

# **Fiscal Policies and Procedures**

**POLICY TITLE: FINANCIAL RESPONSIBILITIES**

As required by the By-Laws of the Association:

The Executive Board, President and Treasurer shall have such authority and responsibility to conduct the affairs of the association as specified in the By-Laws (Article VI, Section 2; and Article V, Section 2, 4, respectively.)

Finance Committee: The Finance Committee shall be responsible for monitoring fiscal matters pertinent to the association's activities. The Treasurer and the President Elect shall be members of this committee. Three additional persons, including the chair, will be appointed by the President. The committee's responsibilities shall include preparation of an annual budget and arranging for a yearly audit, if the committee decides such an audit is needed. It is expected that this committee shall meet at least two times each year or as often as needed to complete its duties and charges.

The Board of Directors and its Finance Committee shall be responsible for adequate planning for the use of funds and for frequent reviews of the expenditure of funds, in order to ensure that association monies are being spent in an efficient and effective manner. The President and the Treasurer shall exercise primary supervision over financial operations, working with the Finance Committee to assist in the performance of its designated functions.

**POLICY TITLE: BUDGET**

A. Preparation of an Annual Budget

The Finance Committee shall prepare an annual budget for the association's approval at the first meeting of the Board of Directors. Such budget shall separate income and expenditures related to different activities into separate line items as is necessary to meet Ohio TRiO obligations and to comply with standard accounting practices. The proposed budget expense summary and revenue summary must total same balance.

B. Budget Modifications

As required by change in the association's financial position, budget modifications may, from time to time, be recommended by the Finance Committee, the Association President or Treasurer, after consultation with the Finance Committee. Budget changes must be approved by the Board.

**POLICY TITLE: FINANCIAL REPORTS**

Standard financial reports will be prepared and distributed by the Treasurer to the Board of Directors at all scheduled Board meetings. Included in these reports shall be a report comparing the amounts expended with amounts budgeted and a report showing total assets.

Inquiries Concerning Financial Reports

Board members, current prospective funding agencies and other interested parties having questions concerning Ohio TRiO's financial reports shall relay those questions to the Treasurer or President. The Treasurer and President shall review the question and prepare a reply within 30 days of the inquiry date.

**POLICY: RECEIPT AND DISBURSEMENT OF OHIO TRiO FUNDS**

The receipt and disbursement of Ohio TRiO funds is the responsibility of the Treasurer.

A. Bank Accounts

No agreement to open any association bank account shall be entered into without the specific approval of the Board of Directors. The Treasurer may recommend use of specific banking facilities, based on such factors as physical convenience, responsiveness to minority business, general lending policies, and advantages to Ohio TRiO in return for the use of Ohio TRiO funds.

B. Receipt of Funds

Monies received by Ohio TRiO shall be deposited by the Treasurer (or his/her designee under extenuating circumstances with approval of the Finance Committee) in an account authorized by the Board of Directors. No expenditures shall be made from cash collections.

1. Custody and Safekeeping of Collections

All monies will be held by the Treasurer. When monies are required to be held by a committee chair or board member during special events, i.e. conferences, table of sales, fun run, etc., reasonable care shall be taken to protect these funds. A safety deposit box should be used to ensure such safekeeping.

2. Bad Checks

Checks are accepted by Ohio TRiO subject to the maker's bank honoring demand for payment. If a check is not honored, it is the responsibility of the Treasurer to use all reasonable diligence to collect the amount due (to include any service fee) from the maker.

C. Disbursal of Funds

All financial transactions of Ohio TRiO funds shall be approved by the Treasurer and by the President. All expenses incurred by the President will also be subject to approval by the Finance Chair. No disbursement shall be made except on presentation of a written invoice or expense report or to meet an on-going association obligation evidenced by written documentation or Board approval.

1. Approval of Disbursements

Prior to payment, the category and sub-account against which payment is to be made shall be affixed to the file copy of the request for check form. Upon payment, the date of payment and check number shall also be affixed to this file copy. No payment shall be made on a project for which the category has not been assigned without prior verbal or written approval. All other payments are allowable when approved by the Treasurer and President as required above.

2. Timing of Request for Reimbursement

All requests for reimbursements for Ohio TRiO business expenses must be received by the Treasurer within forty-five (45) days of the completion of the activity. Exceptions to this shall be appealed to the Finance Committee. This includes bills for goods or services and officer or committee functions.

3. Goods & Services

The Association shall not purchase any goods or services for the personal use of employees or Board members nor shall discounts on personal purchases be sought from Ohio TRiO vendors for Board members or staff.

4. Expenditures Limitation for all Account/Expenditures in Excess of Budget

At no time shall the President or the Treasurer approve disbursement of funds against a particular category that will exceed 125% of a budget line without prior approval of the Board.

5. Association Contributions

When funds are available, contributions can be made to the MAEOPP Education Foundation, as determined by the Ohio TRiO Board of Directors. Any contributions made under this section shall not occur until the last month of the taxable year.

6. Restricted Accounts

Disbursements made on restricted accounts shall be made in accordance with the terms and conditions of the donor or funding agency.

7. Registration Cancellation Fees

The Association shall reimburse registration fees at the rate determined on the registration form when a written cancellation request is submitted before the established cutoff date (determined by postmark or date/time faxed). A processing fee of 50% of the registration fee shall be assessed against all cancelled registrations when written notification of cancellation is received before the printed cutoff date. If written cancellation is not received before the printed cutoff date, no refund will be given. The sitting President has the discretion to modify this policy in the case of extenuating circumstances.

**POLICY TITLE: SELECTION OF VENDORS**

Vendors shall be selected for their capability to serve the needs of the Association in the most economical and efficient manner possible. PAST PERFORMANCE IS AN IMPORTANT FACTOR TO BE CONSIDERED IN THE SELECTION OF VENDORS. EVERY EFFORT SHALL BE MADE TO DETERMINE THAT ONLY VENDORS IN COMPLIANCE WITH THE EQUAL OPPORTUNITY ACT (EXECUTIVE ORDER 11246 as amended) WILL BE UTILIZED.

A. Minority Vendors

The Association shall purchase from firms or organizations operated or owned by minorities and/or women to the extent that this is feasible and economical.

B. Necessity of Quotations

Competitive quotations shall be secured when the purchase in question exceeds \$1,000.

1. If the purchase in question exceeds \$1,000 quotations shall be secured.

2. The Finance Committee shall review the purchasing patterns of Ohio TRiO periodically and advise the President whether additional quotations shall be sought where the sum total of a given number or smaller purchases in one category is substantial.

C. Sole Source

In instances where only one vendor can supply the goods or services sought in a timely fashion or of a quality required, then a sole source purchase shall be allowed and no solicitation of bids for quotations shall be required. If a sole source purchase is to be utilized, the Ohio TRiO President shall provide written documentation as to the reasons a particular vendor is to be utilized.

D. Lease or Rental of Equipment

Prior to entering into a lease or rental agreement covering equipment, the Ohio TRiO President shall examine the relative costs and benefits of the recommended and alternative equipment and report his/her findings to the Board. Such report shall indicate:

- 1) Who retains title to the equipment,
- 2) Who is responsible for the equipment in the event of theft or damage,
- 3) Whether it would be advisable for the association to insure the subject equipment and if policies in effect would be adequate,
- 4) What maintenance expenses can be anticipated for the equipment?
- 5) What opportunities for lease/purchase of the equipment (including pay-back period) are available.

**POLICY TITLE: TRAVEL**

The basic policy guiding travel expense reimbursement for Board of Directors and others acting on behalf of the association is that the individual traveler should neither gain nor lose personal funds as a result of travel assignments. Whenever possible, Board members and others acting on behalf of Ohio TRiO should seek reimbursement from grant funds and other institutional/organizational sources when those expenses are allowable. The President and President Elect may seek reimbursement from Ohio TRiO for expenses that occur outside the normal expenses they would incur as members of Ohio TRiO if they cannot obtain reimbursement from grant funds or other institutional/organizational sources. Travel plans should be presented to the Board of Directors in advance of the actual travel, if possible.

A. Travel Authorization

1. Travel:

All travel shall have a significant and demonstrable business purpose and shall be within the budget approved by the President.

2. MAEOPP Board Members:

Ohio TRiO will reimburse the President and the President-Elect for travel expenses for the MAEOPP Annual Conference (based on early registration), for the Council for Opportunity in Education Policy Seminar (based on early registration) and to MAEOPP board meetings and for room and meal expenses incurred in connection with MAEOPP Board meetings that are not paid by MAEOPP. A request for check form and receipts are required.

3. Emerging Leaders:

Ohio TRiO will reimburse Emerging Leaders for travel to MAEOPP training held in conjunction with MAEOPP Board meetings (other than meetings held in conjunction with the MAEOPP Annual Conference) and for meal expenses in connection with Emerging Leaders training that are not paid by MAEOPP. A request for check form and receipts are required.

4. Other Travel:

Other travel not covered in items 1-3 above shall have a significant and demonstrable business purpose and shall be approved by the Ohio TRiO President. In rare circumstances, travel to an event the day prior to normal travel to the event may be required. If this additional travel is necessary to completion of the objectives of the event and cannot be reimbursed from other sources, the traveler may request approval for reimbursement.

B. Air and Rail Travel

Domestic air and rail travel is reimbursed on the basis of the actual costs of transportation used by the traveler, but reimbursement shall not exceed the cost of coach airfare by the usually traveled route. Coach should be utilized on all occasions when it is possible to do so. However, it is recognized that sometimes it may be necessary to use first class travel because of the lack of available space, time schedules, routing, cancellation of flights, etc. When first-class transportation is used for any reason, a statement of its necessity must be submitted with the required reimbursement request. Special airfares and discount rates shall be used when possible.

C. Automobile Travel

1. Private Automobile

When travel by private automobile is desirable to save time, to transport equipment, or to reduce the cost of a number of persons traveling to the same destination together, reimbursement shall be at such standard reimbursement rate per mile as established by the Internal Revenue Service. The current rate can be obtained on the Internet at the General Services Administration web site ([www.gsa.gov](http://www.gsa.gov)) under POV (Privately Owned Vehicle) Mileage Reimbursement. This mileage allowance covers all transportation and operating costs. **NO REIMBURSEMENT SHALL BE MADE FOR THE COST OF REPAIRS FOR MECHANICAL FAILURE OF THE VEHICLE, WHETHER THEY RESULT FROM THE TRAVELER'S ACT OR ACTS OF OTHERS.** Ferry, bridge, tunnel, toll-road and reasonable parking charges are allowed in addition to the mileage allowance. The Ohio TRiO President must approve all travel by private automobile, in lieu of airfare, and under no circumstances will travel by private automobile be authorized without advance approval of the Ohio TRiO President.

2. Automobile Rental

The use of rental cars may be authorized when such use results in savings of cost or time, to transport equipment, or to reduce the cost of a number of persons traveling to the same destination together. All fees associated with the rental of the vehicle are reimbursable.

3. Air Travel Reservations

In order to be fiscally prudent, air travel reservations will be made in a timely manner (not less than fourteen [14] days in advance of event). Travel arrangements made less than fourteen (14) days in advance will be subject to reimbursement at the 14-day rate, or at the prevailing rate in existence at the time, whichever is less. Deviation from the fourteen (14) day policy is at the discretion of the President. Ohio TRiO will reimburse for no more than two pieces of baggage per traveler.

D. Other Transportation

Limousine service to and from airports and railroad stations plus reasonable gratuities shall be reimbursed to the extent that such services are not included in rail or air fares. Taxi fares, including gratuities, shall be reimbursed where public transportation or limousine service is not practical. This includes taxis between hotels and railroad stations or airports, between appointments, and between hotels and temporary places of duty. A receipt is required for reimbursement of any single taxi trip in excess of \$10.00.

E. Lodging (Hotels and Motels)

Authorized travelers should use standard accommodations in budget and first class but not luxury hotels or motels. It is anticipated that if a traveler is attending a meeting he/she shall stay at the hotel at which the meeting is held.

F. Meal Cost

Expenses for meals for the President and President-Elect attending MAEOPP Board meetings at budget or first class but not luxury restaurants shall be reimbursed when original receipts for such meals are presented, not to exceed the per diem meal and incidental rates, including the breakdowns for breakfast, lunch and dinner, for the location that are established each year by the U.S. General Services Administration. These rates can be obtained on the Internet at the General Services Administration web site ([www.gsa.gov](http://www.gsa.gov)) under Per Diem Rates. Gratuities on meals shall be included within these limits, but not to exceed 20% of the cost. The same rates will apply to reimbursement for meal expenses in connection with Emerging Leaders training that are not paid by MAEOPP.

G. Miscellaneous Expenses

Other expenses associated with approved travel which shall be reimbursed, include the following:

1. Telegrams and telephone calls including those necessary to obtain transportation and hotel reservations, but not personal calls or telegrams. Receipts and/or supporting documents are required when the total of this category for a given trip exceed \$10.00.
2. Expenses associated with baggage handling and storage, clerical and stenographic charges, locker and storage charges. Receipts and/or supporting documents on gratuity for reimbursement (air/rail/hotel) is restricted to baggage handling or special circumstances, i.e. hotel staff handling volume of boxes for Board and/or conference assistance or air/rail terminal staff providing special assistance.
3. Costs of traveler or cashier checks for travel advances, clerical and stenographic service for transcribing notes or preparing reports which cannot be delayed until after completion of trip, and postage for business related mail.
4. TRAVEL EXPENSE NOT NORMALLY REIMBURSABLE INCLUDE THE FOLLOWING:
  - a. Costs incurred by failure to cancel transportation or hotel reservations;
  - b. Costs incurred when travel plans are altered at the initiation of the traveler (i.e. penalty fee or additional day charges)
  - c. Fines for automobile violations or personal misconduct;
  - d. Lost or stolen tickets, cash, or property;
  - e. Travel accident insurance premiums;
  - f. Laundry and valet expenses;
  - g. Gifts or gratuities given to a host or hostess when a traveler stays with such a party in lieu of personal lodging;
  - h. Travel mileage for private automobile, in lieu of airfare, without advance approval of the Ohio TRiO President. Full amount of airfare, without advance approval of the Ohio TRiO President, if ticket is not purchased 14 days prior to travel date; and
  - i. Gratuity (of a personal nature) not linked with Association business (hotel maid, etc).
  - j. Ohio TRiO will reimburse for no more than two pieces of baggage per air traveler.

H. Travel Advances

Cash advances in amounts anticipated to cover expenses of a significant and demonstrable trip are available upon request if submitted (in writing with an itemized listing of anticipated expenses) to the Ohio TRiO President in a timely manner. Cash advances will not exceed total anticipated expenses. When travel is completed, documents of actual expenses shall be provided to the Treasurer. **NO TRAVEL ADVANCE WILL BE ISSUED UNTIL JUSTIFICATION, AS INDICATED IN THE WRITING FOR ADVANCE CASH, HAS BEEN REVIEWED AND APPROVED BY THE OHIO TRiO PRESIDENT.**

I. Request for Reimbursement

All requests for reimbursement shall be submitted on an Ohio TRiO request for check form.

**POLICY TITLE: CONSULTANTS**

A. Definition of Consultants

A consultant is an individual, who is engaged personally to give professional advice or services, for a fee, but not as an employee of the Association. The term consultant includes paid guest lecturers and other non-Ohio TRiO members. To prevent the general appearance of a CONFLICT OF INTEREST, members and employees of the Ohio TRiO shall not serve as consultants, nor receive any type of reimbursement, stipend, or payment in any form, for a service or professional advice that is a function of Ohio TRiO. Exceptions to this policy must be approved by the Board of Directors.

B. Consultant Payments to Federal Employees

Consulting fees paid to a Federal employee shall not be charged to a federal grant or contract or non-federal share required by such grant contract.

C. Approval Requirements

All consulting agreements shall be in writing and signed by the Ohio TRiO President. No consulting agreement shall be signed unless a specific line item for it is included in the annual budget or unless the Board so decides, clearly identifying the source(s) of funds.

D. Consultant Reports

1. The variety of possible consulting agreements is too great to permit definitive rules on submission of written reports by consultants. In some cases, such as guest lecturers, a written report might serve little or no useful purpose. In other cases, the very reason for hiring the consultant might be to obtain his/her report. A statement regarding the consultant's work must be filed.
2. The Ohio TRiO President should encourage the submission of written reports from the consultant, except when a report is not feasible or would not be useful in his/her judgment. Whether or not a report is submitted, a statement of purpose and necessary approvals must be on file.

E. Documentation Standards

Charges for consulting payments must be supported in the Ohio TRiO records by an invoice from the consultant and a copy of the written appropriate report.

**POLICY TITLE: INSITUTIONAL MEMBERSHIP**

Institutional memberships are those held by Ohio TRiO in professional, technical, or related organizations. Under normal circumstances, the association shall not become a member of any organization except with the specific approval of the Board. Memberships shall be held by the association or an organizational sub-unit, and not by an individual. Memberships are subject to the approval of the Board of Directors. Memberships are limited to those organizations which are deemed beneficial to Ohio TRiO. Individual memberships are permitted only when there is a reduced fee for such membership or when the organization prohibits group membership, or when such form of membership offers other benefits to Ohio TRiO. These memberships also are subject to the approval of the Board.

**POLICY TITLE: INSURANCE (Excluding Fringe Benefit Policies)**

The Finance Committee shall review a program of insurance on an annual basis and shall suggest needed changes and modifications to the Board of Directors. The program of insurance might include general liability coverage; automobile liability coverage; fire, casualty and theft insurance of Ohio TRiO property and records.

**POLICY TITLE: BONDING**

The Treasurer shall be bonded.

**POLICY TITLE: REVISION OF MANUAL**

It is understood that this manual will be reviewed periodically by the Board and the Finance Committee and revised as necessary. All such revisions shall be approved by the Board.

ADOPTED: April 14, 2006

LAST REVISED: May 2, 2011

**APPENDIX: SYNOPSIS OF BOARD ACTIONS REQUIRING CHANGES TO OHIO TRiO FISCAL POLICIES AND PROCEDURES**

RATIONALE: While Board Membership may change, policy set by a Board does not change unless the sitting Board or the association membership adopts changes to existing policy. This synopsis is presented by the Finance Committee as a service to the current Board.

**Changes under TRAVEL:**

On page 5, under A. Travel Authorization, the following new language:

”2. President and President-Elect:

Ohio TRiO will reimburse the President and the President-Elect for travel expenses for the MAEOPP Annual Conference (based on early registration), for the Council for Opportunity in Education Policy Seminar (based on early registration) and to MAEOPP board meetings and for room and meal expenses incurred in connection with MAEOPP Board meetings that are not paid by MAEOPP. A request for check form and receipts are required.”

replaces the following language from the previous version:

“2. MAEOPP Board Members:

Ohio TRiO will reimburse the President and the President-Elect for travel to MAEOPP board meetings (other than meetings held in conjunction with the MAEOPP Annual Conference) and for room and meal

expenses incurred in connection with MAEOPP Board meetings that are not paid by MAEOPP. A request for check form and receipts are required.”

On page 7, under F. Meal Cost, the following new language:

“Expenses for meals for the President and President-Elect attending the MAEOPP Annual Conference, the COE Policy Seminar and MAEOPP Board meetings at budget or first class but not luxury restaurants shall be reimbursed when original receipts for such meals are presented, not to exceed the per diem meal and incidental rates, including the breakdowns for breakfast, lunch and dinner, for the location that are established each year by the U.S. General Services Administration. These rates can be obtained on the Internet at the General Services Administration web site ([www.gsa.gov](http://www.gsa.gov)) under Per Diem Rates. Gratuities on meals shall be included within these limits, but not to exceed 20% of the cost. The same rates will apply to reimbursement for meal expenses in connection with Emerging Leaders training that are not paid by MAEOPP.”

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