Policy and Procedures
Number: 207
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Subject: Finance Program

1. General

The purpose of the Finance Program is to oversee the financial condition of the organization and prepare the Annual Budget.

2. Program Administration

The Finance Program is administered by the Finance Committee. The Chairman of the Finance Committee is the IAC Treasurer. Other committee members include: IAC President, IAC Vice President, IAC Executive Director and one other Board member appointed by the IAC Board of Directors.

3. Program Policy

a. Annual Budget

i. Budget Process

The annual budgeting process will follow the Operational Planning and Budgeting procedures and timelines established annually by EAA. The Finance Committee will meet prior to the end of the fiscal year to establish the next year's operating budget.

ii. Approval and Revision of Budget

The IAC Board of Directors has final approval of the Annual Budget. This normally will be accomplished at the spring Board meeting. The budget can be revised by the IAC Board of Directors at any time.

iii. Net Income Guidelines

The IAC Board of Directors shall make every effort to establish a budget that will yield a net income of the greater of the following:

1. Three percent (3%) of gross income.
2. Working capital to produce six months expenses. Working capital is defined as current assets minus current liabilities not including prepaid items, deferred expenses and deferred membership fees. The intent of this standard is to have sufficient net working capital to operate for one year with no degradation in member services in the event of a calamity.

b. Contest Sanctioning

As part of the annual budgeting process, the Finance Committee is authorized by the IAC Board of Directors to set IAC contest sanction fees. The committee will also

monitor the overall financial results of contest sanctioning to ensure a fiscally sound program.

c. Contest Insurance Premiums

As part of the annual budgeting process, the Finance Committee is authorized by the IAC Board of Directors to determine the contest insurance premiums for IAC-sanctioned contests.

d. Financial Statements

i. Preparation Monthly financial statements are prepared by the EAA Finance Department.

ii. Distribution

1. After review of the monthly preliminary financial statement, the IAC Executive Director will forward the statement to the Treasurer for pre-approval before the final statement is generated.
2. The Treasurer receives the monthly preliminary and final financial statements
3. Financial reports are not printed in *Sport Aerobatics* magazine, but are available to the members at their request at any time.

iii. Audit

An audit of IAC's books is accomplished from time to time as determined by the IAC Board of Directors. This audit is conducted by a certified public accounting firm. A full report is prepared for the Board of Directors for distribution. A summary of the audit is printed in *Sport Aerobatics* magazine.

e. Inventory Control

i. The Finance Committee annually allocates funds for the purchase of IAC merchandise for resale, office supplies, and other inventory items.

ii. IAC Headquarters staff is responsible for the purchase, reorder, pricing and warehousing of IAC's inventory within the funding guidelines allocated by the Finance Committee.

iii. Periodic inventory reports will be sent to the Finance Committee to monitor IAC's performance.

f. Purchasing

i. The IAC Executive Director will approve all budgeted, recurring, regular expenses, with the exception of travel reimbursements that will be approved by the IAC Treasurer directly. Copies of all purchase orders and requisitions will be sent to the IAC Treasurer when requested for his or her records.

g. Travel Reimbursements

The Finance Committee allocates funds for travel and meetings during the annual budgeting process. Reimbursements will be limited by the amount budgeted by the Finance Committee. The following policy governs the use of these funds:

i. Administrative Travel

1. Funds allocated are to be used to pay for IAC Headquarters staff travel and expenses when working on IAC's behalf.
2. Board of Director Travel Funds allocated will be used to reimburse members of the IAC Board of Directors for their travel, lodging and a per diem allowance for expenses incurred at the spring and fall Board of Directors meetings.

h. Committee Travel

i. All Committee Chairmen Funds allocated by the Finance Committee may be authorized by the IAC President to reimburse a Committee Chairman's travel, lodging, and per diem allowance for expenses incurred to attend an IAC Board of Directors meeting when specifically requested by the President to attend to give a report.

ii. CIVA Delegate Funds allocated may be used to pay for the travel expenses of the CIVA delegate, alternate delegate, second alternate delegate, and any authorized U.S. technical specialists serving on CIVA subcommittees. The technical specialists' travel will be authorized by the President.

iii. Finance Committee Funds allocated may be used to reimburse members of the IAC Finance Committee for their travel, lodging, and per diem allowance for expenses incurred to attend the Annual Budget meeting.

iv. Hall of Fame Committee Funds allocated may be used to pay for the travel and lodging for the honoree and one guest.

v. Rules Committee Funds allocated may be used to reimburse members of the IAC Rules Committee for their travel, lodging and a per diem allowance for expenses incurred at the annual Rules Committee meeting.

vi. Safety Committee Funds allocated may be used to reimburse committee members for travel, lodging and per diem allowances for expenses incurred by the Aerobatic Mishap Review Committee while cooperating with the NTSB during an aerobatic accident investigation.

vii. Sun 'n Fun Funds allocated may be used to reimburse the Sun 'n Fun Committee Chairman for the travel, lodging, and per diem allowance for expenses incurred to attend the Sun 'n Fun Fly-in on IAC's behalf.

viii. U.S. Nationals Funds allocated may be used to reimburse the travel, lodging

and per diem allowance for expenses incurred by the U.S. Nationals Contest Director during the planning, setup, and operation of the U.S. National Aerobatic Championships.

ix. Judges Schools Instructor Travel Funds allocated may be used to reimburse instructors of IAC approved Judges Schools for their travel, lodging and a per diem allowance.

x. President Travel Funds allocated may be used at the discretion of the IAC President to reimburse expenses incurred associated with the position of President.

xi. Publishing Travel Funds allocated are to be used to pay for *Sport Aerobatics* magazine staff travel and expenses when working on IAC's behalf.

i. Amount of Reimbursements

i. The Finance Committee will annually set the rate of reimbursement for mileage, travel, lodging and meal expenses. These rates will be provided on the IAC Travel Expense form.

ii. When staff, Board of Directors and committee members are given more than a 30-day advance meeting notice, the IAC will only reimburse members for fares available 30 days in advance of the meeting date.

iii. For lodging, only the cost of the room will be paid. No incidentals will be reimbursed.

iv. Meal expenses will be paid by the "per diem" method.

v. Per diem does not apply for Administrative, *Sport Aerobatics* or CIVA delegate travel.

j. Reimbursement Procedures

Persons traveling at IAC expense will submit travel vouchers and/or receipts to verify travel and lodging expenses. This documentation will be sent to the IAC Treasurer, or in the absence of the IAC Treasurer, to the IAC President, for reimbursement approval. Absent extenuating circumstances, no expenses will be reimbursed if submitted for reimbursement more than 45 days after incurring such expenses.