

Appendix I

Financial Management

Effective Date: 17 March 2022
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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 Educational Foundation (hereby referred to as the AEF).
3. **AUTHORITY:** The Association is directed by the AEF Bylaws to maintain fiscal responsibility in accordance with the AEF's status as a 501(c)3 non-profit organization.
4. **OPERATIONS:** Unless otherwise provided for, the following policies and procedures will apply to the financial management of the AEF.
5. **FINANCIAL ADMINISTRATION**
 - A. **Accounting Control:**
 - a. 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).
 - b. Monthly bank statements shall be reviewed by the Executive Director.
 - c. No Board Member or committee chairperson shall incur any indebtedness or pecuniary obligations except as authorized by the Board of Governors.
 - d. 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.
6. **BUDGETING:** The Treasurer shall submit an annual budget for approval by the Board of Governors according to the schedule set by the Board of Governors. The budget may be revised at any time at the discretion of the Board of Governors.
 - 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 I.1 – 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 AEF.
 3. Any request or motion made to the Board that does not meet these criteria would be considered out of order with the BOG 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 AEF at every meeting of the Board of Governors.
 - B. The Executive Director shall be responsible for the day-to-day management of matters affecting the finances of the AEF.

8. DONATIONS:

A. The AOC Educational Foundation (AEF) ~~and its chapters are~~ is eligible to receive Individual and Corporate donations through the United Way, Combined Federal Campaign, and similar fund-raising activities. In addition, individuals may make charitable donations when applying for membership through the annual renewal process. Online donations can be made to the AEF through secure credit card transactions found on the AOC website and via the Givebutter platform. The website has the capability to accept donations of all sizes and payment plans – whether it is a one-time gift, a monthly contribution or part of a matching gifts program. Donations can be made to the AOC Foundation as general funds to be used for scholarships or STEM. If a member sends a donation to the headquarters Foundation and does not designate a specific chapter to receive his or her donation, the donation will be placed in the general funds of the Foundation and may be used for distribution for the Chapter Scholarship and STEM Sustainment Initiative Program or used for Headquarters AOC scholarship or STEM programs.

~~B. Chapters of the Foundation may solicit individual and or corporate donations in their areas through newsletters, luncheons or other chapter activities. Chapters may accept funds via check or secure website if they have the capability. Most chapters will recognize corporate sponsors during scholarship awards ceremonies or STEM events~~

~~C.B.~~ See Appendix G-1 AOC Educational Foundation Gift Acceptance Policy for guidance

APPENDIX I.1
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 Governors: Date _____



AOC Educational Foundation Inc.

Appendix I.2

Gift Acceptance Policy

Introduction

The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within the AOC Educational Foundation Inc. (*AOC Foundation*) concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.

These policies must be viewed as flexible and realistic to accommodate unpredictable situations as well as donor expectations, if such situations and expectations are consistent with the AOC Educational Foundation Inc.'s mission and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the appropriate staff and/or committee of the Board of Governors (*Board*) along with legal counsel and directors if necessary.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the Director in conjunction with the appropriate staff and are subject to approval by the Board.

The Board, through the Finance Committee and the Director, is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived. These policies and authorizations shall be reviewed by the Finance Committee on an annual basis or as circumstances warrant.

A. Board Acceptance of Gifts

The Board shall exercise its public trust, as mandated by statute, in making final decisions for the acceptance of all gifts and grants and for any exception to its policies and guidelines. Gifts and gift instruments may be received by the Director but can be accepted officially only by the Board as managers of the public trust.

The AOC Educational Foundation Inc. shall accept only those gifts the transference and implementation of which shall be deemed consistent with the public laws and/or regulations of the United States of America.

B. Philanthropic Intent

The Board determines that gifts to the AOC Educational Foundation Inc. are evidence of philanthropic intent, and that the donor's philanthropy is in accord with the stated mission and goals of the AOC Educational Foundation Inc. The purpose is to prevent the AOC Educational Foundation Inc. from being an object of philanthropic intent for either designed or innocent avoidance of taxes, prejudiced purposes, or evaluation of gifts without generous, advanced, objective, experienced evaluation.

C. Ethics

The Board shall assure itself that all philanthropic promotions and solicitation are ethical by adopting policies that prohibit the AOC Educational Foundation Inc. personnel from benefiting personally by way of commission or other devices related to gifts received.



D. Review Legal Arrangements

Legal counsel retained by the AOC Educational Foundation Inc. shall, as required, review legal documents, contracts, and all donor agreements. The AOC Educational Foundation Inc. shall seek the advice of legal counsel in all matters pertaining to its planned giving program. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

The AOC Educational Foundation Inc. shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. Alternatively, a donor may sign a document prepared by the AOC Educational Foundation Inc., releasing the AOC Educational Foundation Inc. from any liability and waiving any conflict.

E. Professional Fees

While the AOC Educational Foundation Inc. is happy to aid attorneys and other professional advisors by providing specific language to be used in charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

F. Unacceptable Gifts

The AOC Educational Foundation Inc. reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by the AOC Educational Foundation Inc.:

1. Gifts that violate any federal, state, or local statute or ordinance.
2. Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property.
3. Gifts that are financially unsound.
4. Gifts that could expose the AOC Educational Foundation Inc. to liability.

G. Stewardship

The AOC Educational Foundation Inc. will be responsible for good stewardship toward its donors by following these guidelines:

1. All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
2. All gift acknowledgment letters/receipts will be prepared by the Director or his or her designee.
3. Gifts to the AOC Educational Foundation Inc. shall be reported in a manner consistent with the standards recommended by the Association of Fundraising Professionals (AFP) or the National Council on Planned Giving (NCPG).
4. Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by the AOC Educational Foundation Inc. Maximum use will be made of information and contacts that members of the Board, various volunteer groups, or the staff have potential donors. Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.
5. This information is confidential and is strictly for the use of the AOC Educational Foundation Inc. board and staff. Use of this information shall be restricted to organizational purposes only. Donor has the right to review his or her donor fund file(s).
6. The AOC Educational Foundation Inc. will provide the donors of endowed funds with appropriate information about the use of such funds.
7. Should the gift be restricted, the AOC Educational Foundation Inc. will provide the donor with a narrative and financial report detailing the activities made possible by their support.

8. Gifts to the AOC Educational Foundation Inc. and accompanying correspondence will be considered confidential information, except for the publication of donor recognition societies. All donor requests for confidentiality will be honored.
9. Names of donors will not be provided by the AOC Educational Foundation Inc. to other organizations, nor will any lists be sold or given to other organizations.

H. Conflict of Interest

The AOC Educational Foundation Inc. Board of Governors will assure itself that the AOC Educational Foundation Inc. personnel are circumspect in all dealings with donors to avoid even the appearance of any act of self-dealing. The Board will consider a transaction in which the employee has a “material financial interest” with a donor an act of self-dealing. In reviewing self-dealing transactions, the Board shall consider financial interest “material” to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The Board will examine all acts of self-dealing including but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of the AOC Educational Foundation Inc. shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the AOC Educational Foundation Inc. (The definition of individuals includes each of the categories of employees of the AOC Educational Foundation Inc. Individuals are further defined to include associations, partnerships, corporations, or other enterprises in which a member of the staff holds a principal ownership interest.)

I. Conformity to Federal and State Laws

The Board will assure itself that fundraising activities comply with local, state, and federal laws.

J. Gift Valuations

The AOC Educational Foundation Inc. shall follow accepted guidelines for the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and the AOC Educational Foundation Inc.

Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. The AOC Educational Foundation Inc. shall acknowledge receipt of such properties but will not verify values.

K. Required Reporting of Gifts to the Internal Revenue Service

Should the AOC Educational Foundation Inc. sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within two years after the date of the gift, the AOC Educational Foundation Inc. will furnish the Internal Revenue Service and the donor with a completed Form 8282.
