



**NDIA**



**Chapter  
Onsite Financial  
Operations Manual**

Updated April 1, 2025

# Table of Contents

<b>Financial Reporting Requirements for Chapters</b>	
<b>Executing Onsite Financial Operations Overview .....</b>	<b>3</b>
Statement of Policy	
Chapter Bank Account Set Up and Officer Transition	
Credit Card Issuance	
Chapter Budget Operations	
Revenue Booking Requirements	
Expense Booking Requirements	
Chapter Records/Expense Report Retention	
Chapter Expense Execution Options	
Revenue	
<b>Chapter Contracts/Procurement</b>	
<b>Policy and Procedures .....</b>	<b>7</b>
Statement of Policy	
General Guidelines	
Required Contract Review	
Ethics Statement	
Compensation/Gifts from Outside Sources	
Specific Cost Items	
Bid Process	
Required Contract/Purchase Signature Authority	
<b>Chapter Board Business Expenditures Policy and Procedures .....</b>	<b>10</b>
Statement of Policy	
General Guidelines	
Business Expense Reporting and Reimbursement	
<b>Chapter Chart of Accounting Codes .....</b>	<b>13</b>

# Financial Reporting Requirements for Chapters Executing Onsite Financial Operations Overview

## STATEMENT OF POLICY

These instructions, requirements and standards apply to NDIA and WID Chapters who choose to have all GAAP (Generally Accepted Accounting Principles) accounting, banking, and investment operations/transactions managed by NDIA HQ.

NDIA is a 501(c)(3) Educational non-profit organization. NDIA's purpose is to educate about the importance of a strong, resilient defense industrial base, to ensure our warfighters always have the best capabilities, training, and support so that they enjoy decisive competitive advantage across the spectrum of conflict in all domains.

To ensure organizations adhere to this requirement, the IRS reviews Governance documents and applies an "Operational Test."

When reviewing Governance documents, IRS regulations stipulate: "the organizing documents must limit the organization's purposes to exempt purposes in section 501(c)(3) and must not expressly empower it to engage, other than as an insubstantial part of its activities, in activities that are not in furtherance of one or more of those purposes."

"Operational Test: An organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities that accomplish exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities does not further an exempt purpose."

The financial processes of NDIA and its affiliate organizations must ensure that revenue and expenses are primarily for educational purposes.

To ensure adherence to IRS rules and to avoid conflict of interest and ethics issues, Chapter financial operations must align with NDIA corporate finance policies for business expenditures and contracts procurement. Please review these policies and address any questions with the HQ Membership and Chapters Team, [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org).

NDIA National uses PNC Bank's Pinnacle banking platform. Pinnacle is a corporate online and mobile banking platform.

The Chapters team will post current versions of all forms referenced below on our NDIA Chapter Resources webpage: [NDIA.org/Chapters/About-NDIA-Chapters/Chapter-Resources](https://www.ndia.org/Chapters/About-NDIA-Chapters/Chapter-Resources)

## Chapter Bank Account Set Up and Officer Transition

- All chapter accounts will be held in individual accounts under PNC Bank's corporate platform Pinnacle.
  - To establish the Chapter's account(s) with PNC, contact NDIA at [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) and cc: [Chapters@NDIA.org](mailto:Chapters@NDIA.org)
  - NDIA will need a current version of the Chapter-President signed Chapter Operating Principles as well as the approved Chapter minutes documenting Chapter President and Chapter Treasurer transitions
- To ensure smooth, uninterrupted Chapter financial operations, Chapter leaders must communicate changes in Chapter leadership as soon as possible.
  - Chapters should send copies of board meeting minutes formalizing officer transitions and contact information for incoming officers
  - NDIA HQ will work to rapidly change access from officers leaving leadership positions to officers assuming leadership positions
- Once a PNC account is established, a user profile attached to that account is created, and the user will receive a series of emails to create a password and enter a preferred phone number
- The Chapter President and Chapter Treasurer will maintain visibility rights to view the Chapter's banking balances and all financial activity

## Credit Card Issuance

- Credit Card(s) are provided through PNC Bank
- Credit Card(s) will be disbursed to Chapter Presidents and Treasurers individually
- Credit Cards issued to Chapter representatives are the personal responsibility of the cardholder
- Credit Card limits are contingent on the individual chapter's financial status
- To initiate a request to add a Chapter credit card holder or to cancel a Chapter credit card:
  - Send an email to [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) and copy [Chapters@NDIA.org](mailto:Chapters@NDIA.org), ensuring at least two Chapter Board members are copied on the request, showing NDIA the request is approved by at least two individuals

- Ideally one of the approval authorities should be the current President or the current Treasurer
  - Provide the full name and address of the proposed cardholder
- PNC will send credit cards by mail with instructions on activation and establishing access to view activity
- To ensure smooth, uninterrupted Chapter financial operations, Chapter leaders must communicate changes in Chapter leadership as soon as possible
  - NDIA HQ will work to rapidly change access from officers leaving leadership positions to officers assuming leadership positions
- Credit card holders must ensure, in accordance with Chapter Operating Principles, two-person approval for expense payment
  - Board-Approved expenditures via the annual budget process are considered valid two-person approvals for disbursements
  - For expenses outside the Board approval process, at least one Chapter officer and one Chapter Board member (2 individuals) must approve in writing disbursements of Chapter funds through the Chapter credit card
- Chapters report and submit to NDIA all revenue amounts monthly; revenue reports should align with chapter account balances
- Chapters report and submit all expense amounts monthly
- All expense must include all applicable contracts, invoices, and supporting expense documentation
- Receipts should include the itemized receipt and the credit card receipt when applicable
- Payments to individuals and LLCs must include a W-9
- Reimbursements with receipts do not require a W-9
- Submit all reports and supporting documentation to NDIA Box.com
- Chapters must report revenue and expenses on an accrual basis meaning Chapters must report revenue and expenses in the month they are accrued
  - Chapters should submit a copy of their FY budget overview to NDIA WID Chapter team by September 30 prior to the beginning of the budget's Fiscal Year
    - Chapters will send quarterly budget reports aligned to the budget or with Board approved adjustments to [Chapters@NDIA.org](mailto:Chapters@NDIA.org) copying [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org)
    - WID and NDIA Chapters team will monitor budget execution quarterly

## Chapter Budget Operations

- In the Board-approved Chapter Manual, Chapters must develop and define written procedures for disbursement of funds in support of approved, validated Chapter expenses
  - The Chapter Manual must include specific payables thresholds requiring both Chapter and National review/ approval for large expenses/contracts
    - Refer to "Contracts/Purchase Authority" in "Chapter Contracts/Procurement Policy and Procedures", and "Authorized Levels for Certification Disbursement" in "Chapter Board Business Expenditures Policy and Procedures" for threshold levels
    - Procedures outlined in the Chapter Manual should include two-person approval authority (minimum) for all expense payments - refer to the section "A. Disbursement Authorization" in "Chapter Board Business Expenditures Policy and Procedures" for approval authority requirements
  - Chapters can submit any contract to NDIA HQ for review by NDIA's contracts expert
  - NDIA requires HQ contract review for all contracts with a value exceeding \$30,000, regardless of term length, revisions or renewal. For all other contracts refer to page 8 "Reference Bands" in "Chapter Contracts/Procurement Policy and Procedures" for HQ approval requirements
    - Chapters will email contracts for review to [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org)
- Chapters must adhere to the monthly reporting requirements for revenue and expense booking

## Revenue Booking Requirements

- Chapters must code all **revenue** according to source, using Chapter Accounting codes
  - Revenue examples: 4075 - Meeting Income (Registration); 4077 - Sponsorship; 4076 - Exhibits

## Expense Booking Requirements

- Chapters must code all **expenses** according to source, using Chapter Accounting codes
  - For example, 6751- Audio Visual Expense (associated with an event), 6752 - Meeting Food & Beverage (associated with an event or board meeting), 6754 - Meeting Room Rental
  - **NOTE:** For Meeting Food and Beverage expenses, Chapters must maintain a list of event attendees
- Chapters must provide contracts, invoices and itemized receipts for all expenses
  - Invoices and receipts must include detailed descriptions of the goods and services provided
  - For restaurants and catering services, itemized receipts must include details on food and beverages provided

## Chapter Records/Expense Report Retention

- Chapters must submit all expense records to NDIA via Box.com, or email, [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org)
  - Contact [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) for access and instructions on using Box.com
- Expense records include:
  - Receipts
  - Purchase orders
  - Invoices
  - Any other backup documentation confirming the expense aligns with NDIA's educational mission
- NDIA will maintain all records in accordance with its standard corporate record retention policy

## Chapter Expense Execution Options Check vs Automated Payment vs Credit Card

- For recurring expenses, Chapter leaders should make arrangements for funds to flow directly from checking account.
- For most expenses, including larger expenses, NDIA HQ prefers ACH requests to streamline audit procedures
- For smaller transactional expenses or known expenses with an uncertain final value, Chapters can use credit cards. (For example, if Chapters need to pay the final cost of an event and will only receive the final bill at the conclusion of the event.)

## Check Issuance

- NDIA HQ Accounting will process Chapter check requests on Thursdays
- To ensure Chapter check requests are processed promptly, Chapters should submit requests by noon Eastern Time on Monday
- Chapter Treasurer or Board Officer/Member submitting the check request:
  - Verifies funding availability via online access to the account
  - Verifies expense aligns with submitted budget or receives written approval from at least one other board member for expense that does not align to submitted budget.
  - Completes NDIA Accounts Payable form (located on the Chapter Resources Page) which requires the following information:

- Payment Type
  - ACH is preferred – for ACH requests, include all bank account information for the ACH in the “special instructions section” of the check request
- Date of Request
- Chapter identification (“WID Greater Boston Chapter” / “NDIA Central Florida Chapter”) Invoice / Contract / Sales Order etc. (Include with request)
- Check Requester to include their position – must be a Chapter Officer (Chapter President / Chapter Treasurer / Board Member etc.)
- Information about the second approval authority including their position
  - The second approver must be a Chapter Board member (can be a second officer)
- Neither the Check Requester nor second approver can be the individual to whom funding is directed, nor can the approver be a representative of/employee of/owner of the organization to which the funding is directed
- Company/Organization/individual for payment, Include Name and Address so NDIA's Accounting team can mail payment
- Account Code Allocation [LEAVE BLANK; FOR NDIA HQ USE ONLY]
- Payment description information (“Request check to pay the invoice for deposit on the Orlando Hilton for NDIA Central Florida Chapter June monthly luncheon on June 21, 2025.”)
- Any special instructions
- Attach all supporting documentation (contracts, invoices, itemized and credit card receipts, sales orders, W9s, etc.)
  - Chapters must submit a W9 for disbursements to individuals, non-profits, LLCs, or anything other than a major vendor (such as Zoom or Constant Contact) when the amount is greater than \$600
    - This includes all scholarships, sponsorships or grants greater than \$600
    - If in doubt about whether a W9 is required, email [Chapters@NDIA.org](mailto:Chapters@NDIA.org)
- Chapters must name their Accounts Payable forms using the format outlined in the Nomenclature PDF on the Chapter Resources webpage
- Submits check requests via email to [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org)
- Approval authority: When expense aligns with FY Budget, Chapter officer submitting the request signs as approval authority

- Refer to “Contracts/Purchase Authority” in “Chapter Contracts/Procurement Policy and Procedures”, and “Authorized Levels for Certification Disbursement” in “Chapter Board Business Expenditures Policy and Procedures” for threshold levels
- Procedures outlined in the Chapter Manual should include two-person approval authority (minimum) for all expense payments - refer to the section “A. Disbursement Authorization” in “Chapter Board Business Expenditures Policy and Procedures” for approval authority requirements
- The Chapter may request NDIA send scholarship checks to the Chapter President, Treasurer, or other designated Chapter representative if the scholarship is to be presented at a Chapter event

## Individual Reimbursements

- Requesting checks to reimburse Chapter members for approved expenses follows the normal check request process
  - Check request must include approval from at least one Chapter officer and one Chapter Board member (refer to the “Approval Authority” bullet in the previous section)
    - Individuals receiving reimbursement may not serve as an approval authority for the reimbursement check

## Credit Card Expenses

- The assigned credit card holder makes the purchase and immediately submits all receipts either via email to [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) or via the Chapter’s box account at Box.com
  - An easy way to meet this requirement is for Chapter leader to immediately take a picture of the receipt with their cell phone and email the receipt to the above email addresses. This will ensure NDIA has the receipts necessary to reconcile accounts and meet audit requirements
- For information on accessing the Chapter’s Box.com account, email [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) and copy [Chapters@NDIA.org](mailto:Chapters@NDIA.org)
  - NDIA HQ will pay all expenses charged to the Chapter’s credit card account monthly, on a timeline aligned to the credit card company’s billing cycle
    - NDIA HQ will draw funds from the Chapter’s checking account to cover approved credit card transactions
- The Chapter Treasurer verifies credit card expenses are included in quarterly expense report

## Revenue

### Reporting Revenue

- NDIA must track revenue for our IRS Form 990
- Failure to properly record revenue type will result in significant accounting and IRS issues

## Revenue Categories

- For each deposit, Chapters should provide the category and a short description of the purpose for the revenue
  - Registration revenue category examples:
    - “Registration revenue from NDIA DC Chapter annual golf tournament”
    - “Registration revenue from NDIA Greater Tampa Bay Chapter monthly luncheon”
    - “Registration revenue for NDIA D.C. Chapter golf tournament”
  - Exhibits revenue category example:
    - “Exhibit revenue from NDIA Iowa Illinois Chapter Midwestern Contracting Symposium”
  - Sponsorships revenue category examples:
    - “Sponsorship revenue from NDIA New England Chapter Cybersecurity Event”
    - “Sponsorship revenue from WID MI Small Business Symposium”
  - Donations revenue category examples:
    - “NDIA D.C. Chapter ROTC Scholarship donation.”

## Depositing Revenue Via Check

- Chapters cannot make mobile check deposits. To make deposits in person they should reach out to the accounting team for the lockbox information
- Chapters can send checks to NDIA HQ and HQ will deposit the checks
  - Include revenue category and revenue purpose with the check(s)

## Invoice Request Form

- When a Chapter knows an organization plans to send a payment to NDIA HQ for the Chapter, the Chapter should notify HQ via [Chapters@NDIA.org](mailto:Chapters@NDIA.org) and [ChapterFinanceHQ@NDIA.org](mailto:ChapterFinanceHQ@NDIA.org) and provide a completed Invoice Request form which can be found on the Chapter Resources page. The Invoice Request form includes the following information:
  - Chapter Requesting Invoices
  - Vendor/Organization Name
  - Vendor/Organization email address
  - Vendor/Organization mailing address
  - Purpose of invoice (must be specific)
    - “For sponsorship of XX event” | “Donation for scholarship fund” | “To exhibit at XX event” | “XX Registrations for XX event”
  - Payment Instructions
    - “Please include a Chapter POC and the purpose of your funding support”

- Chapters must name their Invoice forms using the format outlined in Invoice Nomenclature guidance on Chapter Resources webpage
- Accounting will notify the Chapter team when it receives a check
  - The Chapters team will contact the Chapter to confirm check receipt and deposit
  - Chapters must track anticipated revenue and reach out to NDIA if they believe a check is “missing”

# Chapter Contracts/Procurement Policy and Procedures

## STATEMENT OF POLICY

The objective of the Chapter Contracts/Procurement Policy and Procedures is to ensure:

- Expedient procurement of quality goods and services
- Free and open competition
- Best price and delivery terms for goods and services
- Compliance with external regulations
- Purchases and/or commitments are within budget and properly authorized
- Maximum flexibility while limiting Chapter and NDIA business risk

This policy covers all acquisitions of goods and services made for and by the Chapter, whether directly or as a reimbursement. These provisions apply to goods and services provided by all compensated vendors – whether payment is made directly, or indirectly on a commission basis (e.g. it includes those vendors paid via commission from gross proceeds).

## General Guidelines

- Work done by outside vendors, consultants, companies, etc. typically requires a written contract agreement – signed by both parties. All agreements must be in writing
- Purchases and/or commitments must be within the Chapter’s approved budget
- Any long-term purchase commitment must have the approval of the full Chapter board. Long-term purchase commitments are defined as those that are funded or require a relationship which extends beyond the currently approved budget year
- Agreeing to prepay for services not yet rendered is viewed as unwise business practice. Any payment(s) for services should be made following completion of task(s) and/or receipt of a deliverable. Exceptions can be granted by the Chapter Officers

- Purchases should not be constructed so as to avoid compliance with the stated policies
- Payment terms for all goods and services are within forty-five (45) days of receipt and acceptance by Chapter of invoices for services satisfactorily performed. This term should be included in Chapter contract documents
- Chapter policy requires that vendors/contractors be selected on the basis of competition to the maximum extent possible to ensure the procurement is made in the best interests of the Chapter, consistent with the circumstances, price and other factors relevant to the particular action. For any contracts exceeding \$150,000, NDIA expects such agreements will be bid competitively at least every 5 years. A competitive bid is defined as three competing bids or RFP responses
- Chapter must document the procurement process to ensure that they are abiding by guidelines mentioned above

## Required Contract Review

Due to legal and financial risk all Chapters are encouraged to submit contracts to NDIA HQ (“HQ”). NDIA HQ performs both legal and contract professional review to ensure overall financial safety and soundness against the terms of the contract.

Chapters are prohibited from entering a contract with a value exceeding funds available in their accounts.

NDIA requires HQ contract review for all contracts with a value exceeding \$30,000, regardless of term length, revisions or renewal. Chapters with offsite financial operations authority must submit all contracts with a value exceeding \$30,000 to HQ at least 15 business days prior to required signature date.

NDIA requires HQ review of any single contract that commits the Association to a financial liability greater than what a Chapter could reasonably be expected to cover from principal balance available in combined bank and investment accounts at the time of contract signature. In addition to the reference bands below, Chapters must receive HQ approval to a contract

with a value exceeding 30% of combined bank or investment funds at the time of contract signature.

- Reference bands:
  - Chapters with less than \$10,000 in their accounts at the time of contract signature must submit for HQ review all contracts with a value exceeding 30% of funds available
  - Chapters with between \$10,000 and \$25,000 in their accounts at the time of contract signature must submit for HQ review all contracts with a value exceeding greater of \$3,000 or 30% of funds available
  - Chapters with between \$25,000 and \$75,000 in their accounts at the time of contract signature must submit for HQ review all contracts with a value exceeding greater of \$7,500 or 30% of funds available
  - Chapters with between \$75,000 and \$100,000 in their accounts at the time of contract signature must submit for HQ review all contracts with a value exceeding greater of \$22,500 or 30% of funds available
  - Chapters with over \$100,000 in their accounts at the time of contract signature must submit for HQ review all contracts with a value exceeding \$30,000

Requirements for Contract signature are included in Required Contract / Purchase Signature Authority section of this manual.

## Ethics Statement

Chapters must have processes and an environment fostering ethical behavior. The integrity of each volunteer leader individually and the Chapter as a whole is paramount. It is everyone's responsibility and obligation to act with integrity regardless of the Chapter position held.

Those with decision-making authority or influence within the organization to acquire or purchase goods or services, or otherwise expend the Chapter's resources, have an even greater responsibility in this regard.

The Chapter expects that all volunteer leaders will perform their jobs honestly and ethically. It is the responsibility of each Chapter board member to notify NDIA leadership if you believe that there is any activity inconsistent with these guidelines.

Each Chapter board member who procures goods or services on behalf of the Chapter should ensure that the integrity of the Chapter is maintained in all vendor/contractor transactions by considering first the interests of the Chapter, exhibiting honesty, fairness, and objectivity, striving to obtain the maximum value for each dollar expended, and by respecting and upholding the Chapter's Ethics Statement.

## Discrimination Prohibited

Chapter board members may not discriminate in contracting, enter or refuse to enter a contract, or grant or refuse to grant an award of a contract on the basis of race, religion, age, ethnicity, sexual orientation, gender, or disability.

## Kickbacks Prohibited

A kickback is any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly for the purpose of improperly obtaining or rewarding favorable treatment in connection with an acquisition. As a matter of business practice, NDIA prohibits acceptance of "kickbacks."

## Conflict of Interest (COI)

Personal conflict of interest means a situation in which a Chapter board member has a financial interest, personal activity, or relationship that could impair the member's ability to act impartially and in the best interest of Chapter when making financial operations decisions.

- Among the sources of personal conflicts of interest are:
  - Financial interests of the Chapter board member, of close family members, or of other members of the Chapter board member's household
  - Other employment or financial relationships (including seeking or negotiating for prospective employment or business)
    - For example, financial interests of this definition may arise from:
      - Compensation, including wages, salaries, commissions, professional fees, or fees for business referrals
      - Consulting relationships (including commercial and professional consulting and service arrangements, scientific and technical advisory board memberships)
- Chapter board members are required to assess and disclose any potential COI prior to contract approval

## Compensation/Gifts from Outside Sources

Chapter board members or immediate family members may not accept any compensation, gifts, or other non-cash favor of more than nominal value (\$75) from a person or organization which is supplying goods or services, or otherwise doing business, or seeking to do business with the Chapter. Cash may not be accepted under any circumstances.

Individual Chapter board members may not retain credit, rewards and other incentives that are awarded **as a result of the Chapter's business with the provider**. Points or credits awarded on the basis of the organization's overall relationship with the provider or Chapter credit card program are to be reported to and the business use coordinated with the Chapter board. Credits associated with the Chapter credit card program accrue to NDIA and may not be used for personal benefit.



## Specific Cost Items

For certain purchases, approvals are needed prior to commitment. Please refer to "Chapter Board Business Expenditures Policy and Procedures" for reimbursement ability of other cost items before purchasing if there are questions.

## Bid Process

- The Chapter board will be responsible for the following:
  - Ensuring proposed acquisitions are within budgetary authorizations
  - Clearly describing the statement of work to be performed. Preferably this is done prior to contacting potential vendors, although options may be explored with a variety of vendors in advance of finalizing the final statement of work in order to obtain a clearer set of requirements. However, Chapter board members must take care not to work with just one vendor at the pre-statement of work stage to avoid the fact or appearance that the vendor has influenced the language in the statement of work to preclude open, competitive bidding
  - Identifying at least three vendors who can legitimately participate in the bidding process, and providing vendor contact information
  - Clearly identifying the criteria by which the proposal/bid will be evaluated
  - Reviewing proposal responses with regard to technical and functional requirements
  - Selecting the awardee
- The Chapter board will be responsible for the following:
  - Creating and mailing the request for proposal document
  - Liaison between RFP recipients and internal department relative to technical issues/questions
  - Receiving proposal responses
  - Reviewing proposal responses with regard to business risk
  - Ensuring that the competitive process occurs every 3 – 5 years
  - Assisting the Chapter board members in negotiations
- After the bidding process is complete, the Chapter board is responsible for:
  - Providing to the Contracts expert (email to [Chapters@NDIA.org](mailto:Chapters@NDIA.org) a copy of the proposed contract for review)
  - Monitoring performance to ensure vendor is performing to the required level of effort, quality and timeliness
  - Reviewing and ensuring all charges related to the procurement are consistent with business need and the contract terms

## Required Contract/Purchase Signature Authority

All contracts and purchase agreements must be reviewed by the Chapter President or Vice President to ensure financial and other business terms meet Chapter requirements and to determine whether further review, including legal review, is required prior to execution.

Chapters leaders may not sign a contract with a value exceeding funds available in their accounts without written approval from the NDIA Director of Finance or the NDIA Executive Vice President/Chief Operating Officer.

Contract / Purchase Signature Authority for Chapters maintaining Offsite Financial Operations is at the following levels:

- NDIA Director of Finance or the NDIA Executive Vice President/Chief Operating Officer authorized to any dollar
- Two-thirds (2/3), supermajority, Chapter Board approval authorized up to 25% of Chapters bank balance or \$25,000, whichever is higher
  - A 2/3rds majority Chapter Board of Directors vote is required and the vote should be reflected in meeting minutes submitted to HQ as part of the Chapter's monthly financial report
- Two (2) Chapter Officers approval authorized up to 15% of Chapter's bank balance or \$15,000, whichever is higher
- Chapter Officer and one (1) Board of Director member approval authorized up to 10% of bank balance or \$10,000, whichever is higher
  - Chapter Officers are those Board of Directors positions identified in the Chapter Operating Principles
    - Officer positions can include but are not limited to: President, Vice President, Secretary and Treasurer
    - NDIA Senior Vice President of Chapters will be the final authority on which Chapter positions are officer positions if any Board member questions the definition of "Officer"
- No individual may serve as signature authority for any Contract or Purchase for which there is a real or perceived conflict of interest. Questions about possible conflict of interest should be sent to NDIA's Senior Vice President for Chapter

# Chapter Board Business Expenditures Policy and Procedures

## STATEMENT OF POLICY

The objective of the Chapter Board Business Expenditures Policy and Procedures is to ensure:

- Timely and accurate reimbursement to Chapter board members and vendors
- Vendor payment is in accordance with approved contracts
- Disbursements are made in accordance with policies
- Timely and accurate accounting for disbursements

An expenditure is proper only if it meets all of the following tests:

- Necessary to satisfactorily accomplish official Chapter mission or goals
- Complies with all existing policies and procedures (including federal, state, and local regulations)
- Does not appear to, nor does it actually, provide personal, political, or other non-business benefit to Chapter board member without a justifiable, primary benefit to the Chapter
- Is within approved budgets
- Is appropriately approved
- Is reasonable under the circumstances

This policy covers payment or reimbursement of expenses made for and by NDIA/WID Chapters, hereinafter "Chapter." It is not possible to cover every applicable expense; however, the following general guidelines provide a framework.

## General Guidelines

- **Disbursement Authorization:** All invoices, bills, receipts presented by vendors, suppliers, or resulting from contract with hotels, convention centers, etc. require certification that goods and/or services were received and accepted by the appropriate authority level. All requests for payment require approval in accordance with these instructions.
- **Authorized Levels for Certification Disbursement:** The following are authorized levels for certification for disbursement. Certification for disbursement is the authorization of payment for goods and/or services that have been provided to the Chapter for business purposes through vendor services or products purchased or contracts such as hotel and convention site rental and event support. All purchases and requests for payment must comply with the Chapter Contracts/Procurement Policy and Procedures.

- NDIA National is authorized to approve disbursement up to any dollar
- Full Chapter Board approval is authorized to provide disbursement up to 25% of Chapter's bank balance or \$25,000 whichever is higher
  - Chapter board vote approving expense / disbursement of funds should be reflected in meeting minutes submitted to NDIA HQ
- Two (2) Chapter Officers (President, VP, Secretary, Treasurer) approval authorized up to 15% of Chapter's bank balance or \$15,000, whichever is higher
- Chapter Officer (President, VP, Secretary, Treasurer) and one (1) board member (can be ANY Board member including a second officer) approval authorized up to 10% of bank balance or \$10,000, whichever is higher
- Neither approver can be the individual to whom funding is directed, nor can the approver be a representative of/ employee of/owner of the organization to which the funding is directed
- Disbursements will not be processed without a fully executed contract where one is required as set forth in the Chapter Contracts/Procurement Policy and Procedures
- **Receipts:** Receipts should always be requested whenever there is a transaction that will involve Chapter monies. Receipts are required for all business expenses greater than \$25.00 with the exception of lodging expenses, where a receipt is required regardless of amount. Note that there is a difference between a "receipt" and "justification" of the business expense - having a receipt doesn't automatically satisfy the "justification" requirement
- For receipts applicable to group meals, entertainment, or gifts, they must be annotated with the appropriate justification for the entertainment, group event, or gift, to include names and the business relationship of any person entertained or receiving a gift. IRS regulations require that the date, the business purpose, the place and the attendees of the expense be clearly noted. "Business Meeting", "Lunch Meeting" etc. will not be accepted as a purpose. The purpose should state how this relates to Chapter Business and why a meal was necessary
- Payment from facsimiles such as photocopies or from statements instead of original invoices is generally a poor business practice, primarily because it increases the possibility of making duplicate payments. If for some reason you could not obtain a receipt, include a signed statement as to why you could not
- Credit card statements may not be used as a receipt. The original approval and confirmation form (or vendor invoice) is required. Whenever possible, include the itemized receipt for meals costs AND the summary charge card receipt

- **Out-of-Pocket Expenses:** Chapter board members will be reimbursed when they use their own monies for business expenses upon presentation of appropriately justified and approved receipts
- **Actual Costs:** Reimbursement is made only for actual costs incurred. Requests for reimbursement for an amount equivalent to frequent flier, bonus points, discounts, complementary rooms or services, etc. will not be processed
- **Compensation/Gifts from Outside Sources:** Chapter board members or immediate family members may not accept any compensation, gifts, or other non-cash favor of more than nominal value (\$75) from a person or organization which is supplying goods or services, or otherwise doing business, or seeking to do business with the Chapter
- Individual Chapter board members may not retain credit, rewards and other incentives that are awarded as a result of the Chapter's business with the provider. Points or credits awarded on the basis of the organization's overall relationship with the provider or credit card program are to be reported to and the business use coordinated with the Chapter board
- **Non-Reimbursable Entertainment or Gift Expense:** Celebratory events and gifts that honor individuals for achievements or non-work related events are considered personal expenses that should be paid for by the organizer/ participants. Examples of such non-reimbursable expenses include the following:
  - Birthday celebrations
  - Weddings
  - Baby showers
  - Housewarmings
  - Graduations
  - Hail and farewells, including retirement lunches and parties and gifts
  - Holiday gifts
  - Employee job promotion recognition
  - Anniversary of date of hire
  - Entertainment Expenses for nightclubs, theaters, or sporting events incurred while entertaining customers, vendors or others
- **Tips:** Tips must be reasonable, and any unusual amounts must be explained in the Additional Justification Section of the Business Expense Report/reimbursement request. Excessive tipping is considered a personal expense and will not be reimbursed. Use the following general guidelines for tipping:
  - Restaurant waiters: Standard 15 – 20% pre-tax rule applies for a sit-down meal
  - Wait Service (buffet): 10% pre-tax
  - Skycaps/Bellman/Package Delivery: \$2 first item, \$1 per additional item
  - Taxicab/shuttle drivers: Standard 15% of fare
  - Valet parking attendants: \$2 – 5 when car is returned to you
  - Doorman: \$1 – 4 for carrying luggage, \$1 – 2 for hailing a cab
  - Coat check: \$1 per item
  - Hotel housekeeper: \$2 – 3 a day
  - Reasonable tips for room service (standard 15 – 20%) at hotels are reimbursable where the charge is properly documented as necessary due to meeting requirements and/or entertainment of business guests. Most hotels build in a service charge for room service -if bill does not include, use standard above

## Business Expense Reporting and Reimbursement

- **Lodging:** Reimbursement for hotel and motel accommodations will be on the basis of single room with bath. Chapter board members should obtain rooms which are in the modest cost bracket. Meeting/convention costs for supplies and or services should not be charged to your room, but separately invoiced and paid. Meals and other incidentals should be charged separately and submitted for reimbursement
- **Meals & Refreshments:** When on official business, meals and refreshments for Chapter board members and their official guests in connection with their conduct of the Chapter's business should be modest and consistent with federal/GSA guidelines. Official guests do not include relatives, and contract or temporary agency personnel are covered only where contractually required. Total individual meal expense for the day should be in line with per- diem levels as found in the US Federal guidelines (GSA Per Diem Rate at: <http://www.gsa.gov/portal/category/21287>)
- **Entertainment and Gift Expenses:** NDIA acknowledges that, from time to time, there are expenses associated with certain activities that should be recognized and paid for by the Chapter. These expenses must be reasonable and proportionate to our non-profit status and be perceived as such
- **Air Travel:** Air travel will be via the most direct and economical means, accommodating, where fiscally feasible, the comfort, needs and preferences of the traveler. Coach class air travel is preferred; first class travel is never permitted. Related travel expenses (e.g., food, lodging, car rental, taxis, gratuities, etc.) must be reasonable and appropriate and perceived as such. Upgrades may be accepted, provided there is no additional expense to the Chapter

- The Chapter does not cover costs for first class tickets or upgrades to first class under any circumstance. Consideration may be given to covering the costs for Business Class airfare in extenuating circumstances (e.g. medical necessity, significant airtime), but such request must be approved in writing by the Chapter President and Treasurer prior to the purchase of the ticket, and the written approval must be included with the reimbursement request
- Circuitous routing is permitted only when there is no additional cost (time and fare) to the Chapter
- Expenses for accompanying spouses/friends are personal expenses and must be scrupulously separated from Chapter-associated expenses
- **Rental Vehicle Usage When Conducting Chapter Business:** Automobile rentals should be limited to situations where other means of transportation are not practical, economical or available. Reimbursement is limited to costs for compact or mid-sized cars.
  - At the time of vehicle pick-up, the Chapter board member must inspect the vehicle and ensure that any damages found are noted on the contract before the vehicle is accepted
  - It is the Chapter board member's responsibility to review and dispute any discrepancies on the car rental invoice
  - Travelers should refill gas tanks before returning the vehicles. Rental companies levy a charge for refueling, far more than the price of gas. Avoid drop charges by returning the vehicle to the renting location
  - Reimbursable costs include the daily rental fee, gasoline charges, parking and tolls. Reimbursement for car rental expense requires submission of the vehicle rental contract clearly showing the dates, mileage and total cost. When a rental car is used reimbursement will be the lesser of the rental car and other options (shuttle or cab, airfare or train)
- **Use of Privately Owned Vehicles:** If a privately-owned vehicle (POV) is used, reimbursement will be made at the published IRS rate, calculated on the shortest route. To be reimbursed for POV expense, file a business expense report for the trip mileage. The IRS authorized rate per mile covers gas and related car wear expenses
- **Other Travel Claim Tips:**
  - Obtain receipts for parking lots and garages, toll booths, and rental car gas charges
  - Airline tickets and receipts are vital. If you use the entire ticket, submit a copy of the airline ticket so that charges may be reconciled with the billing (not the itinerary). The documentation must clearly identify the class. Turn in any unused tickets and attach a note telling "why" they were not used. Unused tickets may be used only for Chapter business purposes
  - Class of travel must be identifiable on the ticket – air or rail
- Most airlines charge baggage fees; therefore, reimbursement of such fees are generally considered a normal cost of travel, subject to reasonableness. Airlines also charge for overweight bags. Requests to reimburse overweight fees may be subject to additional scrutiny because, for many meetings, the Chapter ships materials in advance. Chapter board members are required to plan accordingly to mitigate these costs
- **Capital/Equipment Item:** Furniture, hardware, printers, projectors, certain software, etc. may be purchased by staff only after coordinating with Business Ops (See "Centralized Purchases" in the Chapter Contracts/ Procurement Policy and Procedures document)
- **Gift Cards/Checks:** Gift cards or checks must be coordinated in advance with the Chapter board. The request must include the name of the individual receiving the gift, a description of the gift, and a statement regarding the business purpose to be accomplished. IRS regulations limit gifts for employees and in certain instances the gift may be taxable income to the employee receiving the gift
- **Non-Reimbursable Expenses:**
  - Personal entertainment expenses (movies, games, health club, golf outings, laundry, or valet service)
  - Valet parking, unless the hotel or venue prohibits guests from parking their own vehicles, or is a business necessity, not just a personal convenience
  - Travel accident insurance premiums
  - Costs incurred by failure to cancel transportation or hotel reservations
  - Traffic and/or parking violation fines
  - Repairs to personal vehicles used for business travel
  - Spouse or other family member expenses
  - First class airfare or upgrades
  - Additional costs and fees associated with changing travel plans when at the discretion of the traveler - reimbursement may be requested under limited circumstances and must be approved by the Chapter President and Vice President
  - The Chapter canceled the event or changed the start time after travel arrangements had been made - reimbursement for a change in end time will be considered only if the end time is later than originally posted
  - Illness or other significant personal emergency prevented the traveler from attending the event
  - Unforeseeable and unavoidable work demands precluded the traveler from participating in the event in person

# Chapter Chart of Accounting Codes

<b>REVENUE ACCOUNTS</b>	
4001	<b>INDIVIDUAL MEMBERSHIP DUES - RENEWAL</b> Individual membership renewals
4002	<b>CORPORATE MEMBERSHIP DUES - RENEWAL</b> Corporate membership renewals
4003	<b>NEW INDIVIDUAL MEMBERSHIP DUES</b> New subscriptions from individuals
4004	<b>NEW CORPORATE MEMBERSHIP DUES</b> New corporate subscriptions
4060	<b>ADVERTISING INCOME - PROGRAM</b> Revenue received from advertisers in the Program Guide (ie. Show Daily)
4070	<b>ADVERTISING INCOME - ONLINE</b> Revenue received from advertisers in any online association publication
4075	<b>MEETING INCOME</b> Revenue from registration fees for meetings, symposia, conventions, and Annual Meeting (does not include 4076 - Exhibit revenue)
4076	<b>EXHIBIT INCOME</b> Exhibit revenue from booth fees paid by exhibitors (does not include revenue received from meeting registration fees which should be placed in account 4075 - Meeting Revenue)
4077	<b>SPONSORSHIP INCOME</b> Revenue received from sponsors of events or activities, generally specifically designated (does not include 5040 - Donations)
5025	<b>INVESTMENT INCOME</b> Income received from any interest bearing and investment accounts such as dividends and royalties. Investment accounts exist for income/earnings from each financial institution that NDIA uses
5026	<b>INVESTMENT INCOME - REALIZED</b> Income related to realized capital gains or losses on the sale of securities
5027	<b>INVESTMENT INCOME - UNREALIZED</b> Income related to unrealized capital gains or losses on the sale of securities
5040	<b>DONATIONS</b> Contributions and donations
5050	<b>OTHER INCOME</b> Miscellaneous revenue received that cannot be accommodated in another revenue account
<b>EXPENSE ACCOUNTS</b>	
6080	<b>TRAINING &amp; PROFESSIONAL DEVELOPMENT</b> Costs related to training and development (such as tuition, conference, class, or training fees)
6082	<b>PROFESSIONAL BOOKS, DUES &amp; SUBSCRIPTIONS</b> Books, professional publications and journals, and dues for professional organizations
6100	<b>TRAVEL – AIR &amp; TRANSPORTATION</b> Air and ground travel expenses of employees (such as airfare, train, taxi, limo, mileage, and tolls)
6101	<b>TRAVEL – MEALS &amp; INCIDENTALS</b> Costs of staff and guest meals related to travel and other business entertainment expenses
6102	<b>TRAVEL – LODGING</b> Costs of staff lodging while conducting business for the organization
6200	<b>COMMUNICATIONS</b> Communication related items that would not already be included in accounts 6203 (postage), 6204 (copies & printing), 6210 (telephone), and 6250 (hardware & software). "branded merchandise" / anything used to highlight NDIA or WID with logos (pins / water bottles / mints / banners / tablecloths, etc.)
6201	<b>DIRECT MAIL MARKETING</b> Expenses related to direct mail marketing programs or campaigns including list rental and exchange fees, printing, and postage/mailing by contract mailers

6202	<b>MEMBERSHIP SERVICES</b> Expenses required to provide various administrative services to association members including membership pins, billing letters, corporate certificates, frames, mailing materials, BRE's, lock box, special invoices, pre-printed route sheets, and associated postage
6203	<b>POSTAGE</b> Postage and delivery expenses (U.S. Postal Service, UPS, FedEx, etc)
6204	<b>COPIES &amp; PRINTING</b> Printing costs for meeting brochures, magazines, publications, and copier usage
6250	<b>HARDWARE &amp; SOFTWARE</b> Computer service and repair, computer leases, rental and purchase of computer programs and equipment (other than capital investment items), computer maintenance contracts, fees for online or cloud-based software services, merchant fees (not related to banks or credit card processing) and off-the-shelf computer programs
6300	<b>OFFICE SUPPLIES</b> Consumable office supplies, small general office equipment such as printers, cameras etc., and maintenance expense. Items costing more than \$1000 are considered fixed assets, capitalized, and not part of a business centers operating budget. See the Vice President, Business Operations for purchase of any capital equipment
6325	<b>EQUIPMENT RENTAL</b> Payments for the rental of equipment (for operating, not capital leases). This account is set to map to Box 1 on the 1099-MISC form and should be used for individuals or entities from whom the organization rents tangible property and a 1099-MISC is required
6350	<b>AUDIT &amp; LEGAL FEES</b> This is an expense account that includes all expenses for the professional services of audit and legal firms
6360	<b>BUSINESS TAXES</b> Expenses related to payments for business taxes (ie. UBIT, Business License Tax, Business Tangible Property Tax)
6400	<b>CONSULTANTS</b> Payments to professionals or experts who provide services to the organization and are not employees (including parts and materials). This would include authors, artists, proof readers, consultants, and independent contractors). This account maps to Box 7 of the 1099-MISC and should be used for both individuals and business entities who require a 1099-MISC
6405	<b>CONSULTANT EXPENSES</b> Reimbursable expenses to consultants (as described in account 6400). Since this amount represents a reimbursement to the consultant, his/her 1099-MISC should not include any amounts included in this account
6450	<b>OTHER EXPENSES</b> Expenses not included in other accounts such as charitable contributions, public relations, off-site storage, visitor parking, Virginia Use Tax and intern stipends
6455	<b>INTEREST EXPENSE</b> Interest charges on loans, lines of credit, etc.
6600	<b>AWARDS &amp; INSIGNIA</b> Purchase, preparation and delivery of awards, mementos, special recognition material, and cash awards to recipients. This account is mapped to Box 3 of the 1099-MISC
6750	<b>MEETING EXPENSE</b> Meeting related expenses including security, audio, visual and other miscellaneous expenses incurred at the meeting site
6755	<b>EXHIBIT EXPENSE</b> Costs associated with the management of exhibit space and services. Does not include expenses normally incurred by the meeting associated with the exhibit
6777	<b>SPONSORSHIP EXPENSE</b> An expense account to track the expenses related to the purpose for which a sponsor has provided funds, e.g. a reception at an event
6800	<b>INVESTMENT MANAGEMENT FEES</b> Management fees related to investment accounts
6810	<b>CREDIT CARD PROCESSING FEES</b> Merchant credit card fees
6820	<b>BANK FEES</b> Bank fees

The logo for NDIA (National Defense Intelligence Agency) is displayed in a bold, red, sans-serif font. It is centered horizontally against a background of a light blue, low-poly geometric pattern that resembles a stylized mountain range or a crystalline structure. The pattern is composed of various shades of blue, from very light to a medium blue, creating a textured, three-dimensional effect. A solid red horizontal bar runs across the bottom of the page, partially overlapping the bottom edge of the blue pattern.

**NDIA**

**Chapter**  
**Onsite Financial**  
**Operations Manual**