

CALIFORNIA ASSOCIATION OF HEALTH UNDERWRITERS
POLICY & PROCEDURES

POLICY TITLE: Budgeting & Financial Management

CLASSIFICATION: Finance/Executive

POLICY NUMBER: 1002

DEPARTMENT COORDINATOR: VP of Finance

MOTION: Maggie Stedt

SECONDED: Norman Sheehan

DATE APPROVED: May 9, 2022

APPROVED BY: Board of Directors

REVIEW DATE: 2024

PURPOSE: Sound financial management of the Associations resources and adherence to regulatory requirements for non-profit status.

POLICY:

CAHU shall adopt a budget for each fiscal year on or before July 31.

Expenditures contained in an approved budget do not need to be approved again by the CAHU Board when the time comes to make those expenditures.

Expenditures NOT contained in an approved budget require the approval of the CAHU Board. CAHU will maintain adequate monies on hand to meet its expected annual financial obligations.

PROCEDURE(S):

- Executive Director and VP of Finance will review all incoming expenditures and post to appropriate budgeted accounts on CAHU's books. Any unbudgeted items will be submitted to the Board for approval prior to the expenditure being made.
- To every extent possible, CAHU shall maintain an average of 6 months of expenses in CAHU's checking account or liquid assets. If and when needed, the CAHU VP of Finance is authorized to transfer funds out of reserves into checking account to maintain at least 6 months of expenses in its checking account.
- Annual Dues projected budget should be set to equal at minimum CAHU's annual contracted commitments for CAMS, Lobbyist, Insurance, and Accountants Fees.

FINANCIAL IMPACT: Accounting software and Administrative management expense.