

USFHA POLICY: III-2

DATE OF ISSUANCE: December 1, 2008, Revised October 2, 2011, Approved by BOD May 14, 2012

SUBJECT: Finance and Audit

APPLIES TO: Members of the Board of Directors and Staff, USFHA

AUTHORITY: Board of Directors, USFHA

PURPOSE AND FUNCTION: Govern the Finance and Audit activities of the Board of Directors and Staff, USFHA

POLICY:

1. Finance and Audit Policies
 - a. The finance and audit procedures shall be conducted in accordance with:
 - i. Colorado Non-Profit Corporation Act
 - ii. Articles of Incorporation of the USFHA
 - iii. By-Laws of the USFHA
2. Internal Controls
 - a. Establish and maintain strong internal controls to:
 - i. Protect Association's assets.
 - ii. Guarantee the quality and reliability of financial information.
 - iii. Protect against misuse of resources.
 - iv. Protect against fraud and embezzlement.
3. Budget
 - a. The Finance and Audit Committee shall be responsible for:
 - i. Providing guidance to the Executive Director for the preparation of the budget.
 - ii. Reviewing the budget and reporting its recommendations relative to the budget to the Board.
 - iii. Reviewing all contracts (including employment) in excess of \$50,000 and making a recommendation for action to the Board.
 - iv. Reviewing all Sponsorship contracts in excess of \$100,000 and making a recommendation for action to the BOD Chair and Executive Director.
 - v. Reviewing budget variances in excess of 10% of approved budget and making a recommendation for action to the Executive Committee or Board.
 - b. The Executive Director shall:
 - i. Be responsible for preparing and managing the budget.
 - ii. Be responsible for preparing and issuing accurate and timely Financial Reports.
 - iii. Submit Monthly Financial Report to F&A by the 15th of the following month.
 - iv. Submit Quarterly Summary Financial Reports and Analysis to F&A and the Board by the 21st of the following month.

- v. Have the authority to enter into contracts up to \$50,000 and Sponsorship contracts up to \$100,000 without prior approval of the Board.
 - vi. Submit all contracts in excess of \$50,000 and Sponsorship contracts in excess of \$100,000 to the Finance and Audit Committee for review and recommendation for action.
 - vii. Submit all budget variances in excess of 10% of approved budget to the Finance and Audit Committee for review and recommendation for action to the Board.
 - c. Board Member Expenses
 - i. Travel expenses for Board members to attend Board meetings or Board approved events shall be reimbursed by the USFHA:
 - 1. Airfare at coach rates
 - 2. Lodging at actual rates
 - 3. Automobile travel at IRS published rate
 - d. Chair's Expenses
 - i. The expenses associated with the activities of the Chair shall be a line item in the budget.
 - ii. All approved expenses in the budget associated with activities of the Chair shall be paid by the USFHA.
 - iii. The Chair shall be provided a credit card issued by the USFHA.
 - iv. The Chair shall provide supporting documentation for all expenses incurred by his/her USFHA activities.
 - v. The F&A Chair shall review the expenses incurred by the Chair and related documentation.
 - vi. The F&A Chair shall review and approve the expenses incurred by the Executive Director and related documentation.
 - e. Volunteer Compensation
 - i. All USFHA officers, directors and members of committees shall act and serve without monetary compensation in the aid of the general purposes of the USFHA, except as otherwise specifically provided by this policy.
4. Audit
- a. Selection of Independent Auditor. The Finance and Audit Committee shall nominate to the Board, annually, the independent auditor. See USFHA By-Laws, Section 10.8.2.2
 - b. Letter of Engagement. The F&A Chair shall sign the Letter of Engagement to the independent auditors.
 - c. The Point of Contact. The F&A Chair shall be the primary point of contact from the Board with the independent auditors.

Approved By: USFHA Board of Directors

Date: May 14, 2012