I. FINANCIAL ADMINISTRATION POLICIES

A. General:

1. New activities shall not be authorized by the Board of Governors without assurance that the funds required to support both the direct and the administrative expenses of the activity will be available.

2. The Committee on Finance and Investment and the Board of Governors will have reported to them on a periodic basis throughout the fiscal year, an Analysis of Interim Results. An Analysis of the Results for the Fiscal Year End shall also be presented following the close of each fiscal year.

3. Appropriations or Inter-fund transfers of unrestricted funds shall be made by the Board of Governors with the recommendation of the Committee on Finance and Investment.

4. The monies in the various funds of the Society shall be invested in accordance with the Society Policy P-2.2.

B. Development Fund:

A Development Fund shall be maintained to provide the initial expenses of special projects of a developmental nature in accordance with Society Policy P-2.5. Appropriations from development funds shall normally support such projects for not more than two years.

C. Travel Expense Contributions:

1. Maximum travel expense contributions shall be in accordance with Society Policy P-4.5.

2. While Society Policy P-4.5 sets forth all those who are eligible for travel expense contributions, the monies available for this purpose are limited to funds included in each unit's budgeted travel expense item(s). Transfer of funds from other activities to increase funds available for travel expense contributions is not permissible.
II. RESERVES

The Contingency Reserve shall be maintained to provide a basic source of financial security in the event of catastrophic downturn in income or meet unexpected expenses caused by major emergency needs.

The Contingency Reserve goal shall be recommended annually by the Committee on Finance and Investment, and approved by the Board of Governors, as a percentage of the trailing three-year average of General Fund operating expenses.

Funds in excess of the Contingency Reserve Target goal may be used for initiatives as recommended by the Committee on Finance and Investment and approved by the Board of Governors.

Responsibility: Committee on Finance and Investment

Adopted: June, 1959

Approved: On an annual basis (approximately) from 1960-1983

Reaffirmed: June 1, 2005

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