

Oklahoma Chapter HFMA

Policy Manual

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Adopted July 30, 2010 -

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Policy Manual

Subject: *Accounting Procedures*

Policy: Chapter Accounting procedures will be established by the Board. The Audit Committee will review the procedures annually and recommend changes to the Board as appropriate.

Procedures: The Chapter Treasurer is to meet annually to review the Audit Committee's recommendations from the annual audit/review and review the Chapter's accounting procedures. The Treasurer will prepare and present a report, including any recommended procedural changes to the Board at their next meeting.

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Subject: *Awards*

Policy: The Chapter will pay for any budgeted awards to include President's Plaque, prizes given for tournaments, award for the volunteer of the year, and other awards approved by the Board of Directors.

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Subject: *Audit/Review*

Policy: The Chapter's receipts, disbursements and cash balance should be audited/reviewed within 60 days of each fiscal year end.

Procedures: The Audit Committee will prepare a written report and present same to the Chapter's Board no later than the Fall board meeting.

A report, including audited/reviewed financial statements, are to be made available to Chapter members upon request.

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Subject: *Conflict of Interest*

Purpose: **Article I** - The purpose of the conflict of interest policy is to protect the interests of this tax-exempt organization, (the “Chapter”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Chapter or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions: **Article II –**

1. Interested Person
 - Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest
 - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - A. An ownership or investment interest in any entity with which the Chapter has a transaction or arrangement,
 - B. A compensation arrangement with any entity or individual with which the Chapter has a transaction arrangement, or

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Subject: *Conflict of Interest* (continued)

Purpose: (continued)

- C. A proposal ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Chapter is negotiating a transaction or arrangement. Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures: **Article III -**

- A. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- B. The remaining board or committee members shall decide if a conflict of interest exists.
- C. After disclosure of the financial interest and all materials facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon.

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Subject: *Conflict of Interest* (continued)

Purpose: (continued)

D. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

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Subject: *Depository Institutions*

Policy: The Chapter treasurer shall maintain all checking and investment accounts, with authorized signatures for withdrawal of funds, in a FDIC insured financial institution.

Procedures: Said funds are to be invested in any institution covered by FDIC. Investment transactions are to be reported by the treasurer to the Board at each meeting.

Investments maturing in excess of six months require prior approval by a majority of the members of the Board.

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Subject: *Check Signers*

Policy: The Chapter shall maintain current check signer cards on hand with the depository institution. The authorized check signers shall be the Chapter President, President-Elect, Vice President, and Treasurer.

Procedures: The Treasurer shall be responsible for obtaining appropriate signature cards at the beginning of each fiscal year and removing past officers off of the signature cards as appropriate.

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Subject: *Approval of Expenditures*

Policy: The Chapter Treasurer shall maintain adequate approval of all chapter expenditures.

Procedures: The Treasurer shall be responsible for maintaining all chapter expenditures. The Treasurer may pay chapter expenses up to \$5,000. Expenditures over \$5,000 require approval from another chapter officer. The Treasurer shall forward a check approval form to officer for approval prior to payment. At each quarter board meeting, Treasurer shall also provide board members with the check register for the quarter for approval of all expenditures.

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Policy Manual

Subject: *Bank Reconciliation Review*

Policy: The Chapter Treasurer shall prepare bank reconciliations monthly.

Procedures: The Treasurer shall be responsible for preparing monthly bank reconciliations to the general ledger for all bank accounts. The Treasurer shall then forward the bank reconciliations to the Chapter President for approval. The President shall document approval with their signature on bank reconciliation and return to Treasurer.

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Subject: *Expense Reimbursement - Chapter Meetings*

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

- Meeting facilities
- Hospitality room (includes refreshments and other supplies)
- Speaker honorariums and expenses
- OHA administrative expenses

Procedures: The Chapter member or speaker incurring the expense shall submit a written request to the Program Chairman for approval. Said request shall identify meeting and date and be accompanied by paid receipts. Hotel accommodations are limited to one night. Reasonable meal and travel expenses will also be reimbursed. Automobile mileage will be reimbursed at the current IRS allowed rate.

All approved requests shall be submitted to the Treasurer for payment.

Registration fees will be waived for speakers.

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Subject: *Expense Reimbursement – Faculty/Speaker*

Policy: The Oklahoma Chapter will reimburse any faculty for their out of pocket expenses relating to a speaking engagement. An honorarium may be paid to an engaged speaker for his/her presentation if authorized according to procedures.

Procedures: Each speaker should be asked to make arrangements for all personal travel except hotel accommodations. Hotel accommodations, meeting rooms and audio visual aids will be coordinated and arranged for by the Chapter.

Prior to engagement, a speaker should be asked to give an estimate of his/her expenses. Expenses will be reimbursed to an engaged speaker by the Chapter as follows:

Transportation will be fully covered from speaker's point of origin to the meeting destination. Only reasonable coach airfare expense will be reimbursed.

Hotel accommodations will be reimbursed for one night only unless the speaker is speaking for two days or there is prior approval from the HFMA chapter President

Automobile expenses will be reimbursed at the current IRS allowed mileage rate per mile for personal car or actual fees for car rentals.

Meals will be reimbursed at a reasonable rate.

Meal gratuities shall not exceed fifteen percent (15%) of meal costs. Reasonable tips will be reimbursed for bellmen, etc.

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Subject: *Expense Reimbursement - Faculty Speaker* (continued)

Procedures: (continued)

Parking expenses will be reimbursed for reasonable and customary fees.

Other miscellaneous expenses must be itemized and may be reimbursed at a reasonable/customary rate upon approval by the Program Chairman.

Honorariums shall be paid only when absolutely necessary. The honorarium cannot exceed \$1,000.00 unless authorization is obtained from the Chapter President. The Chapter President may authorize an honorarium of up to \$1,500.00. Honorariums in excess of \$1,500.00 must be approved by the Board prior to engagement of the speaker.

Other expenses should not exceed budget. Any exception to expense reimbursement must be approved by the Board.

Within a reasonable time after his/her engagement, the speaker must submit an expense statement (all receipts for hotels, meals and transportation must be attached), to the Treasurer of the Chapter for approval. Upon approval, a check will be mailed to the speaker for all approved expenses relating to his/her speaking engagement.

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Subject: *Financial Records*

Policy:

The Chapter Treasurer shall maintain the following records:

- Checkbook
- Cash disbursements book and receipts.
- Monthly bank statements and related reconciliations.
- Invoices, check requests and documentation supporting all expenditures.
- Supporting documents for each completed program activity of the Chapter. The Program Chairman shall submit such documents within thirty (30) days of completion of a program or meeting.

The Chapter Treasurer is responsible for filing the following information, related to the fiscal year for which the position was held, with HFMA National:

- Authorization to be included in group tax return (Due July 31).
- Consolidated group tax return information (Due July 31).
- Official address form (Due June 30).

The Chapter Treasurer is responsible for preparing a list of unpaid bills and uncollected debts owed to the Chapter at the end of the fiscal year (May 31). This list must be provided to the incoming Treasurer.

Procedures:

There shall be, at a minimum, one review performed annually by the Chapter's Audit Committee. The report of the Audit Committee, based on an accrual basis, shall be presented to the Board of Directors no later than the Chapter's Fall Board Meeting. Subsequent amendments shall also be reported to said Board.

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Subject: *Investment Guidelines*

Policy: The objective of the Oklahoma Chapter regarding the HFMA's investment program is as follows:

*Assuring maximum safety of principal while. . . .
Attaining an optimal return on invested funds, and
Maintaining a liquid position.*

The Chapter or the broker will hold title to all investment instruments. Approved investment instruments are as follows:

- **Certificates of Deposit**
The amount invested in any one banking or savings institution shall not exceed the \$100,000 or current FDIC limit. Interest on CDs shall not accrue for longer than one year.
- **U. S. Government Securities**
These investments have no limit and shall include securities issued by federal agencies backed by the full faith and credit of the U. S. government, including treasury bill 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 acceptable credit rating, limited to the top 100 banks, for a period not to exceed 30 days, and an amount not to exceed \$100,000.

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Subject: *Investment Guidelines* (continued)

Policy: (continued)

- **Corporate Bonds or Notes (Commercial Paper)**
These investments shall be limited to ratings of A-1 by Standard and Poors and P-1 by Moody's for commercial paper and to a rating of AA or better for investment grade corporate bonds.
- **Cash Management Accounts**
These investments shall be limited to an amount not to exceed \$100,000 and only with a firm approved by the Board of Directors.

Other Policy Provisions:

Maturities

An amount equal to six months operating expenses shall be invested in short-term investments with maturities of one year or less. The remaining fund may be invested in longer term instruments, with an average maturity of no longer than 3 years.

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.

Review of Policy

The investment policy shall be reviewed by the Board of Directors annually.

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Subject: *Chapter Reserve Funds*

Policy: Maintain adequate reserves to insure Chapter expenses can be paid for a reasonable amount of time should the Chapter experience a negative cash flow for an extended period of time.

Maintain these cash reserves in a liquid enough position to meet cash outlays without sustaining penalties for early withdrawal of funds.

Procedures: The Chapter or the broker will hold title to all investment instruments. The Treasurer or broker shall invest the reserve funds as follows:

- Reserve funds shall be invested using the approved investment policy guidelines of the Oklahoma Chapter HFMA.

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Subject: *Operating Budget*

Policy: The Treasurer shall prepare an operating budget. The budget will be submitted to the Board of Directors for approval.

Procedures: Each year, a Budget Meeting may be scheduled by the President-Elect. This meeting, when scheduled, shall be scheduled during February, March, April, or May. Attendees will be designated by the President-Elect, but will generally consist of the current President, Treasurer, Incoming Treasurer, selected council and chairpersons, Board members and other members deemed necessary.

The line item budget shall include detailed schedules outlining specific sources of revenue and enumerating specific budgeted expenditures within each expense category.

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Policy Manual

Subject: *Program Budget*

Policy: The Chapter will be operated on a neutral to positive cash flow basis.

Procedures: All revenue and expenditures are to be managed through the operating budget. Approval or modification of the budget may be accomplished by a simple majority approval of the Board members, at a regularly scheduled or special meeting at which a quorum is present.

The Chapter accounts for revenues and disbursements on an accrual basis.

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Subject: *Publication Costs*

Policy: The Chapter shall pay for all approved publication costs.

Procedures: Chapter members incurring publication expense shall submit a written request to the Newsletter Committee chairperson for approval. Said request shall include reasons for the expenditure and all supporting documentation. Upon approval, the Newsletter Committee chairperson will forward the request to the Treasurer for reimbursement.

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Subject: *Record Retention*

Policy: All documents produced as a result of conducting the affairs of the Chapter shall be properly stored and safeguarded in order that a complete and accurate record of business transactions is readily available at all times. Recognizing that no valid reason exists to retain all documents for an indefinite period of time, certain documents may be disposed of when their retention will not serve a useful purpose.

Procedures: Documents should be retained in accordance with the following record retention schedule:

<i>Accounting</i>	<i>(years)</i>
Accounts Payable Ledger	7
Accounts Receivable Ledger	7
Audit Reports	P
Balance Sheets	P
Bills, Paid	7
Cash Books	P
Cash Disbursements	P
Cash Payroll	P
Cash Receipts	P
Cash Register	10
Check Stubs	7
Checks, Cancelled	7
Payroll	7
Petty Cash	7
Correspondence	5
Memos, Credit	7
Debit	7
Expense Records	7
Financial Statements	P

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Subject: *Record Retention* (continued)

Policy:	(continued)	
	Invoices	7
	Journals & Ledgers	P
	Notes Paid	P
	Operating Statements	P
	Payroll Journals	10
	Petty Cash Reports	7
	Trial Balances	P
	Accounts Payable	7
	Accounts Receivable	7
	General Ledger	P
	Voucher Register (Journal)	P
	 Advertising	
	Contracts	5
	Correspondence	2
	Drawing & Artwork	2
	 Bank Deposit	
	Signature Authorized	P
	Statements	7
	Deposit Books	3
	Slips	3
	Reconcilements	3
	 Budget	
	Authorizations	7
	Statistical Analysis of Expense	7
	 Corporate Papers	
	Articles of Incorporation	P
	Charter	P

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Subject: *Record Retention* (continued)

Policy:	(continued)	
	Constitution & Bylaws	P
	Documents with Register	P
	Minute Books	P
	Correspondence	
	General	2
	Insurance	
	Accident	8
	Fidelity	8
	Fire	8
	Hospital	7
	Inspection Certificates	7
	Liability	8
	Workmen's Compensation	10
	Inventory	
	Inventory Control	7
	Plant & Fixtures	P
	Legal	
	Contracts	10
	Customers (non-government)	10
	Government Contracts	4
	Employees	P
	Royalties	P
	Claims and litigation files	10
	Copyright, patent and trademark registration	P
	Personnel	
	Applications	1

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Subject: *Record Retention* (continued)

Policy:	(continued)	
	Earning Records	P
	Employment Releases	P
	Employee contracts	10
	Garnishments	10
	Government reports	6
	Insurance, Hospital	7
	Payroll Analysis	7
	Pensions	P
	Service Records	P
	Time Cards	5
	Wage Rate Changes	8
	Property	
	Inventories	P
	Depreciation records	P
	Public Relations	
	Annual Reports	P
	Purchasing	
	Correspondence	5
	Invoices	7
	Purchase Orders	7
	Sales	
	Purchase Journal/Register	7
	Accounts Receivable Register	7
	Correspondence	5
	Customer Orders	7
	Invoices	7
	Remittance Statements	2

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Subject: *Record Retention* (continued)

Policy:	(continued)	
	Sales Journal/Register	7
	Summaries of Expense	7
	Taxes	
	Income	P
	Property	P
	Sales	P
	Social Security	P
	Withholding Certificates	P
	Payroll Tax Returns	4
	Traffic Department	
	Bills of Lading	4
	Freight Bills	4

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Subject: *Registration Fees*

Policy: The Chapter shall charge program registrants a registration fee that is appropriate for the sound management of the Chapter.

Procedures: At the beginning of each Chapter year, the Treasurer, in conjunction with the President and the Program Chairman shall recommend a charge structure for education program registration fees. As a part of the budgeting process, recommendations to change the registration fee charge structure may be made by the Treasurer as deemed necessary.

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Subject: *Registration Refunds*

Policy: The Chapter shall refund any meeting registration fee under conditions outlined in the procedures of this subject.

Procedures: No refund will be made to members unless requested prior to the meeting date.

To receive a full refund of a registration fee, a member must submit a written or phone request to the Program Chairman or OHA representative no less than five (5) days prior to the meeting.

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Policy Manual

Subject: *Reporting*

Policy: The Treasurer shall be responsible for the preparation of quarterly and year-to-date financial statements outlining the fiscal operations of the Chapter for the current year for each board meeting. These reports shall include at a minimum, the following:

- Statement of the year-to-date revenue/expenses.
- Year-to-date comparisons of budget to actual revenue and expenses.
- Balance sheet as of end of quarter
- Detail check register for quarter

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Subject: *Supplies and Postage*

Policy: The Chapter shall pay for budgeted supplies and postage expenses incurred by officers, directors, councils, committees and other members in the conduct of Chapter business.

Procedures: The member incurring the expense shall submit a Reimbursement of Expense form to the Chapter Treasurer. Such request shall identify the type of expense, date incurred and must be accompanied by receipts.

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Policy Manual

Subject: *Travel Expense for Chapter Officers*

Policy: The Chapter will pay for reasonable expense and registration fees for the following meetings:

- Leadership Training conference for the incoming President, President-Elect, Secretary, Treasurer and other committee chairs as deemed appropriate by approval of board of directors.
- Regional Presidents Meeting for the Chapter President and President-Elect.
- Annual National Convention for the incoming President and Past President.

Prior approval, by the Board of Directors, is required for payment of any other travel, registration fees, or related expenses.

Procedures: The Chapter will reimburse travel expenditures on all approved meetings and other travel based on the policy set above. The member incurring the expense shall submit a Reimbursement of Expense form to the Chapter Treasurer. All expenditures are subject to review and if any expenses are deemed unreasonable or inappropriate by an officer, then they may not be reimbursed.

Reimbursement for travel expenditures will be as follows:

- Meals - Actual costs will be reimbursed for meals. Meals should be itemized and receipts obtained on all meals. The Chapter will not reimburse cost of meals when already provided by the meeting.

Oklahoma Chapter HFMA

Policy Manual

Subject: *Travel Expense for Chapter Officers* (continued)

Procedures: (continued)

- Accommodations - Allowance will be at a rate equal to or less than the standard single rate of the hotel at which the seminar, meeting, or convention is being held. Attendees should stay at the hotel where the seminar, meeting, or convention is being conducted.
- Transportation - Current IRS allowed mileage rate will be reimbursed for business use of personal vehicle. Coach airfare will be reimbursed at the lower super-saver rate available at the time reservations are confirmed.
- Tips/Gratuities - Tips/Gratuities for meals should not exceed fifteen percent (15%) of the total cost of the meal. Reasonable tips/gratuities will be reimbursed for bellmen, etc.
- Registration Fees - Must be approved prior to actual enrollment.
- Parking Fees- Reasonable and customary parking fees will be reimbursed.
- Miscellaneous Expenses - Other reasonable expenses may be reimbursed. These expenses must be itemized and may require an accompanying receipt.

Oklahoma Chapter HFMA

Policy Manual

Subject: *Travel Expense for Chapter Officers* (continued)

Procedures: (continued)

The Chapter will not pay for personal expenses such as haircuts, laundry, souvenirs, long distance calls, etc. The Chapter will not reimburse for expenses incurred by Officers' travel companions. In case of travel companions, detailed documentation should be submitted to justify expenses of the Chapter Officer.

Within thirty (30) days after returning from a seminar, meeting, convention, workshop, etc., the member must complete a Travel Expense Form and forward to the Chapter Treasurer for approval. All receipts for hotels, meals and transportation must be attached to the completed form. After appropriate approval, a check will be issued to the traveling member for all approved expenses.

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Subject: *Whistleblower Protection*

Policy: As the nation's leading membership organization for healthcare financial management executives, HFMA prides itself on its adherence to federal, state, and local laws and/or regulations, including business ethics policies. HFMA has adopted a Code of Ethics, which requires each member of HFMA to promote the highest standards of professional conduct by practicing honesty and maintaining personal integrity. In furtherance of these principles, HFMA has adopted a whistleblower protection policy.

Procedures: Pursuant to this policy, as applicable to HFMA itself, any employee or member who becomes aware of any violation of federal, state, or local law or regulation, including any financial wrongdoing, should immediately report the violation to the President to allow the organization to investigate and, if applicable, correct the situation or condition.

If the President is involved or is believed to be involved in the matter being reported, employees or members may, in the alternative, make a report to the Chair of the Board of Directors. HFMA will conduct an investigation and take appropriate action within a reasonable period of time. Such complaints will be held in confidence to the extent the needs of the investigation permit.

If the violation of federal, state, or local law or regulation, or financial wrongdoing, concerns an HFMA chapter, the member (or the chapter employee, if applicable), should report the violation to the Chapter President. If the Chapter President is involved or is believed to be involved in the matter being reported, the violation should be reported to HFMA's President.

Oklahoma Chapter HFMA

Policy Manual

Subject: *Whistleblower Protection* (continued)

Policy: (continued)

“Financial wrongdoing” may include, but is not limited to:

- Questionable accounting practices;
- Fraud or deliberate error in financial statements or recordkeeping;
- Deficiencies of internal accounting controls;
- Misrepresentations to company officers or accounting personnel

If any member or employee reports in good faith what the member or employee believes to be a violation of the law and/or financial wrongdoing to an HFMA chapter or HFMA, its legal counsel, or to a federal, state, or local agency or assists in an investigation concerning financial wrongdoing, it is HFMA’s policy that there will be no retaliation taken against the member or employee.

Members and employees are reminded of the importance of keeping financial matters confidential. Members and employees with questions concerning the confidentiality or appropriateness of disclosure of particular information should contact the Chapter President or HFMA National office executive.