Policy & Procedure Manual

**Oil Impacted Emergency Medical Services, Inc.**

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# **Section 1 - Scope**

### **1.1 Applicability**

The policies and procedures established herein are approved expressions of the philosophy and direction of the Board of Directors of Oil Impacted Emergency Medical Services, Inc., hereafter referred to as Organization. As such, they shall provide guidance in the conduct of Organizational affairs.

Policies and procedures contained in this Manual are official documents, fully effective unless or until changed by the Board of Directors of the Organization and are applicable to every director, officer, employee and volunteer of the Organization.

### **1.2 Definitions**

**1.2.1 Policies: guiding and governing principles formally approved to provide assistance in the conduct of Organizational affairs.  
 1.2.2 Procedures: statements that provide for the orderly implementation of established policies through prescribed specific actions to be taken.**

# **Section 2 - Personnel and Payroll Policies**

### **2.1 Definitions**

**2.1.1 Personnel: For the purpose of subsections 2.2, 2.3, 2.4 and 2.5 personnel includes every director, officer, employee and volunteer of the Organization. For the purpose of subsections 2.6, 2.7, 2.8 and 2.9 personnel includes only employees.**

### **2.2 Conflict of Interest Policy**

**2.2.1 Purpose: The purpose of the conflict of interest policy is to protect this Organization’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee (when said employee has significant influence over the actions of the Organization) of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.**

**2.2.2 Definitions:  
 2.2.2 (a) *Interested Person:* Any director, principal officer, member of a committee with governing board delegated powers or employee with significant influence over the actions of the Organization, who has a direct or indirect financial interest, as defined below, is an interested person.  
 2.2.2 (b) *Financial Interest:* A person has a financial interest if the person has, directly or indirectly, through business, investment or family:  
 2.2.2 (b)(i) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,  
 2.2.2 (b)(ii) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or  
 2.2.2 (b)(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.  
 2.2.2 (c) *Compensation:* Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.**

**2.2.3 Procedures:  
 2.2.3 (a) *Duty to Disclose:* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors.  
 2.2.3 (b) *Determining Whether a Conflict of Interest Exists:* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.  
 2.2.3 (c) *Procedures for Addressing the Conflict of Interest:*  
 2.2.3 (c)(i) An interested person may make a presentation at the meeting of the Board of Directors, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.  
 2.2.3 (c)(ii) The chairperson of the meeting, if appropriate, shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.  
 2.2.3 (c)(iii) After exercising due diligence, the Board of Directors shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.  
 2.2.3 (c)(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested members of the Board of Directors whether the transaction or arrangement is in the Organization’s best interest, for its own benefit and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.  
 2.2.3 (d) *Violations of the Conflict of Interest Policy:*   
 2.2.3 (d)(i) If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflict(s) of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.  
 2.2.3 (d)(ii) If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.  
  
 2.2.4 Records of Proceedings: The minutes of the Board of Directors shall contain:  
 2.2.4 (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board of Directors’ decision as to whether a conflict of interest in fact existed.  
 2.2.4 (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection with the proceedings.   
  
 2.2.5 Compensation:  
 2.2.5 (a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member’s compensation. When that member’s compensation is being considered the Board of Directors may ask that member questions relating to the services being provided and that member may answer only the questions asked. At such point that, that member has answered the Board of Directors questions, they shall leave the meeting while the Board of Directors discuss and vote on the compensation.  
 2.2.5 (b) No voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information regarding compensation.  
  
 2.2.6 Annual Statements: Each director, principal officer, member of a committee (with Board of Directors delegated powers) and employee (who has significant influence of the actions of the Organization) shall annually sign a statement which affirms such person:  
 2.2.6 (a) Has received a copy of the conflict of interest policy,  
 2.2.6 (b) Has read and understands the policy,  
 2.2.6 (c) Has agreed to comply with the policy,  
 2.2.6 (d) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes and  
 2.2.6 (e) Has made all disclosures, when applicable, found on the conflict of interest disclosure form adopted by the Board of Directors (Appendix A).  
  
 2.2.7 Periodic Reviews: To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax- exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:  
 2.2.7 (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.  
 2.2.7 (b) Whether partnerships, joint ventures and arrangements with management organizations conform to the Organization’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.**

### **2.3 Whistleblower Policy**

2.3.1 General: The Organizations Policies and Procedures require directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

As employees and representatives of the Organization, individuals must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

2.3.2 Reporting Responsibility: It is the responsibility of all directors, officers, employees and volunteers to comply with and to report violations or suspected violations of the Policies, Procedures and Bylaws of the Organization or laws in accordance with this policy.

2.3.3 No Retaliation: No director, officer, employee, volunteer or contractor who, in good faith, reports a violation of the policies and procedures of the Organization or law shall suffer harassment, retaliation or adverse employment consequence.

An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including terminations of employment. A director or officer who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including removal from office.

This Whistleblower Policy is intended to encourage and enable directors, officers, employees and volunteers to raise serious concerns within the Organization prior to seeking resolutions outside the Organization.

2.3.4 Reporting Violations: Directors, officers, employees and volunteers should share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases they should be reported to the Organization’s President. However, if the individual is not comfortable speaking with the President or is not satisfied with the response, the individual is encouraged to report to another member of the Executive Committee.

2.3.5 Acting in Good Faith: Any good faith report, concern or complaint is fully protected by this policy, even if the report, concern or complaint is, after investigation, not substantiated.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the policies and procedures of the Organization or law. Any allegations that prove not to be substantiated and have been made maliciously or with knowledge that they were false will be treated as a serious disciplinary offense.

2.3.6 Confidentiality: Upon the request of the complainant, the Organization will use its best efforts to protect the confidentiality of the complainant for any good faith report. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

2.3.7 Handling of Reported Violations: All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The complainant will be informed, if not anonymous, that follow-up has or is occurring within two weeks after the President or Executive Committee member has received the complaint or report. The Executive Committee, in its entirety, shall be informed of all such complaints or reports.

### **2.4 Discrimination and Harassment**

2.4.1 Definitions:   
2.4.1 (a) Discrimination: Discrimination is verbal or physical conduct that denigrates or shows hostility toward an individual because of his or her age, race, color, gender, national origin, religion, physical or mental disability, marital status, veteran status or sexual orientation.   
2.4.1 (b) Harassment: Harassment is the act of creating an unpleasant or hostile situation through uninvited and unwelcome verbal or physical conduct.  
2.4.2 Discrimination Policy: The Organization is committed to providing an environment that is free from discrimination harassment. Officers, Directors, Employees and Volunteers must not harass anyone because of age, race, color, gender, national origin, religion, physical or mental disability, marital status, veteran status or sexual orientation.   
2.4.2 (a) Incidents of discrimination will be met with appropriate disciplinary action, up to and including dismissal.  
2.4.3 Harassment Policy: The Organization is committed to fostering an environment that is free of both sexual and non-sexual harassment. Officers, Directors, Employees and Volunteers shall not engage in uninvited or unwelcome verbal or physical conduct, whether sexual or not sexual.  
2.4.3 (b) The Organization has zero tolerance for harassment and incidents will be met with appropriate disciplinary action, up to and including dismissal.  
2.4.4 Reporting: All Officers, Directors, Employees and Volunteers are encouraged to report all incidences in which they feel they have been the target of discrimination or harassment to the President of the Organization. In the event that the President is the accused Officers, Directors, Employees and Volunteers are encouraged to report to the Vice President.   
2.4.4 (a) After receiving a complaint of discrimination or harassment the President, or a designee thereof, shall investigate such complaint.  
2.4.4 (b) In the event that the complaint is found to be valid the President, or a designee thereof, shall determine and impose appropriate disciplinary action and remedy to the target of such act, if necessary and appropriate.  
2.4.4 (c) In the event that such complaint is found to be invalid it shall immediately be dismissed and prejudice shall not be held towards the complainant, so long as such complaint was made in good faith, or the respondent.

### **2.5 Incident Reporting**

2.5.1 Reporting: Officers, Directors, Employees and Volunteers are required to immediately report, or as soon as reasonably possible, to their supervisor, if such individual has no direct supervisor the President, any organization-related incidents of the following types:   
2.5.1 (a) Accidents: Unplanned events that result in injury, illness, property damage or loss of materials.  
2.5.1 (b) Exposures: Contact with potentially harmful chemical or physical agents or biological hazards, whether or not these result in injury or illness.  
2.5.1 (c) Injuries or Illnesses: Any injuries or illness no matter how minor or whether it potentially has more than on cause.   
2.5.1 (d) Near Misses: Events that could have, under slightly different circumstances, caused injury, illness, death, property damage or loss of materials.  
2.5.2 Documenting: The supervisor should completely and accurately document the reported incident. Proper documentation should include, but is not limited to:  
2.5.2 (a) Name and contact information of the reporter.  
2.5.2 (b) Specific details about the incident. What the reporter was doing at the time of the incident, the cause of the incident (if known), the date, time and location of the incident, etc.  
2.5.2 (c) Photographs of injuries and property damage.  
2.5.3 Follow-up: The supervisor is responsible for following up on all incidence reports, safeguarding the wellbeing of the employee and ensuring that all incidences that need to be further reported are, in accordance will all workers compensation laws and regulations.

### **2.6 Equal Opportunity Employment**

2.6.1 It is the policy of the Organization to afford equal employment opportunity to all individuals, regardless of age, race, color, gender, national origin, religion, physical or mental disability, marital status, veteran status and sexual orientation.

### **2.7 Employment**

**2.7.1 Employment at Will: The Organization does not offer tenured or guaranteed employment. Either the Organization or the employee can terminate the employment relationship at any time, with or without cause and with or without notice.   
 This employment at will relationship exists regardless of any other written statements or policies of the Organization or any verbal statement to the contrary.**

**2.7.2 Hiring: The Executive Committee of the Organization shall have the authority to make all hiring conditions provided that the following prerequisites are met:**

**2.7.2 (a) Prior to the hiring of any individual the Board of Directors shall first authorize the position and adopted such position’s job description.**

**2.7.2 (b) Prior to the hiring of any individual the Board of Directors shall first authorize the maximum amount of compensation, pursuant to Section 2.7.4, that may be offered to such individual.**

**2.7.3 Termination: The Executive Committee shall have the authority to terminate employment with the Organization at any time, with or without cause.**

**2.7.4 Compensation and Benefits: The Board of Directors shall have the authority and responsibility to set the initial compensation and any benefit packages for all positions within the Organization. The Executive Committee shall have the authority and responsibility to make adjustments to compensation and benefit packages of existing employees, within the approved budget of the Organization. When establishing compensation and benefit packages the following shall be considered:**

**2.7.4 (a) Any officer or director having a conflict of interest shall disclose such conflict and recuse themselves from all discussion and voting on the compensation and benefit package. A conflict may arise when the compensation and benefit package are for the said officer or director, or an individual with a family or business relationship with the said officer or director.**

**2.7.4 (b) Prior to approving compensation arrangements and benefit packages, information shall be gathered about compensation and benefit packages paid by similarly situated organizations, current compensation surveys and/or information regarding the current job market in the geographical area.**

**2.7.4 (c) All decisions regarding compensation arrangements and benefit packages shall be included in the minutes of the meeting in which such decision was made. The minutes shall include the specific terms and amounts, information relied upon to make such decisions and its source and any disclosed conflicts of interest.**

**2.7.4 (d) Compensation arrangements and benefit packages shall be approved by a simple majority vote of the Board of Directors or Executive Committee. Such vote shall be by recorded roll-call.**

### **2.8 Positions and Job Descriptions**

2.8.1 The Board of Directors has the authority to create and abolish all employment positions within the Organization, as they deem appropriate and in the best interest of the Organization. The Board of Directors, or a designee(s) thereof, shall establish the description of all positions and prescribe the positions requirements and qualifications. All positions and descriptions shall be adopted by the Board of Directors prior to any individual being employed in such position.

### **2.9 Time Keeping**

2.9.1 General Time Keeping:  
 2.9.1 (a) Each hourly employee will be responsible for keeping a careful, accurate and truthful record of hours worked. These hours shall be recorded on a timecard approved by their immediate supervisor.  
 2.9.1 (b) At the end of the two week pay period, each employee shall submit their timecards to their immediate supervisor.  
 2.9.1 (c) The supervisor shall review the timecards for exceptions or irregularities.  
 2.9.1 (d) If exceptions or irregularities are found, the supervisor shall seek explanation from the respective employee and determine whether the exception or irregularity is accurate and truthful.  
 2.9.1 (e) After the time records have been reviewed and the supervisor agrees that they are accurate and truthful, the supervisor forward the time records to the individual responsible for payroll and provide authorization to process the payroll. Authorization must be in writing and can be sent via fax or email, with the time records attached.   
 2.9.1 (f) The individual responsible shall than process the payroll and issue payment.  
  
 2.9.2 Grant Work Time Keeping:  
 2.9.2 (a) In addition to the procedure above, when an employee spends time working on grant funded activities, such employee shall keep a separate calendar to document the time spent working on such activities and a detailed record of what work was done, tasks performed and how it relates to the grant funded activities.  
 2.9.2 (b) This calendar shall be submitted to the employee’s immediate supervisor with all time records to ensure that the time is billable to the grant.

### **2.10 Payroll Processing**

2.10 At such time that the Board of Directors hires an employee they shall adopted adequate and reasonable policies and procedures governing the processing of payroll.

# Section 3 - Accounting and Audit Policies

### **3.1 Cash Receipts**

3.1.1 Procedure for handling Cash Deposits:  
 3.1.1 (a) The Organization’s Treasurer, or a designee thereof, shall be responsible for receipt of all Organizational receipts and ensuring that the following procedures are adhered to.  
 3.1.1 (b) Immediately following the receipt of a check, it shall be marked with the words, *‘For Deposit Only’.* 3.1.1 (c) All receipts shall be recorded daily into the deposit spreadsheet and recorded in the accounting software the Organization utilizes.  
 3.1.1 (d) After receipts have been recorded they shall be stored in a locked drawer, cabinet or cash boxes, the location of which shall be known only to the Organization’s Treasurer, or a designee thereof.  
 3.1.1 (e) No less than once per week receipts shall be deposited in the financial account(s) of the Organization. A copy of all original checks, supporting documentation and deposit spreadsheets shall be made prior to the deposit of any receipts. Such copies shall be kept with the financial records of the Organization.  
 3.1.1 (f) Reconciliation of the bank deposits shall be done monthly by an individual other than the individual whom records receipts. Such reconciliations should tie out to both the accounting software and deposit spreadsheets.

### **3.2 Cash Disbursements**

3.2.1 Procedure of handling Cash Disbursements:  
 3.2.1 (a) The Organization’s Treasurer, or a designee thereof, shall be responsible for collecting all payables for review, verification and classification.  
 3.2.1 (b)(i) After having been reviewed, verified and classified the documents, and all necessary supporting documentation, shall be copied and the originals shall be forwarded to the individual responsible for payables.  
 3.2.1 (b)(ii) All copies shall be retained with the financial records of the Organization.  
 3.2.1 (c) The individual responsible for payables shall record each payable in the Organization’s accounting software, according to the classification provided.  
 3.2.1 (d) When the individual responsible for payables is ready to issue payment they must first submit an ‘Unpaid Bills Detail’ to the Organization’s President, Treasurer and the designee of the Treasurer whom received the payables, if applicable.

3.2.1 (e) The President, Treasurer and Treasurer’s designee, if applicable, shall review the Unpaid Bills Detail to ensure that vendors and amounts to be disbursed match the payables received and to ensure that all supporting documentation is on file.

3.2.1 (f) The President and Treasurer shall determine if the listed disbursements shall be made after verification. They shall notify the individual responsible for payables of those that are approved for payment, those that are rejected and any necessary changes within two (2) business days of the issuance of the ‘Unpaid Bills Detail’.

3.2.1 (g) After receiving approval from the President and Treasurer and making all requested corrections or changes, the individual responsible for payables shall print and issue approved disbursements.

3.2.1 (h) The Treasurer, or a designee thereof, shall:

3.2.1 (h)(ii) Keep a record of the last check printed in a check run and ensure the first check issued in the next run is consecutive.

3.2.1 (h)(iii) Keep a record of all void and cancelled checks.

3.2.1 (h)(iv) Keep a record of all approved disbursements and reconcile, monthly, all issued disbursements recorded in the accounting software and bank disbursements with such record.

3.2.2 Disbursements that shall not be made  
3.2.2 (a) Under the following circumstances disbursements shall not be made:

3.2.2 (a)(i) When documentation of the payable is not available.

3.2.2 (a)(ii) When necessary supporting documentation is inadequate or absent

3.2.2 (a)(iii) Reimbursement shall not be issued when an original receipt is not available, unless a written, reasonable explanation is submitted to and reviewed and accepted by the President, the Treasurer shall review and accept the explanation in the event that the reimbursement request is submitted by the President.

3.2.2 (a)(iv) When the President and/or Treasurer has not approved the disbursement.

**3.3 Reimbursement of Expenses**

3.3.1 All Officers, Directors and Employees are entitled to request reimbursement from the Organization in accordance will the following governance.

3.3.2 (a) Mileage: Officers, Directors and Employees may be reimbursed for mileage driven due to Organization sanctioned meetings, events or conferences, while traveling to carry out their assigned duties, while traveling to represent the Organization at outside meetings, event or conferences or while traveling upon the request of the Board of Directors.

3.3.2 (a)(i) Reimbursement for in state travel and the first 200 miles travel out-of-state shall be the IRS rate at the time of travel.

3.3.2 (a)(ii) Travel out-of-state, after the first 200 miles, will be reimburse at one half of the IRS rate at the time of travel.

3.3.3 Per Diem: Officers, Directors and Employees may be reimburse a per diem allowance in the amount of thirty-five dollars ($35.00) when they are traveling more than eight (8) hours in one day for Organization business.

3.3.3 (a) If the Organization provides meals during that time of travel the per diem allowance will be discounted as follows:

3.3.3(a)(i) Seven dollars ($7.00) for breakfast.

3.3.3 (a)(ii) Twelve dollars ($12.00) for lunch.

3.3.3 (a)(iii) Sixteen dollars ($16.00) for dinner.

3.3.4 Lodging: Lodging expenses shall be direct billed to the Organization whenever possible. When direct bill is not possible lodging expenses shall be reimburse under the following circumstances.

3.3.4 (a) In the event that an Officer, Director or Employee is attending an event away from their home city and such event is multiple days, the Organization shall reimburse the Officer, Director or Employee for lodging expenses.

3.3.4 (b) In the event that an Officer, Director or Employee is attending an event that ends after nine (9) p.m. local time or the Officer, Director or Employee is five (5) hours or more from home and the event ends after seven (7) p.m. local time.

3.3.5 Reasonable Expenses: The Organization shall reimbursement Officers, Directors and Employees for reasonable and customary business expenses and business supplies.

3.3.5 (a) All request for reimbursement shall be accompanied by the original, itemized purchase receipt. Any request not accompanied by such receipt shall not be reimbursed, unless otherwise determined pursuit to Section 3.2.2 (a)(iii) of this Policy and Procedure Manual.

3.3.6 Other Reimbursements: All other reimbursements not herein shall be approved by the President prior to the expense being incurred, when possible. If such expense is incurred and prior approval could have reasonably been obtained no reimbursement shall be provided.

3.3.7 Request for Reimbursement: Officers, Directors and Employees shall use the following procedure to request reimbursement from the Organization.

3.3.7 (a) All requests shall be detailed, itemized and provide an explanation for such expense on a form prescribed by the Organization’s Treasurer, or a designee thereof.

3.3.7 (b) Requests including purchases shall be accompanied by the original, itemized receipt. If the request in not accompanied by such receipt it shall be accompanied by a written, reasonable explanation for the absences of such receipt and be considered pursuant to Section 3.2.2 (a)(iii) of this Policy and Procedure Manual.

3.3.7 (c) All requests shall be submitted to the Organization’s Treasurer, or a designee thereof, and shall be processes in accordance to Section 3.3.1 of this Policy and Procedure Manual.

### **3.4 Fee for Goods or Services**

3.4.1 If the Organization levies fees for services or goods provided by the Organization such fees shall be charged uniformly to all consumers and shall be set annually by the Board of Directors. No fee may be levied unless preapproved by the Board of Directors.

### **3.5 Petty Cash Fund**

3.5.1 The Organization shall not have a petty cash fund.

### **3.6 Bank Reconciliations**

3.6.1 All bank accounts belonging to the Organization shall be reconciled monthly according to the following procedure.

3.6.1 (a) Each bank account shall be reconciled by two (2) individuals. The first shall be the individual responsible for maintaining the accounting software. The second shall be the Treasurer, or a designee thereof.

3.6.1 (a)(i) The individual responsible for maintaining the accounting software shall perform the reconciliation task in the software.

3.6.1 (a)(ii) The Treasurer, or designee thereof, shall reconcile the accounts using documentation from the period for which the reconciliation is being performed. They shall ensure that all debits and credits listed on the bank statement tie to and are consistent with deposit spreadsheets and approved disbursements for the period. The Treasurer, or designee thereof, shall ensure that their reconciliation ties out to the general ledger balance recorded in the accounting software.

3.6.1 (b) After each individual has performed their reconciliations independent of each other they shall ensure that they came to the same end result and discuss any discrepancies and irregularities.

3.6.1 (c) Both individuals shall work together to resolve all discrepancies and irregularities. In the event that they are unable to resolve such discrepancies or irregularities those discrepancies and irregularities shall be reported to the Board of Director’s Budget and Finance Committee. The Committee shall investigate the discrepancies and irregularities and take appropriate action.

3.6.1 (d) After the reconciliations are completed and the discrepancies and irregularities are resolved the reconciliations shall be submitted to the Organization’s President and Treasurer, in the event that a designee performed the reconciliation, for inspection and approval.

3.6.1 (e) All reconciliations shall be signed by the individual who performed them.

### **3.7 Audit Procedures**

3.7.1 Internal Audit: The Budget and Finance committee shall periodically review the financial records of the Organization to assure that the Organization maintains books and records which are reasonable, accurate and complete and that all necessary tax and legal filing requirements are satisfied.

3.7.1 (a) No less than one time per year the Budget and Finance committee shall conduct a test on the Organization’s financial transactions according to the following requirements:

3.7.1 (a)(i) The committee shall randomly select twenty percent (20%) of the deposits made during the period being audited to test.

3.7.1 (a)(ii) The committee shall randomly select twenty percent (20%) of the disbursements made during the period being audited to test.

3.7.1 (a)(iii) When testing those randomly selected transactions the committee shall trace the transaction from the originating document through to deposit or disbursement ensuring that sufficient documentation and record retention has occurred, all required approval were received and documented and that all financial policies of the Organization where followed.

3.7.1 (a)(iv) The committee shall review Organization financial statements for the period being audited for any irregularities, questionable claims and material misstatements.

3.7.1 (a)(v) The committee shall submit a written report to the Board of Directors outlining the method used to select transactions to test, the total number of transactions and the number of transactions tested, all findings, recommended actions to correct negative findings, if applicable and any policy and procedure amendments to correct negative findings.

3.7.1 (a)(vi) The requirements aforementioned are minimum requirements. The committee may conduct further review if it deems necessary.

3.7.2 Independent Audit: The Organization may engage a firm of certified public accountants to audit the financial records of the Organization as the Board of Directors deems necessary. Any year in which the Organization is in receipt of grant moneys they shall be required to engage a firm of certified public accountants to audit the financial records for that period.

# Section 4 - Financial Management Policies

### **4.1 Budgeting**

4.1.1 The Committee on Budget and Finance shall submit to the Board of Directors a proposed budget for each fiscal year no later than the third quarter of the preceding fiscal year.

4.1.1 (a) The Board of Directors may amend the budget at any regular or special meeting of the Board of Directors to reflect unforeseen circumstances.

4.1.1 (b) The ordinary business and activities of the Organization shall be carried out within the parameters of the approved budget, unless otherwise approved by the Board of Directors.

### **4.2 Spending**

4.2.1 Spending within the parameters of the budget shall not require approval from the Board of Directors.

4.2.2 Unbudgeted spending shall require a majority vote of approval from the Executive Committee.

4.2.3 Unbudgeted disbursements of one thousand dollars ($1,000) or more shall require prior approval from the Board of Directors.

4.2.4 Spending that exceeds budgeted amounts shall require prior approval from a majority vote of approval from the Executive Committee.

4.2.5 Purchases exceeding five hundred dollars ($500) shall be direct billed to the Organization when possible.

4.2.6 The Organization shall not provide cash advances for anticipated expenses or purchases.

4.2.6 (a) Direct bill invoices shall be received by the Organization’s Treasurer, or a designee thereof, who shall verify that the invoice includes spending for Organization business only.

4.2.6 (b) All invoices shall be paid within thirty (30) days, pursuant to Section 3.2 of this Policy and Procedure Manual, unless other payment terms have been reached with the vendor.

### **4.3 Financial Reporting**

4.3.1 A chart of accounts shall be available and used to code receipts and disbursements to the proper accounts.

4.3.2 Financial reports and statements shall be presented to the Board of Directors at all regular Board of Director meetings.

4.3.3 Reference explanations for any and all budget variances of 10% or more are provided for the above referenced reports.

4.3.4 Annual audits shall be conducted pursuant to Section 3.7 of this Policy and Procedure Manual. Copies of these reports shall be provided to the Board of Directors and the public upon request.

### **4.4 Document Retention**

4.4.1 The Organization’s Treasurer, or a designee thereof, shall retain documents according to the below schedule.

|  |  |  |  |
| --- | --- | --- | --- |
| Accounts payable ledgers and schedules | 10 | Accounts receivable ledgers and schedules | 10 |
| Audit reports | P | Bank statements | 10 |
| Capital stock and bond records (see § 4.4.2) | P | Cash books | 10 |
| Checks (canceled, with exception in § 4.4.3) | 10 | Checks (see § 4.4.3) | P |
| Contracts and leases (expired) | 10 | Contracts and leases still in effect | P |
| Correspondence, general | 4 | Correspondence (legal & important matters) | P |
| Depreciation schedules | 10 | Donation records (see § 4.4.4) | P |
| Donation records (all except § 4.4.4) | 10 | Duplicate deposit slips | 10 |
| Employee personnel records (after termination) | 7 | Employment applications | 3 |
| Expense analyses & distribution schedules (see § 4.4.5) | 10 | Financial statements (end of year) | P |
| General ledgers | P | Insurance policies (expired) | P |
| Insurance records (see § 4.4.6) | P | Internal reports, miscellaneous | 3 |
| Inventories of products, materials & supplies | 10 | Invoices to customers | 10 |
| Invoices from vendors | 10 | Journals | 10 |
| Minutes of Board of Directors meetings | P | Payroll records & summaries | 10 |
| Purchase orders | 3 | Sales records | 10 |
| Scrap and salvage records | 10 | Subsidiary ledgers | 10 |
| Tax returns (see § 4.4.7) | P | Time sheets and cards | 10 |
| Voucher register and schedules | 10 | Volunteer records | 3 |
| *Retention periods are in years, ‘P’ denotes permanent retention* | | | |

4.4.2 All ledgers, transfer payments, stubs showing issues, record of interest coupon, options, etc.

4.4.3 Canceled checks for important payments; i.e. taxes, purchase of property, special contracts, etc. The papers pertaining to the underlying transaction should also be kept permanently.

4.4.4 Donation records pertaining to endowment funds and to significant restricted funds.

4.4.5 Includes allowance and reimbursement of Officers, Directors, Employees and Volunteers for travel and other expenses.

4.4.6 Includes current accident reports, claims, policies, etc.

4.4.7 Includes returns, worksheets, revenue reports and other documents relating to preparation of returns.

4.4.8 All documents may be destroyed after the required retention periods listed above by the Organization’s Treasurer, or a designee thereof.

4.4.9 All permitted document destruction shall be halted if the Organization is being investigated by a governmental law enforcement agency and routine destruction shall not be resumed without the written approval of legal counsel.

### **4.5 Banking Policies**

4.5.1 Bank Accounts: The Organization may establish such bank accounts they deem reasonable and appropriate.

4.5.1 (a) Accounts shall only be held at institutions that are members of the Federal Deposit Insurance Corporation.

4.5.1 (b) Bank accounts shall be opened and closed collectively by the Organization’s President and Treasure, with the advice and consent of the Board of Directors.

4.5.2 Checks, Drafts & Other Forms of Payment: All checks, drafts, and other forms of payment shall be signed by the Organization’s President and Treasurer.

4.5.2 (a) Signatures may be applied to the instrument electronically or through other measures with the consent of the President and Treasurer.

4.5.3 Transfers: Money transfers may be made between Organization bank accounts only. Transfers shall be authorized by the President and Treasurer.

### **4.6 Loans & Leases**

4.6.1 Loans: The Organization shall have no loans, nor shall it make loans to any individual, individuals or organizations.

4.6.2 Leases: All leases entered into by the Organization shall have prior approval of the Board of Directors. Leases shall be signed by the Organization’s President. Any lease not signed by the Organization’s President shall be deemed void.

### **4.7 Grants**

4.7.1 Acceptance: The Organization may accept any grants, approved by the Board of Directors, which help accomplish its charitable purpose. No grant shall be accepted without prior approval of the Board of Directors.

4.7.2 Maintenance: The Organization shall maintain grants in the following manner:

4.7.2 (a) All grant money shall be kept separate from the general accounts of the Organization. This requirement can be met through the use of accounting software and does not necessitate a separate bank account.

4.7.2 (b) All Officer, Directors and Employees shall keep a careful and accurate account of all time spent working on grant activities. This account shall included tasks performed.

4.7.2 (c) The Organization’s Committee on Budget and Finance shall review all grant expenditures quarterly to ensure that they comply with the guidance of the grant.

### **4.8 Investments**

4.8.1 Intent for Future Policy: At such time that the Organization deems it prudent to make investments they shall adopted an investment policy prior to making such investments. Such policy shall include, but not be limited to:

4.8.1 (a) What types of investments are appropriate for the Organization.

4.8.1 (b) What risk threshold is appropriate for the Organization.

4.8.1 (c) Who is authorized to initiate or make changes to investments.

4.8.1 (d) How investment managers and/or advisors are selected and evaluated.

4.8.1 (e) What portion of earnings will be reinvested to grow the principal.

4.8.2 The Board of Directors may establish separate investment policies for specific investment funds; however, each policy shall, at a minimum, include the provisions above and shall comply with a minimum investment policy.

# ****Section 5 – Procurement Policies****

### 5.1 General

The purpose of these procurement policies is to provide guidance for the purchasing of goods and services by the Organization and to ensure that the goals of the organization are achieved in an efficient and effective manner.

**5.2 Justification for Purchase** Prior to the purchase of unbudgeted goods and services, there must be sufficient justification presented to the Board of Directors to demonstrate that there is a need for the goods and services to be purchased.

### 5.3 Competitive Bidding Requirements

5.3.1 Definitions:  
 5.3.1 (a) *Potential Bidder:* A potential bidder is in individual or firm that normally, or is qualified to, provide the service the Organization is seeking to contract.

5.3.2 Bidding Requirements: When contracting for services that exceed an annual cost of $3,000 per year the Organization must issue Requests for Proposals to potential bidders prior to contracting a service. The minimum number of potential contractors invited to bid and the number of days the bid must remain open depend upon the projected tender amount. The requirements are as follows: 5.3.2 (a) In the case that a contract has a projected annual value of $3,001 to $7,500 a minimum of four (4) potential contractors must be invited to bid and the bid must remain open for a minimum of fifteen (15) days. The contact cannot be award if less than two (2) bids are received.

5.3.2 (b) In the case that a contract has a projected annual value of $7,501 to $25,000 a minimum of six (6) potential contractors must be invited to bid and the bid must remain open for a minimum of thirty (30) days. The contract cannot be awarded if less than three (3) bids are received.

5.3.2 (c) In the case that a contract has a projected annual value of $25,001 or more a minimum of eight (8) potential contractors must be invited to bid and the bid must remain open for a minimum of forty-five (45) days. The contract cannot be awarded if less than four (4) bids are received.

5.3.2 (d) These bidding requirements do not apply to emergency situations. For a situation to be deemed an emergency at least two-thirds (2/3s) of the members of the Board of Directors must agree that the situation is an emergency.

5.3.2 (d)(i) In emergency situations all directors, officers and employees, who have significant influence over the actions of the Organization, are disqualified from bidding or receiving the contract.

5.3.2 (d)(ii) In the case that an officer, director or employee of the organization participates in the development of the terms and requirements of a request for proposal they shall be disqualified from responding to such request for proposal. If a bid is not received in response to the said request for proposal in at least the minimum amount of time that request is required to remain up and the Organization has made an honest and substantial effort to find a potential bidder, this provision will be void and an officer, director or employee of the Organization will be allowed to submit a proposal.

5.3.2 (d)(iii) In the event that the Organization has made an honest and substantial attempt to find an independent contract but has been unable to find a qualified contract, the contract may be awarded to a director, officer or employee at a fair market value following the procedures found in Sections 2.2 and 4.3.

5.3.2 Request for Proposal Process: When the Organization issues Requests for Proposals the following process shall be used:

5.3.2 (a) In the case that an officer, director or employee intend to respond to a request for proposal they shall recuse themselves from all discusses, considerations and decisions regarding the development of such request for proposal.

5.3.2 (b) The Request for Proposal shall be issued, either by mail or electronically, to no less than the minimum number of potential bidders required by Section 4.2.2.

5.3.2 (c) A notice of the issuance of the Request for Proposal shall be announced on the Organizations website, at times in which the Organization maintains a website. The announcement shall contain the information contained in the Requests for Proposal sent to potential bidders.

5.3.2 (d) If an individual or firm, whom was not originally issued a Request for Proposal, requests a formal Request for Proposal they shall receive the request within a reasonable amount of time.

5.3.2 (e) Bids received from individuals or firms whom were not issued a Request for Proposal will be considered without prejudice.

### 5.4 Contract Management

5.4.1 Awarding a Contract:   
5.4.1 (a) Any director, officer or employee (who has significant influence over the actions of the Organization) shall disclose any actual or potential conflicts of interest prior to the Organizations consideration of any bids, pursuant to Section 2.2.

5.4.1 (a)(i) After any director, officer or employee discloses any actual or potential conflicts of interest they shall recuse themselves from all consideration, discussion and decision that relates to the said conflict(s).

5.4.1 (b) The Board of Directors, or a committee or individual designated by the Board of Directors, shall consider all bids received and conduct all prudent research.

5.4.1 (c) The Board of Directors, or a committee or individual designated by the Board of Directors, shall award the contract to the individual(s) or firm that appears to be most advantageous for the needs of the Organization. Consideration should be given to, but not limited to, services available, experience, qualifications and price. The contract does not necessary need to be award to the lowest bidder if it is determined that, that would not be the most advantageous contractor for the Organization’s needs.

5.4.1 (d) If a designated committee or individual awards a contract to an individual(s) or firm in which is tied to a disclosed actual or potential conflict of interest said award must be reviewed and ratified by the Board of Directors to ensure that proper and responsible consideration was given to each bidder, that the contract is award to the bidder who appears to be most advantageous for the organization and to prevent any self-dealing, inurement or impermissible private benefit. No contract award to an individual(s) or firm in which said individual(s) or firm is tied to a disclosed actual or potential conflict of interest will be valid until ratified by the Board of Directors.

5.4.1 (e) The Organization reserves the right to reject any and all bids or offers, if deemed to be in its best interest.

5.4.1(f) Directors, officers, employees or agents of the Organization shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

5.4.2 Periodic Review: The Board of Directors or a designee shall periodically review all contracts and progress of all contracted services, to ensure that guidelines are being followed and expectations are being met.

### 5.5 Acquisition of Goods

5.5.1 When purchasing goods, the Board of Directors, or a designee shall:

5.5.1 (a) Collect no less than three price estimates, estimates may be oral, written or observed, and conduct the appropriate due diligence required to adequately compare the estimates.

5.5.1 (b) After all estimates have been reviewed, the good that best meets the needs of the Organization shall be selected, provided the cast is reasonable, but not necessarily lowest.

5.5.1 (c) In the event that a good is being purchased from a director, officer or employee (who has significant influence of the actions of the Organization), the Board of Directors, or a designee, must ensure that the purchase price of the good is reasonable by researching the open market and collecting prices of similar goods.

5.5.1 (c)(i) If a designee selects to purchase a good from a director, officer or employee said purchase must be reviewed and ratified by the Board of Directors prior to transaction. The Board of Directors shall ensure that the purchase is at a reasonable price comparable to the open market.

# Section 6 - Fixed Assets

### 6.1 Capital Assets

6.1.1 A capital asset is a piece of property that meets the following requirements:

6.1.1 (a) It is tangible or intangible.

6.1.1 (b) It is used in the operation of Organizational activities.

6.1.1 (c) It has a useful life greater than the current fiscal year in which it is purchased.

6.1.1 (d) It has a value equal to or greater than five hundred (500) U.S. dollars.

6.1.2 The value of a capital asset, when purchased, shall be determined by the purchase price of the asset. When a capital asset is acquired through donation, the value shall be determined by the fair market value of the asset at the time of donation.

### 6.2 Acquisition of Capital Assets

6.2.1 The acquisition of capital assets shall be governed by the provisions of Section 5.5.

### 6.3 Depreciation

6.3.1 An asset that do not meet the requirements of a capital asset set forth in this section shall be expensed upon purchase.

6.3.2 An assets that does meet the requirements of a capital asset set forth in this section shall be depreciated over an estimated useful life and using a method deemed appropriate by the Organization’s accountant and/or contracted CPA firm and approved by the Organization’s President and Treasurer.

6.3.3 Depreciation shall be calculated and recorded in the general ledger monthly.

### 6.4 Distribution of Assets

6.4.1 The Organization may provide assets to particular officers, directors and employees for the purpose of carrying out Organizational business. The equipment shall be assigned by the Board of Directors and an equipment form will be completed.

6.4.2 Assets belong to the Organization may be used for Organizational and personal reasons, so long as those personal reasons are not inappropriate and/or do not significantly diminish the value of the asset.

### 6.5 Disposal of Assets

6.5.1 Any asset that the Organization no longer needs or desires to retain and is still usable shall be disposed of one of the following ways:

6.5.1 (a) It may be traded for the acquisition of a similar replacement asset.

6.5.1 (b) It may be auctioned at a time and place or in a manner in which the Organization’s constituents and directors, officers and employees have access to purchase it.

# Section 7 – Amendments

### 7.1 Amendments

7.1.1 The Organization’s Board of Directors may amend the Policies and Procedures found herein at any regular or special meeting.   
 7.1.1 (a) All validly adopted amendments shall be recorded in an addendum to this Policy and Procedure Manual. Such recordings shall include:  
 7.1.1 (a)(i) The original provisions,  
 7.1.1 (a)(ii) The adopted amendment, in context and  
 7.1.1 (a)(iii) A brief rationale for the amendment.