FICPA

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

Approved on December 7, 2006 by:

Board of Governors

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

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Florida Institute of Certified Public Accountants

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INTRODUCTION

The Florida Institute of CPAs (FICPA) is the premier professional organization representing Florida's Certified Public Accountants. Founded in 1905, the FICPA is exempt from taxation under Section 501(c) (6) of the Internal Revenue Code. Its fiscal year-end is June 30. Membership is mostly limited to Certified Public Accountants, the majority of which practice accounting in Florida.

The FICPA's main objective is to promote and protect the standards of independence, integrity and objectivity in the profession. Toward that end, the FICPA is actively involved in governmental affairs and offers many other important services to its members. One important service is continuing professional education, of which the FICPA is the largest provider to CPAs in Florida.

The Executive Committee shall manage the affairs of the FICPA and oversee the activities of the committees and chapters. The appointed CEO-Executive Director reports to the President and is responsible for carrying out basic policies, as determined by the Board of Governors, and the management of the FICPA and its staff. Under the supervision and guidance of the CEO-Executive Director, an Executive Team plans and coordinates the Institute's activities. Other staff members perform their assigned duties for the FICPA under the supervision of the Executive Team and Directors.

FINANCE AND ACCOUNTING DEPARTMENT RESPONSIBILITIES

The FICPA Finance and Accounting Department is responsible for all financial activities and reporting requirements of the FICPA, FICPA Educational Foundation, CPA Service Corporation and the five separate CPA/Political Action Committees. Additionally, the department provides financial information to the Board of Governors, Executive and Finance and Office Advisory Committees as well as the CEO-Executive Director, Senior Directors, Directors, Managers and various regulatory agencies.

The accounting records of the FICPA are audited annually by an independent CPA firm. Once accepted, the audit report is published on the FICPA website and is available to both members and nonmembers.

The Finance and Accounting Department is responsible for the preparation of an annual budget, including a separate CPE Budget, and supports other FICPA departments by providing timely and relevant financial reporting.
Key elements to achieving these objectives include:

- Sound fiscal policies and procedures.
- Sound internal control policies and procedures.
- Timely and accurate financial reports.
- Effective use of information technology.

PURPOSE OF THIS MANUAL

The policies and procedures discussed herein address the various accounting and financial policies, internal control policies, risk reduction policies and office administration policies relevant to the operations of the FICPA and its subsidiaries. These written policies are designed to ensure financial accountability and transparency, eliminate misunderstandings and protect the assets and viability of the FICPA. It is the responsibility of the Chief Financial Officer to ensure sound accounting practices and internal controls.

While every effort is made to keep this manual up-to-date, all items referenced herein are subject to modification, amendment, or deletion. All amendments will be brought before the Committee on Finance & Office Advisory for recommendation and approval.

All Manuals are the property of the FICPA. The Chief Financial Officer is responsible for the distribution of this manual to said employees who, in turn, are responsible for safeguarding the materials and inserting approved changes. The Manual must be returned to the Chief Financial Officer upon termination of employment.

Approved: Oct. 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

SEGREGATION OF DUTIES

Effective internal controls mandate, when possible, an adequate segregation of duties to reduce the probability of dishonesty.

STATEMENT OF POLICY

It is the policy of the FICPA to ensure an adequate segregation of responsibilities with regard to all aspects of the financial operations of the FICPA to include but not limited to cash receipts, bank deposits, bank statement reconciliations, invoice approval, check preparation, check signing, and expense reimbursement approvals. Additionally, the FICPA will consult with its independent CPA firm to study internal controls and recommend improvements in segregation of duties.

COMPREHENSIVE POLICY

STATEMENT OF POLICY

All accounting and financial policies contained within this manual are all inclusive and supersede any and all previously adopted accounting and financial policies. Furthermore, any exception to a policy must be clearly documented and will not in anyway make the exception a policy.

The Executive Committee may refer a policy to another committee for review if deemed appropriate, however the Executive Committee will have final approval before the policy is submitted to the Board of Governors. Once a policy has been approved by the Board of

Governors, it will be understood to constitute an effective policy. Thereafter, any policy additions or changes to a policy will be required to go through the established review and approval process.

Approved: Oct. 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

CEO-EXECUTIVE DIRECTOR SUCCESSION

STATEMENT OF POLICY

In the absence of the CEO-Executive Director, the Deputy Executive Director is responsible for the administration of the office, followed by the Chief Operating Officer and the Chief Financial Officer.

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CHAPTER 1

GENERAL LEDGER ACTIVITY AND FINANCIAL STATEMENT PRESENTATION

I. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

STATEMENT OF POLICY

It is the policy of the FICPA to use the accrual basis of accounting that recognizes revenues when they are earned (and expected to be realized) and recognizes expenses when the related goods or services are used. The financial statements will be prepared following generally accepted accounting principles.

Membership dues are recorded ratably over the applicable membership period. Fees for continuing education courses and related direct costs are recognized as revenue and expense in the period in which the event is held.

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II. CHART OF ACCOUNTS

The chart of accounts is the backbone of any accounting system. Therefore, the chart of accounts is constructed to allow a trained accountant an immediate understanding of the accounting numbering system. The chart of accounts is divided into five major account groupings and then subdivided by Functions, Programs or Departments. This subdivision allows the Accounting and Finance Department to prepare departmental and program financial statements:

Account Classification	Financial Statement
1. Assets	Statement of Financial Position
2. Liabilities	Statement of Financial Position
3. Net Assets/Members Equity	Statement of Financial Position
4. Revenues	Statement of Activities
5. Expenses	Statement of Activities
6. Functions, Programs or Departments	Statement of Activities

STATEMENT OF POLICY

It is the policy of the FICPA to maintain a chart of accounts. A current chart of accounts is necessary to ensure proper account coding and all employees involved with account coding responsibilities or budgetary responsibilities will be issued a chart of accounts. The Chief Financial Officer and the Director of Finance are the only employees with authority to add or delete accounts.

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III. JOURNAL TRANSACTIONS

STATEMENT OF POLICY

It is the policy of the FICPA to record and post monthly all general journal ledger entries to the general ledger. All entries that do not originate from journals should be supported by adequate documentation. Nonrecurring adjusting journal entries must be prepared to properly reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to, the following items:

- Recording of non-cash transactions
- Correction of posting errors
- Accrual of income and expense items

All non-recurring or unusual adjusting journal entries must be authorized by someone who is not involved in the origination of the entry.

- The Director of Finance will review and approve entries generated by the Accounting Coordinator and the Accounting Specialist.
- The Chief Financial Officer will review and approve entries generated by the Director of Finance.
- The CEO-Executive Director or the Chief Operating Officer will review and approve entries generated by the Chief Financial Officer.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. LEASES

STATEMENT OF POLICY

It is the policy of the FICPA to record leases as either capital leases or operating leases in the financial records, based on appropriate qualification criteria.
A cost-benefit analysis will be prepared to assist in determining whether to lease or purchase a piece of equipment. All capital purchases are to be included in the Capital Budget of the Institute and are approved by the Board of Governors.

When an equipment lease is capitalized, the equipment will be included among the fixed assets of the FICPA and depreciated accordingly. Payments for operating leases are considered expenses in the period the lease payment is made.

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Approved: December 7, 2006 – Board of Governors

V. CLEARING ACCOUNTS/OVERHEAD ALLOCATIONS

Clearing accounts are temporary accounts used in the interest of accounting expediency. They are used during the month, but are "cleared out" at the end of the month and distributed to various accounts accordingly. Clearing accounts are temporary and do not appear on the financial statements. The overhead allocation methodologies used in the clearing accounts is based on employee time records and identifies time spent per program or activity. Allocations are reviewed annually and approved by the Committee on Finance and Office Advisory and the Board of Governors as part of the annual operating budget. The allocation methodology basis is reviewed annually and may be adjusted during the year if necessary.

STATEMENT OF POLICY

It is the policy of the FICPA to allocate overhead expenses to the various departments and programs of the FICPA on a percentage basis.

It is the policy of the FICPA to utilize clearing accounts for allocation of overhead expenses such as building and grounds maintenance, postage and printing, equipment maintenance and other expense accounts as directed by the Chief Financial Officer.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VI. AMORTIZATION

Amortization is a method of recognizing expenditures over a period of time rather than in one accounting period.

STATEMENT OF POLICY

It is the policy of the FICPA to amortize all maintenance and support agreements over the length of the contract. University Booster contributions, football tickets, miscellaneous community contributions and other entertainment expenses, which have no real future value or term, will be treated as a period expense and expensed in the month paid.

Approved: October 18, 2006 – F&OA and Executive Committee
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VII. PREPAID EXPENSES

STATEMENT OF POLICY

It is the policy of the FICPA to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period.

Examples of prepaid expenses include, but are not limited to, insurance premiums, travel expenses for future events, room and catering deposits for future events, and payment of any expense that has a definite time-sensitive future benefit.

Payment of any expense of $500 or less will not qualify as a prepaid expense.

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VIII. ACCRUED EXPENSES

Expenses that have been incurred, but not yet paid should be recognized on the financial statements. The relative materiality of the expenses that have been incurred must be addressed, because distribution of the financial statements should not be delayed in the interest of accruing immaterial expenses. The dollar limit of these expenses will be determined by the Chief Financial Officer.

STATEMENT OF POLICY

It is the policy of the FICPA to accrue unpaid expenses on its financial records.

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Approved: December 7, 2006 – Board of Governors

IX. ANNUAL LEAVE ACCRUAL

At the end of each fiscal year, the Chief Financial Officer will compute the liability of annual leave due employees as of the last day of the business year and disclose this liability in the financial statements. This accrual will be based on the individual leave records of the employees and will be in compliance with the leave policies established in the FICPA Human Resources Policies and Procedures Manual.

STATEMENT OF POLICY

In the last month of the year, it is the policy of the FICPA to accrue the value of the annual vacation leave due employees. This value is based on staff salaries effective at the end of the current fiscal year.

Approved: October 18, 2006 – F&OA and Executive Committee
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X. LONG-TERM DEBT

All long-term commitments will be included in the annual budget and approved by the Board of Governors.

STATEMENT OF POLICY

It is the policy of the FICPA to include the current portion of long-term debt (the amount due to be paid within 12 months) with accounts payable on the year-end financial statements. Only the non-current portion of long-term debts will be included in the long-term debt section of the year-end financial records.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

XI. DEPRECIATION/CAPITALIZATION CUTOFF POINT

STATEMENT OF POLICY

It is the policy of the FICPA to depreciate fixed assets over their estimated useful lives.

It is the policy of the FICPA to capitalize assets in the period purchased if these assets cost in excess of $1,000 or more individually.

Capitalized repairs and improvements will be depreciated using the straight line method based on an analysis of the time the repair or improvement is expected to improve the property. The Chief Financial Officer will be responsible for determining the life of an asset and will refer to the IRS guidelines for basis of that determination.

Fully depreciated fixed assets will remain on the FICPA Statement of Financial Position and will be included on the tangible property tax return until disposed of or otherwise deemed worthless.

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XII. FINANCIAL STATEMENT PRESENTATION AND DISTRIBUTION

STATEMENT OF POLICY

It is the policy of the FICPA to prepare and distribute monthly financial statements that will include the Statement of Financial Position and the Statement of Activities, including departmentalized or functional statement of activity reports, and other financial reports relevant to FICPA operations.

These statements should be prepared and published, on a monthly basis, by the 15th day following the month of close.

The statements will be distributed monthly as determined by the CEO-Executive Director. In addition, the statements will appear on all agendas of the Executive Committee, Committee on Finance and Office Advisory, and Board of Governors. Furthermore, the Committee on Finance & Office Advisory and Executive Committee shall receive an electronic version of the statements each month.

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XIII. UNRESTRICTED NET ASSETS/BOARD-DESIGNATED FUNDS

Unrestricted net assets represent the cumulative results of operations of the FICPA.

Board-designated funds are funds designated by the Board of Governors for a specific purpose.

Unrestricted net assets including board-designated funds are subject to creditor action.

STATEMENT OF POLICY

It is the policy of the FICPA to include board-designated funds with unrestricted net assets on the Statement of Financial Position. A statement of activity for board-designated funds may be included with footnotes to the financial statements as supplemental information.

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XIV. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are funds received for a designated purpose that have not been expended.

STATEMENT OF POLICY

It is the policy of the FICPA to add all temporarily restricted net assets together for Statement of Financial Position presentation. A separate Statement of Activity for Temporarily Restricted Net Assets will be included with the financial statements.

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Approved: December 7, 2006 – Board of Governors

XV. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are funds designated by the donor to be used for a specific purpose according to the donor’s wishes.

STATEMENT OF POLICY

It is the policy of the FICPA to add all permanently restricted net assets together for Statement of Financial Position presentation. A separate Statement of Activity for Permanently Restricted Net Assets will be included with the financial statements.

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Approved: December 7, 2006 – Board of Governors

XVI. ENDOWED FUNDS

Endowed funds are included with permanently restricted net assets on the FICPA Statement of Financial Position.

An endowment fund is established when a donor makes a contribution of money or property to the FICPA or FICPA Education Foundation and specifies what the endowment and earnings on the endowment are to be used for.

STATEMENT OF POLICY

It is the policy of the FICPA to include endowment funds with permanently restricted net assets on the Statement of Financial Position.

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CHAPTER 2

CASH AND INVESTMENT MANAGEMENT

I. CHECK SIGNING AUTHORITY

Proper segregation of duties is a must to ensure adequate internal controls for check preparation. As such, the following four rules should govern the selection of individuals to sign check:

1. Individuals who prepare checks should never be check signers.
2. Individuals who reconcile bank statements should never be check signers.
3. Individuals who approve invoices for payment should never sign the checks for payment of invoices they approve if they are check signers.
4. Accounting personnel should never be check signers.

STATEMENT OF POLICY

It is the policy of the FICPA to give check-signing authority to the following positions:

- CEO-Executive Director
- Chief Operating Officer
- President
- President-Elect

Checks issued for payment in excess of $50,000 will require the signature of either the CEO-Executive Director or the Chief Operating Officer and either the President or the President-Elect.

Additionally, individuals involved with check preparation and bank reconciliations are prohibited from having check-signing authority.

All banking resolutions require approval of the Board of Governors.

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II. BANK RECONCILIATIONS

In the interest of proper internal controls:

1. The bank statement will be addressed to, opened by, and reviewed by an executive-level staff member who is not involved in the accounting or bank reconciliation process.

2. Bank reconciliations will be conducted in a timely manner by someone who is not an authorized check signer.
3. Voided checks will be documented and accounted for properly. (See Voided Checks Policy in this manual.)

STATEMENT OF POLICY

It is the policy of the FICPA to address bank statements to the CEO-Executive Director for initial review of all clearings during the month. Within 24 hours, the CEO-Executive Director will forward the bank statement to the Director of Finance for reconciliation.

The Chief Financial Officer is responsible for review and approval of the bank reconciliation.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. WIRE TRANSFERS/ELECTRONIC TRANSACTIONS

The FICPA uses wire transfers for routine payments where repetitive wire transfer instructions have already been established.

The CEO-Executive Director and the CFO has security access for repetitive wire transfers.

STATEMENT OF POLICY

It is the policy of the FICPA to allow the Chief Financial Officer to make routine repetitive wire transfers which have been established with the banking institutions.

Nonrepetitive wire transfers initiated by the Chief Financial Officer are verified and approved by the CEO-Executive Director.

IV. INVESTMENT POLICY STATEMENT

The FICPA has an Investment Policy Committee charged with oversight, review and management of the FICPA and the FICPA Educational Foundation investment reserves.

STATEMENT OF POLICY

It is the policy of the FICPA to maintain an Investment Policy Committee responsible for management and oversight of the Institute's investment reserves in accordance with an investment policy statement approved by the Board of Governors. The Investment Policy Committee will meet at least quarterly and is responsible for recommending all changes to the investment policy statement to the Board of Governors.

As a service to the FICPA Educational Foundation, the FICPA Investment Policy Committee is charged with the oversight and management of the Foundation's investment reserves in accordance with its investment policy statement.

The FICPA investment policy statement can be found in Appendix A, page 4 to 7.

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Approved: December 7, 2006 – Board of Governors

V. LINES OF CREDIT

STATEMENT OF POLICY

It is the policy of the FICPA to maintain an open line of credit with lending institutions. The FICPA currently has a $500,000 line of credit with SunTrust Bank of Tallahassee. The rate is equal to prime minus 0.50% per annum. This line may be used for temporary cash flow shortages in lieu of selling investments from reserves.

Borrowing against the line of credit requires approval of the CEO-Executive Director and notification to the Committee on Finance & Office Advisory.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VI. LOCKBOX

A lockbox allows for incoming checks to be mailed directly to and deposited by a bank rather than mailed to the FICPA Administrative office. Use of a lockbox is a very effective internal control because employees do not come into contact with original checks, and the opportunity for employee dishonesty is virtually eliminated.

A lockbox also has several other advantages over mailing checks directly to the FICPA.

1. Checks are deposited into the FICPA bank account sooner, improving cash flow and float times.
2. End-of-month deposits in transit are reduced.
3. Valuable employee time isn’t wasted on preparing bank deposits, going to the bank, and so forth.
4. The possibility of losing, misplacing, or having checks stolen is eliminated.

STATEMENT OF POLICY

It is the policy of the FICPA that checks mailed to the FICPA for Membership Dues Renewals be mailed to the lockbox. In an effort to assist members, a return self addressed envelope will be enclosed with all renewal statements. The bank will image the checks along with all materials sent with the checks, including envelopes. Designated FICPA employees responsible for the posting and maintenance of dues payments will have query only access to the online banking Treasury management Web site. Finance will be responsible for balancing the deposit total and maintain a Daily Lockbox Transaction Log, which will be retained with the bank deposit slips.

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Florida Institute of Certified Public Accountants

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CHAPTER 3

ACCOUNTS PAYABLE

I. ACCOUNTS PAYABLE

Accounts payable checks shall be released at the latest acceptable time, without affecting relationships with vendors. Early payment discounts should be taken if they result in benefit, and recorded as a net expense.

STATEMENT OF POLICY

It is the policy of the FICPA to process and send checks disbursements within the following timeframe:

1 Vendors: within terms as stated on the vendor invoice (10 days, 15 days, 30 days, etc.) The term “upon receipt” shall mean within 10 working days of receipt of the invoice by accounting.
2 Discussion Leaders, Peer Review CART reviewers, member and staff reimbursement requests: within 10 working days of receipt of the invoice by accounting.

In an effort to enhance internal controls and ensure a clear segregation of duties the following policies will be followed:

1. Accounting will process vouchers and print checks at least weekly;
2. Checks will be assembled and delivered to the appropriate check signer;
3. Mailing of checks shall be done by an individual not in the accounting department. Check signer will deliver checks directly to this individual;
4. Supporting paperwork shall be returned to accounting for filing; and
5. All returned mail will be received and opened by an individual not in the accounting department.

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II. CHECK DISBURSEMENTS

Because of the need for strong internal control and segregation of duties, these rules concerning check disbursements should always be followed:

1. Unused checks are prenumbered, stored under lock and key, and requested formally.
2. Persons approving invoices and other expense vouchers should never sign the resulting check even if they are the check signer.
3. All checks will bear original signature. The use of facsimile signatures is prohibited.
4. The signing of blank checks is prohibited.

STATEMENT OF POLICY

It is the policy of the FICPA to keep unused check supplies safeguarded under lock and key. The key will be maintained by the Director of Finance. The Accounts Payable Specialist will be responsible for requesting the approximate number of checks needed. The Director of Finance and the Accounts Payable Specialists will retrieve the specified number of checks together.

All check disbursements will require approved invoices, expense vouchers, and a have completed Check Request Form attached.

Signed checks that have not been mailed or distributed will be locked at the end of each day.

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Approved: December 7, 2006 – Board of Governors

III. DATE AND TIME RECEIVED STAMP

STATEMENT OF POLICY

It is the policy of the FICPA to stamp the back of all envelopes received in the mail with a date and time received stamp. Additionally, invoices will be marked with a date and time received-in-accounting stamp in an effort to track the time it takes accounting to process checks for payment.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. PAID STAMP

STATEMENT OF POLICY

To reduce the possibility of paying an invoice twice, the FICPA will not pay from statements or from a facsimile invoice. All invoices must be original. As confirmation of payment, it is the policy of the FICPA to alter each invoice at the time the check is attached to the invoice with a “PAID” stamp.

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Approved: December 7, 2006 – Board of Governors

V. VOIDED CHECKS

Checks are voided for many reasons, such as errors made in the course of preparing a check, duplicate payments made to vendors, stop payments issued on lost checks, and etc.

Regardless of the situation, every voided check will be accounted for on a voided checks log. The voided checks log will be available for the annual audit.

STATEMENT OF POLICY

It is the policy of the FICPA to maintain a Voided Checks Log and document every check that has been voided, regardless of reason.

If voided checks are physically available, they will be stamped VOID and filed in the voided checks file, and the signature line will be torn off. Following the annual audit all voided checks will be shredded.

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Approved: December 7, 2006 – Board of Governors

VI. WRITE-OFF OF OLD OR STALE-DATED CHECKS

STATEMENT OF POLICY

It is the policy of the FICPA to make every attempt possible to contact the payees of outstanding checks that have failed to clear the bank. Checks that have been outstanding in excess of twelve months will be handled in accordance with applicable state unclaimed property laws. A log of checks that have been turned over to the state will be completed and made available for the annual audit.

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CHAPTER 4

ACCOUNTS RECEIVABLE

I. CONTROL OVER CHECKS AND CASH

All mail, with the exception of confidential mail, will be opened by at least two people who are rotated on an unpredictable basis, and persons opening the mail will have no accounts receivable or income-producing responsibilities. The staff responsible for opening the mail will be assigned by the Supervisor of Executive Business on a random basis.

After the mail has been opened, checks will be batched and a log of checks received that day will be completed by the individuals who have opened the mail.

STATEMENT OF POLICY

It is the policy of the FICPA that all incoming mail be imprinted with a date and time received stamp.

Mail will be opened in the presence of two people and endorsed before they are given to finance. Checks received will be noted on the Daily Checks Received Log Form. Once the checks have been recorded, the checks will be personally delivered to the Accounts Receivable Specialist and the Daily Checks Received Log form will be given to the Director of Finance. The Director of Finance will be responsible for comparing the Daily Checks Received Log to the deposit ticket. All checks are to be deposited on the next banking day.

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II. CHECK ENDORSEMENT/STAMP

STATEMENT OF POLICY

It is the policy of the FICPA to endorse all checks with a “for Deposit Only” stamp upon receipt.

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Approved: December 7, 2006 – Board of Governors

III. COLLECTIONS

STATEMENT OF POLICY

It is the policy of the organization to complete orders and forward an invoice within the following timeframe:

- CPE department: After the course has been closed out
- Self-study: When the materials are sent
- Peer review: According to AICPA guidelines
- Other: After service is performed

Thirty (30) days after the date of the original invoice, a "past due" invoice will be mailed to customers accompanied by copies of outstanding invoices (60 days for government customers).

Sixty (60) days after the date of the original invoice, an employee will contact the customer via telephone and attempt to collect the amount due. A record will be kept of telephone contacts.

If ninety (90) days have elapsed without payment, a letter of intent will be mailed, informing the customer that the account will be submitted to a collection agency.
Two weeks after the letter of collections intent is sent, the account will be turned over to the organization's collection agency.

A Bad Debt Collection Activity Record will be maintained to track telephone calls, letters, and collection agency action concerning the customer.

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IV. ALLOWANCE FOR DOUBTFUL ACCOUNTS

STATEMENT OF POLICY

It is the policy of the FICPA to maintain an allowance for doubtful accounts balance based on factors surrounding the credit risk of specific accounts, historical trends, and other pertinent information. The Director of Finance is responsible for preparing the allowance calculation for approval by the Chief Financial Officer.

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Approved: December 7, 2006 – Board of Governors

V. ACCOUNTS RECEIVABLE WRITE-OFF PROCEDURES AND AUTHORITY

STATEMENT OF POLICY

It is the policy of the FICPA to ensure that all available means of collecting accounts receivable (see Collection Procedures Policy) have been exhausted before write-off procedures are initiated. Write-offs are initiated by a completed Accounts Receivable Write-Off Request Form.

If a receivable is deemed uncollectible, the following approvals are required before write-off implementation:

Amount	**Individual**
• $100 or less	Director of Finance and the director of the department responsible for the revenue.
• More than $100	Chief Financial Officer and the director of the department responsible for the revenue.

Once a write-off has been implemented, a credit hold is placed on the member's account and appropriate individuals in the appropriate department are advised to ensure that further credit is not allowed and to update the master list of bad accounts.

Members listed as poor credit risks will be extended future credit only if the bad debt is paid and the customer prepays for the current service.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Invoices written off that are dated during the current year will be treated as a reduction of the appropriate revenue accounts.
2. Invoices written off that are dated prior to the current year will be treated as a bad debt.

The Committee on Finance and Office Advisory will be responsible for reviewing the current year bad debt write-offs.

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Approved: December 7, 2006 – Board of Governors

VI. NON SUFFICIENT FUNDS CHECKS

STATEMENT OF POLICY

It is the policy of the FICPA to include checks returned by the bank because of non-sufficient funds in the returned checks account in the accounting records.

If the checks in question are eligible for redeposit, the subsequent deposit will reduce the returned checks account accordingly.

If the checks are prohibited from redeposit, the FICPA Collections Policy will be implemented.

A Non-sufficient Funds Check Log will be maintained and made available for the annual audit.

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Approved: December 7, 2006 – Board of Governors

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

CHAPTER 5

REIMBURSEMENT POLICIES

I. STAFF

STATEMENT OF POLICY

The CEO-Executive Director must approve, in advance, all travel and speaking engagements of staff. By coordinating all such events, the CEO-Executive Director can ensure the appropriate staffing levels and the most effective use of personnel to support FICPA programs, goals and objectives.

Employees are encouraged to be frugal when traveling on FICPA business. This includes booking flights for early discounts; carpooling when appropriate (see next paragraph); use of FICPA vehicles when appropriate; and other cost saving measures.

The employees of the FICPA are our most valuable resource. It is necessary to make alternate travel arrangements when there is a large number of staff traveling to the same destination so as not to be on the same flight or in the same vehicle. Likewise, when a significant number of representatives from a specific department are traveling to the same area they should be separated whenever possible.

While the range of expenditures will understandably vary with geographic locations, choices for lodging, meals, and other expenses should be reasonable and not extravagant.

All travel arrangements are to be handled by designated staff in each department. Airline and hotel reservations for centrally coordinated functions (Board meetings, Committee Days, Accounting Show) are handled by the Executive Business Department and/or designated Conference Manager.

Employees traveling on FICPA business will be reimbursed for the cost of transportation, meals, lodging, fitness, and incidental expenses.

Employees should submit requests for reimbursement for moneys expended for FICPA business on a Staff Travel Reimbursement Request Form. Employees must attach all supporting documentation, including the approved travel authorization form and support for any expenses greater than $25. All receipts must be original, no photo copies or credit card statements will be accepted.
All reimbursement requests are to be reviewed and approved by the employee's direct supervisor, subject to policy limitations, and forwarded to the Accounting and Finance Department for payment.

1. **Automobile Travel**: If an employee uses his/her own automobile on FICPA business, the employee will be reimbursed at the IRS mileage rate in effect, based upon actual mileage traveled.

2. **Air Travel**: If traveling by air, an employee will be reimbursed. Wherever possible, employees should plan in advance for trips involving air travel in order to benefit from the lowest reasonable fares possible.

3. **Fitness Reimbursement**: FICPA will reimburse up to $15.00 per day for fitness related expenses. This includes fees associated with fitness facilities, and/or aerobics/fitness classes, swimming pools, etc. Excluded are "spa" related services such as massage, facials, saunas, and other "therapies."

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

II. CEO-EXECUTIVE DIRECTOR

STATEMENT OF POLICY

The CEO-Executive Director will be reimbursed for actual travel and entertainment expenses in connection with FICPA business in the same fashion as FICPA staff. The CEO-Executive Director, per contract, receives a taxable auto allowance for mileage reimbursement and is not reimbursed for mileage separately.

The CEO-Executive Director shall submit requests for reimbursement for moneys expended for FICPA business on a Staff Travel Reimbursement Request Form. The CEO-Executive Director must attach all supporting documentation, including receipts for any expenses greater than $25. All receipts must be original, no photo copies or credit card statements will be accepted. Expenses not properly documented will not be reimbursed.

All reimbursement requests, including travel charges incurred on the Corporate Credit Card are to be reviewed and approved by the FICPA President.

Travel reimbursements for the CEO-Executive Director will be forwarded to the Chair of the Finance and Office Advisory Committee quarterly for review and subsequent approval. .

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. PRESIDENT AND PRESIDENT-ELECT

STATEMENT OF POLICY

The President and President-Elect are reimbursed for actual travel and entertainment expenses in connection with FICPA business in the same fashion as FICPA staff. Furthermore, the travel and entertainment expenses in connection with FICPA business for the spouse of the President and the President-Elect are also reimbursed for the AICPA and FICPA Annual Meetings.

The President and President-Elect are to submit requests for reimbursement for moneys expended for FICPA business on a President and President-Elect Travel Reimbursement Request Form. The President and President-Elect must attach all supporting documentation, including receipts for any expenses greater than $25. Expenses not properly documented will not be reimbursed.

Travel reimbursements for the President and President-Elect are to be reviewed and approved by the CEO-Executive Director prior to reimbursement.

Travel reimbursements for the President and President-Elect will be forwarded to the Chair of the Finance and Office Advisory Committee quarterly for review and subsequent approval.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. VOLUNTEER LEADERSHIP

In an effort to control travel costs, the President and CEO-Executive Director will be responsible for providing reimbursement guidelines prior to each meeting limiting the number of nights, etc. subject to reimbursement.

STATEMENT OF POLICY

<u>A. ELIGIBILITY</u>

Reimbursement is strictly limited to: (1) members of the Executive Committee; (2) members of an Executive Committee Task Force; (3) members of the Board of Governors; (4) members of a Standing Committee; (5) a Chapter officer attending the Chapter Officers' Leadership Conference; (6) a member of the CPE Chapter Liaison Committee attending the Chapter Officers' Leadership Conference; (7) a member of the Peer Review Committee, (8) a member of the Young CPA's Committee and (9) a Chapter officer invited to attend a Board of Governors meeting.

<u>B. REIMBURSEMENT</u>

Reimbursement must be directly related to attendance of said meeting and will include the following: (1) air travel at coach fare (2) travel by personal automobile, reimbursed at the IRS rate per mile; and (3) lodging charges for hotel room and taxes, not to exceed $250 per night, unless a higher rate is specifically approved by the Committee on Finance and Office Advisory ; (3) travel, including taxi fare, to or from airports; (5) meals (not provided at meetings) and incidental expenses, established by the United States General Services Administration*; (6) parking fees; and (7) tolls.

1. A chapter may reimburse a Chapter Officer attending a Board of Governors meeting for actual expenses in excess of those reimbursed by the FICPA. Expenses eligible for reimbursement must be expenditures for the FICPA member only, and only subsequent to approval by the Chapter Board. Such Board approval must follow adequate notice being given to the chapter membership stating the date, time, place and purpose of the meeting where the vote is to take place on authorizing the reimbursement of the expenditures.

2. Travel, telephone, mailing costs and other expenses incident to Committee meetings and Chapter meetings are a personal obligation of the member or Chapter. Such obligation should be recognized at the time of the acceptance of appointment to a Committee or Chapter position.

3. The expense of mailings, printing, stationery and other materials for projects are to be requested as budget items in the committee or chapter's budget request to the Executive Committee each year. Expenses of this nature should be incurred only through the administrative offices after approval by the Executive Committee.

4. Members' expenses in connection with "Extraordinary Special Projects" are limited to transportation costs only for those "Extraordinary Special Projects" that have been approved by the Executive Committee as part of a committee's or chapter's budget at the beginning of the fiscal year, or upon request and approval by the Executive Committee at any subsequent meeting.

5. Members will be reimbursed for out-of-pocket expenses (with an upper limit) for travel, lodging and meals for attendance at out-of-state meetings at which said attendance is encouraged by the Executive Committee.

Receipts and Documentation All individual expense items in excess of $25 must be supported. Expenses not properly documented will not be reimbursed.

*
http://www.gsa.gov/Portal/gsa/ep/contentView.do?queryYear=2005&contentType=GSA_BASIC&contentID=17943&queryState=Florida&noc=T

Approved: June 16, 2005 – Board of Governors

V. EXCEPTION POLICY

STATEMENT OF POLICY

Exceptions to any travel reimbursement policy must be requested and approved in advance by the President, unless such reimbursement pertains to the President, in which case the request would need the approval of the chair of the Committee on Finance & Office Advisory. All exceptions are to be brought before the Committee on Finance & Office Advisory for ratification. In the event the Committee on Finance & Office Advisory deems said exception reimbursement unreasonable, reimbursement may be requested. However, in no instance should said amount exceed $2,000 without prior approval of the Committee on Finance & Office Advisory.

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

CHAPTER 6

TAXES/IRS FORMS

The FICPA's independent auditor prepares all applicable tax returns, which are reviewed by the Chief Financial Officer and signed by the CEO-Executive Director.

I. PUBLIC EXAMINATION OF RECORDS

Certain records of not-for-profit organizations are subject to public examination.

STATEMENT OF POLICY

It is the policy of the FICPA to comply with the public disclosure requirements of section 6104(d) of the Internal Revenue Code (Code) as amended by the Tax and Trade Relief Act of 1998.

Disclosure requirements include the application for tax exemption and the most recent three years Annual Form 990.

The FICPA will honor all in person and written requests in compliance with the Code.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

II. IRS FORM 1099

IRS regulations require organizations to complete Form 1099 for individuals who are not employees and who receive $600 or more from the FICPA.

STATEMENT OF POLICY

It is the policy of the FICPA to complete IRS Form 1099 for all individuals and vendors providing services (other than corporations) and receiving $600 or more from the FICPA, its Chapters.

A record of vendor Federal Identification Numbers and independent contractor Social Security Numbers should be maintained for audit purposes.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. IRS FORMS 990

The FICPA files a combined 990 with its Chapters and Subsidiary, the CPA/Service Corporation.

STATEMENT OF POLICY

It is the policy of the FICPA to allow public access to IRS Form 990 in accordance with section 6104(d) of the Internal Revenue Code.

The FICPA will make available for inspection, on the day requested, its three most recent Annual 990 Forms to any member of the public who requests this information in person at the FICPA Administrative Office. Copies will be provided free of charge.

The FICPA will provide its three most recent Annual 990 Forms to any member of the public for requests made in writing, whether by mail, electronic mail, fax or delivery service. The FICPA will provide copies of the requested documents, free of charge, within 30 days from the date it receives the request.

A Log of Form 990 Inspections and Distributions will be maintained.

The original Form 990 will remain at the FICPA Administrative office without exception.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. IRS FORMS 990T/UNRELATED BUSINESS INCOME TAX (UBIT)

STATEMENT OF POLICY

It is the policy of the FICPA to pay UBIT on the excess of revenues over expense on taxable activities.

The FICPA will file IRS Form 990-T and its related Florida Corporate Return Form F1120 to report unrelated activities. IRS Form 990-T and Florida Corporate Return Form F1120 are considered confidential and are, therefore, not available for public inspection.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

V. SALES TAX COLLECTION

STATEMENT OF POLICY

It is the policy of the FICPA and its chapters to collect sales tax, or accrue use tax as applicable, and pay the retailing business and occupation tax and related city tax on all sales of tangible personal property.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

CHAPTER 7

BUDGETING AND YEAR-END PROJECTIONS

I. CALENDAR

November the Finance and Accounting Department:

- Will prepare and present a current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.
- Will seek input and guidance for the upcoming budget year. Discuss assumptions, allocations, etc.

February the Finance and Accounting Department:

- Will prepare and present the CPE Group Study Program budget, including course pricing, schedules and related policies to the FICPA Committee on Finance and Office Advisory (F&OA) for approval. The CPE Program year runs April through March. Pricing for CPE Group Study is revisited every April 1. Once approved, the F&OA Committee will recommend the CPE Group Study Program budget to the Executive Committee. Upon approval, the CPE Budget will be incorporated into the annual budget.
- Will prepare and present a current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.
- Will prepare and present a preliminary subsequent year-end projection for the purpose of evaluating the liquid member equity formula and making a decision on any future dues increases.

May the Finance and Accounting Department:

- Will prepare and present the annual budget, including capital outlay requests and budget assumptions to the Committee on Finance and Office Advisory (F&OA). The F&OA Committee is responsible for conducting a line-by-line review of the annual budget. Once approved, the F&OA Committee will recommend the annual budget to the Executive Committee and Board of Governors for final approval. Will prepare and present an updated current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

II. CAPITALIZATION

Capitalization is the accounting method used to account for items with useful lives greater than one year. The cost of the item is recognized as an asset and subsequently expensed on a periodic basis over its estimated useful life.

STATEMENT OF POLICY

Acquisitions made by the organization should be capitalized if the individual or aggregated expenditure is over $1,000.00 and any one of the following criteria is present:

1. Additions that materially improve quantity and life of fixed asset (additional memory is added to computer, etc.);
2. Improvements that materially improve quality or efficiency of the fixed asset (enhancement of software, etc.); and
3. Extraordinary repairs (if fixed asset life is extended) Routine repairs and maintenance are to be expensed.

The cost of a fixed asset should include all costs necessary to put a fixed asset in place and in working order. This includes:

1. Invoice price less discounts
2. Sales tax
3. Freight-in
4. Significant consulting services
5. Installation charges (including testing and preparation for use)

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. EXECUTIVE COMMITTEE AUTHORITY

STATEMENT OF POLICY

ARTICLE XI, Section 1(c) of the FICPA Bylaws states that the Executive Committee is responsible for controlling expenditures in accordance with the approved budget. The Executive Committee may authorize additional expenditures in total not to exceed five percent (5%) of budgeted revenues from all sources.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. LIQUID MEMBER EQUITY

Liquid member equity is defined as member equity less net book value of property, plant and equipment. Membership Dues for the purpose of the minimum and maximum is defined as membership dues, late fees and reinstatement fees.

STATEMENT OF POLICY

Establish a minimum liquid reserve of 40% and a maximum liquid reserve of 50% based on the audited gross dues revenue for the prior year.

If the liquid reserve is below 40%, the Executive Committee shall automatically raise dues up to 10% each year to achieve the 40% minimum.

Once a 40% threshold is met, the Executive Committee may raise dues up to 5% in any one year provided the maximum 50% liquid reserve is not exceeded.

Dues adjustments shall be a uniform percentage applied to all dues classifications and rounded to the nearest dollar.

This action will not unalterably bind future Boards nor prevent modification or revision of this policy.

Approved: December 6, 1996 – Board of Governors

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

CHAPTER 8

SARBANES-OXLEY NON-PROFIT BEST PRACTICES

The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act, was signed into law on July 30, 2002. While only two provisions of SOX apply to not-for-profit organizations, Section 802 – Document Retention and Destruction; Section 1107 – Whistle-blower Protection, the FICPA chooses to voluntary adopt several of the recommended provisions as outline in this chapter.

I. WHISTLE-BLOWER PROTECTION

Nonprofits must develop, adopt and disclose a formal process to deal with complaints and prevent retaliation.

The FICPA Whistle-Blower Protection Policy can be found on page _____ of the Human Resources Policies and Procedures Manual.

II. AUDIT COMMITTEE

STATEMENT OF POLICY

According to ARTICLE XI, Section 1-L of the FICPA Bylaws, the President shall appoint Executive Committee members to serve on the Audit Committee whose size and composition shall be determined by the President.

A. <u>PURPOSE</u>

The purpose of the Audit Committee shall be to provide assistance to the Board of Governors in fulfilling their oversight responsibility to the members and others relating to: (i) the integrity of the FICPA's financial statements; and (ii) the independent auditor's qualifications, performance, and independence.

The committee shall retain and compensate such outside legal, accounting or other advisors, as it considers necessary in discharging its oversight role.

The committee shall meet at least two times a year and may meet additional times, as necessary. The committee may meet separately and periodically with management, and the independent auditor. The committee shall report regularly to the Board of Governors with respect to its activities.

In fulfilling its purpose, it is the responsibility of the committee to assure that the independent auditors are able to obtain all information which is necessary or useful in performing the audit and to assure that the committee, independent auditors and management of the FICPA are aware of their responsibilities.

B. <u>DUTIES AND RESPONSIBILITIES</u>

Management is responsible for the preparation, presentation, and integrity of the Institute's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the FICPA and for implementing and maintaining internal control over financial reporting. The independent auditors are responsible for auditing the Institute's financial statements.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee will take appropriate actions to set the overall "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal duties and responsibilities of the committee. These are set forth as a guide with the understanding that the committee may supplement them as appropriate.

The committee shall be responsible for recommending the independent auditors to the Executive Committee and the Board of Governors, compensation, retention, and oversight of the work of the independent auditors (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the FICPA, and the independent auditors must report directly to the committee.

At least annually, the committee shall obtain and review a written report by the independent auditors describing: (i) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (ii) all relationships between the independent auditors and the FICPA (to assess the auditors' independence).

After reviewing the foregoing report and the independent auditors' work, the committee shall evaluate the auditors' qualifications, performance and independence. Such evaluation should include the review and evaluation of the lead partner of the independent auditors and take into account the opinions of FICPA management.

The committee shall pre-approve all audit and non-audit services provided by the independent auditors and shall not engage the independent auditors to perform non-audit services where such arrangement would result in the auditors auditing their own work.

The committee shall discuss with the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and budget or compensation.

The committee shall regularly review with the independent auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the independent auditors' activities or access to requested information, and management's response. The committee should review any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm relating to problems or difficulties encountered with respect to significant auditing or accounting issues; and any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the Institute.

The committee shall review and discuss the annual audited financial statements with management and the independent auditors prior to the issuance of the Institute's audited financial statements. The committee's review of the financial statements shall include: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Institute's selection or application of accounting principles, and major issues as to the adequacy of the Institute's internal controls and any specific remedial actions adopted in light of material control deficiencies (ii) discussions with management and the independent auditors regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments; (iii) consideration of the effect of regulatory accounting initiatives, as well as off-balance sheet structures on the financial statements; (iv) consideration of the judgment of both management and the independent auditors about the quality, not just the acceptability of accounting principles; and (v) the clarity of the disclosures in the financial statements. Also, the committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the independent auditors under professional standards.

Prior to the issuance of the Institute's audited financial statements, the committee shall receive and review a report from the independent auditors on all critical accounting policies and practices of the Institute; all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditor; and other material written communications between the independent auditors and management.

The committee shall discuss the Institute's policies with respect to risk assessment and risk management, including the risk of fraud. The committee also shall discuss the Institute's major financial risk exposures and the steps management has taken to monitor and control such exposures.

The committee shall establish procedures for the receipt and treatment of whistleblower complaints received by the FICPA regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the FICPA of concerns regarding questionable accounting or auditing matters. Complaints received shall be directed to the Audit Committee Chair.

The committee shall be notified prior to the hiring of employees or former employees of the audit firm.

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. AUDITED FINANCIAL STATEMENTS

STATEMENT OF POLICY

It is the policy of the FICPA to distribute the audited financial statements, upon approval by the audit committee, to the Committee on Finance Advisory, the Executive Committee and the Board of Governors and to organizations entitled to receive a copy and to publish on the FICPA website for all membership. The audited financial statements should be published no later than December 30th of each year.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. THE ENGAGEMENT LETTER

STATEMENT OF POLICY

It is the policy of the FICPA to obtain and review the draft of the independent auditor's engagement letter to ensure that it covers matters important to the management. The audit engagement letter should be signed by the chair of the audit committee and the CEO-Executive Director.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

V. LOANS PROHIBITED

STATEMENT OF POLICY

It is the policy of the FICPA to prohibit loans and advances to employees and members under all circumstances.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VI. CODE OF CONDUCT – BOARD OF GOVERNORS

A. <u>GOAL*:*</u>

To establish a set of principles and practices for the FICPA Board of Governors that will set parameters and provide guidance and direction for board conduct and decision-making.

B. CODE:

Members of the Board of Governors of the FICPA are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of the FICPA. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability

1. Faithfully abide by the Articles of Incorporation, by-laws and policies of the Florida Institute of CPAs.

2. Exercise reasonable care, good faith, loyalty and due diligence in organizational affairs.

3. Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest, and abstain from participating in debate, negotiation or decision-making whenever a decision or lack of decision would affect any personal interest, unless such conflict of interest is properly disclosed.

4. Abstain from accepting, directly or indirectly, any gift, favor, service, employment or any other item that is offered with the intent to influence board decision-making.

Professional Excellence

5. Maintain a professional level of courtesy, respect and objectivity in all FICPA activities.

6. Strive to uphold those practices and assist other FICPA members of the board in upholding the highest standards of conduct.

Personal Gain

7. Exercise the powers invested for the good of all members of the organization rather than for his or her personal benefit, or that of organizations or constituencies they may represent.

Equal Opportunity

8. Ensure the right of all association members to appropriate and effective services without discrimination with respect to gender, sexual orientation, national origin, race, religion, age, political affiliation, geography or disability, in accordance with all applicable legal and regulatory requirements.

Confidential Information

9. Respect the confidentiality of sensitive information known due to board service.

Collaboration and Cooperation

10. Respect the diversity of opinions as expressed or acted upon by the FICPA board, committees and membership and dissent as appropriate.

11. Promote collaboration, cooperation, and partnership among FICPA members.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VII. RECORDS RETENTION/DESTRUCTION GUIDELINES

All business records should be kept no longer than the period necessary for the proper conduct of Company business. This policy shall cover all business records of the FICPA, including written, printed and recorded matter and electronic forms of records, including e-mail messages in personal folders. Employees should review their electronic files regularly and delete them where appropriate to ensure compliance with this policy. These guidelines should be reviewed annually to ensure consistency with legal requirements of other regulatory bodies.

If a lawsuit, governmental investigation or subpoena is filed, served or appears imminent, this Policy may be suspended requiring that documents relating to the lawsuit or potential legal issues(s) or audits be retained. Once an employee receives notification that the Policy has been suspended, you must retain all of the documents you are instructed to keep rather than destroying them pursuant to the Policy.

STATEMENT OF POLICY

In an effort to facilitate efficient and effective operations it is the policy of the FICPA to retain records as required by law and to destroy them when appropriate. As a condition of employment, all employees are required to follow the records retention and destruction guidelines found on page 3 of Appendix A.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

Florida Institute of Certified Public Accountants

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL

CHAPTER 9

OTHER POLICIES

I. CONTRACT SIGNING AUTHORITY

STATEMENT OF POLICY

It is the policy of the FICPA to grant authority to sign contracts to the CEO-Executive Director, Directors, or the President as long as the financial implications of the contract are provided for in the annual budget and approved by the Committee on Finance and Office Advisory.

If the financial implication of signing a contract is not included in the FICPA budget, Executive Committee approval is required before authority to sign the contract is granted.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

II. BID REQUIREMENT

Bids should be required for major purchases to ensure that the FICPA is receiving the best value for goods and services. This policy applies to all material purchases when the FICPA has discretion over the vendor chosen.

STATEMENT OF POLICY

It is the policy of the FICPA to require bids for the following expenditures:

• Printing	Discretion of each department director required on all jobs in excess of $5,000.
• Capital purchases	Three bids are required for all capital purchases exceeding $5,000
• Professional services	Professional services, including CPA firms and law firms, will be evaluated every five years or from time to time as requested by the Executive Committee, Committee on Finance & Office Advisory, Board of Governors, and Audit Committee; requests for proposals will be prepared and sent to qualified firms in the same field
• Other	As directed by the CEO-Executive Director

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

III. BONDING OF EMPLOYEES

STATEMENT OF POLICY

It is the policy of the FICPA to bond all employees involved in the financial functions of the FICPA.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IV. CORPORATE CREDIT CARD

STATEMENT OF POLICY

It is the policy of the FICPA to issue a physical corporate credit card to the following positions:

- CEO-Executive director
- Chief Operating Officer

All expenses incurred via the corporate credit card must be in compliance with the approved reimbursement policy guidelines and substantiated as to:

- Amount
- Time and place
- Business purpose/relationship
- Attendees and affiliation

Expense receipts must be attached to expense reports and submitted for approval each month.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

V. INSURANCE

STATEMENT OF POLICY

It is the policy of the FICPA to annually review insurance policies to ensure that insurance coverage is complete and adequate and that coverage limits adequately meet the needs of the FICPA, members, and employees. Insurance policies to be reviewed include, but are not limited to, the following:

- All liability policies (D&O)

- Office contents policy
- Fidelity bond policy

These policies should be reviewed with the Committee on Finance and Office Advisory at least annually.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VI. LOBBYING EXPENDITURES

STATEMENT OF POLICY

It is the policy of the FICPA to advise members of the nondeductible portion of their dues payments by annually indicating the nondeductible percentage on the membership renewal statements. The Chief Financial Officer is responsible for calculating the percentage, which is reviewed and approved by the Committee on Finance and Office Advisory.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VII. LOGO

STATEMENT OF POLICY

It is the policy of the FICPA to include the FICPA logo on all external communications as appropriate.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

VIII. SAFE DEPOSIT BOX

STATEMENT OF POLICY

It is the policy of the FICPA to utilize a safe deposit box from the bank to store valuables and important documents such as audited financial statements, annual reports, articles of incorporation and the IRS determination letter.

Access to the safe deposit box will be limited to the CEO-Executive director, Chief Operating Officer and the Chief Financial Officer, and the presence of any two of these positions must be required for access.

The Safe Deposit Box will be periodically inventoried and a Log of Safe Deposit Box Contents and a Log of Safe Deposit Box Access will be maintained.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

IX. CONFIDENTIALITY OF WAGES

All salary information is communicated on a one-to-one basis and should not be discussed with other staff members.

STATEMENT OF POLICY

It is the policy of the FICPA to treat compensation as confidential information and employees are prohibited from discussing wage and salary information with other staff members. Violations of the policy may subject the employee to disciplinary action, including possible termination.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

X. AUTO ALLOWANCE

STATEMENT OF POLICY

It is the policy of the FICPA to deny mileage reimbursement to employees receiving an auto allowance.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

XI. MAILING LIST SALES

STATEMENT OF POLICY

It is the policy of the FICPA to sell membership mailing labels as long as the product or service is of interest to the membership. A discount will apply if the purchaser is a member of the FICPA.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

XII. PAYROLL PROCESSING

There are two people will involved in the payroll process, even though the FICPA uses a third party payroll service. Staff has limited access to ADP, the FICPA's third-party payroll provider. ADP software is limited to the individual computers of the Chief Financial Officer and the Director of Human Resources. The Chief Financial Officer is responsible for assigning user security.

STATEMENT OF POLICY

It is the policy of the FICPA that the Chief Financial Officer and the Director of Human Resources be involved in payroll processing. One person will compute the payroll and the other will verify it. Both individuals will sign the payroll detail attesting accuracy.

Approved: October 18, 2006 – F&OA and Executive Committee
Approved: December 7, 2006 – Board of Governors

APPENDIX A

SUPPLEMENTAL INFORMATION

**ACKNOWLEDGEMENT OF CODE OF CONDUCT FOR
FLORIDA INSTITUTE OF CPAs BOARD OF GOVERNORS**

I certify that I have read the Florida Institute of CPAs Code of Conduct for Board of Governors and agree to conduct myself accordingly. I certify that I have no outside personal or economic interest or interests which have or may have the potential of being in conflict with the best interests of the FICPA, or are or may be in violation of the stated Code of Conduct other than any exceptions listed below. I understand that this disclosure form must be updated and signed at least on an annual basis and if any new or additional potential or real conflicts arise during my board service, I will notify the President and the CEO of the FICPA in writing in a timely manner and see that an additional disclosure form is completed and filed.

Please provide full details below or on a separate sheet identifying any outside interests which you believe requires or may require disclosure. If you have no exceptions, check none below, sign and return.

POTENTIAL OR REAL CONFLICTS:

____

____

____

____

(   ) NONE

Signature: _______________________________

Name (please print): _______________________________

Date: _______________________________

<u>PLEASE RETURN TO:</u> **LeAnne Spell, Executive Offices
Florida Institute of CPAs, P.O. Box 5437, Tallahassee, FL 32301**

FICPA RECORDS RETENTION / DESTRUCTION GUIDELINES

Description	Retention Period
Accident Reports and Claims(settled cases)	7 years
Accounts payable invoices, ledgers and schedules	7 years
Accounts receivable ledgers and schedules (Dues Receipts, CPE Receipts, Peer Review, Products)	7 years
Audited Financials/Annual Reports	Permanently
Bank statements and cancelled checks (see exception below)	7 years
Charts of accounts	Permanently
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc. (checks should be filed with the papers pertaining to the underlying transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Permanently
Corporate/Organizational records	Permanently
Correspondence (general)	3 years
Correspondence (legal and important matters only)	Permanently
Correspondence (routine) with members, customers, or vendors	1 year
Deeds, mortgages, and bill of sale	Permanently
Depreciation schedules	Permanently
Employment applications (Three years after application for individuals not hired; three years after termination for individuals hired.)	3 years
Financial statements (end-of-year, other months optional)	Permanently
General ledgers (and end-of-year trial balances)	Permanently
Historical data	Permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Minutes of Board of Governors, Executive Committee, Finance & Office Advisory Committee, Educational Foundation, CPA/PAC Trustee, including by-laws and charter	Permanently
Notes receivable ledgers and schedules	7 years
Payroll records (Time sheets, payroll journals, payroll tax returns, W-2 forms, Personnel files (after termination)	7 years
Pension/Retirement Plan documentation and filings	Permanently
Property records-including costs, depreciation reserves, end-of-year trial balances, depreciation schedules,	Permanently
Tax exemption documents	Permanently
Tax returns and worksheets, revenue agents' reports and other documents relating to determination of income tax liability	7 years
Trade mark registrations	7 years

INVESTMENT POLICY STATEMENT
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, INC.
OPERATING INVESTMENT PORTFOLIO

A. OVERVIEW

The Florida Institute of Certified Public Accountants, Inc. (FICPA) is a 501(c)6 not for profit corporation established in 1905 to advance the accountancy profession in Florida. Membership is mostly limited to Certified Public Accountants, the majority of which practice accounting in Florida. Presently, more than 18,400 CPAs are members of the Florida Institute of CPAs (FICPA) and that number grows each year.

The FICPA's main objective is to promote and protect the standards of independence, integrity and objectivity in the profession. Toward that end, the FICPA is actively involved in governmental affairs and offers many other important services to its members. One important service is continuing professional education, of which the FICPA is the largest provider to CPAs in Florida.

B. SCOPE

The investment policy applies to all operating investments of the Florida Institute of Certified Public Accountants, Inc., and excludes specific investments managed by an outside source, such as the 401(k) Plan.

C. GOALS AND OBJECTIVES

1. Preservation of Capital: Investment strategies utilized by managers should emphasize long-term preservation of capital achieving consistent returns with relatively low levels of risk.

2. Total Return: Maximization of long-term total return consistent with other goals and risk tolerance is a significant goal. Since there are no tax implications for the managers to consider, the goal of total return is specified without preference for income or capital gains.

D. INVESTMENT POLICIES

1. The FICPA Committee on Investment Policy shall have full discretion for the selection of investments consistent with the Institute's goals and policy guidelines.

2. All assets selected for inclusion in the portfolio must have a readily ascertainable market value and are readily marketable.

3. Asset Allocation: The FICPA Committee on Investment Policy should not engage in market-timing techniques that attempt to capture short-term profits. The FICPA is an investor with long-term goals, not a speculator, and does not consider short-term market timing an appropriate technique for management of these funds.

4. No more than 65% (target 55% - 60%) of the entire investment portfolio may be invested in equity securities, with the remainder invested in fixed-income securities or cash and equivalents.

5. To maximize returns, dividends, interest, proceeds from sales, new deposits and all cash balances should be invested in cash equivalents or money market funds unless reinvested in equity or fixed-income securities.

6. The following types of assets are approved for inclusion in the portfolio:

    a. U. S. Treasury and Agency Securities;

    b. Common and preferred stock of U. S. corporations and traded on major U. S. exchanges or in the over-the-counter market including ADRs or foreign securities which are traded on U.S. exchanges or in the over-the-counter market;

    c. Debt obligations of U. S. corporations rated A or better by S&P or Moody;

    d. Money market instruments, including commercial paper with a Prime-1 rating, fully insured certificates of deposit, banker's acceptances and repurchase agreements collateralized with approved assets.

    e. Index based funds and exchange traded securities.

7. Restriction: All investment decisions not in accord with the above Policies are not permitted. In particular, the FICPA Committee on Investment Policy will not:

    a. borrow money (temporary overdrafts in cash balances are not considered borrowing of money);

    b. purchase securities on margin;

    c. make short sales of securities;

    d. underwrite securities;

    e. invest in companies for the purpose of exercising control or management;

    f. make loans except for the purchase of obligations described in the above Policies;

    g. purchase or sell commodities or commodity contracts, put or call options, warrants or any combination thereof except the purchase of debt or other securities that have warrants attached; or

    h. invest in limited partnerships, natural resources, equipment leasing, venture capital, oil and gas drilling or precious metals.

8. In order to avoid diversifiable risk, the FICPA Committee on Investment Policy will not:

a. purchase the securities of any issuer, other than obligations issued or guaranteed as to principal and interest by the United States of America, its agencies, instrumentality's or corporations, if, as a result, more than 5 percent of the portfolio's total assets taken at the current value would be invested in the securities of such issuer; or

b. hold more than 20 percent of the value of the portfolio's total assets in the securities of companies in any one industry as defined by Standard & Poor's, valued at the time of any proposed transaction. This restriction is not violated if the limitation is exceeded only as a result of changes in values not resulting from a transaction.

E. ACTIVE INVESTMENT MANAGEMENT

The Florida Institute of CPAs retains the right to contract with a qualified investment manager to whom authority may be delegated to invest and reinvest assets in accordance with this document.

Investment managers will be chosen on the basis of their previous track record in the investment category for which they are being considered. Investment managers and their track records will be compared with appropriate broad market indices and with other comparable managers providing similar services and expertise. The investment manager shall provide an updated ADV Part II (Statement of Qualifications/Resume) annually.

F. BROKERAGE COMMISSIONS

The managers should attempt to obtain the lowest possible commission rate on each transaction consistent with obtaining the best net execution price. Transactions should be executed by brokerage firms known for the quality of their performance in this regard. To compensate one or more brokerage firms for brokerage and research services provided, the managers may execute brokerage transactions with such firms. The FICPA expects that commissions will be competitive with those offered institutional portfolios of comparable size.

G. PERFORMANCE REVIEW

The Committee on Investment Policy of the Florida Institute of CPAs will review the performance of the Institute's investments on a quarterly basis and report to the Board of Governor's at least annually. To facilitate these reviews, FICPA staff will provide a portfolio performance summary for each quarterly measurement period. The summary should include performance figures for the portfolio as a whole and appropriate market indices. Performance reviews will take into consideration conformity to investment guidelines and objectives, as well as the Institute's performance expectations.

H. COMMUNICATION

The FICPA Committee on Investment Policy is responsible for frequent and open communication with the Board of Governors on all significant matters pertaining to investment policies and the management of the portfolio, including:

1. major changes in the investment outlook, strategy or portfolio structure;
2. notice in writing if the FICPA Committee on Investment Policy believes the Institute’s objectives cannot be met or will unduly constrict performance.

I. ACCEPTANCE

In accepting the responsibility of managing the FICPA’s portfolio, the FICPA Committee on Investment Policy simultaneously accepts the guidelines and restrictions placed upon it by this Investment Policy Statement for the Operating Investment Portfolio of the Florida Institute of Certified Public Accountants, Inc.

FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANT'S, INC.
CORPORATE RESOLUTIONS

BE IT RESOLVED:

1. That all required resolutions be approved which are necessary to conduct the business of the Florida Institute of CPAs and that bank accounts, cash accounts and corporate authorizations to sell and endorse securities reflect the Secretary-Treasurer as proper signatory except as provided below.

   The Secretary-Treasurer and the Chief Operating Officer's individual authorized check signature limit is $50,000. All checks in excess $50,000 require the signature of the Secretary-Treasurer or the Chief Operating Officer and either the President or President-Elect.

2. The Board of Governors of the Florida Institute of CPAs hereby authorizes the Secretary-Treasurer to determine and establish all banking and investment relations necessary to conduct the business of this Corporation.

Witness my hand and seal of said corporation on this ___th day of _____ 2006.

____
Secretary-Treasurer (Affix Corporation Seal here)

I, Beryl H. "Berri" Davis, an officer of said Corporation, do hereby certify that the foregoing is a correct copy of resolution adopted as above set forth.

____
President

Subscribed and sworn to (affirmed) before me this ________ day of ________________, 2006.

____
Notary Public