



FUNCTION: FINANCIAL MANAGEMENT AND REPORTING

SUB-FUNCTION: Member Unit Financial Management and Reporting

TYPE: Policy

NAME: Member Unit Financial Management and Reporting

APPROVAL DATE: 20181218

EFFECTIVE DATE: 20190101

1.0	PURPOSE
	This policy outlines the reporting requirements, operations, and funding of member units and associated operations for the geographic and technical communities of the Society.

2.0	SCOPE
	This policy is applicable to all member units and the geographic and technical communities of the Society.

3.0	POLICY-SPECIFIC DEFINITIONS	
	Centralized Resource Costs	Society shared costs, approved by the Board of Directors and designated to the Society Operating Fund, to cover resources and activities such as staff, initiatives, special projects, and tools.
	Dues Allocation	A base amount per paid member (excluding student members) of the annual established membership dues.
	Geographic Leadership Operations	Geographic Communities Council (GCC) and Region Centers operations (including related travel, events, and special projects).
	Geographic Total Fund Pool	The Dues Allocation cumulative total for all geographic communities operations.
	Region Center	Virtual organization for a region, managed and directed by an elected Region Director and appointed Deputy Region Directors and served by ASQ staff, to govern the operations of a region, as defined by Geographic Communities policy.
	Segment	A group of technical communities, as defined by the Technical Communities policy.
	Technical Leadership Operations	Technical Communities Council (TCC) and Segment operations (including related travel, events, and special projects).
	Technical Total Fund Pool	The Dues Allocation cumulative total for all technical communities operations.

4.0	GROUP COMPOSITION, TENURE, AND QUALIFICATIONS – NOT APPLICABLE	



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5.0	REQUIREMENTS
5.1	<p><u>Dues Allocation</u></p> <ol style="list-style-type: none"> a. Dues Allocation amounts are approved by the Board of Directors. b. The Society Treasurer, in conjunction with finance staff, is responsible for oversight of Dues Allocation consistent with this policy. c. The current Dues Allocation amounts are as follows: <ul style="list-style-type: none"> • Geographic Communities Operations: \$19.50 • Technical Communities Operations: \$10.25 d. Requests for changes to the Dues Allocation amounts can be submitted to the Board of Directors as part of the Society's annual dues review. Any request must be submitted to the Treasurer to be incorporated in the Society's dues cost model.
5.2	<p><u>Geographic Member Unit Funding</u></p> <p>The Geographic Total Fund Pool provides funding for geographic communities, Geographic Leadership Operations, and Centralized Resource Costs.</p> <ol style="list-style-type: none"> a. The funding amount for Centralized Resource Costs is approved by the Board of Directors as part of the annual Society budget. b. After Centralized Resource Costs are deducted from the Geographic Total Fund Pool, the remaining amount is allocated to the geographic communities and Geographic Leadership Operations. c. The GCC determines the allocated split between the geographic communities and Geographic Leadership Operations. By default, the allocated split is 90% to the geographic communities and 10% to Geographic Leadership Operations.
5.3	<p><u>Technical Member Unit Funding</u></p> <p>The Technical Total Fund Pool provides funding for technical communities, Technical Leadership Operations, and Centralized Resource Costs.</p> <ol style="list-style-type: none"> a. The funding amount for Centralized Resource Costs is approved by the Board of Directors as part of the annual Society budget. b. After Centralized Resource Costs are deducted from the Technical Total Fund Pool, the remaining amount is allocated to the technical communities and Technical Leadership Operations. c. The TCC determines the allocated split between the technical communities and the Technical Leadership Operations. By default, the allocated split is 90% to the technical communities and 10% to Technical Leadership Operations.
5.4	<p>Fund requests in excess of either the Geographic Total Fund Pool or Technical Total Fund Pool can be submitted for considerations to the Board of Directors.</p>



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5.5	<p><u>General Member Unit Financial Management</u></p> <ul style="list-style-type: none">a. The member unit fiscal year will coincide with the Society fiscal year.b. Member units are financially aligned to their respective Region Center or Segment. Member unit finances will be managed by the member unit but maintained at the Region Center or Segment level.c. Each member unit will designate a treasurer or other fiscal officer to be responsible for financial recordkeeping and accountability.d. Member units are responsible for developing an annual business plan and an annual budget, both of which must be submitted to and approved by their respective Region Center or Segment.e. Finance staff will disburse approved budgeted funds for each member unit at the Region Center or Segment level on a quarterly basis or other frequency approved by the GCC or TCC, as appropriate.f. The GCC and TCC will oversee and control budget variations among their respective member units and leadership operations and need only seek approval from the Board of Directors for additional funding when the variation amount exceeds the total budget of the Geographic Total Fund Pool or Technical Total Fund Pool, as appropriate.
5.6	<p><u>Financial Reporting by Member Units</u></p> <ul style="list-style-type: none">a. Each member unit must support the Society's quarterly and fiscal year-end financial reporting requirements. Financial reports must be submitted and approved by the appropriate Regional Center or Segment as well as submitted to the designed staff manager for inclusion in the Society's annual tax filings with the IRS and other governmental agenciesb. The format and content of the financial reports will be provided to member units through the Region Centers and Segments. Headquarters staff will instruct on the requirements for reporting to ensure compliance.c. Financial reports must follow the Society fiscal year and use the designated tool or platform approved by the Board of Directors.d. Member units must comply with any additional reporting or auditing requirements from Financial Auditing Committee, the GCC or TCC, or the Chief Financial Officer (CFO).
5.7	<p><u>Member Unit Insurance</u></p> <ul style="list-style-type: none">a. The Society Treasurer is responsible for ensuring that appropriate insurance is in effect at all times to protect the Society, including member unit activities and financial interests.b. The Society Treasurer may designate the staff CFO or controller to secure an insurance policy protecting the Society.c. The CFO or controller will annually provide evidence to the Society's Treasurer that the appropriate insurance coverage has been secured to protect the Society.
5.8	<p>Member units in violation of this policy may have funding withheld by the Society's Treasurer.</p>



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6.0 ASSOCIATED GOVERNANCE DOCUMENTS	
<i>Articles of Incorporation</i>	All
<i>Bylaws</i>	Article 3; Article 4.5
<i>Policies</i>	Geographic Communities policy; Technical Communities policy; Financial Auditing Committee policy; Governance Documents Management System
<i>Procedures</i>	
<i>Work Instructions</i>	
<i>Templates</i>	
<i>Forms</i>	
<i>Position Guides</i>	(Society) Treasurer

7.0 REVISION NOTES	
<i>Description of Current Revision</i>	
<i>Type of Revision</i>	<input checked="" type="checkbox"/> Standard Revision <input type="checkbox"/> Temporary Deviation
<i>Deviation Termination Date (If Applicable)</i>	
<i>Proposing Individual/Group</i>	
<i>Date of Review (Bylaws Committee)</i>	<i>Date:</i>
<i>Designated Approval Authority</i>	Board of Directors
<i>Approval Date</i>	<i>Date:</i> 20181218
<i>Effective Date</i>	<i>Date:</i> 20190101 <i>Note: (If Applicable)</i>

8.0 GOVERNANCE DOCUMENT HISTORY	
<i>Governance Document ID</i>	<i>Revision Date</i>
Replaces and combines portions of F 6.00, F 10.02, and F 7.00	