

Financial Structure & Related Activities

BUDGET PLANNING AND PREPARATION

1. RESPONSIBILITY

- a. It shall be the responsibility of the Executive Director to prepare an annual budget and other financial reports as requested by the NC HOSA Board of Directors.
- b. An annual narrative plan of work shall be developed and presented with the annual budget. The narrative shall present the program of work in terms of anticipated income and expenditures.

2. PROCEDURES

- a. The proposed fiscal year budget shall be presented to the members of the NC HOSA Board of Directors.
- b. The NC HOSA Board of Directors shall approve and adopt the budget for the next fiscal year.

3. INCOME

- a. Income shall be primarily derived from affiliation and conference registration fees as recommended by the NC HOSA Board of Directors and are used for the purpose of NC HOSA.
- b. Funds designated for scholarships will be treated as restricted monies.

4. TRAVEL & EXPENSE GUIDELINES

- a. NC HOSA Board Members
 - i. Board members are entitled to reimbursement for reasonable expenses, such as mileage, meals, and lodging, incurred by attending meetings as required by the Board of Directors and approved in advance by the Board Chair and/or Executive Director.
 - ii. Board Members should first seek reimbursement from the local school system or LEA.
- b. NC HOSA Competitive Events Team
 - i. Competitive Events Team members are entitled to reimbursement for reasonable expenses, such as mileage, meals, and lodging, incurred by attending meetings as required and approved in advance by the Board Chair and/or Executive Director.

- ii. Competitive Events Team Members should first seek reimbursement from the local school system or LEA.
- c. State Officers
 - i. State officer expenses incurred while traveling at the approval of both the NC HOSA State Officer Coach and NC HOSA Executive Director shall be paid for by NC HOSA as indicated in the state officer funding policy.
- d. Executive Director/State Officer Coach
 - i. The Executive Director may have an expense budget as part of the annual budget approved by the NC HOSA Board of Directors. These expenses are intended for the purpose of fostering and forming new partnerships, to support and develop the Executive Director position, and to benefit NC HOSA. Utilization of these funds for personal reasons is strictly prohibited.
 - ii. Travel and per diem for expenses related to HOSA conferences and meetings shall be reimbursed in accordance with the current budget approved by the NC HOSA Board of Directors.
- e. Conference Headquarters Staff
 - i. Travel and per diem for headquarters staff shall be reimbursed in accordance with the current budget approved by the NC HOSA Board of Directors.

5. COLLECTION OF FUNDS

- a. Invoices issued by NC HOSA have a standard 30 day due date. Monthly reminder invoices should be sent until the invoice is paid in full. Efforts should be made to contact the local advisor, school administration, vendor, etc to collect past due invoices.
- b. NC HOSA should assist HOSA, Inc. with the collection of unpaid affiliation fees as needed.
- c. The HOSA system may be used to block chapters from affiliating and/or registering for conferences if there are unpaid affiliation and conference fees.
- d. If an unpaid NC HOSA invoice is deemed uncollectable, it may be adjusted off to bad debt with the approval of the Board of Directors.

OPERATIONAL PROCEDURES

1. HANDLING OF MONIES

- a. The NC HOSA State Office shall receive and disburse all monies of the state association.
- b. All organization funds are expressly for the benefit of NC HOSA. Use of funds for personal or any other use is strictly prohibited.
- c. Disbursements of all monies will be in accordance with the annual budget of NC HOSA. Outside of expenditures outlined in the budget, funds of NC HOSA may not be transferred to another organization or entity for use without expressed approval by the NC HOSA Board of Directors, or the Executive Committee. In such cases, that entity must be a HOSA entity with the same HOSA purposes. In such cases, a combined report of the two entities will be submitted to International HOSA Headquarters. Funds transferred as part of a fundraising project or scholarship distribution do not require written approval by the Board of Directors.

2. ASSOCIATION BANKING CARDS

- a. NC HOSA will partner with one or more financial institution(s) to establish and maintain a business line of credit to facilitate the payment of expenses associated with the day-to-day business of NC HOSA as outlined in the annual budget at the direction of the Executive Director.
- b. All transactions using the business card must be for the sole purpose of conducting the business of NC HOSA. Use of the business card for personal reasons is strictly prohibited.
- c. Under no circumstances should a debit card be utilized to conduct the business of NC HOSA.
- d. Receipts for all transactions must be turned into the accountant within 30 days with a written explanation. Lost receipts of any value will require a written explanation to the Board of Directors from the Executive Director or State Officer Coach.
- e. Any known or suspected abuses of the business credit card or this policy must be reported immediately to the Board of Directors.

3. ACCOUNTING

The Executive Director may, upon consultation with the Board Chair, contract with a knowledgeable consultant to assist with keeping the financial records of NC HOSA.

4. FINANCIAL REPORTING

- a. It shall be the responsibility of the executive director and accountant to prepare an income and expense summary, to include a comparison of budget and actual income and expenses.
- b. Upon written request, all financial records will be made available for inspection by any member of the Board of Directors, HOSA, Inc., North Carolina Department of Public Instruction, or other professionals that have direct interest in or supervises NC HOSA.

5. EXCESS EXPENSES

- a. The NC HOSA Executive Director may approve and pay expenditures. Unforeseen expenditures exceeding ten percent (10%) of the budget amount within any category will be communicated by the Executive Director to the Executive Committee and/or Board of Directors.
- b. Any purchase with a prior known amount exceeding ten percent (10%) of the budgeted amount will be communicated by the Executive Director to the Executive Committee and/or Board of Directors for approval prior to purchase commitment.
- c. When category budget amounts exceed the 10% limitations, the Executive Director shall request additional funds from another category. The request shall be made to the Executive Committee and/or the Board of Directors. The decision will be reflected and included as a part of the financial report to the Board of Directors.

6. ANNUAL FINANCIAL REVIEW

The Executive Director shall arrange for an annual financial review by an independent CPA firm who will review all accounts, prepare a balance sheet, and file appropriate records with the Internal Revenue Service.