

National Association for Campus Activities Financial and Budgetary Policies and Procedures

I. Fiscal and Budgetary Organizational Policies & Procedures

A. General Statement of Fiduciary Responsibility

The NACA® Board of Directors holds ultimate fiduciary responsibility for and control of all budgetary and monetary matters related to the Association, and any of its ancillary and subsidiary component groups or forms.

B. Annual Budget Preparation and Approval Process Timeline

The budget process begins in August of each fiscal year and culminates in approval of the proposed budget for the upcoming year by the NACA Board of Directors at its December board meeting.

Office staff prepares a draft operating budget for the Board of Directors to review near the end of the fall regional conferences. Based on the projected operational net income or loss, the Board may make recommendations for program changes to insure the budget represents an outcome favorable to the long-term financial health of the Association. Proposals may be submitted by volunteer program leaders requesting additional funding for programs. Proposals are vetted, and if approved, may be added to the proposed budget. Once all adjustments have been made, the proposed budget is presented to the board for approval.

Regional budgets are provided to regional volunteers after they have been approved.

C. Financial Reporting Policy

A report of revenues and expenses will be provided at regularly scheduled Board of Directors meetings and upon request by Board Members. Annual audits will be made available to the membership upon written request. Fiscal year financial results are also provided in the Association's Annual Report.

D. Investment Management Policies

- NACA operations must be self-sustaining. The Executive Director will be a signatory to all funds invested and/or held by the Association and the Foundation.
- Investment activity shall be conducted in accordance with the common law standards of the "prudent fiduciary."
- Liquidity: All securities shall be easily converted into cash at any time.
- Speculative investments (defined as the practice of engaging in risky financial transactions in an attempt to profit from fluctuations in the market value of a financial instrument rather than attempting to profit from the underlying financial attributes embodied in the instrument such as capital gains, interest, or dividends.) shall not be allowed;

- Derivative investments and futures contracts shall not be allowed;
- Diversification: The Association will invest in instruments that diversify holdings and are professionally managed and not concentrated in individual common stocks.

1. MANAGEMENT

- The services of a reputable, licensed and credentialed investment firm or financial institution may be used to provide advice on investment strategies and to manage the investment transactions. Any firm or broker must be independent of the Association, and free from any taint of conflict of interest.
- Investment transactions regarding NACA reserves, the NACA Foundation endowment and scholarship funds may be authorized and approved by the Executive Director.
- The Board of Directors will review the scope and range of the Association's investments on an annual basis.

Reserve Funds: Funds will be invested in a "Balanced" investment model. Allowing for a variance range of approximately 10% (+ or -), Sixty percent (60%) of all monies designated as reserve funds shall be invested in a diversified portfolio of domestic common stocks or in a similarly diversified mutual fund, at the investment advisor's discretion. The remaining forty percent (40%) shall be invested in income-producing securities with a *Standard & Poors* rating of no less than BBB- (investment grade) whose average maturity does not exceed twenty (20) years. The proposed design of this portfolio is to maximize the rate of portfolio growth, while minimizing the risk or volatility of the portfolio.

ERISA Retirement Funds: All monies designated as ERISA Retirement Funds shall be invested in any accordance with the allocation selected by the employee upon whose behalf the contributions are made and as deemed appropriate by the investment advisor subject to several constraints:

- the portfolio must be diversified
- any income-producing security must be at least BBB- (as determined by *Standard & Poors*)

2. GENERAL ASSOCIATION RESERVE GUIDELINES

- Surplus cash must be put into reserves that are properly managed to generate a fair return from both earnings and appreciation. These reserves should provide an adequate reservoir to cover unforeseen or unpredictable economic downturns. Reserves of no less than 30 percent of the annual budget should be a minimum goal, and no more than eighty percent (80%) should be a maximum goal. Funds beyond the eighty percent (80%) level may be transferred to the Educational Foundation for

endowed funds or may be utilized for capital investments at the discretion of the Board of Directors.

- The Association's reserves will only be used in extraordinary situations, as determined by the Board of Directors. Reserves are not intended to regularly supplement annual operating expenses.

E. Borrowing Policy

The Executive Director is authorized to borrow money from external sources on behalf of the Association and the Foundation, upon direction and approval by the Board of Directors.

F. Tax Representation Policy

The Association and the Foundation will be represented by the NACA Office and the accounting firm currently employed by NACA in all tax related matters.

G. Non-Dues Revenue

1. GENERAL GUIDELINES

- These guidelines are meant to serve all components of the Association. Authority for modifying guidelines rests with the NACA Board of Directors.
- NACA will explore non-dues revenue development relationships with entities which are consistent with the Association's goals and values.
- All sponsorships and non-dues revenue efforts must be coordinated, collaborative efforts between NACA leadership and the NACA Office. The NACA Office role is critical in meeting development goals. Staff resources required to accomplish these goals will be the responsibility of the Executive Director. Resources required beyond those available within the staff must be approved by the NACA Board of Directors.
- All sponsorships and restricted non-dues revenues must be used for their intended purpose, and cannot be transferred to any other purpose or area of the Association.

a. Corporate Sponsorships

- All corporate sponsorships will be jointly solicited by NACA leadership and the NACA Office, with the NACA Office directing the effort.
- Official Sponsors not fully covering the costs of the event, project or program must be willing to share the sponsorship opportunity with another corporation.
 - Sponsors contributing less than 50 percent will be designated as "Contributing Partners."
- Sponsorship of NACA, the NACA Foundation, and NACA regional events, projects and programs will remain NACA events and not named events of the sponsor(s).

- All corporate sponsorship gifts are restricted to the specific events for which they are intended.
- All corporate sponsorships will require a written contract outlining the sponsor's rights and specific elements of the sponsorship; the contract will be signed by the sponsoring company's representative and the NACA Executive Director. Actual means of incorporating the sponsor of an NACA or NACA Foundation event, project or program will be worked out on a situational basis.
- Recognition of Official Sponsors and Contributing Sponsors will be given in the following manner:
 - Specifics of sponsorship recognition and promotion will be outlined in the sponsorship agreement, signed by the sponsoring company's representative and the NACA Executive Director.
 - Sponsors will be recognized in appropriate publications (*Campus Activities Programming*®, event programs, press releases, etc.).
 - On-site recognition will be listed as "sponsored by", "made possible by," or a similar tagline.
- Each region will designate one person in the region to coordinate sponsorships for that region and communicate solicitation activities with the NACA Office.
- Sponsorship discounts may be offered to NACA members.
- Non-member companies wishing to exhibit in the Campus Activities Marketplace (CAMP) must be a corporate sponsor of a Convention-related activity.

b. Funding From Other Foundations/Government Agencies

- Prospect cultivation will be done jointly by NACA leadership and the NACA Office.
- The NACA Office will take the lead in establishing a review process and researching foundations and government entities for potential funding and will also provide support for volunteer-initiated grants.
- NACA leadership will submit events, projects and programs to the NACA Executive Director that are believed to be worthy of funding.
- Proposal and grant writing responsibilities will be undertaken by the NACA Office with NACA volunteer consultation and input.
- Collaboration with other associations/organizations will be considered during each grant preparation period.
- Awarded funds will be restricted to the specific events for which they are intended.
- Awarded funds will be administered by the NACA Office.
- Recognition will be given in the following manner:
 - Recognition will be made in appropriate publications at the time the award is made.

-Appropriate mention will be made at the National Convention during the year that the award is made.

c. Special Events

- Various special events may be utilized to generate non-dues revenue for the Association. Existing special events will be reviewed annually to determine their cost-effectiveness and benefits for the Association.

d. In-kind Sponsorships

- Tangible in-kind sponsorships are acceptable (products donated by an outside source that keeps the Association from having to purchase these products; for example, canvas delegate bags for the National Convention).
-Value will be placed on the gift by the donor for recognition only.
- In-kind services are acceptable (for example, time that is donated to the Association in order to perform a service; labor for staffing a donated Virtual Reality machine at a summer institute).
-A value will be placed on the service for sponsorship recognition only.

e. NACA Consulting Services

- May consist of the NACA Office coordinating consulting services with members serving as the consultant or the NACA Office coordinating volunteers to consult on behalf of NACA to other associations, for-profit and non-profit organizations for a consulting fee.
- Consulting fee will be based on current market service rate.
- Consultant liability insurance must be offered and a legal consultation held for each consulting job to minimize and cover the risk of NACA being sued through the words or actions of the employed consultant.
- Recognition will not be given for consulting services, however, NACA can promote the service as needed for acquiring new business.

f. Other Areas of Non-Dues Revenue

- Advertising (*purchasing ads in NACA publications*)
- Other

H. Past Due Accounts, Debts and Collection Policies

1. PAST DUE ACCOUNTS

Past due accounts in excess of 30 days will be subject to a service charge of 1 1/2 percent per month. Such service charges will be added to the unpaid balance due for determining the service charge for the succeeding months. Membership dues are not subject to a service charge. Accounts not paid within 60 days will be subject to a "Hold on Credit," and no new advertising or other NACA goods and services will be accepted until the account is cleared. Accounts not paid within 90 days may be referred to a collection agency and will be considered a debt to the Association.

2. RETURNED CHECKS

A service charge of \$50 will be added on all returned checks submitted in payment for services rendered.

3. Debts

If debts including, but not limited to, past due membership dues, Convention, conference and institutes registration fees (national and regional), accrued finance charges, dishonored and unpaid checks or drafts payable originally or by endorsement to NACA remain unpaid after 90 days, NACA shall have the following rights with respect to such debtor:

- To suspend its membership and all privileges pertaining hereto until the debt is satisfied;
- To suspend its Convention, institute and all regional conference privileges until the debt is satisfied;
- To take any or all of the above actions in addition to such other remedies as may be afforded by law.

NACA also reserves the right to apply any funds held for or received by NACA from a debtor to any outstanding debt as well as any accumulated service or related charges where applicable, regardless of the purpose for which such funds were received or held by NACA.

Debts incurred by any employee, agent, representative of a school or associate member on behalf of such member, or by any group or individual represented by a member or associate member shall be subject to this policy. A debtor will be notified by certified letter of his/her debtor status; the letter will indicate the amount due and its source and will be mailed to the address shown in the current NACA member database or any other last known address.

II. Operational Policies & Procedures

A. Accounting Procedures

For both the Association and the Foundation financial transactions are recorded on the accrual method of accounting. Association revenue is recorded when earned. All expenses are recorded at the time the liabilities are incurred.

B. Travel and Reimbursement Policies

The National Association for Campus Activities will reimburse authorized travelers for travel expenses on official business as duly authorized by the Executive Director for staff, and the Chair of the Board for volunteers. The Executive Director and the Chair may authorize special arrangements and adjustments in these policies provided that the authorization be written and in conformity with budget and other pertinent policies, regulations, and

procedures. Receipts must be submitted for any items for which reimbursement is being requested and all items pre-paid by NACA.

The same travel policy, forms and procedures will apply to the regions when budgeted regional funds are to be used. For regional volunteers, reporting will be made to the Conference Treasurer and Registration Coordinator.

1. ACTUAL COST OF TRAVEL

a. Policy

Travelers are responsible for using the most direct and economical means of transportation, and will only be reimbursed for that amount.

b. By Air

Air travel will be coordinated by the NACA Office through NACA's Egencia for Business account. Air travel is limited to coach class when available. A written explanation must be submitted when any other air travel class is used; otherwise, reimbursement will be made on economy or tourist fare basis. Air travelers are encouraged to take advantage of cost-saving fares when available, such as excursion fare, etc. Request for airfare reimbursement must be accompanied by an airline receipt.

Individuals may be asked to reimburse the Association for unused, pre-paid tickets. In addition, individuals may be asked to reimburse the Association for the "change of ticket" assessment on pre-paid tickets, if changes to tickets are based on personal plans, rather than necessitated by NACA business.

c. By Rail or Bus

Bus and first class rail accommodations will be reimbursed. Travelers should submit ticket stubs or receipts from bus or rail carriers for reimbursement.

d. By Private Automobile

- Reimbursement rate per mile will be established annually through the Association's budget approval process. Reimbursement for travel by automobile will be limited to the cost of economy class airfare to the same location.
- The actual cost of parking and toll fares can be reimbursed, as long as the request is documented by a receipt for any individual fee exceeding \$5.00.
- When possible, travelers are encouraged to travel together by automobile when more than one traveler is involved, in which case the driver will receive mileage.

e. By Rental Vehicle

The cost of a standard or compact rental vehicle will be reimbursed where the use of such vehicle results in a saving of money and/or time, and its use is approved prior to the start of the trip. Rental insurance should be purchased to cover rental vehicles driven by volunteers.

2. ACTUAL COST OF LODGING

It is expected that travelers will use multiple occupancy wherever feasible. Reimbursement will be for the actual cost of lodging (exclusive of meals) not to exceed the single room rate for reasonable accommodations. In case of multiple occupancy of a lodging unit by the *person* and member(s) of his/her immediate family, the expense generally allowed for reimbursement is the single room rate of the room occupied. This rate must be shown on the room receipt. In all other cases of multiple occupancy, the expense allowed is the total cost of the unit divided by the number of occupants, and the number of occupants should be shown on the room receipt. Late checkout charges will be the responsibility of the traveler, unless the reason for such checkout was directly related to NACA business.

3. SUBSISTENCE

Per Diem reimbursement rates are established based on customary rates from a sampling of governmental agencies and non-profit organizations. Per diem rates are reviewed annually and adjusted periodically.

A traveler is allowed reasonable daily gratuities and incidentals. Reimbursement will be made for actual expenses, within limits as determined by the Chair of the Board of Directors and the Executive Director. Meals provided by the conference or other event will not be eligible for per diem.

4. MISCELLANEOUS COSTS IN CONNECTION WITH OFFICIAL BUSINESS

a. Ground Transportation

Taxi, limousine, and intra-city bus fares will be reimbursed at actual costs upon presentation of a receipt.

5. GENERAL INFORMATION

- The traveler is responsible for compliance with the applicable NACA regulations and administrative requirements, including obtaining proper travel authorization. All travelers should be aware of the need for care in handling of association funds and the penalties for misuse.
- If the traveler is combining travel for NACA and another organization or for personal reason, reimbursement will be only for that portion incurred on official NACA business. The basis for reimbursement must be arranged with NACA in advance of travel. An explanation of all items of cost relating to NACA must be included on the expense statement. Items not relating to NACA official business must be noted with period of time (dates and time)

clearly specified.

- Advance funds may be requested for travel expenses prior to the actual start of the trip. A request for an advance must be made on the Travel Authorization form. NACA Office staff must request advance funds through the appropriate department head, while volunteers should go through the meeting planner responsible for the related event or NACA Office staff responsible for the related program. When an advance for travel is received, the traveler must submit a Travel Expense Statement, with receipts, at the conclusion of the travel in order that expenses can be verified and additional reimbursement or traveler refund can be made.
- NACA travel expense statements must be submitted within one week after travel is completed for NACA Office staff and 2 weeks after travel is completed for volunteers. Reimbursement will be made generally within fourteen working days after the expense statement is received by the NACA Office.
- Exception to this policy requires approval in writing from the Executive Director for NACA staff and by the Chair for volunteers.

6. FRAUDULENT CLAIMS

Travelers are expected to report official expenses and reflect other facts related to official travel for NACA accurately.

C. Asset Insurance Policy

NACA's assets are protected by a business owner's policy which covers our buildings, computers and other equipment, furnishings and valuable papers in the event of fire, theft, vandalism or natural disaster.

D. Audit Process

The Association and Foundation will take part in an annual audit by an independent accounting firm.

E. Bid Process

1. GENERAL SERVICES & PRODUCTS

Competitive bids should be sought on all appropriate projects where costs exceed \$5,000. If the low bidder is not the selected agency/vendor, an explanation should be given to the appropriate volunteer leadership/supervisor.

2. QUOTATIONS FOR SPECIALTY PRODUCTS

When specialty products are needed, request for quotations will be sent first to all associate members engaged in the sale of specialty items. Requests will describe the product(s) and give a deadline for receipt of bids. In some cases, a sample of the item(s) may be requested, as well. All quotations that arrive by the specified date will be considered. Quotations will be evaluated on the quality of the product, the service in providing the product and the price. If quality and service are deemed to

be equal, the low bidder per specialty product or program package will be the selected provider of that product or program package. In case of products that need to be purchased in an emergency situation, all associate members will receive an announcement requiring a 48-hour bid response. Quotations will be evaluated on the above criteria as well as required timeline.

F. Cancellation of Budgeted or Addition of Unbudgeted Projects and Programs

The NACA Board of Directors may cancel a program for which a budget has been established and for which expenditures have been authorized or implement a new program for due cause upon consultation with the Executive Director and those responsible for administering the project or program. Should a project or program be canceled, the Chair will notify the appropriate volunteers and/or members.

NACA reserves the right to cancel any program. Causes for cancellation may include, but are not limited to, low participation by schools and/or associates, acts of God, etc. In the case of a program cancellation, NACA will only reimburse fees paid to NACA; any travel, lodging or other non-NACA fees will not be reimbursed.

New programs for which no budget is yet established may be added when opportunities to participate in activities or collaborations arise that are in line with NACA's strategic plan and of benefit to NACA's members.

G. Contract Authorization and Legal Representation

The Executive Director must be a signatory to any and all contracts or other legally binding agreements negotiated and entered into by the Association and its components-- including but not limited to the regions and the Foundation. Volunteer leadership and NACA Office staff should consult with the Executive Director while negotiating contracts and binding agreements, and should be aware that neither NACA, individual Regions nor the Foundation may be held liable for obligations, expenses or the terms of any contract or binding agreement without the authorization and signature of the Executive Director. (see also Bylaws, Article V, Section D.)

H. Sale of Publications and Products

Whenever possible and appropriate, NACA and/or the Foundation may make educational resources and other products available for purchase by both members and non-members. The NACA Office is responsible for producing and editing all "for-sale" materials and publications to ensure consistency in Association identification, image and style. The NACA Office is also responsible for assuring proper accounting and sales tax reporting. The pricing structure for all "for-sale" materials and publications must be designed to cover the cost of producing the material and providing additional income to the Association or the Foundation.

I. Volunteer Responsibilities

Any nationally or regionally recognized volunteer with responsibility for overseeing and administering funds for the Association or the Foundation must operate within the budgets approved and authorized for each budget line. Authorization to exceed a budgeted line must be obtained in advance from the Chair of the Board of Directors or its designee. The Chair will consider the need for the expenditure and its impact upon projected revenues and expenses, and may consult with the Association Treasurer, the Executive Director or his/her designee, or other volunteers and staff, as necessary. The Association and/or the Foundation are not obligated to cover expenditures that exceed authorized limits.

J. Personal Services Payment and Reimbursement

1. GENERAL POLICY

NACA is a volunteer organization, and individuals who are recognized as official volunteer leadership serve on a volunteer basis without payment or remuneration. Members of the volunteer leadership may, however, be reimbursed for actual expenses which may incur above and beyond their normal institutional and personal commitments.

2. HONORARIA FOR PRESENTATIONS AT CONVENTIONS, CONFERENCES & INSTITUTES

Honoraria are payments to an individual for a presentation at an official Association meeting, institute or conference which exceed the actual reimbursement of expenses incurred (travel, hotel, per diem etc. (see also for Travel and Reimbursement Policies for more information)). An honorarium is a courtesy payment to show appreciation to an individual for services rendered. Anyone who is in a national or regional NACA volunteer position is not eligible for an honorarium.

NACA does not make honorarium payments for educational session presentations at regional conferences or the National Convention.

Honoraria may be paid at national or regional training, institutes or similar programs sponsored by NACA, only if qualified persons are not available on a voluntary basis and only when the specific amount and recipient are approved in advance.

Honoraria may also be paid to a featured speaker who addresses delegates of a regional conference or the National Convention; however, the specific amount and the recipient must be approved in advance. Honoraria for any regional program must be approved in advance by the Regional Conference Program Committee Chair for that region, while honoraria for a national program/National Convention must be approved in advance by the Chair of the NACA Board of Directors.

3. CONSULTING FEES

Consultation fees are any payment above and beyond actual expenses to an individual which is made for services such as advising on Association management, training of Association volunteer leaders or office staff, or coordination of faculty presentation(s) at NACA-sponsored national or regional training and institutes and is instituted by persons outside the volunteer leadership.

NACA does not pay consultation fees to individuals who are recognized as official volunteer leadership at the regional or national level.

K. Credit Card Use by Volunteers

The Chair of the Board is the only Board member that will receive a NACA credit card. Current Regional Conference Program Committee Chairs and Regional Treasurers are the only Regional Conference Program Committee members that will receive NACA credit cards.

Credit cards for volunteer use must be obtained through the NACA Office. Credit cards will not be issued until the Office has received a signed "Volunteer Credit Card Agreement" from the volunteer to whom the card is being issued. NACA credit cards are only to be used for expenses associated with NACA business, not for personal use. Use of the card for unauthorized or personal use will result in revocation of the NACA credit card. By signing the "Volunteer Credit Card Agreement," the volunteer acknowledges that he/she is personally responsible for reimbursing NACA for all unauthorized expenses on the NACA credit card.

In addition, the volunteer holding the card is responsible for surrendering the card to the NACA Office at the end of his/her term, or at any other time deemed appropriate by the Chair of the Board of Directors.

L. Insurance for Equipment Used at NACA Events

NACA will not insure any equipment used at NACA events or programs, unless provided by the Association.