

# NAMSS Policies and Procedures

**POLICY NAME: EXPENSE REIMBURSEMENT**

**Number:** Financial 500.10

**Effective Date:** 11.19.08

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## **POLICY STATEMENT:**

NAMSS shall reimburse individuals for reasonable expenses incurred while conducting authorized NAMSS business.

## **PURPOSE:**

To define reimbursable expenses and the procedures to receive reimbursement.

## **PROCEDURE:**

Individuals incurring reimbursable expenses on behalf of NAMSS shall:

1. Incur expenses within the parameters of the attached **Reimbursable Expense Guidelines**. If the expense deviates from the guidelines, the circumstances must be explained in a written communication attached to the Expense Reimbursement Request form.
2. Book airline travel through NAMSS' approved travel agency.
3. Submit a NAMSS Expense Reimbursement Request form, with required receipts attached, to the Executive Office within two weeks of incurring the expense. Original receipts are required for transportation and parking; hotel/lodging; and charges of \$15 or more.

## **NAMSS Reimbursable Expense Guidelines**

**TRAVEL:** All travel is to be economy class. Travel arrangements must be made as early as possible or no later than 21 days prior to travel date, to obtain the best rates available. All air travel must be booked through the NAMSS approved travel agency. The cost will be billed directly to NAMSS. **Flights not booked through the NAMSS approved travel agency will not be reimbursed unless prior approval from the NAMSS Executive Office is obtained. Flights not made 21 days in advance of travel will be reimbursed on a comparable 21 day advance air determined by NAMSS approved travel agency..** If primary mode of transportation is your vehicle, car mileage is reimbursed at the current IRS rate. Attach a statement of miles driven when automobile mileage is claimed.

**CAR RENTAL:** Car rental is not a reimbursable expense except with prior approval from the Executive Office only for special circumstances. Attach a receipt to the expense statement.

**GROUND TRANSPORTATION:** Ground transportation including reasonable expenses such as cab/shuttle expense to and from airport.

**HOTEL:** If hotel expenses are billed directly to NAMSS, indicate the amount of the bill after deducting personal expenses and attach it to the expense statement. The following expenses are not reimbursable: phone calls, incidental charges (in room movies, bar, dry cleaning), and room upgrades. Extension of stay: Expenses incurred during an extension of stay at the meeting site or travels to other locations for personal reasons are not reimbursable.

**GUESTS:** Expenses incurred by guests accompanying a person in authorized travel are not reimbursable.

**MEALS:** The current meal cost guidelines established by the Board of Directors state that the reimbursable amount for meals is the actual cost of the meals (including tips), not to exceed a rule of generally \$50/day. Itemized receipts for meals not charged directly to the hotel are required for reimbursement”. Joint meal receipts should note the names of all individuals included on the bill. Board members should not cover the tab for individuals not on the Board or whose travel is not otherwise covered by NAMSS (i.e. state leaders). Guest meals must be deducted before submitting receipts for reimbursement.

Board dinners and dinner while on travel for the Board may include one (1) alcoholic beverage and dessert. Any alcoholic beverage beyond one (1) is the responsibility of the individual and not covered by NAMSS.

**ADMINISTRATIVE:** All reimbursable administrative expenses, i.e. internet access, must clearly state the purpose of the expense. Receipts must be attached for all expenses.

Originating Work Group or Committee	Audit & Finance Committee
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or policy/procedure	NAMSS Expense Reimbursement Request Form
Communication Methodology	E mailed to Board and Committee Members

Amended Date	Committee Review Date	Board Approval Date
	1/17/07	11/19/08
11/29/08	1/19/2012	4/19/2012
		11/19/2013

**POLICY NAME: RECORD RETENTION SCHEDULE**

**Number:** Financial 500.20  
**Effective Date:** 11.19.08

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**POLICY STATEMENT:**

NAMSS requires that accounting, legal, corporate, insurance and other pertinent records be retained for a predetermined length of time in accordance with best practices.

**PURPOSE:**

To ensure proper back up and history of important society documents.

**PROCEDURE:**

Records will be retained for a period of time as detailed in the below chart:

<b><u>TYPE OF RECORD</u></b>	<b><u>RETENTION PERIOD</u></b>
<b><u>Accounting</u></b>	
Accounts receivable reports	7 years
Accounts payable reports	7 years
Auditors' reports/work papers	Permanent
Bank deposit slips	7 years
Bank statements, reconciliations	7 years
Budgets	7 years
Cancelled checks	7 years
Cash disbursements journal	Permanent
Cash receipts journal	Permanent
Depreciation records	Permanent
Employee expense reports	7 years
Volunteer expense reports	7 years
Independent contractor expense reports	7 years
Employee payroll records (W-2, W-4, annual earnings records, etc.)	7 years
Financial statements (annual)	7 years
Financial statements (interim/internal)	7 years

**TYPE OF RECORD****RETENTION PERIOD**

General journal or ledger

Permanent

Inventory lists

Permanent

Invoices

7 years

Payroll journal

7 years

Petty cash vouchers

7 years

**Corporate Records**

Annual Report (State of Illinois)

Permanent

Constitution

Permanent

Bylaws

Permanent

IRS Determination Letter

Permanent

Contracts, sales (UCC)

7 years

Contracts, generally

7 years

Contract, government

7 years

Minutes (board executive session)

Permanent

Minutes (board and committees with board authority)

Permanent

Minutes (committees without board authority)

Permanent

Qualifications to do business

Permanent

**Insurance**

Accident reports

7 years

Insurance claims

7 years

Insurance policies

Permanent

**Miscellaneous Legal**

Claims and litigation files

7 years

Copyright, patent and trademark registrations

Permanent

**Personnel**

Applications

1 year

Employee earnings/payroll records	7 years
Employee files	Permanent
Employee pension records, including service, eligibility, personal information, pensions paid	Permanent
Employment contracts	7 years
Garnishments	7 years
Government reports	7 years
Pension, profit-sharing plans	Permanent
Time cards/sheets	7 years

**Taxes**

Income tax returns and cancelled checks (federal, state and local)	Permanent
Payroll tax returns	Permanent
Sales and use tax returns	Permanent

**General**

Supporting correspondence and notes re patents, copyrights, licenses, agreements, bills of sale, permits, liabilities, etc. Permanent

Originating Work Group and/or Committee	
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or other policy/procedure	
Communication Methodology	

Amended Date	Bylaws Committee Review Date	Board Approval Date
		11/19/08

**POLICY NAME: INDEMNIFICATION OF NAMSS OFFICERS, BOARD MEMBERS AND NAMSS REPRESENTATIVES**

**Number:** Financial 500.30  
**Effective Date:** 11.19.08

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**POLICY STATEMENT:**

All officers, Board Members, committee members, and individuals who are authorized to act for and on behalf of NAMSS in their responsibilities and activities pursuant to the NAMSS Bylaws shall be indemnified, upon approval of the appointment and/or election of the individual by the Board.

**PURPOSE:**

Indemnification minimizes the risk for which an individual will be personally liable for actions and omissions committed in their official capacities.

**PROCEDURE:**

Subject to any limitations in any applicable statute or regulation, NAMSS shall indemnify its NAMSS' Representatives. NAMSS' Representatives are defined as NAMSS' Officers, Directors, committee members and staff. Indemnification includes the time period during which the individual was in his/her official capacity, and covers claims filed during or after conclusion of his/her service on behalf of NAMSS. Indemnification means that NAMSS will be responsible for all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by his/her in respect to any civil, criminal or administrative action or proceeding to which he/she is made a party by reason of being or having served NAMSS in an official capacity.

Conditions:

1. The individual must have acted honestly and in good faith with a view to the best interests of NAMSS; and
2. In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his/her conduct was lawful.

Indemnification will not take place for an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, a transaction from which the NAMSS Representative derived an improper personal benefit, an act or omission that is grossly negligent, or for a NAMSS Representative seeking indemnification under this policy who fails to provide timely notice of any action, claim or proceeding or fails to fully and completely cooperate with NAMSS in defending the action, claim or proceeding.

## Procedure for Implementing Request for Indemnification

The following procedure(s) have been adopted in order to implement this policy regarding indemnification.

1. In the event an action, claim or proceeding is brought against a NAMSS Representative for which indemnification may be authorized under this policy, the NAMSS Representative seeking indemnification shall immediately advise the President and Executive Director of the action, claim or proceeding and cooperate with NAMSS in all facets of the application of this policy and the defense of the matter in question. All relevant documents related to the matter (including but not limited to the summons, complaint or other legal documentation) shall also immediately be forwarded to the Executive Director, who shall then proceed to apply this policy to the matter in question.
2. The Executive Director will then automatically and immediately refer all relevant documents related to the matter (including but not limited to the summons, complaint or other legal documentation) to the insurance carrier of NAMSS and to the legal counsel used by NAMSS.
3. The Executive Director will keep the NAMSS Board informed regarding the proceedings.
4. Defense will be provided in accordance with established procedures as outlined in the coverage documents of the insurance carrier.

Originating Work Group or Committee	Audit & Finance Committee
Bylaws And Other References	
NAMSS Bylaws	Article 18
Pertinent documents or policy/procedure	Indemnification insurance policy
Communication Methodology	Used for orientation of new Officers, Board Members and Others who are designated to perform official NAMSS responsibilities

Amended Date	Committee Review Date	Board Approval Date
	8/25/07	11/19/08
11/29/07	1/19/2012	4/19/2012

## **OPERATING FUND**

### **POLICY STATEMENT:**

1. **Definition:** The Operating Fund provides high liquidity to meet the current (0-1 year) financial obligations arising from operations.
2. **Objectives of Operating Fund:**
  - a. Preservation of Capital
  - b. Income
3. **Target Asset Allocation:** The Operating Fund will be made up of cash and cash equivalents with less than a twelve month original maturity and will be FDIC insured, or held in a money market fund. These funds will not necessarily be held with the Investment Advisor. Amounts in this account will fluctuate based on cash flow during the year.
4. **Roles & Responsibilities:**
  - a. The Finance Director will monitor the Operating Fund and report to the Executive Director.
  - b. The Executive Director will notify the Finance Committee of deficiencies and may transfer of funds from Long-Term Fund to the Operating Fund.
  - c. In the case of a surplus, the Executive Director will notify the Finance Committee and may transfer funds from the Operating Fund to the Long-Term Fund.



## LONG-TERM FUND

### POLICY STATEMENT:

1. **Definition:** Long-Term Investment Fund: Funds with a minimum one year investment horizon.
2. **Purpose and Objectives of Investment Fund:**
  - a. To grow the value of the portfolio over a full market cycle, this is typically defined as three to five years.
  - b. Meet or exceed the expected rate of return 4.0% on a three to five year basis.

Based on the moderately conservative mix allocation table (as defined by UBS). We have created the target allocation below:

**Moderately Conservative Mix - Target Asset Allocation Table**

Asset Class	Minimum Weight	Target Weight	Maximum Weight
US Equity*	0%	18%	29%
Non-US Equity*	0%	13%	22%
Fixed Income	44%	65%	100%
Commodities	0%	4%	5%

\* The portfolio may hold cash and cash equivalents on a temporary basis as directed by the NAMSS Executive Director.

\* Market performance or transaction timing may cause allocations to go temporarily outside of the target and maximum range.

5. **Roles & Responsibilities:**
  - a. The NAMSS Board will, by majority vote during any official meeting, amend the investment strategies, portfolio composition, and/or this investment policy.
  - b. The Finance Committee will annually review the allocation target with updated historical data.
  - c. The Investment Advisor is responsible for monthly and quarterly reporting and updates to the Finance Committee.
  - d. The Executive Director can authorize changes to the investments that are within the policy.
6. **Prohibited Investments:** The following securities and transactions are not permitted for the Fund EXCEPT as directed by the Investment Advisor within an investment fund (e.g. mutual fund, hedge fund, managed futures fund):
  - a. Letter stock and other unregistered securities;
  - b. Individual commodities or other commodity contracts;
  - c. Short sales or margin transactions;
  - d. Individual uncovered and covered options;

e. Investments for the purpose of exercising control of management.

7. **Portfolio Rebalancing:** Given the volatility of the capital markets, strategic adjustments in various asset classes may be required to rebalance asset allocation back to its target range. Rebalancing should take place if there is a deviation from target weight of (+- 5%). This should take place every year during the first quarter. Tactical deviations from the target weight that are within the policy limits may be made and reported to the Finance Committee. At any time during the year if policy minimum or maximums are reached, rebalancing should occur.

Originating Work Group and/or Committee	
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or other policy/procedure	
Communication Methodology	

Amended Date	Bylaws Committee Review Date	Board Approval Date
		11/19/08
		11/19/2013

**POLICY NAME: NAMSS NET ASSETS REVIEW AND POLICY RECOMMENDATION**

**Number:** Financial 500.50

**Effective Date:** 11.19.08

**POLICY STATEMENT:**

NAMSS's target range is to maintain the Net Asset to be equal to the Operating Expenses (excluding Non-Operations) between 80% and 100%, with a minimum of no less than 70% and a maximum of no greater than 110%. Maintaining the minimum target range is essential should an event or events take place that would have a significant negative financial impact to the Association. The Finance Committee shall strive to always recommend a budget that is within the target range.

The NAMSS Board should be made aware and separately vote that they are approving a budget that is not within the target range. The Treasurer shall additionally notify the Board quarterly if the Annual Forecast (Estimated Projection) does not maintain the target range. Actions should be taken to ensure that the minimum and maximum amounts are never reached, and a plan should be in place and communicated to the Board should the Net Assets fall either below or above these levels. A five year plan for reserve spending should be maintained and adjusted by the Board every two years.

Should the Net Assets increase to greater than 90%, the Board may approve spending up to one half of the excess and the funds would need to be used for strategic initiatives that would provide an added value back to the members of NAMSS.

**PURPOSE:**

To insure the long term sustainability of NAMSS by maintaining reserves that will:

- Keep the Association viable should extremely challenging times occur
- Provide a mechanism to invest in the long term future of the Association, if we can't invest from Net Income from overall operations (ie, everything except for investment activity)
- Provide funding for Strategic Initiatives that provide an added value back to the membership
- Offer protection from unforeseen shortfalls
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**PROCEDURE:**

NAMSS Executive Office, with oversight from the NAMSS Finance Committee, will ensure investments are kept at a level that is in accordance with the above policy and report to the Board of Directors on the investment status on a quarterly basis.

Originating Work Group and/or Committee	
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or other policy/procedure	
Communication Methodology	

Amended Date	Bylaws Committee Review Date	Board Approval Date
		11/19/08

**POLICY NAME: WHISTLEBLOWER PROTECTION POLICY**

**Number:** Financial 500.60  
**Effective Date:** 11.19.08

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**POLICY STATEMENT:**

NAMSS prides itself on its adherence to federal, state, and local laws and/or regulations, including business ethics policies. As such, even though it is not obligated to do so, NAMSS has decided to voluntarily adopt a whistleblower protection policy. Pursuant to this policy, any NAMSS volunteer or staff who becomes aware of any violation of federal, state, or local law or regulation, including any financial wrongdoing, should immediately report the violation to the Executive Director to allow the association to investigate and, if applicable, correct the situation or condition.

**PURPOSE:**

If the Executive Director is involved or is believed to be involved in the matter being reported, NAMSS volunteers or staff may, in the alternative, make a report to the Association’s legal counsel or NAMSS President. The Association will conduct an investigation and take appropriate action within a reasonable period of time. Such complaints will be held in confidence to the extent the needs of the investigation permit.

**PROCEDURE:**

“Financial wrongdoing” may include, but is not limited to:

- questionable accounting practices;
- fraud or deliberate error in financial statements or recordkeeping;
- deficiencies of internal accounting controls;
- misrepresentations to company officers or the accounting department (including deviation from full reporting of financial conditions).

If any NAMSS volunteer or staff reports in good faith what he/she believes to be a violation of the law and/or financial wrongdoing to the Association, its legal counsel, or to a federal, state, or local agency or assists in an investigation concerning financial wrongdoing, it is the Association’s policy that there will be no retaliation taken against that individual.

NAMSS volunteers and staff are reminded of the importance of keeping financial matters confidential. NAMSS volunteers and staff with questions concerning the confidentiality or appropriateness of disclosure of particular information should contact the Executive Director.

Originating Work Group or Committee	Audit & Finance Committee
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or policy/procedure	
Communication Methodology	

Amended Date	Bylaws Committee Review Date	Board Approval Date
		11/19/08

**POLICY NAME: CHECK AND CONTRACT SIGNING**

**Number:** Financial  
500.70  
**Effective Date:**  
1.18.2013

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**POLICY STATEMENT:**

It is the fiduciary responsibility of the Board to establish limits of authority in regards to check and contract signing.

**PURPOSE:**

To define check and contract signing limits of authority.

**PROCEDURE:**

The NAMSS Executive Director is authorized as the sole signer of all Association checks. The NAMSS Executive Director is authorized to sign all Association checks up to \$10,000 without seeking approval of the Treasurer. All Association checks greater than \$10,000 must be sent to the Treasurer for electronic approval before signature by the Executive Director. A general ledger report detailing all checks signed in that month will be supplied to the Treasurer on a monthly basis.

**CONTRACT SIGNING POLICY**

With the exception of association management services contracts (SmithBucklin), the Executive Director is authorized to sign certain financial contracts on behalf of the Association. Contracts greater than \$10,000 must be sent to the President for review and approval prior to signing. Approval can be given through email or fax communication. A report of all contracts signed within each quarter will be provided to the Executive Committee in March, June, September and December.

Association management services contracts (SmithBucklin) must be signed by the NAMSS President.

Originating Work Group or Committee	Audit & Finance Committee
Bylaws And Other References	
NAMSS Bylaws	
Pertinent documents or policy/procedure	
Communication Methodology	E mailed to Treasurer

Amended Date	Committee Review Date	Board Approval Date
	8/23/2012	