

ICRM

Financial Management

Policy

Last updated: October 1, 2021

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# ICRM Financial Management Policy

The ICRM is committed to responsible financial management to ensure all financial matters are addressed with care, integrity, and in the best interest of theICRM. The ICRM President is responsible for administering this policy and ensuring compliance with all related procedures. The Board of Regents must comply with this policy and all related procedures, and may approve changes or amendments to this policy and all related procedures at any time. A complete review of the policy shall be conducted at least once every 3 years.

## General Purpose

The purpose of this Financial Management Policy is to establish guidelines for the Board of Regents about standards and procedures to be applied when developing financial goals and objectives, making financial decisions, and reporting the financial status of the ICRM.

## Financial Responsibilities

The President-Elect/Treasurer is responsible for the oversight of ICRM’s finances. The ICRM’s Association Management Company is responsible for: the accounting software’s chart of accounts; the maintenance of the general ledger; cash management; accounts payable; accounts receivable; journal entries; and, the responsibility of preparing required reports for compliance with the Internal Revenue Service (IRS) and any other requirements as may be prescribed by federal or state laws, regulations, or guidelines.

The ICRM’s financial statements shall be prepared on the accrual basis in accordance with Generally Accepted Accounting Principles (“GAAP”). Financial reports shall be provided to the Board of Regents for each monthly board meeting.

## Finance Advisory Committee

**Role**

The role of the Finance Advisory Committee is to provide sound financial advice to the Board to assure the long-term financial stability of the ICRM.

**Committee Members**

President-Elect/Treasurer (Chair)

President

Two additional members, at least one shall be a non-Board member

**Financial Planning**

* Review Financial Management Policy at least every 3 years and provide recommendations to the Board of Regents.
* Review investment allocation and disbursement at least annually and make recommendations to the Board of Regents.
* Develop long-range financial goals and strategies to be presented to the Board of Regents.

**Internal Controls**

* Review ICRM Administrative Office financial policies and procedures at least once every 3 years.

## Accounting Methods and Standards

The ICRM’s fiscal year begins January 1 and ends December 31. Any changes to the fiscal year must be ratified by majority votes of the ICRM’s Board of Regents.

The purpose of financial management in the operations of all of ICRM activities is to fulfill the organization’s mission in the most effective and efficient manner and to remain accountable to members, partners, and the community. In order to accomplish this, ICRM commits to providing accurate and complete financial data for internal and external use by the Board of Directors.

## Investments

The investment portfolio of the ICRM must be balanced based on recommendations of the Financial Advisor. The ICRM’s risk tolerance is conservative to moderate.

The ICRM must have at least one year of operating expenses in savings. Any additional funds above that may be invested. No more than 50% of the value of the Money Market Account may be used for investments. Up to 10% of the surplus each year may be considered for investing.

The Financial Advisory Committee may propose additional funds based upon the ICRM’s financial position.

The Financial Advisory Committee will provide investment recommendations. Once approved by the Board of Regents, the President-Elect/Treasurer authorizes investment transactions.

## Budget Administration

Each Board member and Committee Chair shall provide an annual budget request for their line of responsibility. The Executive Committee will prepare a draft budget, which will be presented to the Board of Regents for approval. The Board of Regents is required to approve the budget prior to the start of the new fiscal year.

Specific preapproved budget items under $1,000 do not need to go through a secondary approval process. Regardless of cost, technology or software requests must go through the board approval process.

## Revenue Recognition

Revenue shall be recorded in the accounting period in which it is earned and measured. The ICRM’s major revenue categories are:

* Membership Dues: Revenues are recorded by membership year.
* Workshop and Partner Income: Revenues are recorded when earned, based on receipts and contractual agreements.
* Exam Administration Revenue: Revenues are recorded when earned, based on receipts and contractual agreements.
* Interest and Dividend Income: Revenues from interest and dividend income from cash and investments.
* Gain/Loss on sale of assets: A gain or loss is recognized when an asset is sold or disposed.
* Other Income: Revenues are recorded as earned.

## Expense Recognition

Expenses are generally recorded when incurred. Exceptions to this general rule include:

* Prepaid Expenses: Expenses are recorded when used or consumed.
* Capital Assets: Assets are recorded at historical costs and expensed through depreciation over the useful life of the assets.

## Cash Management Policy

On a monthly basis, the President-Elect/Treasurer shall provide:

* Bank and investment statements.
* Cash position report.

If the President-Elect/Treasurer finds the ICRM in a potential cash deficiency situation, the Board of Regents must be immediately notified.

## Cash Disbursements

Direct and necessary expenses to fulfill ICRM responsibilities shall be reimbursed. All expenses incurred must be included in the current budget or approved by a member of the Executive Committee. All expense reimbursement requests must use the ICRM Expense Report and be submitted no later than 60 days from the date of the expense. Upon approval, expense reimbursements will be processed at least monthly by the ICRM Business Office.

For specifics on travel reimbursements, see Travel Reimbursement Procedures.

The board may approve up to 5% of ICRM’s net income to benefit the RIM profession and community.

## Records and Information Management

All financial records and content will comply with the requirements of the ICRM’s Retention Policy.

## Financial Reports

The ICRM must be able to produce accurate, current, and complete disclosure of finances and make available to the Board of Regents on a monthly basis.

## Oversight

At least every three years, a financial process review shall be conducted on all ICRM accounts. The review will be overseen by the Finance Advisory Committee, chaired by the President-Elect/Treasurer. The results shall be reported to the Board of Regents.

If deemed necessary, the Board may request a financial audit be conducted by a certified, external, independent accounting firm.