

OpMan 21 - Financial Management

Effective: November 4, 2014
Updated and Approved: November 30, 2015
Updated and Approved: July 16, 2019
Admin Review: Feb 12, 2020

1. **RESPONSIBLE PARTY:** The Treasurer, as the Finance Committee Chair, shall be responsible for ensuring compliance with this policy.
2. **PURPOSE:** The purpose of this policy statement is to establish policy and procedures for the financial management of the AOC headquarters (hereby referred to as the Association).
3. **AUTHORITY:** The Association is directed by the AOC Bylaws to maintain fiscal responsibility in accordance with the AOC's status as a 501.6(c) non-profit organization.
4. **OPERATIONS:** Unless otherwise provided for, the following policies and procedures will apply to the financial management of the Association.
5. **FINANCIAL ADMINISTRATION**
 - A. **Accounting Control:**
 - a. The Association shall engage the services of a certified public accountant to conduct an annual financial audit during the first quarter of each calendar year. A copy of the annual audit shall be made available to the membership.
 - b. Two authorized signatures are required on checks over \$10,000. One will be the Executive Director and the other will be the Treasurer (or the President in his/her absence).
 - c. All employees of the Association who may receive, disburse or otherwise be involved with Association funds shall be bonded.
 - d. A petty cash account of no more than \$200, justified by proper receipts and reimbursement procedures, may be maintained by the Executive Director.
 - e. Monthly bank statements shall be reviewed by the Executive Director.
 - f. No Board Member or committee chairperson shall incur any indebtedness or pecuniary obligations except as authorized by the Board of Directors.
 - g. All purchase orders and/or contracts shall be issued by the HQ office and signed by the Executive Director or by those authorized to sign checks.
 - h. The Association shall maintain sufficient working capital, in an investment account with proper management (See 7.C below), to meet its financial obligations.
 - B. **Procurement Policy:** (see Appendix B)
6. **BUDGETING:** The Treasurer shall submit an annual budget for approval by the Board of Directors according the schedule set by the Board of Directors. The budget may be revised at any time at the discretion of the Board of Directors.
 - A. Once an annual budget has been approved, any subsequent changes to the budget must be made in the form of a written proposal to include information requested in Appendix A – Budget Amendment Request Form.
 1. The Form, or information requested on the Form, shall be submitted to the Treasurer and Executive Director prior to a regularly scheduled Board meeting or a Board meeting called specifically to address a budget amendment.

2. The Board will not consider budget change requests without a written proposal and adequate time for review (minimum of 12 hours) prior to Board deliberation to allow unrushed review/determination of the impact on the Association.
3. Any request or motion made to the Board that does not meet these criteria would be considered out of order with the BOD normally not taking action on the request.

7. BUDGET & FINANCIAL MANAGEMENT:

- A. The Treasurer shall be responsible for the overall execution of the budget and will report the financial welfare of the Association at every meeting of the Board of Directors.
- B. The Executive Director shall be responsible for the day-to-day management of matters affecting the finances of the Association.
- C. The investments of the Association shall be governed by OpMan 22, the Reserve Fund Investment Policy. This policy shall be reviewed annually by the Executive Committee.



BUDGET AMENDMENT REQUEST FORM

Date: _____

Request made by (individual or committee): _____

Requested Amount: _____

Basis for the requested amount: (cost estimates, market research, prior actions, etc)

Description or General Ledger number: _____

Reason for request (statement of need or objective):

Specific Implementation Plan:

Anticipated return on investment (evaluation metric or performance measure):

Approved by Board of Directors: Date _____

OPMAN 21 – APPENDIX B

AOC Procurement Policy

AOC shall follow certain methods in purchasing goods, equipment and services required for the needs of the organization or its projects. Use of competitive bidding shall be a priority practice. The first criteria in choosing a supplier shall be the lowest price. However, if a supplier does not provide the required level of service or an adequate guarantee, then other criteria shall also be considered. The employee shall specify in writing the reasons the lowest price was not chosen.

- For purchases under \$20,000, a price survey by telephone of two suppliers will be sufficient for determining the supplier.
- For purchases above \$20,000, a quotation/invoice shall be obtained from three local suppliers.
 - The Executive Director must approve and sign all contracts above \$20,000.
 - Executive Director must keep all documents pertaining to each transaction, i.e. the RFP, quotations, contact information of suppliers purchase contracts, justification if lowest price was not chosen and any other pertinent documents.

No employee, officer, director, volunteer or agent of the Organization shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors.