



ACCCA FINANCIAL PRIMER

FIDUCIARY RESPONSIBILITIES, FINANCIAL OPERATIONS AND BUDGET DEVELOPMENT





THE ROLE OF THE BOARD

VERSUS THAT OF STAFF OR THE FINANCE COMMITTEE



ROLE AND RESPONSIBILITIES

The Board Member...

- Is/are collectively **and individually** responsible for the establishment of, and adherence to an established set of laws, policies and processes that guide ACCCAs financial operation
- Ensures that funds are budgeted appropriately and used in ways consistent with the mission of the organization and its own strategic priorities
- Is responsible for reviewing all information and reports provided by Staff and the Finance Committee and asking questions as necessary

Staff/Finance Committee...

- Is responsible for the day to day transactions and regular oversight and reporting that is in accordance with Federal and State Law, and established guidelines as set forth by the Board
- Provides complete, timely and accurate financial information to the Board on a regular basis
- Alerts the Board to any potential financial malfeasance, discrepancy or conflict of interest as necessary
- Maintains accurate and complete records of all financial accounts and transactions.



ACCCA BUDGET DEVELOPMENT

A YEAR IN THE LIFE OF THE ACCCA BUDGET



THE TENTATIVE BUDGET (JUNE) AND FINAL APPROVAL (SEPT)

- In May each year, the end of year closing is estimated and budget assumptions reviewed by the Finance Committee to prepare the tentative budget which is presented to the Board in June.
- At close of July books the fourth quarter report and annual Financial Statement or Compilation prepared and distributed to the Board.
- Finance Committee meets to consider adjustments proposed by the staff to June Budget based on the prior year actuals.
- Final Proposed Budget is prepared for the Board's consideration at the Fall meeting
- First quarter financial report prepared/reviewed following close of September books

BUDGET ADJUSTMENT (JAN) AND INTERNAL CONTROLS AUDIT

- Second quarterly financial report is prepared/reviewed by Finance Committee at the close of December books
- The Finance Committee meets to review assumptions and, if necessary, prepare an adjusted “mid-year” proposal for the Board’s consideration in January meeting along with the 2nd quarterly report
- Annual audit of internal controls is initiated in the fall, findings reported at January Board meeting

THIRD QUARTER REPORT AND DEVELOPMENT OF THE NEW BUDGET BEGINS (MAR)

- Third quarterly financial report is prepared/reviewed at the close of March books and made available to the Board
- The Finance Committee begins discussions of revenue and expense assumptions for development of the following years' budget, reviews the multi year projection model and discusses their assumptions with Board at March meeting
- Invoices for annual dues are prepared and sent to all annual members (mid-April) resulting in a spike in dues revenue in May/June.
- A draft tentative budget is prepared and the multi-year staffing plan is updated in May. A tentative budget proposal is presented for the Boards consideration at the June planning meeting



FINANCIAL PLANNING AND REPORTING

TEMPLATES AND ACCESS TO INFORMATION



INTERNAL PROCESSING AND REPORTING

- Multi-Year Budget Projection Template
- The Budget Spread Sheet (used for tentative and final budget proposals)
- Staffing Plan Spreadsheet
- Monthly cash reporting (prepared by Gilbert & Associates from data accessed in our Quick Books)
- Quarterly Budget Report (shows quarterly program or class balances)
- Annual 990 Report (currently working on an extension for the 2017 return to be filed this month)
- Annual 1099 Report
- Semi-Annual FPPC Report (reports all measures supported/opposed and all financial transactions from the PAC account)
- Program Budgets and Event Reports (internal showing income/expense activity and program statistics)
- Annual PL Report (internal report showing all activity from all accounts run from Quick Books at year end)
- Annual Compilation (Prepared by Gilbert & Associates from data accessed in Quick Books and reconciles with prior year balances)
- Annual ICA Report and Tracking Sheet (internal controls audit to ensure accuracy and improve processes where applicable)



STORY OF THE BUDGET

ASSUMPTIONS IN BUILDING THE 2018-19 BUDGET



2018-19 UPDATED BUDGET ASSUMPTIONS-CHANGES SINCE JUNE

Revenue Projections:

- Conservative operating revenue estimate, projecting a lower operating deficit than in tentative budget due to cost savings
- Event revenue projected slightly higher than in tentative budget due to Admin 201 moving from restricted to general fund
- Regional Event revenue or expense is not budgeted as these activities are designed to be revenue neutral

Salaries and Benefits:

- Reclassification of FTE to PT resulted in resignation. Adding a new PT position to be reconsidered in January.
- No staff salary increases in the 2018/19 proposed budget; Finance Committee will reconsider in January 2019 if budget projections hold.
- Overall increase in health benefit costs offset by loss of one FTE

Operating Costs:

- 2.5% increase in facilities lease and parking over prior year
- Assume one replacement CPU in 18/19 and increasing maintenance costs on aging web site and database
- 40% increase to the Gilbert multi-year agreement over the prior year, with increases of \$50 per year through 2021
- 3% increase to the existing multi year agreement with School Services. Increase is offset by PAC contribution to fee

ASSUMPTIONS CONTINUED...

Board and Commission/Committee Support:

- Significant reduction due to decreasing costs associated with annual meeting
- Revisit overall commission support in January for increase to cover one in-person meeting of the RMC and related travel incentives to attend conference

Event Support:

- Anticipate lower PL for 2019 Conference than prior year due to increased facility costs
- Admin 201 incorporated into the General Fund; revenue projection is based on 35 participants @ \$2,000 fee with sponsorship revenue of \$5,000, revisit and adjust in January



2018-19 PROPOSED BUDGET

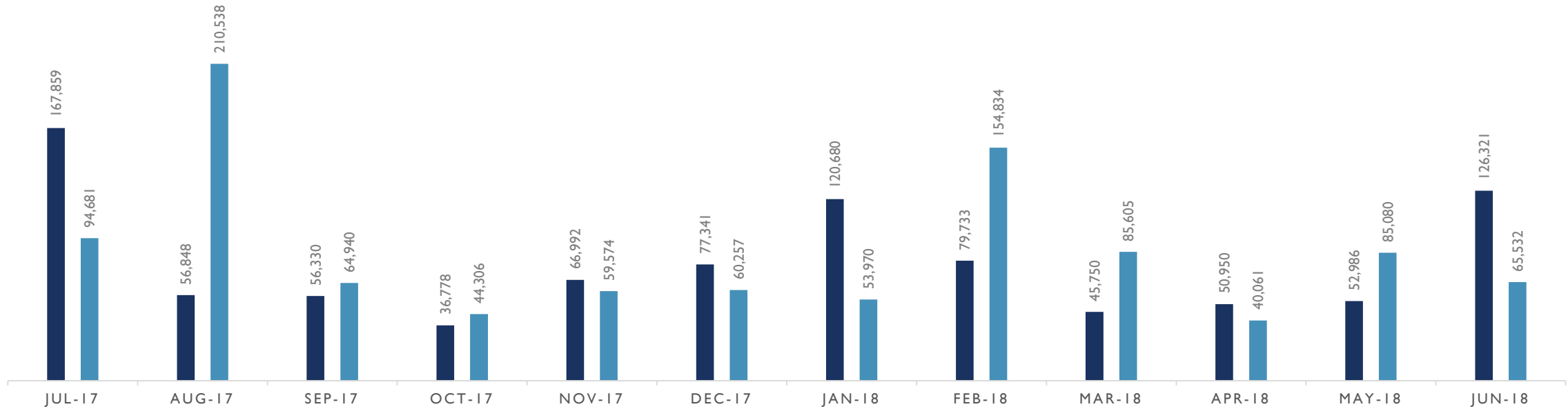
HIGH LEVEL VIEW: (A MORE DETAILED VERSION IN BOARD MATERIALS)



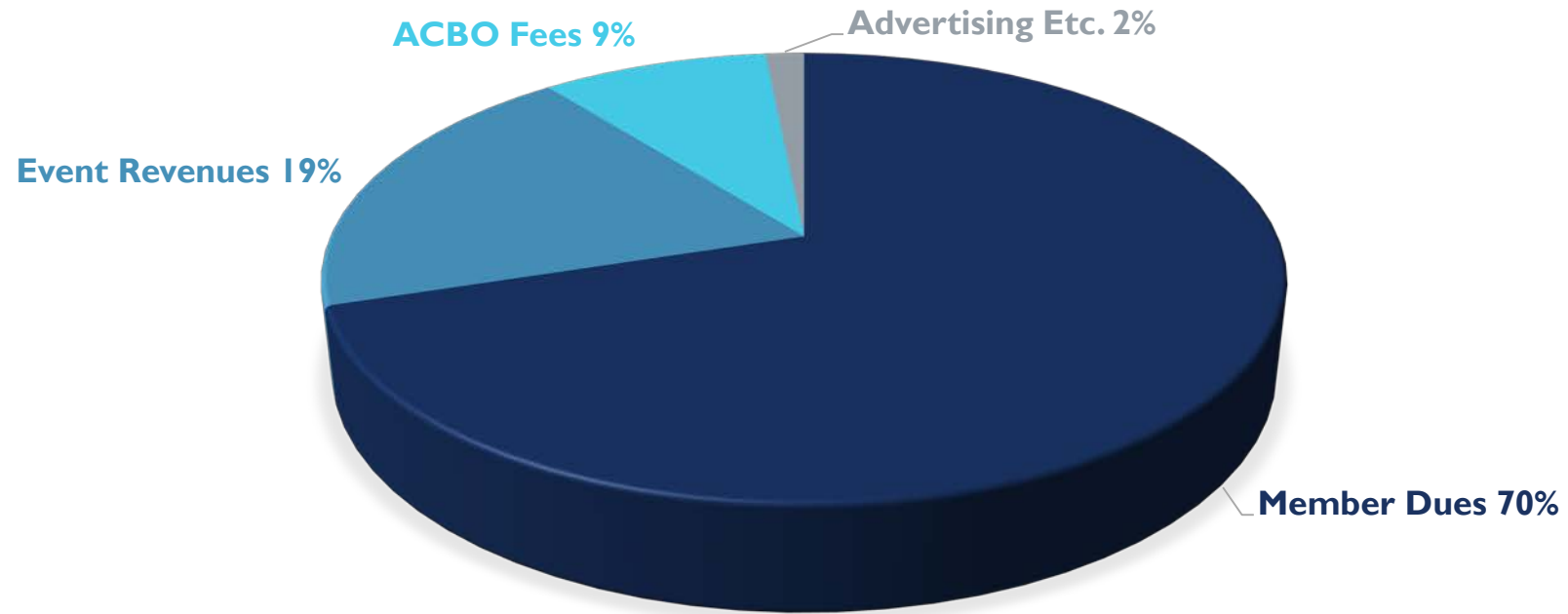
PEAKS AND VALLEYS (CASH INFLOWS AND OUTFLOWS)

2017-18 TOTAL REVENUE AND EXPENSE COMPARISON BY MONTH

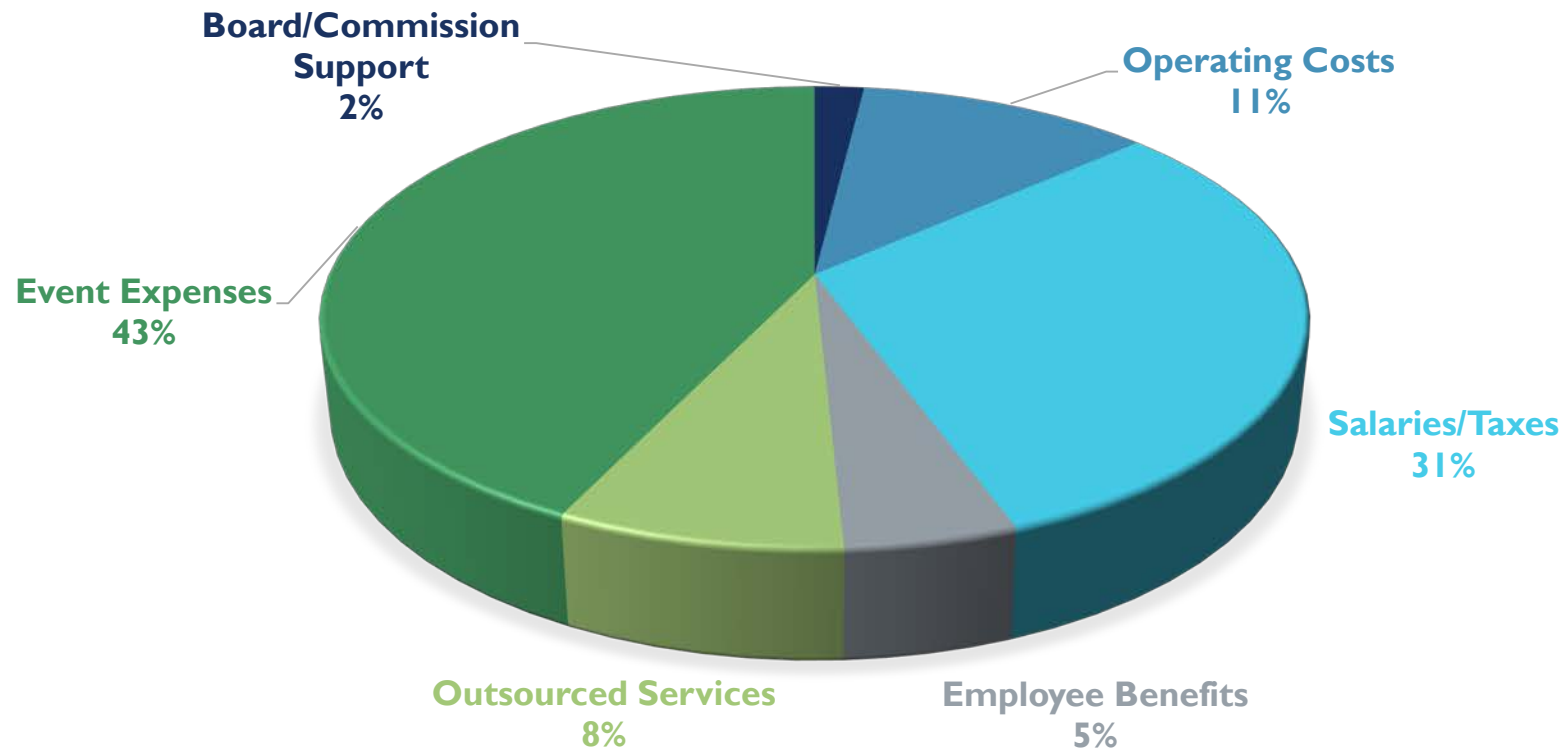
■ REVENUE ■ EXPENSE



PROJECTED REVENUES IN 2018-19



2018-19 EXPENSES AND OPERATING COSTS





ACCCA RESERVE FUND

BUILDING FOR THE FUTURE



POLICY, DEFINITIONS AND TARGET

Reserve Fund Policy (*Operating Manual, Chapter 4, Section 4.1.1 through Section 4.1.3*):

“It is the policy of the Board of Directors to establish a Reserve Fund account in the name of ACCCA in order to cover costs associated with Board-approved purposes that are deemed necessary by the Board to be in the interest of members, and according to the mission of ACCCA.”

Reserve Fund Definition: The ACCCA Reserve Fund is an account maintained separately, and in addition to the General Fund and such other accounts designated for a specific stated purpose. Revenue in the Reserve Fund is derived from the Association’s General Fund account on an annual basis and is calculated as a minimum of 5% of the net profit at the close of each fiscal year. Proceeds from the fund may be used to cover the cost of special projects on approval of the Board, and also to cover temporary cash flow as determined by the Executive Director. In order to ensure the continued operation of ACCCA, the Fund is intended to cover at least three months of operational or contracted expense in the event of a significant financial downturn, or until such time as the Association’s status is resolved.

Reserve Fund Target: An initial target or goal for the ACCCA Reserve Fund is \$135,000.