



Financial Policies

April 2018



Cash Account Policy

April 2018

Introduction

The Board of Directors of the ASCCP have drafted this statement of Bank Account Policy to provide guidelines for funds received and used by the daily Operating and Money Market accounts held by the association.

Bank Accounts

ASCCP classifies the bank accounts below as Cash on its balance sheet. Cash for daily operating purposes include the receipt of funds from various sources received as payments, grants, donations, sponsorships, etc. and the disbursement of funds for the payment of bills, payroll, refunds, etc.

- **The Columbia Bank, account # 0000139971.**
 - The account is divided into two sub-accounts used for internal tracking purposes. The Presidents' Fund and the Operating Account.
 - Detailed information regarding the Presidents' Fund is documented separately in the Presidents' Fund Policy as approved by ASCCP's Board of Directors.
 - The Operating Account includes all amounts per The Columbia Bank less the balance in the Presidents' Fund.
 - Deposits
 - Deposits are made on an as needed basis and reconciled monthly to the bank statement.
 - Disbursements
 - Disbursements are made weekly via check or ACH.
 - The Chief Executive Officer signs all checks and approves all ACH payments.
 - For disbursement amounts exceeding \$20,000, approval by the Treasurer is required.
 - Approval may be obtained via email.
 - A copy of the email with the Treasurer's approval is required to be attached to the payment documentation.
 - Authorized Signers

The following individuals are authorized to sign checks and/or approve



- ACH payments:
 - Chief Executive Officer
 - Treasurer
 - Secretary
- Bank Signature Cards
 - The bank authorized signature cards are updated each year at the annual meeting with the election of the new officers.
- **Bank of America, account # 446038292525**
 - An account with a national bank used for cash amounts received at off site locations such as courses and the Annual meeting.
 - Minimum Balance
 - To avoid a monthly bank charge, Bank of America requires a minimum average balance of \$15,000.
 - Funds are transferred from The Columbia Bank operating account on an as needed basis to maintain the minimum average balance.
 - Disbursements
 - Disbursements from the Bank of America account are for the following purposes:
 - International Payments (the Columbia Bank account is not set up to allow international payments).
 - Monthly recurring expenses such as office rent, utilities, health insurance, etc.
 - Monthly recurring payments are made via the Bank of America Online Bill Pay method.
 - Bank of America does not charge a fee for using its Online Bill Payment system as long as the minimum account balance is maintained.
 - The Chief Executive Officer approves all disbursements.
 - Authorized Signers
 - The following individuals are authorized to approve electronic disbursements:
 - Chief Executive Officer
 - Treasurer
 - Secretary
 - Signature Cards
 - The bank authorized signature cards are updated each year as needed.
- **The Columbia Bank - Large Non-Profit Money Market, account # 3737014405**
 - Excess funds in the Columbia Bank operating accounts are moved to the account.



- The account earns interest but is subject to transaction limitations.
- Authorized Signers:
 - The following individuals are authorized to sign checks and/or approve ACH payments:
 - Chief Executive Officer
 - Treasurer
 - Secretary
 - Signature Cards
 - The bank authorized signature cards are updated each year at the annual meeting with the election of the new officers.
- **Grant Funds**
 - Grant funds may be deposited into the Money Market account or into The Columbia Bank Operating Account.
- **Bank Reconciliation**
 - All bank accounts are reconciled monthly using the statement received from the bank.
 - Upon completion, all bank reconciliations are reviewed and approved by the Chief Executive Officer or Treasurer.



Corporate Credit Card Policy

April 2018

To be eligible for a corporate credit card, an employee must be employed in a management level position (Manager, Director or Chief Executive Officer) or have specific approval from the Chief Executive Officer, must travel frequently in the course of his/her duties, purchase significant volumes of approved goods and services for use by the employer, or incur other regular frequent approved business expenses of a kind appropriately paid by credit card.

The corporate credit card cannot be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers for expenses without prior approval from the Chief Executive Officer. The corporate credit card may not be used for personal expenses. Misuse of the card will result in cancellation of the card and withdrawal of corporate credit card privileges. If the card is used for an employee's personal expenses, the employer reserves the right to recover these monies from the employee cardholder. Cardholders will be required to sign a declaration authorizing the company to recover, from their salary, any amount incorrectly claimed.

Corporate credit cards should not be used for minimal charges for items such as coffee, snacks, etc. Employees should request a travel advance for such items.

Each card will be limited to a maximum of \$5,000. Increases to the established maximum may be made on a case-by-case basis by the Chief Executive Officer.

Corporate credit card expenditures must be reconciled and submitted with original receipts to the Office Administrator within 10 business days of travel return or non-travel charge. Cardholders who have not reconciled and submitted their monthly expenditure within this period will be asked to reconcile and submit their monthly expenditure immediately. Continued or repeated non-conformance to this policy will result in cancellation of the card and such other actions as appropriate. If the card expenditures are not reconciled and submitted within a month of the statement date or a plausible explanation has not been received by Accounting Department, the employee's corporate credit card will be cancelled.

Lost or stolen cards must be reported immediately to the Office Administrator.



Supporting Policy Document

Corporate Credit Card Agreement

Employee Name: _____

Position: _____

I am applying for a corporate credit card.

I understand and agree that:

- I bear ultimate responsibility for the card.
- I will not use the corporate credit card to withdraw cash.
- I will not use the corporate credit card for personal expenses and will use it only for official business on behalf of the company.
- All charges incurred by me will be supported by a receipt.
- All receipts will be reconciled to the credit card statement and given to the Office Administrator within 10 days of travel return or date of charge.
- If I misuse the card (i.e., use it otherwise than in accordance with the instructions given to me in this agreement or related policies) or otherwise fail to reconcile my expenditures within the prescribed procedures and timeframe, I authorize the company to recover the funds through payroll deductions for any amounts incorrectly claimed or for reconciliations that are one month in arrears of the statement date.
- If the corporate credit card is lost or stolen, I will report it immediately to the Office Administrator or Chief Executive Officer.
- If I resign from the company, I will return the card with a final reconciliation of all expenditures prior to departure.

Employee Signature

Date

Chief Executive Officer Signature

Date



Fixed Asset and Capital Purchase Policy

April 2018

Acquisition of a Fixed Asset

A Fixed Asset is any tangible asset purchased for use in the day-to-day operations from which an economic benefit will be derived over a period greater than one year and has a value of \$1,000 or more. Fixed Assets include items of property and equipment such as buildings, office furniture, fixtures, computers and other related technology equipment.

At the time a fixed asset is acquired, its cost is capitalized and subsequently depreciated utilizing the straight-line method over the asset's estimated useful life. ASCCP uses five years as the useful life.

Fixed assets with a value of less than \$1,000 are expensed in the period acquired.

There are several types of capital assets. Specifically:

- Furniture and Fixtures
- Equipment, such as office equipment and computers
- Buildings and Building Improvements
- Land (not depreciated)
- Land Improvements
- Infrastructure
- Software

Disposal of Fixed Assets

Fixed assets may no longer be required due to:

- Excess of useful life
- Lack of need
- Obsolescence
- Wear, damage or deterioration
- Excess cost of maintenance

ASCCP must ascertain the status of the asset. If the asset is no longer deemed usable, it may be disposed.



The Operations Manager will notify the Controller of the disposal for the appropriate change to the Fixed Asset Schedule including date of disposal and any proceeds received if the asset was sold. Any residual value will be expensed in the period the item is being disposed.



Investment Policy April 2018

Introduction

The Board of Directors of ASCCP has drafted this statement of Investment Policy to provide guidelines for the investment of Excess Funds held by the association. The board is ultimately responsible for the oversight of the investment assets of ASCCP.

The Finance committee evaluates, recommends, and reports to the Board of Directors, information regarding investments, management of investments, monitoring of investments and performance. The Finance Committee recommends that the Board of Directors delegate the investment management duties for all or part of the investments to a professional investment manager who shall be guided by the overall investment policy guidelines established by this policy statement.

Excess Funds shall be defined as cash and cash equivalents held by ASCCP in an amount exceeding cash required for daily operation activity and fixed asset purchases of less than \$20,000. The Excess Fund threshold is currently set at \$700,000. If the average daily balance of ASCCP's operating account exceeds \$700,000 for more than 90 consecutive days, the excess amount should be transferred to a longer term investment.

Investment Statement

The Committee established this investment policy statement for the purpose of providing general guidelines for the prudent investment management of this fund's invested assets.

It is recognized that changing economic and market conditions may make it impossible for the investments to precisely mirror all aspects of the policy at any point in time. As such, it is understood that the policy is to serve primarily as a general framework within which the investments are to be managed to produce reasonable returns with appropriate financial risk.

Investment Philosophy



The finance committee will review the investment philosophy every year at the time of reviewing this policy. In general, the philosophy will be a conservative growth and income policy, balancing goals of allowing some appreciation while minimizing risk to ASCCP's funds with market fluctuations. The investment goals will be communicated to the investment firm in writing, and included as an appendix to this policy.

General Risk Parameters

The investments will be managed in accordance with fiduciary standards of care as defined by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Assets will be diversified to insure that adverse or unexpected results from one security or security class will not have a detrimental impact on the entire portfolio. Diversification is interpreted to include asset type, risk characteristic, and number of investments.

The primary purposes of the investment account will be to 1) provide growth of capital 2) preserve the purchasing power of the assets over time, and 3) provide investment income. The funds will be divided into different investment types to minimize risk and potential investment loss due to market fluctuations.

Registered Investment Advisor

ASCCP shall maintain a registered investment advisor (details in appendix) to manage the ASCCP investment account activity.

The following procedure shall be followed to engage a new or replace a current registered investment advisor:

- The Finance Committee will recommend the hiring or replacing of an investment advisor to the Board of Directors.

- The Finance Committee and the Chief Executive Officer (CEO) will review the candidate(s) and make a recommendation to the Board of Directors, who shall have final approval.

Diversification



The investment managers are expected to actively allocate assets among equities, fixed income instruments, and cash or cash equivalents.

In order to achieve a prudent level of portfolio diversification, the Committee has established the following diversification policy.

In terms of constraints, the Committee may direct investments in a range of:

	Target Allocation	Lower Limit	Upper Limit
Cash and Cash Equivalents	5%	0%	10%
Fixed Income	35%	30%	40%
Equity	60%	50%	65%

Investment Allocations by Type

Cash and Cash Equivalents

The purpose of the Cash is to meet expenses as a result of unanticipated activities and serve as a sweep account for long term investments that have been sold or funds held for new investment purchases.

- The investment objectives of the cash allocation:
 - Preservation of capital
 - Minimize risk
 - Liquidity
 - Hold proceeds from investment sales and for new investments
 - To optimize the investment return within the constraints of the policy
- Investment Guidelines



- Investment should qualify under generally accepted accounting principles to be classified as cash and cash equivalents on the balance sheet.
- Allowable Investments
 - At any given time, total cash or cash equivalents should not exceed 10% of the total investment account balance unless unfavorable market conditions dictate the need for a more liquid investment.
 - The Finance Committee and CEO should be notified if market conditions are unfavorable enough to warrant a decision on increasing the cash above a 10% level.
 - The Finance Committee will notify the board on any changes or any withdrawals from the cash out of the investment account.
 - The Finance Committee shall be authorized to allow the money manager to invest the ASCCP Cash as follows:
 - Federally-insured Certificates of Deposit not to exceed \$250,000 per institution including interests at commercial banks or savings and loan institutions
 - Money Market Funds that invest in government backed securities
 - Interest bearing checking accounts in federal insured banks and savings and loans not exceed federally insured amounts
 - Direct obligations of the U.S. Government, its Agencies, and instrumentalities (under three months)
 - Federal Agency Discount Notes
 - Commercial paper (under three months)
 - Banker's acceptances
 - Prohibited Activities
 - Loans of any type or for any reason

Equities Held By ASCCP

The purpose of holding equities is to provide growth of capital and maximize the investment returns within the constraints of this policy. The intent is to preserve the purchasing power of the assets over time. The fund should be well diversified to prevent any one security from abnormally effecting the portfolio.

- **Allowable Investments**

Investments may include publically traded individual stocks, and equity mutual funds which may include Exchange Traded Funds (ETF's) and Unit Investment Trusts (UIT's). Both U.S. and International securities are allowable within the portfolio.
- **Prohibited Investments**

The following investment and investment activities are prohibited:



- Private placements;
- Letter stock;
- Individual option contracts (however to the extent that mutual funds are used by the ASCCP, mutual funds may buy or sell option contracts for the purposes of managing portfolio risk)
- Securities whose issuers have filed a petition of bankruptcy;
- Commodities or futures contracts;
- Short sales;
- Margin transactions;
- Other activities such as limited partnerships, real estate hedge funds-of-funds; and,
- Any speculative investment activities.
- Loans.

Fixed Income Guidelines

The purpose of the fixed income component will be preservation of capital and income. The investment objectives of the account should be pursued as a long term goal designed to maximize the returns without exposure of undue risk.

- **Allowable Investments**

The Finance Committee shall be authorized to allow the financial advisor and money manager to invest the ASCCP Fixed Income portion as follows:

- Direct obligations of the U.S. Government, its Agencies, and instrumentalities;
 - Corporate notes and bonds;
 - Mortgage-backed bonds;
 - Federal Agency Discount Notes;
 - Bond mutual funds
 - Taxable, fixed income securities that have an investment-grade rating (BBB or higher by Standard & Poor's and Baa or higher by Moody's) that possess a liquid secondary market.
- **Prohibited Investments**
 - Unregistered bonds or securities
 - Private Placements;
 - Derivatives (other than floating-rate coupon bonds);
 - Margined transactions;
 - Foreign denominated bonds

Investment Manager(s)

The Investment Manager(s) serves as an objective, third-party professional retained to assist the committee in managing the overall investment process. The Manager is responsible for guiding the committee through a disciplined and rigorous investment process to enable the committee to meet the fiduciary responsibilities outlined above.



The Investment Manager(s) firm shall be responsible for the safekeeping of the portfolio's assets. The specific duties and responsibilities of the Manager are:

1. Value the holdings.
2. Collect all income and dividends owed to the portfolio.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

Reporting & Reconciliation

- The financial advisor/custodian mails monthly account statements to ASCCP.
 - ASCCP has the ability to access its account activity and monthly statements online.
- The investment account statement is reconciled to the ASCCP Balance Sheet monthly and presented to the ASCCP CEO for review and approval.
- The Controller shall prepare the following reports for presentation on a quarterly basis to the Board of Directors:
 - Account Balance for the most recent quarter end
 - Asset Allocation (including any significant investment changes)
 - Fees incurred
 - The most recently available Quarterly Report

Account Signatures and Authorizations

- The following individuals are authorized signatures on the account:
 - Chief Executive Officer
 - Treasurer
 - Secretary
- The following individuals are authorized to discuss the account with the investment advisor:
 - Chief Executive Officer
 - Treasurer
 - Secretary
 - Controller

Account Withdrawals

- Withdrawals from the investment account are required to be approved by the full board of directors.
 - The initial request should be approved by the finance committee and submitted to the board of directors and include the documentation supporting the reason for the request.



- Only after approval by the full board of directors, may the request for withdrawal of funds be sent to the investment account for the withdrawal.
 - Funds withdrawn from the account for a specific purpose should be segregated from the general operating account activity.