



## **207.1. General**

The purpose of the Finance Program is to oversee the financial condition of the organization and prepare the annual budget.

## **207.2. Program Administration**

The Finance Program is administered by the Finance Committee. The Chairman of the Finance Committee is the IAC Treasurer. Other committee members include: IAC President, IAC Vice President, IAC Executive Director and two other Board members recommended by the IAC Treasurer and appointed by the IAC Board of Directors at the fall Board of Directors Meeting.

207.2.1 The IAC Treasurer may appoint interim Finance Committee members in the event that a current Finance Committee member resigns or is not reelected to the Board of Directors. Interim Finance Committee Members may be formally appointed to the Finance Committee by the IAC Board of Directors at the fall Board of Directors meeting in accordance to P&P207.2 or replaced with new members at the fall meeting at the recommendation of the IAC Treasurer and the approval of the IAC Board of Directors

## **207.3. Program Policy**

### **207.3.1. Annual Budget**

#### **207.3.1.1. Budget Process**

The annual budgeting process will follow the Operational Planning and Budgeting procedures and timelines established annually by EAA. The Finance Committee will meet prior to the end of the fiscal year to establish the next year's budget.

#### **207.3.1.2. Approval and Revision of Budget**

The IAC Board of Directors has final approval of the annual budget. This normally will be accomplished at the Fall Board meeting. The budget can be revised by the IAC Board of Directors at any time.



**207.3.1.3. Net Income Guidelines**

The IAC Board of Directors shall make every effort to establish a budget that will yield a net income of the greater of the following:

- (a) Three percent (3%) of gross income.
- (b) Working capital to produce six months expenses. Working capital is defined as current assets minus current liabilities not including prepaid items, deferred expenses and deferred membership fees. The intent of this standard is to have sufficient net working capital to operate for one year with no degradation in member services in the event of a calamity.

**207.3.2. Contest Sanctioning**

As part of the annual budgeting process, the Finance Committee is authorized by the IAC Board of Directors to set IAC contest sanction fees. The committee will also monitor the overall financial results of contest sanctioning to ensure a fiscally sound program.

**207.3.3. Contest Insurance Premiums**

As part of the annual budgeting process, the Finance Committee is authorized by the IAC Board of Directors to determine the contest insurance premiums for IAC sanctioned contests.

**207.3.4. Financial Statements**

207.3.4.1. Monthly financial statements are prepared by the EAA Finance Department.

207.3.4.2. Distribution

- (a) The Treasurer receives the monthly preliminary and final financial statements from the EAA Finance Department.



- (b) The Treasurer will supply the most recent available financial information to any Board member upon request. The Treasurer will forward to the Finance Committee the completed financial information monthly and to the full Board of Directors semiannually.
- (c) This Publication shall consist of, at a minimum, publishing the approved annual budget and the fiscal year-end report (as prepared by the treasurer) in a password protection section of the IAC website. The Treasurer shall ensure that reports are available to the IAC Editor for publication.

#### **207.3.5. Inventory Control**

- 207.3.5.1. The Finance Committee annually allocates funds for the purchase of IAC merchandise for resale, office supplies, and other inventory items.
- 207.3.5.2. IAC Executive Director is responsible for the purchase, reorder, pricing and warehousing of IAC's inventory within the funding guidelines allocated by the Finance Committee. Requests for purchase approval of unbudgeted materials, inventory, and merchandise shall be submitted to the IAC Treasurer, or in the absence of the IAC Treasurer, the IAC President, and reimbursement made, upon the approval of no fewer than two (2) members of the Finance Committee.
- 207.3.5.3. Periodic inventory reports will be sent to the Finance Committee to monitor IAC's performance.

#### **207.3.6. Purchasing**

The IAC Executive Director will approve all budgeted, recurring, regular expenses, with the exception of travel reimbursements that will be approved by the IAC Treasurer directly. Copies of all purchase orders and requisitions will be sent to the IAC Treasurer when requested for his or her records.

#### **207.3.7. Travel Reimbursements**

- 207.3.7.1. The Finance Committee allocates funds for Employee and Non-Employee travel and meetings during the annual budgeting process. Reimbursements will be limited by the



amount budgeted by the Finance Committee. The following policy governs the use of these funds.

**207.3.7.2. Administrative Travel Employee Travel and Non-Employee Travel**

- (a) Funds allocated are to be used to pay for IAC Headquarters staff travel and expenses when working on IAC's behalf.
- (b) Board of Directors Travel Funds allocated will be used to reimburse members of the IAC Board of Directors for their lodging expenses incurred at the Fall Board of Directors meetings.
- (c) President's Travel Funds allocated will be used to reimburse the President in the performance of his duties, responsibilities, and commitments.

**207.3.8. Reimbursement Procedures**

207.3.8.1. Persons traveling, purchasing materials, inventory, or merchandise, or providing services at IAC expense will submit vouchers and/or receipts to verify such travel, lodging, materials, inventory, merchandise or provided services for those expenses. This documentation will be sent to the IAC Treasurer, or in absence of the IAC Treasurer, to the IAC President, for reimbursement approval. If not previously budgeted and approved within the established guidelines contained in subsequent Section 207.3.9.1, Unbudgeted Expenses, such expenses may not be eligible for reimbursement. Absent extenuating circumstances, no expenses will be reimbursed if submitted for reimbursement more than 45 days after incurring such expenses.

**207.3.9. Unbudgeted Expenses**

207.3.9.1. All unbudgeted expenses in excess of \$200 must be pre-approved by no fewer than two (2) members of the Finance Committee. Additionally, any unbudgeted expense submission will require final approval of two (2) Finance Committee members prior to disbursement (See 207.3.8.1). Failure to obtain this approval, and unless expressly exempted by the entire Finance Committee, may result in denial of the submitted expenses.

207.4.0.1 The Finance Committee is tasked with establishing long-term Board-Restricted Funds as directed by the Board of Directors. These long-term restricted funds will create



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working capital for the support of future activities as specified by the Board of Directors.

Donations made to long-term restricted funds may not be used for any other purpose than as directed by the Board of Directors when the fund is created. The Treasurer will manage the long-term restricted funds created by the Board of Directors with their use restricted by the Board of Directors.

The Finance Committee will determine how much of the balance in the long-term restricted fund can be sustainably distributed each year, not to exceed 4% of the fund balance. No long-term restricted funds will be distributed when the long-term restricted fund contains less than the annual operational budget of the IAC.

When a separate document does not govern the use of long-term restricted funds, the recommendation on the distribution of long-term restricted funds will be made at least annually by the Finance Committee with the Board of Directors' approval.

The Finance Committee is delegated the authority to transfer long-term restricted funds to a separate non-profit entity (foundation/endowment) once they determine the fund balance is sufficient to create the entity and be perpetually self-sustaining once the entity is created.