



## CDISC Policy 002 Finances

### 1 Purpose

As CDISC is a non-profit organization, it must adhere to stringent rules regarding the spending of funds received from its sponsors and members and the reporting of such expenditures. The Financial Oversight Committee was established to have oversight of how CDISC is spending and investing the funds it receives to ensure CDISC is in accordance with its Bylaws, Strategic Plan, Governance Document and basic accounting principles, as well as the accuracy of financial reporting.

This policy is intended to describe and document CDISC financial management and clarify the roles, authority, and responsibilities for essential financial management activities and decisions.

### 2 Financial Policies of CDISC

Current bank signatories of CDISC are the President/Chief Executive Officer (CEO) and the Chief Operations Officer (COO) / Chief Financial Officer (CFO) / or Board-designated CDISC Officer. In compliance with best banking practices, two different staff members must be involved in the banking input and approval process.

**The Executive Committee of the CDISC Board of Directors will designate annually a Compliance Officer and an alternate compliance officer who would be responsible for periodically reviewing Federal compliance requirements associated with the Organization's Federal funding and ensuring and documenting compliance. This person would also be responsible for reviewing and approving Federal grant reporting and serve as the main liaison between the Organization and the Federal grant officer. The compliance information is intended solely for the use of the Finance Oversight Committee, Board of Directors, and management of the Organization, and is not intended to be, and should not be, used by anyone other than for these specified parties.**

#### 2.1 Invoice approval Process

- Double commitment and invoice approval process must be followed:

- Functional area leaders must approve all **commitments** (including contracts and quotes) in their department regardless of the amount, in compliance with CDISC Policies 001 – Ethics and Conflicts of Interest, and 010 - Procurement.
- Second **commitment approval** flow is as follows:

Approval flow	Approval Level	Annual Commitment
Step 1	Department Heads (Level 3)	Up to \$10,000
Step 2	CFO/COO (Level 2)	Up to \$50,000
Step 3	President/CEO. (Level 1)	Up to \$ 250,000
Step 4	Board (FOC Review)	Above \$ 250,000

Note: Each proposal must be validated at each level up to the highest relevant threshold. For instance, a \$275,000 commitment proposal has to be approved first by the COO, then by the CEO and then the Board with prior FOC Review.

- Approval threshold is determined based on the total annual commitment, not the individual invoices.
  - Any payroll change regardless of the amount must be approved by the CEO
  - Commitments included in the Board-approved budget are deemed to have been approved by the Board.
  - If required by specific circumstances, the Board will have first and final approval of any expenditure.
  - Once a commitment has been approved, corresponding individual invoices may be approved either by the President/CEO or the COO/CFO.
- Three CDISC staff will review all invoices prior to approval for payment:
    - Functional area leader – to ensure alignment with this area’s budget and operational goals.
    - COO/CFO – to ensure alignment with the organization’s overall budget and operational goals.
    - Senior Accountant – technical accounting compliance check.

## 2.2 Payment process

- Invoices and expense reports (with supporting documentation) must be submitted within 30 days of said expense being incurred. Expenses, reimbursable to either employees or vendors, may not be paid if the expense is more than 90 days old.
- Fully approved invoices and expense reports must be forwarded to CDISC Accounts Payable for payment. Necessary documentation includes:
  - Vendor/Employee/Consultant name.
  - Details of expenses and category to be coded in line with the budget included in the body of the approval email.

- Receipts or any supporting documents as an attachment to the email.
- There will be 2 payment runs in a month: any approved payment received by Accounts payable by the 7<sup>th</sup> of the month will be processed in the first payment run and any received by 22<sup>nd</sup> will be processed in the next payment run. All valid invoices and expenses will be paid by CDISC within 90 days of receipt by CDISC Accounts Payable.
- Beyond the commitment controls described in section 2.1, all individual payments must be approved by the COO/CFO or the President/CEO; any payment in an amount exceeding \$20,000.00 must be approved by both.

### **2.3 Corporate Credit Cards management**

- Employees may request a CDISC Corporate Credit Card to use for business purchases (with approval by the functional area leader and the COO) or they may use a personal credit card. If a CDISC Corporate Credit Card is issued, it will be in the name of the employee and payment of all credit cards bills will be the responsibility of CDISC. All employees should submit expense reports detailing charges made to the CDISC Credit Card or personal credit card, reason for the expense, and include electronic copies of receipts, within 30 days of incurring the expense. If no original receipt is provided in this timeframe, CDISC may require the reimbursement by the employee of the concerned charge.
- Employees benefiting from a corporate credit card are encouraged to use it whenever possible. When use of the Corporate Credit Card is not possible, employees will be reimbursed for expenses by submitting the appropriate expense form and original receipts or bills paid.

### **2.4 Non-staff and volunteer financial commitments**

With respect to continuing activities involving non-staff personnel paid by CDISC, there are certain principles agreed upon by the Board, as follows:

- CDISC will use volunteers whenever/wherever possible for CDISC activities.
- No Board member can receive compensation unless approved by the Board of Directors on an individual basis.
- CDISC will endeavor to leverage their 501(c)3 non-profit status to obtain lower-than-market consulting rates.

### **2.5 Financial statements transparency**

- All financial documents are to be stored in a safe location as per the guidelines of the document retention policy, available for inspection during local business hours by contacting the COO/CFO.
- The President/CEO and COO/CFO are directly responsible for the accuracy of financial reports. Annual financial statements are audited externally and approved by the Board.
- The external audit firm's engagement should be reviewed annually and the audit firm rotated periodically to ensure optimal independence.

- Audited financial statements and the IRS form 990 are available to the public either through the CDISC or a third-party website (such as [www.guidestar.org](http://www.guidestar.org)), or upon written request to the COO/CFO.

This document has been approved and is in effect on this date:

Name	CDISC Board of Directors Executive Committee
Date	Approved – March 31, 2023