

Wisconsin Chapter
Healthcare Financial Management Association
Policies and Procedures

Table of Contents

	Policy Number
Finance and Accounting	
Financial Records (Revised 9-2006)	A-1
Depository Institutions (reviewed 6/2006)	A-2
Investment Policy Guidelines (to be revised based on National's changes 6-2007)	A-3
Operating Budget (reviewed 6/2006)	A-4
Financial Audit (reviewed 9-2006)	A-5
Insurance Coverage	A-6
Record Retention Guidelines (reviewed 8-2006)	A-7
Reimbursement and Payment	
Payment Policies (revised 5-2008)	B-1
Officer Travel (reviewed 6/2006)	B-2
Awards Reimbursement (reviewed 6/2006)	B-3
Directory Sales	B-4
Guidelines for Mailing List and/or Database Use (reviewed 9-2006)	B-5
Program	
Program Policies (revised 8-2006)	C-1

Policy A-1

Financial Records

The Chapter Treasurer shall maintain the following financial records:

- Checkbook, savings/investment records
- Cash receipts and disbursements records and documentation
- Monthly bank statements and related reconciliations
- Invoices, check requests and other appropriate documentation supporting all expenditures
- Journal entries and supporting documentation
- Monthly financial statements
- Form 1099 copies and supporting documentation
- Form 990 filing report, certifications and supporting documentation
- Annual financial report

Specific policies with respect to maintaining the Chapter's financial records are set forth below:

- **Accounting Transactions**

All accounting transactions shall be recorded using the Chapter's chart of accounts and in accordance with generally accepted accounting practices. The Treasurer shall review and, if appropriate, revise the chart of accounts on an annual basis.

- **Program Activity**

Within thirty (30) days after the completion of a program or meeting, the Program Chair of each program shall submit the following to the Treasurer after receiving approval from the Vice President--Programs: a spreadsheet detailing attendees, the amount due from each attendee, the payment received for each attendee, the method of payments and the membership (or other) status of the attendee.

The revenue recorded for each program will tie back to such documentation.

The Treasurer will be responsible for issuing approved refunds and collecting amounts outstanding.

- **Cash Receipts**

Cash receipts be collected by or submitted to the Treasurer and the Treasurer shall deposit such cash receipts on a timely basis. Cash receipts are expected from sources such as educational programs, newsletter advertising and the sponsorship program.

- **Cash Disbursements**

The Treasurer and other assigned officers or designees will be the only authorized signers for the chapter's checking account. The authorization will occur annually via Board motion and will be recorded in the appropriate Board meeting minutes.

The check signer will only issue checks if:

- 1) supporting documentation accompanies the payment request. Acceptable supporting documentation includes: invoices, expense reimbursement requests along with receipts for expenses > \$10, speaking contracts, etc.
- 2) expense reimbursement requests greater than \$1,000 have been approved by the President. If the request for reimbursement is from the President and is over \$1,000, another officer shall approve the request. Such approval can be via email, but the email should be attached to the reimbursement request.
- 3) the budget expense line is indicated and the person requesting the payment be made is responsible for the budget expense line. If the latter is not the case, approval from the person responsible for the budget expense line must be obtained by the requestor.

· **Bank Statements**

The Treasurer shall reconcile all bank and investment accounts on a monthly basis.

At a minimum, bank statements and the resultant reconciliations shall be reviewed by the President quarterly.

· **Financial Statements**

The Treasurer shall prepare financial statements for and present financial statements at each Chapter Board meeting. The Board of Directors shall be responsible for reviewing and approving the financial statements.

· **The Financial Review Committee**

The Financial Review Committee shall be responsible for completing the annual review of the books and financial records. The Treasurer shall be responsible for the coordination of the annual review. The chairperson of the Financial Review Committee or the Treasurer shall be responsible for the presentation of the results of the annual review at the appropriate Board meeting. The Treasurer shall be responsible for implementing any recommendations made by the Financial Review Committee in their letter to management, if approved by the Board of Directors.

· **Tax Forms**

The Treasurer shall be responsible for:

- a) providing requested Form 990 information to National by the National-imposed deadline.
- b) issuing Form 1099's for each calendar year-end.

Policy A-2

Depository Institutions

The Chapter Treasurer shall maintain all checking and investment accounts in a financial institution covered by FDIC or FSLIC insurance with authorized signatures for the withdrawal of those funds or in other investments approved by the Board of Directors. Specific policies regarding depository institutions are set forth below:

- All significant investment transactions are to be reported by the Treasurer to the Board at each meeting.
- Investments maturing in excess of six months require prior Board approval by a majority of its members.
- The Treasurer is responsible for maintaining custody of insurance bonding in the appropriate amount to cover funds handled. Bonding coverage must be maintained at all times. The Treasurer should advise the Board of bonding coverage annually.

Reviewed 6-2006

Policy A-3

Investment Policy Guidelines

The objective of the Wisconsin Chapter regarding investment of cash is to:

- Assure adequate safety of principal
- Attain an optimal return on invested funds without sacrificing the safety of the principal
- Maintain a liquid position

The Wisconsin Chapter will hold title to all instruments used to invest Chapter cash. Set forth below is a summary of approved investment instruments:

- **Certificate of Deposit** - The amount invested in any one banking or savings institution shall not exceed the \$100,000 federal insurance limit. Interest on CD's shall not accrue for longer than one year.
- **US Government Securities** - These investments have no limit and shall include securities issued by federal agencies backed by the full faith and credit of the US government, including the treasury bills, and treasury notes. Investments in these instruments shall be a direct investment as opposed to mutual funds.
- **Repurchase Agreements** - These investments shall be limited to banking or savings institutions with an acceptable credit rating, for a period not to exceed 30 days, and an amount not to exceed \$25,000.
- **Corporate Bonds or Notes (Commercial Paper)** - These investments shall be limited to ratings of A-1 by Standard and Poor's and P-1 by Moody's for commercial paper and to rating AA or better for investment grade corporate bonds.
- **Cash Management Accounts** - These investments shall be limited to an amount not to exceed \$25,000 and only with a firm approved by the Board.

Other policies with respect to investment of Chapter funds are summarized below:

- **Maturities** - An amount equal to three months operating expenses shall be invested in short term investments with maturities of one year or less. The remaining funds may be invested in longer term instruments, with an average maturity of no longer than five years.
- **Management Responsibilities** - Management responsibility for investment of Chapter funds rests with the Treasurer. Any changes in the investment strategy must first be approved by the Board of Directors.

Policy A-3

- **Review of Policy** - The investment policy must be reviewed and approved by the Board of Directors annually. The Treasurer is responsible for bringing the policy to the Board for review and approval.
- **Periodic Reporting** - A report of the performance of investments shall be made to the Board of Directors on a periodic basis, at least annually.

Policy A-4

Operating Budget

The Treasurer is responsible for preparing for submission to the Board of Directors, an annual financial plan (operating budget) that supports the long-range strategic plan. The budget shall include detailed schedules outlining specific sources of revenue and enumerating specific budgeted expenditures within each expense category. The operating budget must be approved by the Board of Directors and submitted to National Office prior to June 1 of each fiscal year.

Reviewed 6-2006

Policy A-5

Financial Review

The Chapter's financial records will be reviewed by a certified public accounting firm within 90 days of the Chapter's fiscal year end. Specific procedures with respect to this process are set forth below:

- The President appoints the chairperson of the Financial Review Committee at the beginning of each Chapter year. The President will make every effort to select a chairperson from a different accounting firm, rotating firms at a minimum every three years.
- The Treasurer will work with the chairperson of the Financial Review Committee to ensure that an annual review is conducted in an efficient and timely manner. The review will consist of inspecting the books and records of the organization, inquiries of the Chapter Treasurer (or others as necessary) and such other procedures as deemed necessary by the certified public accounting firm (or Board or Directors) to ensure that the financial transactions for the fiscal year were appropriate and recorded properly.
- The chairperson of the Financial Review Committee (or designee) will prepare a written report (the "Annual Report") which will consist of agreed upon procedures. The Annual Report will be discussed with the Chapter's Treasurer prior to the presentation to the Board of Directors.
- The Annual Report will be presented to the Board of Directors by the chairperson of the Financial Review Committee or the Treasurer. The Board of Directors are required to approve the Annual Report.
- The Annual Report will be made available to Chapter members upon request.
- The Treasurer is responsible for implementing any recommendations made by the chairperson of the Financial Review Committee, if approved by the Board of Directors.

Reviewed 9-2006

Policy A-6

Insurance Coverage

HFMA National provides general liability and professional liability insurance coverage for all Chapters (including host liquor liability coverage). The general liability policy provides \$1 million of bodily injury, personal injury and property damage coverage per occurrence and an additional \$1 million of medical coverage (limited to \$1,000 per person) for each accident. The professional liability policy provides \$1 million of coverage for acts done directly or indirectly (by any member or non-member) in any phase of Chapter activity for which the officer or director is held liable by virtue of his/her leadership role. A more detailed description of these policies is found in the Chapter Officer Manual.

Through the local Wisconsin Chapter, Officers, Directors, Chairpersons, and Committee Members of the Chapter are covered for certain “losses” arising from accidents while traveling on Chapter business. For purposes of coverage, “loss” is defined as loss of life, sight, limb(s) or hearing. Coverage represents a maximum of \$25,000 for a loss and an aggregate policy limit of \$100,000. In addition, the Chapter provides a \$25,000 fidelity bond covering losses caused by employee dishonesty. The definition of employee includes any uncompensated individual performing services on behalf of the Chapter. The occurrence is all loss caused by a single employee, or more than one employee acting in collusion, whether the result of a single act or a series of acts.

The President-Elect of the Chapter has the responsibility to ensure that insurance coverage is maintained.

Policy A-7

Record Retention Guidelines

Retention Period	Document and Storage	Responsibility
0 – 3 years	Item: All chapter correspondence, program brochures, technical papers, etc. Location: Stored at the Wisconsin Health and Hospital Association.	Board of Directors and Committee Chairs
0 – 7 years	Item: All official financial records of the chapter, including financial statements, IRS submissions, cancelled checks, etc. Location: Current year financial records will remain with the chapter treasurer. Records from previous fiscal years will be stored at the Wisconsin Health and Hospital Association.	Board Treasurer and Financial Review Committee
0 – 7 years	Item: Continuing education records. Location: Stored at the Wisconsin Health and Hospital Association.	Certification Committee
Permanently	Item: Chapter charter documents, bylaws, chapter Board of Directors minutes, auditor’s reports, highlight reports, annual reports, general ledger and other historical documents. Location: Stored at the Wisconsin Health and Hospital Association.	Board Secretary, Advisory and Financial Review Committee

Retention Period	Electronic Communications	Responsibility
None	Item: E-mail announcements. Location: Discard after use.	Electronic Communications Committee
0 – 1 years	Item: Board minutes, state and local association information, state association announcements, state association operations plan, etc. Location: Currently stored on disc space on the Web site.	Board Secretary and Electronic Communications Committee

Reviewed 8-2006

Policy B-1

Expense Reimbursement Policy

This policy sets forth the Chapter's expense reimbursement policy for the Officers, Board of Directors and committee chairpersons / members.

All requests for expense reimbursement are to be submitted to the Treasurer on the Expense Voucher Report. Receipts for expenses must accompany the expense report for any expense in excess of \$10. Note that consistent with Policy A-1 any expense reimbursement requests in excess of \$1,000 must be approved by the Chapter President and, if the request is from the President and is over \$1,000, another Officer shall approve the request..

The follow sections provide additional guidance for specific types of expense reimbursement requests.

A. Educational Program Expenses.

The policy governing educational program expenses is outlined in the Chapter's Program Policy (C-1) and Travel Policy (B-2).

B. Board Meeting Travel Expenses / Mileage

Members attending a Board meeting will be reimbursed his/her mileage expense at the IRS mileage rate. Members attending a Board meeting will also be reimbursed one night's hotel stay, not to exceed \$150 in value, if the member's one-way trip mileage equals or exceeds 225 miles.

The above reimbursement does not apply if the Board meeting is held in conjunction with a Chapter program/educational session, the member attended the program/educational session and attendance at the Board meeting did not create an incremental cost to the member.

C. General Operational Expenses

The Chapter shall reimburse officers, directors and committee chairpersons / members for the reasonable costs incurred in conducting Chapter business. These costs may include, but not be limited to:

- supplies
- postage
- copying and other publication costs
- mileage
- teleconferencing

- meeting expenses, including lunch and/or refreshments
- other expenses, as appropriate

Revised 5-2008

Policy B-2

Travel

The Chapter will pay for the following reasonable expenses and registration fees for Chapter Officers:

- **Annual National Institute and President's Meeting** - Reimbursement shall include transportation, lodging, meals, and enrollment fee for the Past President, President and President-Elect.
- **Fall Regional President's Meeting** - Reimbursement shall include transportation, lodging and meals for the President and President-Elect.
- **Leadership Training Conference** - Reimbursement shall include transportation, lodging, and meals for the incoming President, President-Elect, Secretary, Vice President Programs, Treasurer and other Committee Chairpersons or Committee Members as approved by the incoming President.
- **Region VII Conference** – Reimbursement shall include transportation, lodging, meals, and registration fee (if not waived) for the Officer who represents the chapter and performs the majority of volunteer time for this event.

The Board can approve other travel before travel is taken. The Chapter Officers/committee members are responsible for submitting a written request for reimbursement to the Treasurer. The request shall include the reason for the expense and supporting documents when appropriate. The Chapter will not pay for any personal expenses incurred by a Chapter Officer/committee member.

Reviewed 6-2006

Policy B-3

Awards Reimbursement

The Chapter will pay for the following awards in accordance with the wishes of the Board of Directors:

- Founders Awards
- Past President's Plaque
- Certification Pins
- President's Pin
- President's Award
- Outgoing Presidents Gift
- President's gifts to officers, directors and committee chairs

In addition, the Board of Directors may approve reimbursement for other awards they deem appropriate.

Reviewed 6-2006

Policy B-4

Directory Sales

Each year the Chapter publishes the Wisconsin Chapter Member Directory. One copy is provided to each member free of charge. Additional copies are provided to Sponsors pursuant to the provisions of the Chapter's Sponsorship Program. Members may buy additional copies for \$10. Non-members may buy a copy of the directory for \$50.

Policy B-5

Chapter Guidelines for Mailing List and/or Database Use

The HFMA Board of Directors may approve the establishment of chapters, by charter, to serve specific geographic areas. The rights and obligations of HFMA chapters are specified in the HFMA Chapter Charter. In addition, the HFMA Board of Directors has adopted the following guidelines to further define the document as it relates to chapter use of chapter mailing lists or member databases.

Chapters may use the chapter mailing list or member database solely to conduct the business of the chapter and HFMA National. Examples of chapter business usage include:

- * Distribution of member communications as defined by the Davis Chapter Management System (newsletters, bulletins, etc.)
- * Distribution of ballots for elections of chapter officers or bylaws changes
- * Notification of chapter meetings to carry out the business of the chapter
- * Notification of chapter educational events
- * In the instance of co-sponsored educational events with non-HFMA organizations, chapters may provide a limited or one-time use to the co-sponsoring organization. Additionally, the promotional material must include the chapter name (i.e. the Wisconsin Chapter of HFMA) and if a logo is used, it must be the chapter logo (i.e. not to be mistaken for the HFMA National only logo).

Sponsorship

Chapters may not offer the chapter mailing list or database of members as part of any chapter sponsorship package. Rather, chapters may provide a list of pre and post registered program attendees as part of a chapter sponsorship package. This information **MUST** exclude email addresses and contact information of HFMA individuals who have specifically requested “no outside usage” on their HFMA member profile.

E-mail Communication

When communicating with chapter members via mass e-mail distribution, chapters are charged with protecting the privacy of chapter member e-mail addresses by ensuring that the e-mail addresses are not displayed in a manner that makes them vulnerable to being copied, pasted and misused by the recipient. Placing e-mail addresses in the bcc (blind carbon copy) section of the email form fosters email address privacy. Chapters are charged to be cognizant and mindful of overuse concerning e-mail communication.

Reviewed 9-2006

Policy C-1

Program Policies

Registration Fees:

The Chapter's educational programs are one of the primary sources of revenue for the Chapter. Set forth below are the specific policies with respect to educational programs:

- **Registration Fees** - The Chapter shall charge program registrants a registration fee that is appropriate for the prudent management of the Chapter. Registration fees should be set at levels necessary to serve members and attain the annual Chapter budget approved by the Board of Directors.
- **Waiver or Reduction of Registration Fee** - The registration fee for a Chapter education program (excludes social events) may be adjusted in the following instances:
 - The registration fee all is waived for the following positions:
 - Chapter Officers (excludes Board of Directors unless functioning in a different capacity).
 - Program Chair that is coordinating the program.
 - Chair of the Social Committee that is working with the staff of the meeting location.
 - The registration fee for all speakers will be waived.
 - The registration fee for past Chapter Presidents will be waived at the Annual Chapter meeting.
 - The registration fee for unemployed members will be waived for all programs during their unemployment.
 - All new members will be given two certificates for a 50% reduction in the registration fee for two chapter programs (excludes co-sponsored programs and social events) to encourage participation in Chapter activities.
 - Sponsor certificates which entitle sponsors to receive free program registration will be recognized.
- **Registration Refunds** – A full refund of the registration fee, less a \$25 processing charge, will be granted if a cancellation is received up to 5 days prior to the meeting. A 50% refund, less a \$25 processing charge will be granted if a cancellation is received up to 48 hours prior to the meeting. Substitutions within the same organization are allowable. No refund will be issued if the cancellation is received after 48 hours prior to the program. Exceptions to the policy may be allowed at the discretion of the V.P.-Programs, in consultation with the Program Chair and the Chapter President.

Expense Reimbursement:

The Chapter shall pay all expenses necessary for the presentation of an approved meeting or educational session. Allowable meeting and educational session expenses shall include, but not be limited to the following:

Meeting Facilities

Hospitality room, including refreshments and other supplies

Speaker honorariums and reasonable travel expenses approved by the Program Chair.

President attending chapter programs, hotel room (excluding incidentals) and mileage expenses reimbursement.

President Elect's hotel room (excluding incidentals) at the Annual Chapter Meeting

Chairs of the Program and Social Committee that are coordinating the program will be provided hotel rooms (excluding incidentals) and mileage expenses reimbursement.

The Chapter member or speaker incurring the expense shall submit a written request to the Program Chair or Vice President of Programming for approval. All approved requests shall be submitted to the Treasurer for payment. The requests shall identify meeting date and be accompanied by supporting documentation.

Program Budget:

The Chapter's educational programs are a major source of revenue for the Chapter. Accordingly, the programs should be operated on a break-even or positive cash flow basis, unless otherwise approved by the Board of Directors. The Vice President of Programs and program chairpersons will prepare an annual program budget which will generate a reserve as required by the Chapter's long range strategic plan, unless otherwise approved by the Board of Directors. Specific policies with respect to the education program budget are set forth below:

- Non-budgeted expenditures may be verbally approved by the Vice President of Programs. Significant revenue or expense variances should be submitted to the Board of Directors for their review.

- The Chapter accounts for revenues and expenses on an accrual basis.

Revised 8-2006