



CESA State Board Policy

Title	Finance Policy	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Original Approval Date</td> <td>March 1, 2013</td> </tr> <tr> <td>Revision & Re-adoption Date(s)</td> <td> Sept 2023 Aug 2022 Aug 2021 July 2014 </td> </tr> </table>	Original Approval Date	March 1, 2013	Revision & Re-adoption Date(s)	Sept 2023 Aug 2022 Aug 2021 July 2014
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Purpose	<p>The purpose of this policy is to define policies and procedures for CESA financial matters, including budget and expenditures, and distribution of funds among the State Association, and the Inland, Coastal, and Southern Chapters.</p>					
Section	The Association Board adopted the following policy:					
1.0	<p>TREASURER RESPONSIBILITY and DELEGATION:</p> <p>The CESA State Treasurer, in accordance with the CESA Constitution, shall keep and maintain adequate and correct accounts of the properties and business transactions of CESA.</p> <p>1.1 Day-to-day transactions are delegated to the CESA Administrator under the supervision of the State Treasurer.</p> <p>1.2 The State Treasurer shall submit a proposed budget to the State Board for approval at the January State Board meeting.</p> <p>1.2.1 The outgoing State Treasurer shall provide a draft budget proposal to the incoming State Treasurer by 12/15 of each year.</p> <p>1.3 The State Treasurer is responsible for filing State tax documents, including 1099 and annual filings. CESA's tax year is currently 01/01 through 12/31 of each year. The State Treasurer shall ensure that all necessary information has been forwarded to the tax preparer no later than January 20 of each year.</p>					
2.0	<p>DUES:</p> <p>All CESA Association membership dues are paid directly to the State Association Policy – Membership Dues.</p>					

3.0 STATE CONFERENCE:

The State Association Annual Conference and Training Committee shall be responsible for the management and planning of the Annual CESA Conference and Training, including all financial aspects.

3.1 Within 60 days of the final day of each year's conference, the Conference Management Company shall prepare a report overviewing conference deposits and expenditures, identifying a final balance and any remaining issues. This report to be reviewed and approved by the Conference Chair and then forwarded to the CESA State Board President and Treasurer.

3.2 It is the intent of the CESA Board that each year's Conference Committee be provided \$40,000 in seed money to initiate Conference activities.

Recognizing that the Conference Committee begins their year with \$40,000 in State funds as seed money, all funds in excess of this seed money, following each year's conference, will be transferred to the CESA State accounts by 12/31 of the conference year.

4.0 CESA RESPONSIBILITY:

All expenditures and revenues related to CESA shall be the responsibility of the State Association unless otherwise noted in this policy.

As the budget allows, the Association Board will distribute membership and annual training conference funds according to section 5.0. All other potential state revenue will be utilized to run the business of the association and to improve overall association services.

5.0 CHAPTER DISTRIBUTIONS:

It is the intent of the CESA Board to share funds from membership dues and the annual conference with the CESA Chapters. The CESA has the discretion to hold funds at the state level dependent on current initiatives being implemented (i.e. credentialing funding needs).

The CESA President will conduct a meeting with the three (3) chapter presidents to discuss if the distribution will occur for the year based on the revenue received, and the current status of program initiatives.

5.1 Membership Dues: Membership fees will be shared between the State Association and the respective Chapters for Student, Individual and Organizational memberships in accordance with the following formula:

State Association 80%
Home Chapter 20%

Benefactor memberships from organizations located within a single Chapter's jurisdiction will be shared in accordance with the following formula:

State Association 20%
Home Chapter 80%

Benefactor memberships from organizations located within multiple Chapters' jurisdictions will be shared in accordance with the following formula:

State Association 70%
Each Chapter 10%

The State will pay each Chapter for their portion of the membership dues on January 15th based on membership dues received the prior year.

5.2 Conference Funds: Distribution of funds from the annual conference will be determined by the CESA Board at the strategic planning State Board meeting each year, using the following formula:

Each chapter will receive a share of the total funds allocated by the CESA Board based on their active membership on 12/31 of the preceding year. The membership count shall be calculated as one member for each named member in the CESA roles (ie, Individual = 1, Organization with three named members = 3)

Conference distributions to the Chapters shall be completed by 01/31 of each year after approval of the annual budget. The total amount of each year's distribution to the Chapters is at the sole discretion of the CESA State Board and shall be part of each year's State Budget discussion.

5.2.1 The CESA State Board, at its discretion, may decide to release a portion of available Conference Funds in October of each year. In this case, the remaining funds shall be reviewed at each State Board meeting to determine additional releases of these funds. This is to provide the State Board with some flexibility should there be unexpected budget

challenges in any given year.

6.0 FISCAL CONTROLS:

It is the intent of the CESA Board that access to State and Conference funds be limited and that deposits and expenditures be reviewed at least annually.

6.1 Bank Accounts – The CESA Administrator and State Treasurer shall be the only authorized signers of the CESA State account. The CESA administrator and State Treasurer shall be the only authorized users and signers of the CESA accounts. Use of Checkbooks and Debit cards shall be limited to the authorized users as described above. These authorized users shall also have the authority to initiate electronic transactions to and from these accounts. It is recognized that there may be brief periods of time in which the incoming and outgoing Treasurers may be authorized on the accounts for an over-lapping period of time. No new accounts may be opened on behalf of CESA without CESA State Board approval.

The President and Vice-President shall also be authorized signers of both the state checking and savings accounts. They shall only use this authority in the event of incapacity or unavailability of both the Treasurer and Administrator.

Electronic transactions include such items as automatic debits for recurring bills.

It is the intent that the authorized signers will normally be updated annually upon election of the board, in January.

6.2 Credit Cards – Any acquisition of CESA credit cards shall be specifically authorized by the CESA State Board and limited to the authorized users described in section 6.1. The credit limit, purpose and limitations on use shall be included in the decision. All credit card transactions shall be reported to the other authorized user with 48 hours.

6.3 Account Access – To the extent the technology permits, the CESA Administrator shall have full access to on-line account information. The State Treasurer shall have view access to

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the State accounts. Other State Board members shall be provided view access of State Accounts upon a request to the State Treasurer.

6.4 Depositing Funds – The CESA Executive Director and the respective Treasurers are authorized to deposit received into the appropriate CESA accounts.

6.5 State Expenditures - The CESA Executive Director and State Treasurer are authorized to expend funds for normal business expenditures within the amounts in the annual approved budget. Other expenditures, up to 10% over the budgeted amount, may be authorized by the Treasurer or President, with notification to the other officer and reported at the next State Board meeting. All other expenditures require CESA State Board approval and a modification to the annual approved budget. Such notifications may be written or email.

6.6 Conference Expenditures – The CESA Executive Director and State Treasurer are authorized to expend funds in support of the annual conference within the amounts in the Conference approved budget with the approval of the Conference Chair. Unbudgeted expenditures over 10% of the budgeted expense require approval of the State Board.

6.7 State Account Reserves

- Goal - The State Board desires to reach and maintain reserves at least equal to 100%, but no more than 120% of the current year approved state operating expenses.
- Location - The State Savings Account will be used to hold and shall be considered the State Reserve Account. The Reserve Account shall be reported at each State Board meeting as part of the Financial Report.
- Use of Reserves - Movement of funds from the State Savings Account shall be considered as expenditures of CESA Reserve Funds and shall be identified as such in any Board discussions or actions. The State Board can use and allocate State Reserve Funds at its discretion with approval of at least 7 State Board members.
- Funding the Reserve - On an annual basis, the State Board may, after Conference income and expenditures are reconciled, review the State Funds and the State Reserve Funds and determine if there are funds available to progress towards the Reserve Funding Goal and decide on any additional reserve funding in conjunction with Chapter Disbursement decisions.

7.0 FINANCIAL REVIEWS:

It is the intent of the CESA State Board that CESA financial transactions be transparent and reviewed on an annual basis.

7.1 At each year's CESA Conference, the State and Chapter Treasurer's present shall review the accounts for the prior calendar year. The incoming State Treasurer shall also participate in this review, if known and available. Following that review, the State Treasurer shall provide a written report to the State Board on the findings of that review and any actions recommended.

7.2 Any CESA member may inquire into any CESA financial transaction by submitting a request to the CESA President, with copies to the CESA Vice-President and State Treasurer. The State Treasurer shall respond to the inquiry within 30 days.

8.0 CHAPTER RESPONSIBILITIES:

All revenue and expenditures associated with Chapter-specific activities shall be the responsibility of the respective Chapters. Chapter activity costs may include Chapter meetings, Chapter program events, facility rentals, food, Chapter awards, printing and supplies, management and administration of Chapter activities. Any Chapter conducting an activity specifically within their Chapter, where revenue may occur, will retain 100% of those proceeds.

8.1 Chapter Boards may request supplementation to the distribution of funds by forwarding requests, in writing, to the State Association for consideration.

9.0 Financial Crisis

This policy provides future Association Board Members with the ability to analyze the financial stability year over year.

9.1 Industry Standards

Six months of operating expenses plus any dollars promised with any current contracts and a yearly inflationary percentage.

9.2 Goal and Trigger Points

To remain financially viable for the future of the California Emergency Services Association, trigger points below will be set up based on the financial year over year analysis.

- Membership reduction of 30%
- Benefactor Reduction of 50%
- Projected Conference Revenue Reduction from previous year of 60%

Present Income Streams:

1. XXXX (year) membership income was XXXXX.
2. XXXX Benefactor Stream \$XXXX
3. XXXX Conference Revenue previous year XXXXX (minus seed money and destitution)

XXX (year) total operating expenses of \$ XXXX.

- (1) Six-month of operating expenses would be \$ XXXXX
- (2) Obligations: \$XXXX

TOTAL RESERVE AMOUNT NEEDED (XXXX): $\$(a) + (b) + 6\% (c) = 6 \text{ month reserve required}$

