

Document ID	Title Finance Committee Policy	Print Date 9/20/2021
Revision 2.0	Prepared By Kim Wellborn, Treasurer	Date Prepared 8/2/2021
Effective Date: 9/20/2021	Reviewed By Terri DeFlorian / Executive Director	Date Reviewed 8/20/2021
Vote unanimous	Approved By Board of Directors	Date Approved 9/20/2021

Policy: Finance Committee

Purpose: To ensure the Finance Committee fulfills the responsibilities of financial governance for the AOPT.

Scope: This policy pertains to the Treasurer and Finance Committee members

Responsibilities: AOPT Finance Committee and staff

1. The Finance Committee is responsible for making recommendations to the Board of Directors on the optimal management strategies for AOPT assets (i.e., personnel, real estate investments, stock and bond investment funds, and intellectual property) that enable the AOPT to accomplish its Mission and strategic directives and initiatives.

2. The finance committee is made up of the Treasurer (AOPT Officer) who is elected by the AOPT membership and 3-5 members who are approved by the AOPT BOD. Appointed members terms are 3 years and they can serve for 2 consecutive terms.

3. The AOPT Treasurer serves as the Chair of the committee and is responsible for bringing recommendations from the committee to the BOD for deliberation.

4. The Finance Committee responsibilities are as follows:

1. Asset Management:

- The AOPT's checking, savings, and/or money market account balances should provide sufficient funds to sustain the AOPT's operations for the upcoming three (3) months.
- Liabilities, such as the AOPT's equity line of credit balance, should be paid off prior to depositing funds in the AOPT's reserve fund.
- The reserve fund balance should be 50 - 70% of one year's operating expenses plus the sum of the SIG encumbered funds. The mutual fund investment strategy of the reserve fund should be approximately 80% stocks and 20% bonds with a range not to exceed 65 to 95% stocks and 5 to 35% bonds at the discretion of the broker.
 - The reserve fund will be managed by LPL Financial with yearly examination by the Finance Committee.
- The building fund shall remain in a separate account with the mutual fund investment strategy being approximately 80% stocks and 20% bonds with a

range not to exceed 65 to 95% stocks and 5 to 35% bonds at the discretion of the broker.

- The building fund will be managed by LPL Financial with yearly examination by the Finance Committee.
- When the balances of the AOPT's checking account and reserve fund are sufficient, funds may be allocated to the AOPT's research, practice and education fund.
- The investment strategy of the AOPT's research, practice and education fund should be no greater than 20% in high risk funds, with the remainder being in balanced or low risk funds.
 - The research, practice and education fund will be managed by Wells Fargo Advisors with yearly examination by the Finance Committee.

2. Annual Audit

- An external audit is conducted every year at the AOPT office beginning in the month of May (the audit does not get started until after the corporate tax filing date of May 15th).
- A peer review audit is conducted every year by a Finance Committee Member before its annual August meeting. The audit may include a review of income, expenses, contracts, and procedures. Data gathered is discussed with the remainder of the Finance Committee and AOPT Staff during the two days of the annual Finance Committee meeting and documented in the annual Finance Committee Meeting minutes.

3. Review of Financial Statements

- The AOPT Treasurer will be sent the following via e-mail each month:
 - Bank statement, check register, account register, and account reconciliation.
 - The Treasurer will sign and date a form each month verifying that he/she has reviewed the above information and e-mail this form back to the AOPT office for filing.

4. Financial Report to the Membership

- All summary income statements, expense summaries, and balance statements are sent to the Board of Directors, Committee Chairs, and SIG Presidents twice a year through AOPT secured digital means.
- The Treasurer will post a summary of the AOPT's financial status bi-annually.

5. Internal Revenue Service Revised Form 990 (2008)

- Refer to the policy located on the AOPT web site at www.orthopt.org/Governance/AOPT Policies/ Board of Directors (Conflict of Interest, Document Retention and Destruction, Whistleblower Protection)

6. Budget

- All Committees and Special Interest Groups that require financial assistance to operate will formally request funds according to uniform, equitable procedures.
- The Finance Committee is responsible for analyzing the AOPT's available resources and providing a recommendation to the Board of Directors, in the form of a budget and action items, on the optimal utilization of the available resources to accomplish the AOPT's Vision, Mission and current strategic directives and goals.
- The Board of Directors is responsible for final approval of the annual budget.

7. Additional Budget Items

- President's Stipend

- A stipend of \$18,000 per year is provided for the current AOPT President. One quarter of this stipend (\$4,500.00) is paid quarterly. This is tied to a commitment by this officer to carry out and execute all duties required of the AOPT President, which requires approximately 15 hours per week of dedicated time.
- Vice President’s Stipend
 - A stipend of \$6,000 per year is provided for the current AOPT Vice President. One quarter of this stipend (\$1,500) is paid quarterly.
- Board Administrative Expense
 - Funds available to the Board for approved expense items.
- Benevolent Giving Objective
 - Funds from the AOPT’s checking account or investment accounts may be allocated for non-AOPT organizations, such as research foundations, scholarship funds, or political action committees, whose activities are consistent with the AOPT’s current strategic plan. The long-range financial goal for the AOPT is that funds for benevolent giving will be generated from endowment fund and real estate investment profits to ensure that annual contributions to the selected organizations can be made. Requests will be reviewed annually at the August Finance Committee meeting and recommendations will go to the BOD.

8. Approval

- The recommended annual budget from the Finance Committee is reviewed, modified, and approved by the Board of Directors at the Fall Board of Directors meeting.

9. Anniversaries

The following bonuses will be given to each employee during the year they celebrate their anniversary:

- ✓ 5 year \$ 500
- ✓ 10 year \$1,000
- ✓ 15 year \$2,000
- ✓ 20 year \$5,000
- ✓ 25 year and each subsequent 5-year period \$5,000

Revision	Date	Description of changes	Requested By
1	02/08/2020		Joe Donnelly, President
2	09/20/21	Add staff anniversary bonus' back into policies	Terri DeFlorian, Exec Dir

