

Virginia SHRM State Council dba HR Virginia

Financial Guidelines

As adopted on December 4, 2023

It is the policy and practice of the Virginia SHRM State Council “State Council” “Council” “HR Virginia” to meet its fiduciary duties overall, and in day-to-day financial transactions, in a responsible, professional, accurate, and consistent manner. The Guidelines presented in this document will help ensure this result. The Executive Committee, with the delegated and/or expressed consent of the Governing Body, will execute this responsibility, and approve exceptions to the same, by simple majority of either party, as appropriate.

Executive Committee

- Per State Council by-laws, the Executive Committee is appointed by the “Governing Body” defined to mean all the voting members of State Council.
- The Executive Committee has the authority to act on behalf of the Governing Body in between [regular] meetings except in certain circumstances.
- Per Article VIII of the by-laws, if an Executive Committee is established, the committee will include the State Director (President), State Director-Elect (President-Elect), Immediate Past President, Secretary, Treasurer, Membership Director, and any other voting member of the Governing Body appointed to the Executive Committee by the Governing Body.

Accountability/Delegation of Authority

- The Executive Committee is accountable to the Council’s Governing Body for the financial management of all Virginia SHRM activities. The Council may delegate the day-to-day operations to the Officers.
- Pursuant to its job description, the Treasurer is authorized to conduct the day-to-day management of receiving funds, paying bills, maintaining, and reconciling all bank accounts and the accounting functions related to financial matters of the State Council. The Treasurer has authority to make payments, with no dollar limit, on all approved expenses, expenses within the parameters of the approved budget or expenses related to a current signed contract.
- No State Council officer, director, chairperson, committee member or State Council member may sign or authorize any type of contract, credit application or financial commitment that binds the Council to make payments, acquire goods or services or to incur any liability with any financial value without being granted prior approval from the President on behalf of the Executive Committee.
- All binding contracts require legal review, Executive Committee approval and the President’s signature. Copies of all contracts are kept in the system of record (currently OnBoard) with the Treasurer.
- The Executive Committee must approve any use of the Investment Brokerage account (reserve funds).

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Budget

- To ensure that planned activities minimize the risk of financial jeopardy and are consistent with approved priorities and long-term goals, the State Council operates with an Annual Budget.
- The State Council’s fiscal year is January 1-December 31.
- At the January Council meeting, the annual budget for the current year will be presented for approval. This timeframe allows prior year reconciliations to be completed and income/expense reports to be run to prepare the annual budget. Because there could be a couple weeks of “carryover spending” from one fiscal year into the next, the resolution approving the budget will state affirmatively that “the budget will remain in effect until the next budget is approved by Council.”
- HR Virginia officers will vet the proposed budget during the 4th quarter prior to being submitted for approval to the full State Council in January.

Annual Conference

- The purpose of the Annual Conference is to enhance the stated Mission, Vision, and Values of HR Virginia and: (1) to promote the development of HR professionals in Virginia and (2) generate a net income from the conference to cover Council expenses. Any additional income will be targeted for State Council budget needs and objectives.
- An Annual Conference budget will be developed by the Executive Committee and presented to the conference co-chairs approximately 12 months prior to the conference.
- Expenses for the conference are typically budgeted not to exceed the expected income from attendee registrations.
- Conference attendee registration should be priced to cover all conference expenses. Income from Partners is typically budgeted to cover projected Council expenses the following year. Any additional income will be considered for distribution to local chapters. The designated Annual Conference Chair or Co-Chairs will determine their committee needs and establish their Committee Chairs. To provide some continuity and succession planning, they may solicit assistance from prior conference committee members, State Council members and new volunteers. The Council Treasurer will be a member of the Conference Committee overseeing the conference budget and monetary matters of the conference. The Communications Director, Certification Director and Partnership Director are also members of the Conference Committee. The President and President-Elect will serve on the Conference Committee in an advisory role to the Conference Chair/Co-Chairs.
- The Steering Committee, made up of President, President-Elect, Immediate Past President, VP of Operations, Treasurer, and Immediate past conference co-chairs, will support the conference co-chairs through guidance and support in decision making.

Annual Conference Subsidy Structure

POSITION	Discount off conference registration	Discount off conference lodging	COMMENTS
Conference Co-Chairs	100%	100%	
Future Co-Chair	100%	100%	Only if active participant in planning meetings (80% or more)
Future Co-Chair	100%	100%	Only if active participant in planning meetings (80% or more)

Conference Committee Chair/Co-Chairs (Treasurer, Programs, Arrangements, Technology)	100%	100%	Only if active participant in planning meetings (80% or more)
State Council President (at time of conference)	100%	100%	Conference advisory role
State Council President-Elect (at time of conference)	100%	100%	Conference advisory role
SC VP of Operations	100%	100%	Conference advisory role
Immediate Past President (at time of conference)	100%	100%	Conference advisory role Only if active participant in planning meetings (80% or more)
Immediate Past Conference Chair/Co-chairs	100%	0	Conference advisory role
Communications Director (at time of conference)	100%	100%	Required member of committee
SHRM Foundation Director(s) (at time of conference)	100%	100%	Only if active participant in planning meetings (80% or more) and organizing/hosting event. Organize and run silent auction + raffle
College Relations/Emerging Professionals Director (at time of conference)	100%	100%	Only if active participant in planning meetings (80% or more) and organizing/hosting event
Membership Director (at time of conference)	50%	100%	Only if active participant in planning meetings (80% or more) and organizing/hosting event
Certification Director	100%	100%	Required to be on the Programs committee
Partnerships Director	100%	100%	Required to be on the committee
State Council members not listed above (at time of conference)	20%	NA	Only if they volunteer at the conference

Leadership Conference

- Chapters will have the conference attendance costs covered for up to 5 board members from each chapter. Attendance costs cover the meeting aspect of the conference (registration, presenters, materials, conference-provided meals). Lodging costs are the responsibility of the attendee. Additional local chapter board members are welcome to attend at a discounted rate to be determined based on available funds and costs associated with the selected conference site.
- No shows or cancellations after the deadline will be billed to the attendee’s chapter or the attendee for the cost of conference-provided meals unless a substitute is made and attends.
- Attendance costs for the meeting aspect of the conference are borne by the State Council at 100% for all SC Directors. Lodging costs are the responsibility of the attendee.
- The Leadership Conference Committee will have registration, hotel and parking costs covered. The Leadership Conference Committee includes:

SC President
SC President-Elect
Lead District Director
District Directors
Partner/Sponsor Director
Foundation Director
VP of Operations
Treasurer

(Must attend 80% of planning meetings and /or play an active role at the leadership conference)

Webinars

- Reasonable costs for State Council developed webinars and similar events, publications, podcasts, etc. approved by the Executive Committee will be paid from operating funds if not previously budgeted.

Partnerships/Website Ads

- In addition to the State Council website/blog, and conference partners, HR Virginia may seek corporate/website partnerships, the proceeds of which are intended to offset State Council expenses (budgeted or new initiative expenditures) appropriately approved by the Executive Committee.

SHRM Foundation Contributions

- Contributions come from the various fund-raising projects coordinated by the SHRM Foundation Director(s) throughout the year.
- The amount of the annual contribution made by the State Council to the SHRM Foundation has, in the past, consisted of the sum of these collected monies on a purely pass-through basis.
- Beginning in 2019, the State Council intends to make a separate stand-alone contribution to be determined either by taking a percentage of the conference net proceeds or a flat dollar amount each year as a contribution to the SHRM Foundation. Such an amount will be proposed in the annual budget presented for approval.
- Individual State Council and chapter board members will be encouraged to contribute in the name of either or both entities, to both highlight and encourage chapter members and others to follow the example set by the boards.

SHRM Membership Income

- SHRM provides annually a predetermined amount to the State Council based on the number of SHRM members in the state. That income is used to offset State Council annual operating expenses, including the annual leadership conference.

SHRM Certification Income

- Certification Income is a result of the development of the SHRM certifications and SHRM's effort to promote the certifications. Any income received from SHRM for the number of certified members in the state is currently tagged for special projects. A portion of this income may be added annually to the Council operating budget, as deemed appropriate by the Executive Committee. Funds from this source should be considered as unbudgeted due to the uncertain nature of the continuation of this funding stream by SHRM.

Brokerage Account/Investment Income

- The Council has an investment account designed to serve as a reserve for unforeseen circumstances. The account is invested conservatively as recommended by the account manager and ultimately determined by the Executive Committee (currently delegated to the Treasurer).
- The Council has committed to maintaining a balance in the reserve account equal to 60-75% of the total annual operating budget (to include the Annual Conference budget), the amount of which will be reviewed on an annual basis.
- The Council Treasurer will provide periodic reports to the Executive Committee on account activity, typically on a quarterly basis.
- Officers, as listed with the Virginia State Corporation Commission (SCC), are required to be listed on the account. The Treasurer will update any changes to the officer roster and will facilitate the revisions with the SCC.

Credit Cards

- Council credit cards are issued to the President, President-Elect, and Treasurer for Council expenses.
- All State Council credit card transaction receipts are given to the Treasurer for processing within 30 days of purchase.

Checking Account

- Council maintains a business checking account for Council use. Authorized signers on the account include the President, President-Elect, and Treasurer. Only one signature is needed on checks. Authorized signers can write checks for any approved amount.
- All requests for reimbursement or payment to vendors require documentation, receipts or invoices prior to payment being made.

HR Virginia Meeting Income

- If a partner is identified for a State Council meeting, the partner contribution is used to offset the cost of the meeting (food, beverages, supplies and/or meeting space). This may/may not pass through HR Virginia's budget but should be noted under "receivables."

HR Virginia Scholarship Expense

- HR Virginia offers scholarships for certification or education; provided to individuals.
- Scholarship money will be budgeted annually.
- The Executive Committee shall make a recommendation regarding the amount on an annual basis.

Student Chapter Support

- HR Virginia intends to provide one or more Student Chapter events and opportunities annually.
- The Council will provide a level of financial support for these events and opportunities. The amount of this support will generally be pre-determined and approved in the annual operating budget.

Honoraria & Speaker Gifts

- The Council recognizes speakers and members for their volunteer service and work with occasional small token items of appreciation/gift cards.

Fees

- The Council pays credit card fees as required by credit issuers.
- In addition, there are professional fees, such as the annual filing with the State Corporation Commission, accounting/tax preparation and legal fees in advocacy efforts that are pursued by the State Council, and related efforts.

Insurance for Board

- The Council pays for liability insurance (Directors and Officers).
- The Council may consider indemnification of officers and directors to the fullest extent permitted by law if such is not provided through insurance.

Annual Conference Net Proceeds Distribution Formula

- The Council relies on all chapters to promote, attend, and volunteer at the HR Virginia Annual Conference. At year-end, the Treasurer will run an income/expense report for the conference to determine the net proceeds from the conference. The calculation and formula below is used to determine the amount of net conference proceeds to distribute to chapters.
- The annual budget will be funded to meet its expenses first.
- Equal distribution will be made to chapters who meet the below criteria:
 - Attendance at 3 or more state council meetings
 - Advertising the state conference
 - Submit CLIF to HRVA Secretary
 - President complete vote action on all official Council business (i.e. meeting minutes, Financial Guidelines, annual budget)
 - Credit will be given for selecting to “Abstain” on meeting minutes when there was no chapter representation and therefore a vote cannot be cast.
 - Chapter representation at the annual HRVA Leadership conference
 - Chapter represented at 3 Best Practices calls annually.
- Financial bonuses will be awarded for the following:
 - Chapter members serving on the HRVA board or on HRVA-sponsored committees.
 - Submitting for a SHRM Excel Award.
 - Submitting for a SHRM Pinnacle Award.
 - Submitting for an HRVA IMPACT Award.
 - All Chapter board positions are filled.
 - Meeting your chapter membership increase goal (as established in your SHAPE and provided to the HRVA Membership Director at the beginning of the year).
 - Chapter representation at each Leadership 101 virtual session.
 - Advertise the HRVA Scholarships.
- The total distribution amount will be determined in December after the Treasurer pays all the year’s expenses and calculates the remaining income. A recommendation is made to the Executive Committee for approval.
- Once the total distribution amount is approved, the amount payable to each chapter is determined. SHRM member numbers are obtained from SHRM, using the most recent numbers available. Conference attendee numbers are obtained from the registration system report.

Administration Expenses

- Expenses include office supplies, storage, software subscriptions, telephone and conference call services, postage and shipping, survey services, and website development and maintenance.

Travel & Conference Expense for State Council Members

- The Council will cover the reasonable and documented bona fide costs of doing business incurred by its officers and members including those who travel on pre-approved Council business. For example, the President may offer hospitality (in the form of hosting and paying for one meal for all state council members attending as a group) at official SHRM conferences (VLBM, national conference and exposition, Regional Council Business Meeting, etc.).
- Members who use their personal car for pre-approved official State Council business can request mileage reimbursement, except to attend quarterly State Council meetings or the annual conferences, which are specifically excluded per the guideline below. The reimbursement rate is based on the IRS rate for non-profits/charities.
- Those entrusted with the obligation to commit State Council funds should treat the money with a fiduciary mindset and understand that Virginia SHRM State Council is a non-profit organization. In all cases, waste, fraud, and abuse of Virginia SHRM funds, or the mishandling of Virginia SHRM funds that could lead to the perception of waste, fraud, or abuse should be avoided.
- Any expenses incurred by State Council officers other than the President will be reviewed and approved by the Treasurer and the President; any expenses incurred by the President will be reviewed and approved by the Treasurer and President-Elect.
- Any dispute will be reviewed, and decided, by the Executive Committee, without the aggrieved party. (The intent is to ensure an odd number of individuals hearing/deciding any appeal.)

Travel for State Council members to attend State Council meetings

- State Council members who live more than 150 miles from a State Council quarterly meeting location, and who are not otherwise receiving reimbursement from their employers, may request reimbursement for one night's lodging up to \$120.
- Members are not reimbursed for mileage for travel to quarterly state council meetings or state council conferences.

Conflicts of Interest Policy

- HR Virginia State Council has an approved Conflicts of Interest policy. Its purpose is to protect the Council's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of HR Virginia or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Miscellaneous Expense

- HR Virginia has occasional small expenses, such as for condolence and sickness within State Council.

All travel, regardless of role, must be pre-approved in writing by the Treasurer and State Council President. Once approved, the following will apply:

- HR Virginia reimburses District Directors and other Council positions (except Chapter Presidents) for **pre-approved** Chapter Visits when conducting Council business or attending on behalf of the Council.
- Expenses are reimbursed after an event as reimbursements are based on attendance at the Council event.
- Mileage is covered if one way travel is over 150 miles and required for SC business.
- HR Virginia reimburses based on the self-park rate, unless given prior approval by the Treasurer.
- Travelers will be held responsible and will not be reimbursed for “no show” charges.
- Travelers should make reservations as early as possible to take advantage of advance purchase discounts.
- Volunteers are expected to travel using the most economical means possible and coordinate travel with other volunteers when possible.
- Substitutions of other chapter board members are allowed with prior approval from the Executive Committee and noted in the expense report.
- If multiple directors fill a role, such as a co-director, reimbursements will only apply to one volunteer.
- Annual SHRM Events, such as the Annual Volunteer Business Meeting (VLBM) and Regional Council Business Meetings (RCBM) are by invite only, HR Virginia will cover travel costs as needed.
 - SC President: HR Virginia will cover costs to attend SHRM events: RCBM, VLBM, Annual SHRM Conference.
 - SC President-Elect: HR Virginia will cover costs to attend SHRM events: Spring RCBM, National Conference travel to RCBM (meeting only), and VLBM.
- If per diem is pre-approved for business needs, HR Virginia reimburses up to \$10 for breakfast, \$20 for lunch, and \$30 for dinner. Receipts are required along with an HR Virginia Expense Report Form.
- HR Virginia reimburses up to \$10.00 per day for incidentals, which are defined as tips, baggage handling, etc.