

**NORTH AMERICAN
YOUTH EXCHANGE NETWORK, INC.**



FINANCIAL POLICIES

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North American Youth Exchange Network, Inc.

Financial Policies



The following North American Youth Exchange Network, Inc., (NAYEN) financial policies have been adopted by the Board of Directors and should be reviewed and re-adopted by the Board at the NAYEN Annual Conference.

1.0 FINANCIAL COMMITTEE

- 1.10 The structure and duties of the Financial Committee are outlined in the NAYEN By-Laws.

2.0 FINANCIAL ACCOUNTS

2.10 Account Structure:

- 2.11 Two separate financial accounts will be maintained and will be identified as:
 - a. Operations Account
 - b. Conference Account
- 2.12 The Operations Account shall reflect accounting for the following two subcategories:
 - a. Operating
 - b. Financial Reserves
- 2.13 The Operating subcategory of the Operations Account is to be used for NAYEN revenues and expenses related to the running of the NAYEN organization and providing services to its members, excluding the annual conference. Revenues and expenses may include but are not restricted to:
 - a. donations and or dues
 - b. advertising revenue
 - c. operational costs attributed to NAYEN website and YeoTalk
 - d. Board meeting costs
 - e. Board member administrative expenses (e.g., postage, copies, etc.)
 - f. meetings with RI, DOS, etc.
 - g. accounting and legal services
 - h. official travel expenses of lodging, registration, airfare and cab fare for the NAYEN representative to attend the annual RI Conference and Rotary Youth Exchange regional meetings (i.e., ABIJ and EEMA)
- 2.14 The Financial Reserves subcategory of the Operations Account is to be used as directed by the NAYEN Board. NAYEN should develop and maintain a balance in



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the Financial Reserves subcategory of the Operations Accounts equal to at least a minimum balance set by the NAYEN Financial Policy. The minimum balance should be US\$50,000 and should be re-evaluated annually by the Financial Committee to ensure it adequately safeguards the financial integrity of NAYEN.

- 2.15 The Conference Account is to be used for NAYEN revenues and expenses related specifically to the running of the annual conference. Revenues and expenses may include but are not restricted to:
- conference fees
 - sponsorship revenue
 - expenses for conference facility, food and beverages
 - travel for Conference Chair for conference site approval
 - key note speaker travel and gifts
 - Achievement Awards
 - meeting/dinner with regional representatives (e.g., ABIJ, EEMA, RYEA, YEPAUCH) and RI staff

2.20 Approval of Expenses & Signing Authority – Operations Account:

- 2.21 Approval for payment of expenses from the Operations Account is as follows:
- The President shall have the authority to approve payment of expenses of not more than \$1,000 per expenditure within the unexpended funds of the annual budget for the Operating subcategory of the Operations Account provided the President is not the recipient of such disbursement in which case the President-elect shall have such approval authority.
 - The President-elect shall have such approval authority if the President is not available unless the President-elect is the recipient of such disbursement in which case the Immediate Past President shall have such approval authority.
 - The Executive Committee shall have the authority to approve payment of expenses not to exceed \$5,000 per expenditure within the unexpended funds of the annual budget for the Operating subcategory of the Operations Account.
 - The NAYEN Board shall have the authority to approve payment of expenses that exceed \$5,000 per expenditure within the unexpended funds of the annual budget for the Operating subcategory of the Operations Account and all expenditures from the Financial Reserves subcategory of the Operations Account.
- 2.22 Approval using a printable electronic communication (e.g., email) or some form of written documentation is required.



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- 2.23 Any positive variance greater than 10% over the budgeted amount for the Operations subcategory of the Operations Account must receive prior approval by the NAYEN Board.
- 2.24 A minimum of one signature is required for any payment.
- 2.25 NAYEN Officers with signing authority for the Operations Account are:
 - a. President
 - b. President-Elect
 - c. Immediate Past President
 - d. Treasurer

2.30 Approval of Expenses & Signing Authority – Conference Account:

- 2.31 Approval for payment of expenses from the Conference Account is as follows:
 - a. The NAYEN Conference Chair shall have the authority to approve payment of Conference Expenses of not more than \$1,000 per expenditure within the unexpended funds of the annual budget provided the NAYEN Conference Chair is not the recipient of such disbursement in which case the President shall have such approval authority.
 - b. The President shall have such approval authority if the NAYEN Conference Chair is not available unless the President is the recipient of such disbursement in which case the President-Elect shall have such approval authority.
 - c. The Executive Committee shall have the authority to approve payment of Conference Expenses not to exceed \$5,000 per expenditure within the unexpended funds of the annual budget.
 - d. The NAYEN Board shall have the authority to approve payment of Conference Expenses that exceed \$5,000 per expenditure within the unexpended funds of the annual budget.
- 2.32 Approval using a printable electronic communication (e.g., email) or some form of written documentation is required.
- 2.33 Any positive variance greater than 10% over the budgeted amount must receive prior approval by the NAYEN Conference Committee Chair, NAYEN Assistant Treasurer, NAYEN President, and the Host Committee Chair.
- 2.34 A minimum of one signature is required for any Conference Account payment.



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- 2.35 NAYEN Officers with signing authority for the Conference Account are:
- President
 - President-Elect
 - Treasurer
 - Assistant Treasurer
 - Conference Chair

3.0 REVENUE, EXPENSES & DOCUMENTATION:

3.10 Revenue - Operations:

- 3.11 In order to fund NAYEN “Operations” member districts will be requested annually to contribute US\$8.00 per Outbound Student. This is a voluntary “set of dues” and is not enforceable. No penalties will incur should districts decide not to contribute as assessed.
- 3.12 A request letter will go out to each multidistrict and stand-alone district prior to the start of each fiscal year. The numbers of Outbound Students for assessment purposes will be based on the latest data available from the Rotary International Youth Exchange office.

3.20 Revenue - Conference:

- 3.21 A Supplemental Charge in the amount of \$50.00 will be added to the Base Registration Fee except for spousal registrations which will have no Supplemental Charge.
- 3.22 The terms Base Registration Fee and Supplemental Charge are for NAYEN internal use. The posted Registration Fee will be one figure and will combine the amounts in the Base Registration Fee and Supplemental Charge.
- 3.23 The proceeds of the Supplemental Charge will be transferred to the Operations Account, with
- 50% of the proceeds of this Supplemental Charge credited to the Operating subcategory and
 - 50% credited to the Financial Reserves subcategory.



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- 3.24 The calculation of any profit or loss from the Annual Conference will exclude any proceeds from the Supplemental Charge in the Registration Fee. Any profit or loss from the Annual Conference, net of the Supplemental Charge proceeds, shall be assigned to the Host Committee and NAYEN on a 50/50 basis for profits and 50/50 basis for losses.
- 3.25 Any profit from the Annual Conference assigned to NAYEN will be deposited in the Financial Reserves subcategory of the Operations Account.
- 3.26 Any loss from the Annual Conference assigned to NAYEN will be withdrawn from the Financial Reserves subcategory of the Operations Account.

3.30 Refund Policy - Conference:

- 3.31 Refunds for registrations at the Annual Conferences shall be made if requested.
- 3.32 Administrative expenses in the amount of \$25 will be deducted from the amount received.
- 3.33 Refunded amounts shall depend upon the amount of notice given prior to the start of the Conference and shall be based on the following schedule:

| Days of Notice | % Refunded |
|-----------------------------------|---|
| <u>Prior to Annual Conference</u> | <u>After Deduction of Administrative Expenses</u> |
| 30 | 100 |
| 15 | 75 |
| 7 | 50 |
| 3 | 25 |
| <3 | 0 |

- 3.34 Exceptions to the above schedule will be considered by the NAYEN Conference Committee on a case-by-case basis.

3.40 Documentation - Invoice:

- 3.41 NAYEN Invoices should follow a defined standardized format (Appendix 1) and should contain the following:
 - a. NAYEN identification (name, logo, mailing address)



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- b. the word "Invoice"
- c. an Invoice #, Invoice Date
- d. the person or company being invoiced and full mailing address
- e. a description of what is being invoiced
- f. a unit charge column and a total column per item
- g. a Total, a Payments/Credits and a Balance summary at the bottom of the invoice
- h. a statement of the current NAYEN policy with respect to payment deadlines and charges applied to overdue accounts

- 3.42 All Invoices issued by NAYEN are expected to be paid within ninety (90) days of invoicing.
- 3.43 Delinquent Invoices outstanding after 120 days shall be re-issued again with a copy being sent to the district governor, if applicable.
- 3.44 Any Invoices outstanding beyond 180 days will incur a 25% surcharge.

3.50 Documentation – Expenses Reimbursement:

- 3.51 All Expense Reimbursements shall be made upon submission of a properly completed NAYEN Expense Voucher substantiated by receipts and approval from the applicable authority.
- 3.52 All reimbursement requests must be submitted within sixty (60) days after expenditures are incurred.

4.0 BUDGET

4.10 Process – Operations Account:

- 4.11 The NAYEN fiscal year shall be July 1 through June 30 of the immediately following calendar year.
- 4.12 The Financial Committee is to draft a budget for the Operating subcategory of the Operations budget at least two months prior to the start of the NAYEN fiscal year.



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- 4.13 The budget drafted by the Financial Committee is to be approved by the NAYEN Board at least one month prior to the start of the fiscal year.
- 4.14 Any budget for the Operating subcategory of the Operations Account approved by the NAYEN Board must be balanced. The budget for the Operating subcategory of the Operations Account may be balanced with the use of a transfer from the Financial Reserves subcategory of the Operations Account.

4.20 Process – Conference Account:

- 4.21 The Host Conference Committee shall follow the NAYEN Conference Guidelines in developing a Conference budget.
- 4.22 The final Conference budget must be recommended for approval by the NAYEN Conference Committee Chair and approved by the NAYEN Board. Such budget must be balanced or show a planned surplus.

5.0 FINANCIAL REVIEW

- 5.10 A financial review of NAYEN's books is required when a new treasurer takes office.



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Appendix 2: NAYEN Expense Voucher



EXPENSE VOUCHER

North American Youth Exchange Network, Inc.

| |
|-------------|
| Date |
| |

This Expense Voucher is to be used for deposits or expenses related to NAYEN activities. Once signed, it may be scanned and sent electronically, along with any supporting documentation. All expenses are to be approved by the applicable person per the NAYEN Financial Policies prior to payment by the NAYEN Treasurer or Assistant Treasurer, as applicable.

| Date of Expense (YYYY-Mon-dd) | Operating (O) or Conference (C) | Explanation of Deposit or Expense | Amount US\$ |
|----------------------------------|---------------------------------------|-----------------------------------|----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | 0.00 |

If a foreign currency has been used, show the actual amount, the currency, and the conversion rate in the Explanation column

Name &
Address:

YYYY-Mon-dd

Signature of Person Requesting
Check/Deposit:

Date _____