



# **Finance and Accounting Procedures**

## **Version 5.0**

### **1 November 2020**

## **1 Introduction**

This policy documents the finance and accounting procedures followed by the Forum as of 1 November 2020 unless otherwise noted. The procedures have been reviewed and approved by the Forum's CEO and Treasurer.

On 13 January 2009, the Forum Board of Directors approved the following resolution:

As a not-for-profit organization, the Forum is focused on maximizing the value provided to its members. The financial strategy for the Forum shall be aligned with this value proposition, utilizing the annual revenue stream to accomplish established objectives in a cost effective manner. The Forum shall endeavor to operate at a break-even position for revenue and expenses, within a reasonable margin (+/- 2%) and at an appropriate level of liquidity (with net assets maintained at approximately 50% of annual expenditure for normal operations).

## **2 Definitions**

- “the Bylaws” mean the Bylaws of the Corporation.
- “Corporate Administration” means the employees and contractors retained by the Forum to manage day to day operations of the Corporation. This includes, but is not limited to, the CEO, association management company, attorneys, technical editor and marketing.
- “Internal Control” means all of the coordinated methods adopted by the Corporation to safeguard its assets, verify the accuracy and reliability of its data, promote operational efficiency, encourage adherence to prescribed managerial policies, and comply with legal and regulatory requirements.
- “Operations Plan” refers to the annual Operating Plan of the Forum, which includes the defined work projects, as approved by the Forum Board of Directors, and associated budget.
- “AMC” refers to the association management company chosen by the CEO.

## **3 Accounting Method**

The Forum shall operate on a modified cash basis, as set by resolution of the Board of Directors on 18 September 2007.

## **4 Fiscal Year**

The Fiscal Year of the Forum shall be from 1 July to 30 June.



## **5 Internal Controls**

It is the Forum's Policy to maintain sound internal controls. As a part of their oversight responsibility, the CEO, Treasurer and external auditor shall periodically evaluate the system of internal controls and recommend changes to corporate administration or the Board of Directors as appropriate.

Other primary participants in the internal controls process shall be the association management company, who has responsibility for managing the corporation's financial assets on a day to day basis and who issues the invoices, tracks payments and maintains the general ledger for the Forum. It is the responsibility of the Forum's corporate administration to administer the system of internal controls, which includes such processes as annual budgets, forecasts of year end results against budget, metrics reports on business processes, audits of compliance with policy and procedures, etc.

Checks may be signed by the CEO the Treasurer or the AMC Senior Account Executive (with approval from the Treasurer), but those individuals may not make entries or modifications to the Forum's books. Only the appropriate AMC staff may make entries or modifications to the books and these staff members may not sign checks.

All expenditure transactions require approval by the CEO and Treasurer.

### **5.1 Positive Pay**

The AMC pays bills by the 10<sup>th</sup> of each month. After checks are created by the AMC staff, a list of all newly created checks is imported into the Positive Pay System (PPS) following PPS current procedures. The AMC will then send the checks with copies of the invoices attached to the Treasurer for signature using an overnight service. If other checks are written throughout the month, the same procedure will be followed unless special written procedure is obtained prior to issuance of the check. Alternatively, at the Treasurer direction, a summary of the checks written is submitted to the Treasurer for approval, and once approved the checks are signed by the AMC Senior Account Executive and mailed to the associated vendors.

### **5.2 Daily Maintenance**

The AMC will check the Positive Pay Account daily after 9 a.m. PDT for any exceptions (if a check comes through the checking account which was not included on the spreadsheet sent to the bank). If there are exceptions, refer to the Image Positive Pay Manual on the portal. The AMC will check Positive pay for any exceptions needed. If there is any suspected fraudulent activity it will be emailed to the CEO and treasurer for review and the check will be rejected. Other fraudulent activity will be emailed to the AMC for action to be taken. An immediate response will need to be made to the bank regarding these actions.



## **6 Reporting Requirements**

### **6.1 Audited Financial Statements**

An audited financial statement shall be prepared for the Corporation on an annual basis, as defined in the Forum Bylaws.

### **6.2 Annual Budget**

The CEO, working in cooperation with the Forum's officers, shall produce an annual budget supporting the annual Operating Plan. The budget shall be prepared based on "project" classes to include separate budgets for each committee, each meeting, the annual conference, the smart radio challenge, and general operations. The operations budget shall include corporate administration and shall separately report Marketing and Public Relations, Professional Fees, Capital Equipment, Travel (when not associated with a separate project class), Memberships, and Office Expenses.

The budget shall be initially reviewed and approved by the Forum's Finance Committee. Once approved, the Treasurer will submit the budget to the Board of Directors requesting a motion to release the budget to the membership for balloting. The budget shall then be balloted by the membership following the rules established in the Bylaws.

Once the budget has been approved, no additional approval shall be required to expend funds against the budget, as established by the Board of Directors on 18 September 2007. Variances in project spending or revenue shortfalls greater than 10% must be brought back to the Board for renewed approval.

Budgets for new projects that may come after approval of the annual budget shall be independently approved by the Board of Directors and managed separately.

### **6.3 Monthly and Quarterly Reviews**

The CEO will review the Forum's financial statements (activity statement and balance sheet) by the 20<sup>th</sup> of the following month and coordinate with the AMC to correct any discrepancies found. The CEO, working with the AMC, will prepare monthly financial statements (activity statement and balance sheet) forecasting revenue and expenses against budget and explaining any significant variations. The Treasurer shall review the results and report to the Finance Committee any variances requiring approval. The Finance Committee may direct that the variance be resolved within existing budget, or promote the discussion to the full Board of Directors, requesting approval on variances as necessary.



## **7 Banking**

### **7.1 Checking accounts and savings accounts**

The Forum shall maintain a checking and savings account to facilitate day to day operations. Interest from these accounts will be recorded as revenue to the appropriate general ledger code on a monthly basis. The AMC will prepare and email bank reconciliations to the CEO by the 10<sup>th</sup> of each month for his review and approval.

The CEO will post approved statements to the Group Portal.

Deposits of checks and cash to the Forum's accounts will be made by the AMC, the CEO, or the Treasurer. The AMC will be notified of deposits and will enter the deposits in the books and confirm the deposit when the bank statements are received.

### **7.2 Investment accounts**

A portion of the reserve funds for the Forum may be stored in an investment account as defined in the Bylaws and as directed by the Forum Board of Directors on 21 September 2010. Interest and gains (realized and unrealized) accrued in these funds shall be recorded in the general ledger on a monthly basis. The AMC will prepare and email bank reconciliations to the CEO by the 10<sup>th</sup> of each month for his review and approval.

### **7.3 Credit Cards**

Corporate administration may be issued corporate credit cards with a combined limit of up to \$25,000 USD as per the resolution of the Board of Directors on 14 March 2008. The CEO is granted authority to determine who receives a credit card (Forum staff and AMC staff) and at what limit as per the resolution of the Board of Directors on 13 March 2012.

## **8 Accounts Receivable**

### **8.1 Revenue Categories**

The Forum shall classify revenue in the following general ledger codes

- Membership Payments
- Facility Fees
- Sponsorships
- Exhibitor fees
- Government Grants
- Unrelated Business Income
- Accreditation Services
- Interest/Investment Income



- Other

## **8.2 Membership Renewal**

The process for facilitating membership renewals shall be as follows:

- 1) Membership renewal will be done automatically through the MemberClicks renewal system (or equivalent). An email notice will be sent to the billing representative from each organization 90 days before their membership comes due. If there is not a billing representative listed, the notice will go to the Principal Representative. The representative will be given a username and password and they will have the opportunity to go into the MemberClicks database and update their organization's information, i.e. address and telephone updates, representative changes, etc. They will also have the option to indicate how they will be paying for their member dues – they can request an invoice, indicate that they will send a check or pay by wire transfer, or pay directly into the system by credit card. As soon as they complete this renewal process, their membership is considered renewed and the date will automatically change in the system to the following year. An automated email will be generated by MemberClicks notifying the AMC and CEO that the membership has been renewed, and requests for invoices will be acknowledged with the member within 24 hours, with a target for turnaround for email delivery of invoices to occur within that same period. The AMC will also track Membership Renewal on an Excel spreadsheet and will track when payments are actually received by Organizations if they have not paid through MemberClicks. This will facilitate follow up as per 3), 4), 5) and 6) below.
- 2) If the Organization has not renewed their membership within 60 days of the member's anniversary date, an automatic reminder email will be sent to the billing contact and/or the principal representatives through MemberClicks.
- 3) If the Organization has not renewed their membership within 30 days of the member's anniversary date, an invoice will be sent by email to the member's billing contact AND the principal representative by the AMC. The email will invite the member to renew online via MemberClicks, as per item 1) above.
- 4) If the renewal has not been processed two weeks prior to the anniversary date, a third notice will be sent to the representative by MemberClicks letting them know that their organization's membership is about to expire. The CEO will contact the representative at this time to check the renewal status.
- 5) If the Membership has not been renewed at the end of the anniversary date, another notice will be sent to the representative indicating that the membership has expired and the member is in the grace period as defined by the Bylaws or other resolution of the Board of Directors. The CEO shall follow up with delinquent members to further facilitate membership renewal.



- 6) The AMC shall follow up with members who have renewed online but still have outstanding invoices for membership dues to secure payment.
- 7) Once payment for membership renewal payment is received, the AMC shall follow up with the member acknowledging receipt.
- 8) A meeting shall be held between the CEO and the AMC on a monthly basis reviewing the membership status. The CEO shall report this status to the Board of Directors at the end of each month.

### **8.3 Facility Fees**

Facility fees are fees that are charged to member representatives and guests during the registration process for attendance at meetings, the annual technical conference and other events. Registration for an event is handled through MemberClicks or equivalent. The AMC receives an automatic email when a person registers for an event and exports the registration information from the MemberClicks site to an Excel Spreadsheet. Payments can be made directly in MemberClicks and receipts are issued to each registered attendee automatically. The AMC tracks registrants who did not pay automatically when registering and makes sure payments are received.

Facility Fees are classified by event in the general ledger. For each event, the AMC shall prepare a reconciliation report mapping registration against fees received and post it to the group portal. The CEO will review the event reconciliation report for accuracy by the 15<sup>th</sup> day of the month following the event, and will send a report to the Treasurer noting any discrepancies that are found.

### **8.4 Other Online Forms**

Registration for New Memberships, Exhibitions and other services may be made available through the online MemberClicks (or equivalent) form. Use of these forms will include the option of paying by credit card, by sending a check, by wire transfer or by requesting an invoice. The AMC will check the forms report in MemberClicks often and send invoices as needed and will follow up regarding payment.

### **8.5 Invoices**

Invoices for memberships, sponsorships, exhibitor fees and other revenue categories shall be sent by the AMC via email and regular post as necessary; the invoices will be entered into the accounting system. Terms of the invoice will state 30 day payment terms (Net 30) unless otherwise approved by the CEO. A courtesy copy of the invoice will be supplied to the CEO and the AMC account executive.

Invoices requiring a signature shall use the CEO's electronic signature.





A meeting shall be held between the CEO and the AMC on a monthly basis reviewing invoice payment status. Actions will be defined at that time to follow up on delinquent payments.

## **8.6 Receipt of Payment**

Payments may be made to the Forum in one of 5 ways, each with associated controls:

- Online Credit Card – Credit Card Payments may be made through the Forum’s Authorize.net account. Payments shall be automatically deposited at the time of receipt.
- In-person Credit Card – Credit Card numbers may be supplied directly to Forum personnel over the phone, at a meeting or event. In person credit card payments shall be processed by the AMC using the Forum’s Authorize.net account.
- Check – Payments received by Check will come to the association national office. Checks will be recorded against outstanding payments and deposited by the AMC.
- Wire Transfer – Wire Transfers will be checked and recorded by the AMC and reported to the CEO.
- Cash – Payments by cash will be acknowledged by receipt with two signatures. Signatures may be by AMC, Forum staff or officers. Receipts and cash will be submitted to the AMC for processing.

Personal information collected during receipt of payment will be disposed of following Forum Policy 016:

([http://www.wirelessinnovation.org/assets/documents/Personal\\_Information\\_Security\\_Policy.pdf](http://www.wirelessinnovation.org/assets/documents/Personal_Information_Security_Policy.pdf))

## **9 Accounts Payable**

### **9.1 Notification**

Payments terms associated with all new contracts will be discussed with the AMC and CEO immediately upon signing. Once an action against a contract is executed, the AMC will be notified that an invoice against that contract will be forthcoming.

The AMC will track expected invoices and should they not be received in a timely manner, will notify the CEO, who will follow up to identify the cause of the delay.

### **9.2 Invoice Payments**

Invoices are collected by the AMC and distributed as appropriate for review and approval. Regular invoices, as designated by the CEO, are automatically approved. These include items such as the Forum’s monthly telecom services. All other invoices are reviewed and approved by the AMC account executive and the CEO. All invoices are



reviewed for accuracy, assigned an appropriate ledger code and project class. Discrepancies are reported to the CEO and Treasurer and a follow-up plan is established to resolve the discrepancy.

Invoices, time sheets, and expense reimbursement vouchers for corporate administration are forwarded to the CEO for approval. Expense reimbursement vouchers for the CEO are forwarded to the Treasurer for approval.

Once invoices have been approved, they are forwarded to the AMC, who posts them as appropriate and generates the checks. See Section 5.1 Positive Pay for procedures.

### **9.3 Credit Card Payments**

Credit card transactions are recorded on an on-going basis by the AMC. Credit card statements are received and reconciled by the AMC within 15 days of receipt of the statement. Receipts are attached to credit card statement. Monthly reconciliation is transmitted to the CEO for approval. Discrepancies are reported to the CEO and Treasurer and a follow-up plan is established to resolve the discrepancy against approved invoices and expenses. Credit card statement is processed for payment with all other accounts payable invoices except that it is paid by electronic means by the 10<sup>th</sup> of the following month. AMC initiates the transfer of funds and the CEO or Treasurer approves the transfer.

### **9.4 1099 Forms**

The AMC will send 1099 Forms to the appropriate entities as outlined by the IRS rules and regulations.

### **9.5 Wire Transfers**

Some payments of invoices or payroll items require wire transfers from the Forum's checking account direct to the payee's bank account. These transactions may be initiated by the AMC CEO or Treasurer and must be approved by either the CEO or Treasurer. In no instance may the CEO or Treasurer approve their own wire transfer.

The process for generating a wire transfer shall follow current bank procedure.

In addition, the ACH exception folder must be checked daily to insure that wire transfer debits are paid. Since no automatic ACH debits are permitted, only those debits approved by CEO or Treasurer will be allowed. This folder will be checked by the AMC.

### **9.6 Foreign currency charges**

Currency conversion fees will be charged to the same class as the underlying charge on which they are predicated. For instance, if a hotel room is paid in a foreign currency and





there is an additional charge for that transaction, the additional charge will be included as part of the original hotel expense.

### **9.7 Procedures for managing Enhanced Membership Fees**

Enhanced membership fees collected to support committee activities shall be recorded as revenue for that committee's class as per the resolution of the Members at the 2010 Annual meeting. Such fees may be kept in a separate bank account as directed by the Board. Should such an account exist, transfers to or from this account will be made following each quarter, with committee expenses paid out of the Forum's main account.

## **10 Invited Guests**

Committee members may, from time to time, invite a guest to participate in a meeting. Facility fees for these guests will generally go against the committee budget as follows:

- The expense for the guest will be recorded as a complementary facility fee against the committee budget.
- An offsetting facility fee will be recorded as meeting revenue.

Travel expenses for invited guests approved by the committee chair will go directly against the committee budget.

## **11 Approvals of time sheets for employees**

Time sheets for the CEO will be approved by the Treasurer; time sheets for the all other employees will be approved by the CEO.

## **12 Payroll Procedures**

The AMC will act as the primary payroll administrator for the Forum.

### **12.1 US Payroll**

Employees will be paid on the 15<sup>th</sup> and on the last day of the month. If one of these dates falls on Saturday, payday will take place Friday; if one of the dates falls on Sunday, payday will be on Monday. Employees will have Direct Deposit set up for their paychecks.

AMC reports payroll information to the current payroll company twice monthly. The payroll company then sends AMC a Payroll Summary. AMC then records a journal entry of the payroll information into the appropriate general ledger accounts



The payroll company will send W2 forms to employees and handle payment of all taxes. The AMC will enter all payroll information within 5 days of payroll. The AMC will track vacation or sick days used by employees.

## **12.2 Canadian Payroll**

The payroll calendar for Canadian payroll will be established in December for the following calendar year. Canadian payroll will then be entered against that calendar twice a month using the online tools provided by the payroll provider (Ceridian). Payroll will be entered at least 5 days prior to the payroll date.

Procedures that will be followed in entering payroll will include:

- Reviewing the account to ensure there are adequate funds available for the payroll
- Entering any vacation associated with the current pay period
- Reviewing the payroll to insure the pay and deductions are correct
- Submitting the payroll for processing

Payroll statements received at the end of each payroll will be reviewed by the AMC.

Canadian payroll will be drawn from a Canadian in-trust payroll account. Money will be transferred to the in-trust account once a month. Foreign exchange gains and losses associated with the in-trust payroll account will be evaluated and entered into the books quarterly by the AMC

Year end processing will be done by the payroll provider and T4 slips will be issued. Any issues found in T4 processing will be corrected before the last payroll of the year.

Vacation hours for each employee for the upcoming year will be entered into that employee's record in conjunction with the first payroll of the year.

## **12.3 Bonus Payments**

Bonus payments for the CEO are approved by the ECCP after evaluation by the ECCP of which objectives have been achieved. Bonus payments for other Forum employees are approved by the CEO following confirmation that objectives have been achieved. Confirmation of approval must be provided to the AMC prior to bonus distributions in employee's payroll.

## **13 Staff Charges to Committee**

The Board of Directors, from time to time, may direct that staff time be charged to certain projects. As per board resolution of 12 August 2014, such time will be accounted for as follows:



- 1) Overhead rate would be set based on previous years operating expenses as follows:  $\text{overhead rate} = 1 + ((\text{total operating expenses} - \text{total payroll}) \text{ divided by the total payroll})$
- 2) An allocation of total payroll will be made to the committee class as follows: (Hours worked for the committee in that pay period divided total hours worked for that pay period) times the payroll for the staff for that pay period times the overhead rate
- 3) The same allocation will be subtracted from the total payroll in the operations class

## 14 Archives

All documents and records defined in WINNF Finance and Accounting Procedures – Ver 4.0 dated 29 December 2014 or later will be archived following Forum Policy 017 ([http://www.wirelessinnovation.org/assets/documents/poli-Document\\_Retention\\_Policy.pdf](http://www.wirelessinnovation.org/assets/documents/poli-Document_Retention_Policy.pdf))

## 15 Policy Duration

This document will be in effect from the time approved unless otherwise updated.