

Financial Policies and Procedures



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Table of Contents

FISCAL POLICY	3
BACKGROUND AND PURPOSE	3
POLICY AND PROCEDURES.....	3
FINANCIAL STATEMENTS AND INTERNAL AUDITING.....	3
PAYROLL	4
BUDGET POLICY	5
BACKGROUND AND PURPOSE	5
POLICY AND PROCEDURES.....	5
VIOLATION OF POLICY	6
RESERVES POLICY	7
BACKGROUND AND PURPOSE	7
POLICIES AND PROCEDURES.....	7
PURCHASING POLICY	8
BACKGROUND AND PURPOSE	8
POLICY AND PROCEDURES.....	8
PURCHASING PROCEDURES.....	9
CAPITAL EQUIPMENT PURCHASES	9
EMERGENCY ORDERS	10
BONDING	10
ACCOUNTS PAYABLE.....	10
CHECKS	10
CREDIT CARD POLICY	10
CONTRACTUAL AGREEMENTS POLICY	13
REIMBURSEMENT AND TRAVEL POLICY	14
BACKGROUND AND PURPOSE	14
RECEIPTS.....	14
REIMBURSEMENTS	14
LODGING.....	15
TRAVEL REIMBURSEMENT	16
ASSESSMENT REFUND POLICY	18
BACKGROUND & PURPOSE.....	18
ASSESSMENT REFUND	18

FISCAL POLICY

I. BACKGROUND AND PURPOSE

The purpose is to provide guidelines and fiscal procedures for the Arizona Students' Association. This policy should give the staff and Board Members a clear understanding of their roles and responsibilities for effective and responsible fiscal management. The Financial Policies and Procedures shall be made available in electronic format on the Arizona Students' Association website.

II. POLICY AND PROCEDURES

- A. The Executive Director is directly responsible for ensuring that legal requirements and sound business practices are followed in managing financial activity of the association. The Treasurer of the Board shall have the direct oversight over the Executive Director's activities in these matters to ensure compliance.
- B. Sound business practices are intended to be consistent with generally accepted accounting principles (GAAP), auditing standards, and statutory and regulatory requirements.
- C. An external review or audit from a certified accountant shall be done each fiscal year and a report will be given to the Board of Directors on the results of that audit.
- D. An external accountant shall be hired to complete the Arizona Students' Association's taxes each year. The Executive Director shall report to the Board of Directors when the taxes are filed.

III. FINANCIAL STATEMENTS AND INTERNAL AUDITING

- A. The Executive Director and Office Manager will meet monthly to review all accounts, including all income and expenditures.
- B. The Executive Director and the Office Manager must complete a report after these meetings. The report will be submitted to the Treasurer of the Board and any discrepancies will be documented and submitted to the Finance Committee along with statements for review.

C. Financial Documents Request

1. Student members of the Arizona Students' Association, the Board of Directors, the Alumni Advisory Council, and the staff may request financial documents from the Arizona Students' Association. Information deemed privileged will be shielded from public access to protect the Association.

IV. PAYROLL

- A. All part-time employees, including paid student employees, will track their hours using timecards. The timecards will need to be turned in to the employee's direct supervisor at the end of each week. The supervisor will report the hours to the Office Manager and give the Office Manager a copy of the timecard.
- B. Employees must request time off from the Executive Director. The Executive Director will approve time off and will inform the Office Manager of paid time off for each employee. The Office Manager will keep a worksheet to track all paid time off and will periodically review this worksheet with the Executive Director to ensure its accuracy.
- C. The Office Manager will report holiday, vacation, and sick day totals to the payroll company so that each employee's paid time-off will be documented in the Arizona Students' Association's payroll.
- D. When the paychecks are received, the Executive Director will review the paychecks and pass them out to the employees.

BUDGET POLICY

I. BACKGROUND AND PURPOSE

This policy outlines the proper procedure for budget development and approval process to create stability, consistency, and general guidelines for the budget process. With direction from the Board of Directors, the Executive Director is responsible for the implementation and continuity of the Arizona Students' Association's budget cycle. The Executive Director, with oversight of the Treasurer, is responsible for maintaining a balanced budget.

II. POLICY AND PROCEDURES

A. Time Line

1. In the spring semester, a preliminary budget recommendation for the next fiscal year shall be completed by the Executive Director and the Finance Committee. The proposed budget recommendation will be presented to the Board of Directors for feedback and information.
2. In April a budget recommendation for the next fiscal year shall be approved by the current Board of Directors. The incoming Board of Directors will need to approve the budget when their term begins in June. Approval of the new budget requires a majority vote from each district of the voting members present.

B. Budget Review Process

1. On a quarterly basis, the Treasurer will present a fiscal report to the Board. A written explanation will be included if discrepancies occur.
2. A monthly report form will be prepared showing expenditures, deposits, accounts receivable, and accounts payable. The report form will be given to the Treasurer at the beginning of each month and disbursed at Executive Committee meetings. In addition, a quarterly-spreadsheet will be prepared detailing income and expenditures.

3. Approvals for the annual budget, mid-year budget revisions, quarterly budget/ fiscal reports, and emergency expenditures are to be recorded in the Arizona Students' Association's meeting minutes.

III. VIOLATION OF POLICY

- A. It is the responsibility of the Executive Director to report any violations of this policy to the Board of Directors within 30 days from the date he or she becomes aware of the alleged violation(s). If the board is not properly and timely notified, the Executive Director may be disciplined pursuant to the Association's Personnel Policies. The Board of Directors may determine unauthorized expenses to be the sole financial responsibility of the individual who improperly authorized the expenses.

RESERVES POLICY

I. BACKGROUND AND PURPOSE

The Arizona Students' Association shall maintain a reserves account in order to be prepared for unforeseen financial circumstances. The Association understands the importance of advance planning for financial stability.

II. POLICIES AND PROCEDURES

- A. The Arizona Students' Association shall allocate a minimum of 10% of its projected dues revenue into the reserves account during each budget cycle. The reserves account shall not be considered a primary source of revenue.
- B. The purpose of the reserves account shall be:
 1. To ensure that the Association is provided with sufficient financial resources to maintain the fiscal viability of on-going activities during times of decline in membership dues;
 2. To ensure adequate cash flow and capital for the Association should there arise unforeseen expenses and financial responsibilities; and
 3. To allow the Association financial stability for future planning.
- C. Once the reserve has reached 100% of the current annual operating budget, the Board of Directors is no longer required to contribute money to the reserve account. Interest accrued will be retained in the reserve account.
- D. Approval for expenditures of the Association's reserves shall require a two-thirds vote of those members present and voting from each district.

PURCHASING POLICY

I. BACKGROUND AND PURPOSE

The Arizona Students' Association is committed to active competition in the purchase of equipment, materials, supplies, and services. These procedures are intended to provide appropriate direction for competitive purchases of equipment, supplies, and services essential to the operation of the Arizona Students' Association.

II. POLICY AND PROCEDURES

- A. The Board of Directors must approve any expenditure over \$300.00 that is not already approved in the budget.
- B. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at comparable rates to their non-recycled counterparts.
- C. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
- D. Any purchase of a single item, product, service, or piece of equipment over \$5,000 will require competitive price quotations and/or formal bids as detailed in the Purchasing Procedures. The \$5,000 limit applies per product and not per vendor.
- E. Purchases should be conducted in a manner which would at all times constitute an "arm's length transaction."
 - 1. For these purposes, "arm's length transaction" means that neither party will reap benefits from the transaction because they have a personal relationship or unfair knowledge with the other party to the transaction (i.e. a family member or friend obtaining a contract simply because they have a personal relationship with the employee requesting the goods or services).

2. Documentation of purchase shall be consistent with sound business practices and be adequate to allow an efficient annual audit.

III. PURCHASING PROCEDURES

- A. The following procedures apply to purchases on single items over \$5,000.
- B. Advance price quotations must be obtained on all purchases over \$5,000 either by telephone or in writing.
 1. Quotes must be solicited from at least three different vendors. Documentation must include:
 - a. Date
 - b. Vendor name
 - c. Contact person and telephone number
 - d. Price quote with quantity, contract specifications and any other pertinent information.
 2. A spreadsheet summarizing each vendor's quote shall be attached to proposal for vendor approval.

IV. CAPITAL EQUIPMENT PURCHASES

- A. The Arizona Students' Association will make capital equipment purchases from time-to-time. Any capital equipment purchase over \$300.00 must be reported promptly to the Finance Committee. Capital equipment expenditures not included in the current operating budget must go through the proper approval process through the Board of Directors.
- B. CAPITAL ASSETS POLICY GOES HERE

V. EMERGENCY ORDERS

- A. In the event of an emergency that prohibits day-to-day operations of the office, the Executive Director and Office Manager in consultation with the Treasurer shall allocate the necessary funds. The allocated expense will be reviewed by the Board of Directors at its next meeting.

VI. BONDING

- A. All employees that can sign checks will be bonded.

VII. ACCOUNTS PAYABLE

- A. The Office Manager will open, review, and pay all bills and fill out the checks and envelopes. Invoices will be stamped "paid" once they have been paid.
- B. The Office Manager will then give the bills to the Executive Director for review. The Executive Director will sign the checks and will be responsible for mailing them out.

VIII. CHECKS

- A. The person that the check is made out to cannot sign the check. In instances where the "Paid to the Order" is the Executive Director, the Organizing Director will act as the authorized signature.

IX. CREDIT CARD POLICY

- A. The Arizona Students' Association authorizes the use of a corporate credit card for paying bills. Only one credit card will be issued to Arizona Students' Association. That credit card will be in the name of the Executive Director. The Executive Director shall provide documentation for all charges to the card on a monthly basis to the Office Manager. No credit card shall be a debit card.
- B. The card will be used to pay budgeted Arizona Students' Association's bills to vendors for the exact price of the product or service received.

- C. Any misuse, loss, questionable expenditure, or other unauthorized use of the credit card shall be reported to the credit card company immediately. The Office Manager will be responsible for notifying the Treasurer of the Board of any questionable transactions and/or transactions that are not accompanied by backup documentation. Failure to resolve any unauthorized use of the card shall result in reporting the situation to the Board of Directors and, if necessary, the proper legal authorities.
- D. The Executive Director, Office Manager, and Treasurer of the Board shall work to ensure the following:
1. The bills for the credit card shall be paid on time each month;
 2. No fees or interest shall accrue because of failure to pay or late payment;
 3. Accurate records be kept concerning the use of the card;
 4. The ATM feature of the card will not be used;
 5. No other person shall gain access to the credit card for any reason;
 6. All bills are mailed directly to the Arizona Students' Association address of record for proper processing by the Office Manager;
 7. The Treasurer shall open and review all original statements received from the financial institutions with which the Association maintains accounts. These originals will then be kept in a binder for the Finance Committee to review on a quarterly basis;
 8. The Office Manager shall have online access to all accounts and is required to print and include copies of these statements in the monthly audits;
 9. Fees shall be paid along with the bills in question;
 10. All parts of the credit card agreements between the vendors and the Arizona Students' Association shall be enforced and carried out by all parties;

11. All credit card bills and documentation shall be available for review by the Arizona Students' Association's accountant;
12. The credit card cannot be linked to home equity, home line of credit, home improvement or other mortgage loans; and
13. No check card function is used in connection with the credit card.

CONTRACTUAL AGREEMENTS POLICY

- I. Any contract involving the use of Arizona Students' Association funds not in a line-item of the budget must be approved by the Board of Directors. Any contracts entered into by the Arizona Students' Association must be approved by the Treasurer and signed by the Executive Director. Notification of the signing of the contract must be made during the staff report at the next meeting of the Board of Directors.

REIMBURSEMENT AND TRAVEL POLICY

I. BACKGROUND AND PURPOSE

The Arizona Students' Association provides reimbursements for staff and Board Members for approved travel expenses. This policy outlines what expenditures are considered to be reimbursable expenses and the procedure for making reimbursements.

II. RECEIPTS

A. All receipts and memos for reimbursement will be given to the Office Manager.

III. REIMBURSEMENTS

A. The following are guidelines for processing expense reimbursements.

1. All reimbursements must be accompanied by a form stating the reason for the request. Original receipts are preferable, but copies are permissible. The Executive Director must grant approval for the expense prior to the expenditure of funds and must sign the expense report for reimbursement to occur.
2. The form and receipts should be given to the Office Manager for review. The Office Manager will fill out checks and submit them to the Executive Director for review and signature of reimbursement forms and checks.

B. Meal Reimbursement

1. Members of the Board of Directors and staff are eligible to receive reimbursement for meals during travel, including gratuity up to 20% where applicable, according to the following guidelines.
2. Directors and staff requesting reimbursement must be conducting official Arizona Students' Association business for which no meals or per diem are provided by the Association or another organization according to the following amounts:

In-State Travel –
Breakfast - up to \$6/person
Lunch - up to \$12/person
Dinner - up to \$15/person
Out-of-State Travel –
Breakfast - up to \$6/person
Lunch - up to \$12/person
Dinner - up to \$15/person

- C. In order to receive a reimbursement, Directors and staff must submit receipts identifying, when necessary, the items for which they are to be reimbursed.
- D. There will be no reimbursement for the purchase of alcoholic beverages.
- E. When attending an Association's meeting held in conjunction with a meeting of the Board of Regents, Directors must be in attendance for the Association's Board of Directors meeting, and as much of the Arizona Board of Regent's meeting as possible in order to receive the meal reimbursement. Absence from any portion of these meetings will require prior notification to the Chair of the Board.
- F. Exceptions to this stated policy are to be approved by majority of the Board Members present and voting in each District.

IV. LODGING

- A. The Arizona Students' Association will provide lodging for Board Members and staff when they travel on official Association business.
- B. It is Arizona Students' Association's policy that each Board Member has his or her own bed when staying in a hotel on Association business. Arizona Students' Association staff will make hotel reservations for Board Members for all board meetings and conferences and will attempt to reserve rooms with double beds that are non-smoking. Staff will send a rooming list out to Board Members prior to the check-in date.

- C. It is Board Members' responsibility to fax, mail, or hand-deliver their hotel receipts to staff. Arizona Students' Association will ONLY cover room and tax. All other charges are to be paid by board members.
- D. It is Board Members' responsibility to notify staff if they will need a hotel room. If a Board Member requests a room, but no longer needs the room, they must inform the Office Manager 48 hours notice prior to the check-in time to allow the room reservation to be cancelled. It is unacceptable for Board Members to not use a room for which the Association has paid. Board Members that request a hotel room and do not use a hotel room will be invoiced by the Arizona Students' Association for the un-used hotel room.
- E. Arizona Students' Association staff may be reimbursed for their lodging expense at a local hotel when traveling outside of the county in which the majority of their job duties are located. The staff should seek out an affordable hotel in the local area.
- F. Variations and exceptions to this policy can be approved by a majority of the Board of Directors present and voting in each District.

V. TRAVEL REIMBURSEMENT

- A. Arizona Students' Association delegations will make every effort to conserve travel funds. Conservative and careful application of this travel policy will enable the Arizona Students' Association to maximize the number and quality of Association business trips expended to the travel budget.
- B. For the purposes of this travel policy, all requests for reimbursement in question or under dispute will be submitted to the Board of Directors for approval.
- C. Travel funds will be used to reimburse only members of the Board of Directors, ex-officio board members, and Association staff, unless otherwise approved by the Board of Directors.
- D. Travel funds will be used to reimburse only for travel involving official Arizona Students' Association business. This does not include travel for business affecting only one of the universities, unless otherwise approved by the Board of Directors. The Student Regents shall be eligible for travel reimbursement when engaged in official Arizona

Students' Association business, but not when they are concurrently eligible for reimbursement for official Board of Regents business.

- E. Travel funds will be used to reimburse for the following items: Arizona Board of Regents meetings, Board of Director meetings and special events, committee meetings, staff visits to universities on business of the Association, trips to the state legislature for lobbying and testifying on business of the Association, and other trips to conduct official Arizona Students' Association business. Any other requests for travel reimbursement or any travel requisitions in question will be submitted to the Board of Directors for approval.
- F. Efforts should be made to use as few vehicles as possible when traveling on Association business.
- G. For purposes of privately owned vehicle mileage reimbursements, the Association will follow the most recent reimbursement rate established by the U.S. General Services Administration.
- H. In order to receive reimbursements, the requestor must submit original receipts.
- I. Request for reimbursement must be submitted within 90 days of the date of travel.

ASSESSMENT REFUND POLICY

I. BACKGROUND & PURPOSE

The purpose of this document is to establish precedence and to explain the process for refund assessment pursuant to the Arizona Students' Association bylaws.

II. ASSESSMENT REFUND

- A. Every student shall have the right to a refund of any fee assessment paid by such student. Such request shall be made in writing and delivered to the Executive Director within twenty-one days of the start of instruction each semester. Such refunds shall be paid with all reasonable diligence.
- B. Students must include the following information to ensure a refund:
 - 1. Full Name (Last, first, and middle initial)
 - 2. Student Identification Number
 - 3. Complete Address
 - 4. Phone Number
 - 5. Email
 - 6. University you currently attend
 - 7. Would you like to be contacted?
 - 8. Comments
- C. Assessment refund forms will be located on the Arizona Students' Association website and copies will be located in student government office(s).
- D. Student(s) that cannot be verified will not receive an assessment refund until their student status has been verified.
- E. The Association will accept all requests with the minimum information provided above by email, fax, postal service, and hand delivery within the first twenty-one days of the start of instruction each semester.

F. Procedure for Processing Assessment Refund Requests

1. Collect assessment refund requests;
2. Verify each student's status and address;
3. Send out refunds;
4. Contact students only when necessary to verify information needed to process the request or if the requestor indicated he/she would like to be contacted; and
5. Collect data to report to the Board of Directors (if applicable).