



FIN-100: Finances – 29 January 2020

Purpose

This policy lays the cornerstone of the INCOSE financial system in terms of the fiscal year, budget, authorities, responsibilities, expense disbursements, investment initiatives and auditing.

Applicability

This policy applies to INCOSE Officers, the Executive Director, Budget Owners, Budget Line Item Managers, and other INCOSE entities involved in receipts and expenditures.

Definitions

Budget Owners are responsible for allocated budget lines within the approved fiscal budget.

Budget Line Item Managers, who report to Budget Owners, are responsible for one or more items within the budget line. Note: Budget Owners may also be Budget Line Item Managers.

Executive Director, if appointed at the discretion of the Board of Directors (BoD) in accordance with the INCOSE Bylaws, Article V, Section 5, assists the President and provides management services.

Fiscal Year

The financial year of INCOSE shall be from 01 January to 31 December, inclusive. The BoD shall approve and establish for each fiscal year a budget of revenues and expenditures. The INCOSE Membership Price List contains the BoD approved membership fees and INCOSE Central/Chapter dues.

Yearly Budget Requests

Committees, Technical Operations, Services Operations, the Corporate Advisory Board (CAB), Officers, and other INCOSE entities that require budget resources shall submit yearly budget requests.

Authority and Responsibilities

INCOSE shall have a Crime policy in an amount not less than \$500k to protect against theft of INCOSE Funds.

The Treasurer is authorized and empowered on behalf of INCOSE to receive by device, bequest, donation, or otherwise, either real or personal property, and to hold the same absolutely or in trust, and to invest, re-invest, and manage the same and to apply said property and the income arising there from to the objectives of INCOSE. The Treasurer shall, with the support of the Budget and Planning Committee (BPC), and subject to BoD approval, have the power to allocate funds of INCOSE for the purposes of carrying out the objectives of INCOSE in accordance with the Bylaws and policy.



The Officers, Executive Director, Budget Owners, and Budget Line Item Managers are authorized to commit funds for their area of responsibility, up to the amounts identified by respective line items in the annual, BoD approved, fiscal budget. Any request to commit funds in excess of the approved budget shall be submitted to the BPC for evaluation of the business case and recommendation to the BoD.

Budget Owners are allowed to reallocate funds between their Budget Line Items without exceeding their Budget Line or introducing new Budget Line Items. Whenever an overrun of a Budget Line is anticipated in excess of ten percent (10%) or \$25K USD, whichever is the smaller, the Budget Owner must receive approval from the Treasurer to continue spending. If new Budget Line Items are envisaged by the Budget Owner, a request to the BPC for approval is required.

Individual INCOSE members should neither gain nor lose personal funds as a result of assignments on behalf of INCOSE. Assignments requiring reimbursement should be planned so that their costs remain within the budget allocated. A member desiring reimbursement must first obtain approval for the expense from the Budget Line Item Manager before incurring the expense and then submit an expense report in accordance with the INCOSE Expense Reimbursement Procedure FIN-PROC-01.

The Treasurer shall distribute a complete financial statement to BoD members and committee chairpersons on a monthly basis.

The Treasurer shall monitor and maintain a minimum asset level of 35% of operating expenses.

The Treasurer shall monitor total INCOSE funding and invest reserve funds in accordance with the provisions of Investment policy FIN-104.

All instruments for payment of money by INCOSE shall be drawn in the name of INCOSE and signed by the Executive Director or a designated Officer in the absence of an Executive Director.

Budget Line Item Managers shall approve invoices pertaining to their respective budget line items prior to payment. The Treasurer shall verify, and the President-Elect shall approve invoices from the management firm prior to payment.

Investment Initiatives

Committees, Technical Operations, Services Operations, the CAB, Officers, and other INCOSE entities that have new initiatives not provided for in the approved fiscal budget may submit business cases to the BPC for evaluation and recommendation to the BoD.

Financial Audit

INCOSE shall conduct an independent audit of its books no less than every 2 years, on even years. The audit is not legally required and is instituted as good practice.

Responsible Position

The Treasurer is responsible for maintaining this policy.



Related Policies

INCOSE Bylaws

FIN-101: Budget & Planning Committee Charter.

FIN-104: Investments.

Related Procedures

FIN-PROC-01: Expense Reimbursement Procedure.

SUPERSEDES: FIN-100, April 20, 2018

APPROVED BY: INCOSE Board of Directors, Torrance CA, 29 January 2020

POLICY OWNER (RACI Responsible R): Treasurer

MAINTAINED BY: (RACI Accountable A): President