

Operating Procedure 19 - Financial Operating Procedures for Regional Activities

Purpose: To provide guidance for financial operations for regional activity.

Note: To manage ASC resources prudently, transparently, and within the guidelines of Federal Not for Profit (NFP) regulations; maintain the reputation and integrity of ASC, and protect ASC Regional Directors and other personnel from personal liability; the ASC will utilize the following Operating Procedure. This document addresses Regional financial operations and is not intended to replace specific operating procedures for ASC events such as the Annual International Conference.

1. Authority and Legal Responsibility

- a. The ASC is an incorporated legal entity with the authority to enter legally binding contracts. ASC Regions have the authority to enter contractual agreements to the extent that they are operating under the ASC umbrella. As such, Regional Directors have the legal authority to enter contracts for ASC, but also have the responsibility to make sure those contracts are legal and within the guidelines established by ASC.

2. Communication, Records and Documentation

- a. Regions agree to maintain and back up files periodically, but not less often than once a year after the annual regional conference. Critical documents shall be kept both electronically in perpetuity and in hardcopy for 5 years. At the end of the fiscal year, the finance manager will provide the Treasurer and Regional Directors an electronic copy of the region's annual income statement and balance sheet.
- b. At the end of the ASC Fiscal Year (FY) each Region will provide the Treasurer and Finance Manager an electronic copy of the Region's annual financial records and supporting documentation. The ASC FY ends on June 30 therefore financial records must be submitted by July 31 for the previous fiscal period.
- c. Should destruction of documents occur, it shall be the responsibility of the Region to reproduce and/or reconstruct the lost documents at its own expense.

3. Revenues

- a. All revenue received on behalf of the Regions that bank with the ASC need to be sent to the Finance Manager for deposit at the ASC financial institutions. Payments made by check are to be made payable to the *Associated Schools of Construction*. Payments can also be made by credit card (VISA, MasterCard, or American Express). At the completion of the fiscal year, regions will be charged any credit card fees that were incurred due to receiving payments via credit card.

4. Payments made to Regions

- a. Expense Reimbursement

1. A ledger of expenses and copies of invoices (paper or electronic) must be submitted with any request for payment. Reimbursement of expenses will be made by ASC upon receipt by the Finance Manager.
- b. Cash advances
 1. Conference planning should attempt to minimize or eliminate the need for cash advances. Invoices will be paid by ASC upon receipt by the Finance Manager of appropriate documentation. No additional cash advancements will be provided until acceptable documentation has been provided for the previous cash advance.
- c. Stipends
 1. In the case that stipends are paid to the Regional Director and/or other individuals to manage the Regional conference, competitions, or other events; evidence of approval of stipends must accompany any request for payment. Evidence shall include at least the approved minutes of the Regional business meeting that explicitly state the recipient, scope of work or services to be provided, amount of stipend, and period covered by the stipend.
 2. Consistent with payments to other ASC contract personnel, stipends to Regional Directors will be paid in installments with half on January 1 at the mid-point of the contract period and half on July 1 at the end of the annual contract period.
 3. Stipend checks not cashed within 90 days will be null and void, with the full amount allocated as a tax-deductible donation to the Associated Schools of Construction.

5. Contracts for Regional Conference and Competitions

- a. When negotiating hotel contracts, seek to include the following modifications to the typical standard agreement.
 1. Payment in Advance
 - a. Remove any provision that requires the ASC to pay for services in advance, except required down payments. All payments will be made promptly upon invoice.
 2. Indemnification and Insurance
 - a. The ASC BOD investigated General Liability Insurance for Regional conferences and competitions and concluded that it would be cost prohibitive. The following alternative to general liability insurance is recommended. If the hotel is unwilling to negotiate this provision, consider using a different hotel.
 - b. State institutions that comprise the participants of Regional conferences and competitions are students and faculty of educational institutions that are self-insured and cannot enter an agreement that requires indemnification and General Liability Insurance. If necessary, each institution could provide a Certificate of Insurance after their State law or general liability provision; or in the case of

private institutions, the Certificate of Insurance for general liability. If required by the hotel, a Certificate of Insurance from each participating institution may be required as part of the conference registration process.

6. Regional Checking Accounts

- a. If a Region maintains its finances through an institutional (university) account, then the institution and not ASC is contractually liable. In this situation, payments, such as conference registration, and sponsorship checks for Regional activities should be made payable to the institution and not to ASC, as the institution is the legal entity with contractual authority.
- b. For financial continuity and succession, signing authority on institutional accounts shall include at least two individuals from the institution. The second signing authority may be a financial assistant or account manager for the institution.
- c. Regional bank account statements should be submitted as part of the annual financial reporting to the Finance Manager and Treasurer for review and archiving. To accommodate ASC year-end financial close-out, monthly statements for the year should be submitted in paper copy or electronically (pdf) by no later than July 31.

7. Travel

- a. ASC will reimburse Regional Directors for reasonable and prudent travel expenses as outlined below. Individuals receiving travel reimbursement are asked to be respectful of their financial stewardship obligation to ASC and to arrange the lowest cost fares and/or car rental options that provide a convenient travel itinerary. When accommodation is reimbursable, the maximum reimbursed rate would be equal to the negotiated conference hotel or meeting venue rate. Mileage reimbursement is based on the GSA rate.
- b. Regional Directors will be reimbursed for reasonable travel expenses to attend Annual and Midyear meetings. Incoming Officers and Directors are not reimbursed for travel to the meeting where they are first seated on the BOD as their office does not begin until the post-Board meeting. Outgoing Officers and Directors are reimbursed for travel to their last BOD meeting as they hold office until the end of that conference/meeting.
- c. The President, in consultation with the Treasurer and BOD as appropriate, may also request special travel funding for Regional Directors to attend a designated event.

8. Disputes

- a. Should a dispute arise regarding, each party agrees to notify each other in writing not more than thirty (30) days from the date of such a dispute or discovery of any initial matter regarding a dispute. If the matter cannot be resolved by the Region, Treasurer and Finance Manager, then the Finance Committee will review the disputed claim and recommend a course of action to the President.