to confirm that all transactions are properly recorded and supported by documentation.

In recognition of TCAR's small size and limited personnel, where the same individual may perform both reconciliation and payment functions, an independent officer (such as the Secretary or another Board member) shall conduct the aforementioned periodic review of bank statements and a sample of transactions. The reviewing officer shall not have been involved in the authorization or payment of the transactions under review.

8. REIMBURSEMENTS

Reimbursement requests must be submitted with supporting documentation. The Treasurer reviews and approves reimbursement requests and records payment in TCAR's financial records. Except in emergency circumstances, expenditures made without the required prior approval may not be reimbursed.

9. HANDLING OF DONATIONS AND CASH RECEIPTS

All funds received by TCAR—whether by cash, check, electronic transfer, or online platform—shall be deposited into TCAR's bank account as soon as practicable and in no event later than five (5) business days after receipt. The Treasurer shall record all deposits in TCAR's financial records. Donations received through online platforms that deposit directly into TCAR's bank account satisfy the deposit requirement upon deposit.

10. ANNUAL BUDGET & FINANCIAL REPORTING

The Treasurer shall provide the Board with a financial summary upon request and shall prepare an annual operating budget for Board approval before the start of each fiscal year (or as soon as practicable for TCAR's first year of operations). Expenditures should be consistent with the approved budget; material deviations require Board discussion and approval. The Treasurer shall prepare annual financial statements at the end of the fiscal year for reporting and tax-filing purposes.

11. APPROVALS

Approvals required pursuant to this Policy may be given by any written communication (including email or text).

12. POLICY UPDATES

We may revise this Policy periodically and update it as necessary to reflect changes in applicable law, regulation, or organizational practice.

13. CONTACT US

If you have questions, requests, or concerns regarding this Policy, contact us:

Email: cats@tinycatanimalrescue.org

Website: www.tinycatanimalrescue.org