

ACTEM Financial Policy



1) Purpose

- a) The purpose of these Financial Policies is to demonstrate and ensure that the Association of Computer Technology Educators of Maine (“the Corporation”) is committed to responsible financial management. The entire Corporation, including the Board of Directors and staff, shall work together to make certain that all financial matters of the Corporation are addressed with care, integrity, and in the best interest of the Corporation.

2) Check-Signing Authority and Withdrawal of Funds

- a) Accounts. The Corporation shall maintain its checking and savings bank accounts in federally insured financial institutions as designated by the Board of Directors. All funds received by the Corporation shall be deposited by the Executive Director in a timely manner, and in no event more than 30 days after receiving. All nonproductive funds shall be invested in accordance with the investment policy established by the Board of Directors.
- b) Authority to Sign. All checks or other orders of withdrawal shall bear the signature of either the Treasurer, President, or the Executive Director. Any check, or a related series of checks constituting a single transaction, in an amount greater than ten thousand dollars (\$10,000) shall be approved by the ACTEM Finance Committee before being executed. No checks may be made out to Cash. No check signer may sign a blank check. No check signer may sign a check payable to him/herself, unless authorized in advance and in writing by the Finance Committee.
- c) Credit Card. The Corporation may maintain a credit card or debit card account to facilitate efficient operations. Credit cards or debit cards may only be issued in the name of specific employees or directors with specific credit limits, as appropriate, and shall be adequately safeguarded at all times. All credit card and debit card transactions shall be only for proper purposes and shall be properly recorded.

3) Reimbursements

- a) Adequate accounting for reimbursed expenses. Any director, officer, employee, or contractor of the Corporation shall be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the organization, if, in the reasonable discretion of the Executive Director the following conditions are satisfied: (1) the expenses are reasonable in amount; (2) the person documents the amount, date, place, business purpose (and in the case

- of entertainment expenses, the business relationship of the person or persons entertained) of each such expense with the same kind of documentary evidence as would be required to support a deduction of the expense on the person's federal tax return; and (3) the person substantiates such expenses by providing the Corporation's Executive Director with an accounting of such expenses no less frequently than monthly (in no event will an expense be reimbursed if substantiated more than sixty (60) days after the expense is paid or incurred by a person).
- b) Reimbursements not funded out of salary reductions. Reimbursements shall be paid out of organization funds, and not by reducing pay checks by the amount of business expense reimbursements.
 - c) Tax reporting. The Corporation shall not include in an employee's W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to this policy, and the employee should not report the amount of any such reimbursement as income on Form 1040.
 - d) Excess reimbursements. Any Corporation reimbursements that exceed the amount of business or professional expenses properly accounted for by a person pursuant to this policy must be returned to the Corporation within one hundred twenty (120) days after the associated expenses are paid or incurred by the person, and shall not be retained by the person.
 - e) Expenses not fully reimbursed. If, for any reason, the Corporation's reimbursements are less than the amount of business and professional expenses properly substantiated by an employee, the Corporation will report no part of the reimbursements on the employee's W-2, and the employee may deduct the unreimbursed expenses as allowed by law.
 - f) Inadequate substantiation. Under no circumstances will the Corporation reimburse a person for business or professional expenses incurred on behalf of the Corporation that are not properly substantiated according to this policy. Corporation and staff understand that this requirement is necessary to prevent the Corporation's reimbursement plan from being classified as a nonaccountable plan.
 - g) Unreasonable, Unnecessary or Unrelated Expenses. Any expenses that are unreasonable, unnecessary, or unrelated to the charitable purposes of the Corporation shall not be reimbursable by the Corporation to any Director, Officer, employee, or agent thereof. The following shall be deemed examples of unreasonable, unnecessary or unrelated expenses, although there may be many other kinds of such expenses:
 - i) First class or other premium travel categories
 - ii) Travel for companions
 - iii) Payments for business use of personal residences or personal property

- iv) Health or social club dues or initiation fees
- v) Personal services (e.g., maid, chauffeur, chef)

- h) Retention of records. All receipts and other documentary evidence used by a person to substantiate business and professional expenses reimbursed under this policy shall be retained by the Corporation.

- i) Petty Cash. A petty cash fund (not to exceed \$200) may be maintained by staff to facilitate efficient operations. Such petty cash funds shall be disbursed only for proper purposes, shall be properly recorded, and shall be adequately safeguarded at all times.

- j) The Corporation intends for these reimbursement measures to constitute an accountable reimbursement policy pursuant to United States Treasury regulations section 1.62-2(c).

4) Budgeting

- a) At least three months prior to the beginning of the next fiscal year, the Finance Committee, or in the absence of a Finance Committee the Executive Director shall begin the budgeting process. The Finance Committee will consult with staff and board members as necessary in order to develop a budget that truly reflects organizational priorities and acts as a guide for spending and decision making. The Board shall approve the annual budget at the annual summer board retreat.

- b) Board approval is necessary in order to spend funds or to make financial commitments to projects that have not already been incorporated into the approved budget.

5) Oversight


- a) On a monthly basis, the Executive Director shall reconcile, or cause to be reconciled, all bank statements. The Treasurer shall review all monthly bank statements to ensure their accuracy, to identify inconsistencies, and to compare with the reconciliations.

- b) The Executive Director shall prepare, or cause to be prepared, at least quarterly financial reports, which shall include a financial statement and a balance sheet. The financial reports shall be shared with the Finance Committee, or in absence of a Finance Committee, the Executive Committee. After review by the Finance Committee, the financial reports shall be distributed to and reviewed by the entire Board of Directors at regular Board meetings. Reference explanations for any and all budget variances of 10% or more are contained for the above referenced reports. Directors shall be encouraged to ask questions and to follow up on any inconsistencies or errors.

6) Taxes and Reporting

- a) The Executive Director shall file, or cause to be filed, all required federal, state, and local taxes and tax returns.

These Financial Policies were approved by a majority of Directors present at a regularly scheduled meeting of the Board of Directors of the Corporation, at which a quorum existed, pursuant to the applicable provisions of the Maine Revised Statutes and the Bylaws of the Corporation.

 (Signature)
Deborah C. White (Print)
ACTEM Secretary
Date: 7-23-2020