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. 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 principles.

This policy is intended to ensure sufficient management of the financial dealings of the organization, without undue interruption of operational service.

2 Financial Policies of CDISC

Current signatories of CDISC are the President, Executive Director/Chief Operations Officer (COO) and the VP of Finance. This is subject to change based on annual review by the FOC. The position of Treasurer will be the VP of Finance, per the CDISC Bylaws.

2.1 Invoice approval Process

- Three CDISC staff will review all invoices prior to approval for payment:
  - Functional area leader – alignment with this area’s budget and operational goals
  - VP, Finance or Executive Director / COO - alignment with the overall budget and operational goals
  - Senior Accountant – technical accounting compliance check.

- Double commitment and invoice approval process must be followed:
  - Functional area leader must approve all commitments in their department regardless of the amount
  - Second commitment approval flow is as follows:
### Approval flow

<table>
<thead>
<tr>
<th>Step</th>
<th>Approval Level</th>
<th>Annual Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Treasurer / VP finance</td>
<td>Up to $10,000</td>
</tr>
<tr>
<td>Step 2</td>
<td>President or Executive Director / COO</td>
<td>Up to $50,000</td>
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<tr>
<td>Step 3</td>
<td>FOC</td>
<td>Up to $250,000</td>
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<tr>
<td>Step 4</td>
<td>Board</td>
<td>Above $250,000</td>
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</tbody>
</table>

Note: Each proposal must be validated at each level up to the highest relevant threshold. For instance, a $75,000 commitment proposal has to be approved first by the Treasurer, then the President and then the FOC.

- Approval threshold is determined based on the total annual commitment, not the individual invoices.
- 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, Executive Director/Chief Operations Officer (COO) or the VP of Finance.

### 2.2 Payment process

- Invoices and expense reports (with supporting documentation) must be submitted within 30 days of said expense. 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 w/budget in body of email
  - Receipts or any supporting documents in attachment.

- There will be 2 payment runs in a month: Any payments received by Accounts payable 7th of the month will be processed in the first payment run and any received by 22nd 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 commitment controls described in section 2.1, all individual payments must be approved by the VP of Finance, the Executive Director / COO or the President; any payment in an amount exceeding $20,000.00 must be approved by two of these three.
2.3 **Corporate Credit Cards management**

- Employees may choose to receive a CDISC Corporate Credit Card to use for business purchases (provided approval by functional area leader and Treasurer) 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 MasterCard or personal credit card, reason for the expense, and original receipts upon 30 days from returning from their business trip. 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. Whenever use of the Corporate Credit Card is not possible, they 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.
- CDISC will continue to provide sufficient support to ensure consistency and continuity across all projects.
- 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 VP, Finance.
- 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 (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 VP of Finance.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>CDISC Board of Directors</th>
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<tbody>
<tr>
<td>Date</td>
<td>April 26&lt;sup&gt;th&lt;/sup&gt;, 2016</td>
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