

# Financial Management Policy

**Approval Date:** October 26, 2013

## **Authority and Responsibilities:**

**Bylaws, Article VIII, Section 1. Finances.** Funds of the Council shall be under the supervision of the Board and shall be managed by the Treasurer.

**Bylaws, Article VIII, Section 2. Fiscal Year.** The fiscal year of the Council shall begin on January 1 and end on December 31.

**Bylaws, Article VIII, Section 3. Funds.** Funds shall be derived from dues, special assessments, work projects, workshops, products, auctions and raffles, contributions, and interest from Council investments.

**Bylaws, Article VIII, Section 4. Disbursement.** The Treasurer shall make no disbursement of funds of the Council without authorization of the Board. The Treasurer shall deposit all funds of the Council in a federally insured bank or financial institution approved by the Board in a timely manner and in the name of the Council. The Treasurer shall balance the accounts at the end of each fiscal year and his/her written report shall reflect any adjustments as required by the annual audit.

**Bylaws, Article VIII, Section 5. Audit.** An audit of the financial status of the Council shall be made by the Audit Committee at least once a year at the end of the fiscal year and prior to the Annual Business Meeting, and at other times as directed by the Board.

**Operating Procedures:** The office of Treasurer manages all funds of the Council and informs the Board of the financial status of the Council, including expenditures, income, and obligations of the Council. The Board directs that the following Financial Policies are followed:

- Budget status is to be reported every board meeting; unless board approves a variation;
- All financial transactions are recorded in Quicken or any other approved financial program;
- An annual budget is presented to the Board for approval at the annual business meeting. The budget is to identify expected sources of income and expenses, including funds for EAC activities; Board travel; grants; awards and complimentary membership; symposium income and expenses; donations; workshop; membership; correspondence; insurance; and various services.
- All reimbursements should be sent out within two weeks of receiving receipts. Missing receipts require hand written signed documentation for reimbursement;
- At least \$5,000 is to be maintained in the Council's checking account for easy access to funds;
- Funds in excess of that maintained in the checking account will be kept in a federally insured account which draws interest, as appropriate;
- A rainy day (reserve) fund of \$70,000 is to be carried over from year to year for emergencies;
- Treasurer is responsible for the DTC's credit card payment and purchases;
- Insurance for our group must be renewed yearly in August for a September start. This insurance covers the DTC at all of our events, in case of an accident;

- The Audit committee consists of 2 or more people with no ties to our finances checking all transactions for the audited FY. The committee will look at the check book, Quicken account and receipts to make sure all the numbers are correct and legitimate. At the end of the audit, the committee writes a report detailing any problems or recommendations. The report is due within two months of audit;
- All state and federal taxes must be filed by May 15<sup>th</sup> of each year. An approved CPA may be used for this task. All non-profit/status documentation is filed through the CPA once a year as part of the yearly taxes. The treasurer just needs to make sure we stay current. The needed documents are included in our last few years of tax returns;
- All financial management is to be consistent with the laws and rules affecting exempt organizations under Internal Revenue Code 501(c)(3)
- Out-going treasurer is to train new treasurer and get everything transferred to his/her name.