

North Coast Association of Health Underwriters

POLICIES AND PROCEDURES

The Board of Directors of the North Coast Association of Health Underwriters (NCAHU) has adopted, and from time to time amended, the following policies and procedures. These policies and procedures are designed to insure that NCAHU operates in a consistent and prudent manner year after year.

Original Date of Adoption:

Date of Subsequent Amendments:

Finance and Accounting Policies and Procedures

Accounting method	NCAHU shall use the “accrual” system of accounting
Annual review of books	If possible, the NCAHU Board shall arrange to have NCAHU’s books reviewed by an outside third party
Assets, depreciation of inventory of	Assets will be expensed rather than depreciated whenever possible. The Board shall review a list of NCAHU’s assets annually and make adjustments when warranted
Auditor, selection of	The NCAHU Board shall approve the selection of, or change of, outside audit firms
Bank, selection of statement reconciliation	The selection of, or change in, banks requires approval of the NCAHU Board. Bank statements shall be reconciled each month. Stop payments shall be placed on any checks that remain outstanding after 60 days.
Books	NCAHU Board members are entitled to review NCAHU’s books after giving the Treasurer 5 business days’ notice
Budget	The NCAHU shall adopt a budget for each fiscal year on or before June 30 Expenditures contained in an approved budget do not need to be approved again by the NCAHU Board when the time comes to make those expenditures. Expenditures that are NOT contained in an approved budget require approval of the NCAHU Board.
Checking account	To every extent possible, NCAHU shall maintain an average of 3 months of expenses in NCAHU’s checking account. If and when needed, the NCAHU Treasurer is authorized to transfer funds out of reserves into the checking account to maintain at least 3 months’ worth of expenses in the checking account
Check requests	Requests for NCAHU checks shall be submitted to the Treasurer on NCAHU’s check requisition form. The submission should include all applicable backup documentation and every effort should be made to give the Treasurer ample time to process the check request.
Check signing authority	The signature of one NCAHU officer is required on checks up to \$1,000. The signature of two NCAHU officers are required on all checks that exceed \$1,000. The President, Treasurer, and Secretary shall be signers on NCAHU’s checking account. In addition, the Board may designate other signers on the account as appropriate.

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<p>Expense Reimbursement</p>	<ol style="list-style-type: none">1. Reimbursement. NCAHU pays expenses to members on a reimbursement basis only. With approval of the NCAHU Board, exceptions can be made for large expenditures that would otherwise have to be fronted by the member. Expense reimbursements must be authorized in advance by the Executive Board. Members must complete a reimbursement form and attach receipts for all expenses. The reimbursement form must be turned into the NCAHU Treasurer within 30 days. Reimbursement will not be made until all forms are completed and receipts are received by NCAHU.2. Travel. NCAHU will reimburse for air and ground travel and hotel accommodations.3. Mode of travel. NCAHU pays the cost of the lowest fare at the 21-day advance rate for direct flights. Exceptions will be made when notice of the meeting is given less than 21 days in advance. Members who opt to drive will be compensated at the rate allowed by the IRS for mileage. Mileage will be based upon a direct route to and from the meeting site. Reimbursement will be limited to the allowable rate for miles or the cost of a direct flight, whichever is less.4. Lodging. NCAHU reimburses the cost of hotel accommodations based on the most cost efficient occupancy at the hotel chosen by the event sponsor.5. Items not allowed. NCAHU does not pay for the following: alcohol, items purchased in the mini-bars in hotel rooms, movies, massages, gyms, and other extraneous luxuries. NCAHU will not reimburse members for any airline tickets or hotel rooms if the members register but fail to attend the event for any reason.6. Incidentals. NCAHU will reimburse for business-related incidental expenses such as meals, cabs, and tips. NCAHU expects attendees to be prudent. For example, share cabs when possible. Do not select the most expensive restaurant when reasonable alternatives are available.7. Mandatory attendance. When NCAHU pays for members to attend certain events, it is with the expectation that members will represent NCAHU by attending the important meetings. For example, when members go to the NAHU Convention, members are expected to vote at the House of Delegates meeting. If members fail to attend these important functions, NCAHU will not reimburse members for any expenses.8. Timing. Submit your reimbursement request an accompanying receipts within 30 days after the event or your reimbursement could be denied. <p>Expenses for NAHU’s Capitol Conference are subject to the following rules:</p> <ol style="list-style-type: none">1. Expenses shall not be allowed unless the Delegate participates in the visits to the local congresspersons’ and Senators’ offices that have been set up by the Legislation Chair.2. The travel allowance may not exceed the coach fare for the best priced airline ticket between the most convenient departure and arrival airport from the San Francisco Bay Area to the Washington, DC, area in the Delegate’s particular circumstances. It is acceptable for the Delegate to apply the dollar amount for such a ticket to another form of travel or to different departure and arrival airports.3. The lodging allowance shall not exceed the rate established by NAHU with the destination hotel. Should the Delegate obtain better rates, the reimbursement amount shall not exceed the amount actually paid. The number of days allowed for lodging shall be the number of days of the conference plus one.4. The allowance for meals shall be a per diem amount of \$80.00. Delegates must still turn in receipts to qualify for this per diem allowance.5. The Delegate shall be reimbursed for the cost of the NAHU registration up to the early bird amount unless circumstances approved by the NCAHU Board dictate otherwise.
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Investments	<p>The selection of investment advisors and/or investment products requires approval of the NCAHU Board. The NCAHU Board shall not make any risky or speculative investments.</p> <p>The NCAHU Board shall deposit NCAHU reserves in safe and conservative vehicles such as bank Certificates of Deposit or money market accounts.</p> <p>To insure adequate liquidity, Certificates of Deposit (CDs) shall be opened for 3 months, then 6 months, then 9 months, and 12 months. This will insure that CDs come up for renewal every 3 months and can be liquidated if NCAHU needs funds to operate.</p> <p>To insure that funds are protected by FDIC insurance, NCAHU shall not maintain more than \$100,000 on deposit at a single bank.</p>
Money management	<p>NCAHU shall maintain a checking account and one or more savings accounts to maximize the return on NCAHU revenues.</p>
Write-off of accounts receivable	<p>Accounts receivable that are more than 12 months shall be written off; if funds are collected subsequent to the write-off, the funds shall be deposited and credited to the line item in the budget that gave rise to the accounts receivable.</p>

Operational Policies and Procedures

Contracts	<p>The NCAHU Board shall review all contracts annually to insure satisfactory performance and adherence to contractual terms.</p>
Insurance	<p>NCAHU is a non-profit corporation with special protections under State law that protects Board members against lawsuits if (1) Board members are not involved in self-dealing transactions and (2) Board members are not engaging in illegal activities.</p>
NCAHU logo and stationery	<p>NCAHU's logo shall be used to identify members or for association business only. NCAHU stationery shall be used for association business only.</p>
Website	<p>The NCAHU Board shall insure that it maintains ownership of and access to the association's domain name and Website.</p>