

Monterey Bay Association of Health Underwriters

POLICIES AND PROCEDURES

The Board of Directors of the Monterey Bay Association of Health Underwriters (MBAHU) has adopted, and may from time to time amend, the following policies and procedures. These policies and procedures are designed to insure that MBAHU operates in a consistent and prudent manner year after year.

Original Date of Adoption: 05-04-2006

Date of Subsequent Amendments:

Finance and Accounting Policies and Procedures

Accounting method	MBAHU shall use the "accrual" system of accounting
Annual review of financial records	If possible, the MBAHU Board shall arrange to have MBAHU's books reviewed by an outside third party
Assets (if any), depreciation of inventory of	Assets, if any, will be expensed rather than depreciated whenever possible. The Board shall review a list of MBAHU's assets annually and make adjustments when warranted
Auditor, selection of	The MBAHU 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 MBAHU Board. Bank statements shall be reconciled each month. Payees on any checks that remain outstanding after 60 days will be contacted to see about the status of the checks. If necessary, stop payments shall be placed on any outstanding checks that need to be reissued.
Books	MBAHU Board members are entitled to review MBAHU's books after giving the Treasurer 5 business days' notice
Budget	The MBAHU Board 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 MBAHU Board when the time comes to make those expenditures. Expenditures that are NOT contained in an approved budget require approval of the MBAHU Board.
Checking account	To every extent possible, MBAHU shall maintain 3 months of operating expenses in MBAHU's general checking account. If and when funds in the general checking account routinely exceed 3 months of operating expenses, the MBAHU Treasurer is authorized to transfer funds into Certificates of Deposit for purposes of building reserves. If funds in the general checking account drop below 3 months of operating expenses, the Treasurer is authorized to transfer funds out of reserves into the general checking account to maintain the target of 3 months of operating expenses in the general checking account at all times.
Check requests	Requests for MBAHU checks shall be submitted to the Executive Director on MBAHU's check requisition form. The submission should include all applicable backup documentation and every effort should be made to give the Executive Director ample time to process the check request.
Check signing authority	Two signatures are required on all checks. The President, President-Elect, Treasurer, and Executive Director shall be signers on MBAHU'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. MBAHU pays expenses to members on a reimbursement basis only. With approval of the MBAHU Board, exceptions can be made for large expenditures that would otherwise have to be advanced by the member. Expense reimbursements must be authorized in advance by the Board. Members must complete a reimbursement form and attach receipts for all expenses. The reimbursement form must be turned into the MBAHU Executive Director within 30 days. Reimbursement will not be made until all forms are completed and receipts are received by MBAHU.2. Travel. MBAHU will reimburse for air and ground travel and hotel accommodations.3. Mode of travel. MBAHU 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. MBAHU 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. MBAHU does not pay for the following: alcohol; items purchased in the mini-bars in hotel rooms; movies; massages; gyms; and other extraneous luxuries. MBAHU 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. MBAHU will reimburse for business-related incidental expenses such as meals, cabs, and tips. MBAHU 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 MBAHU pays for members to attend certain events, it is with the expectation that members will represent MBAHU 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, MBAHU will not reimburse members for any expenses.8. Timing. Submit your reimbursement request and accompanying receipts within 30 days after the event or your reimbursement could be denied. <p>Expenses for NAHU and CAHU conferences are subject to the following rules:</p> <ol style="list-style-type: none">1. Expenses shall not be allowed unless the attendee participates in the visits to the local elected representatives 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 to the Washington, DC, area given the attendee's particular circumstances. It is acceptable for the attendee 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 or CAHU with the destination hotel. Should the attendee 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. Attendees must still turn in receipts to qualify for this per diem allowance.5. The attendee shall be reimbursed for the cost of the NAHU or CAHU registration up to the early bird amount unless circumstances approved by the MBAHU Board dictate otherwise.
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Investments	<p>The selection of investment advisors and/or investment products requires approval of the MBAHU Board. The MBAHU Board shall not make any risky or speculative investments.</p> <p>The MBAHU Board shall deposit MBAHU 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 MBAHU needs funds to operate.</p> <p>To insure that funds are protected by FDIC insurance, MBAHU shall not maintain more than \$100,000 on deposit at a single bank.</p>
Money management	<p>MBAHU shall maintain a checking account and when revenues allow, one or more savings accounts to maximize the return on MBAHU 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 MBAHU Board shall review all contracts annually to insure satisfactory performance and adherence to contractual terms.</p>
Insurance	<p>MBAHU 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>
MBAHU logo and stationery	<p>MBAHU's logo shall be used to identify members or for association business only. MBAHU stationery shall be used for association business only.</p>
Volunteers	<ul style="list-style-type: none">• MBAHU members will always have first right to volunteer at MBAHU events when needed• Associate Members are not allowed to make financial decisions for MBAHU
Website	<p>The MBAHU Board shall insure that it maintains ownership of and access to the association's domain name and Website.</p>