

**GUIDELINES OF THE  
GREEK ORTHODOX  
LADIES PHILOPTOCHOS  
SOCIETY, INC.**

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## ARTICLE ONE: GOVERNANCE AND ADMINISTRATION

### 1.0 THE FINANCE ADMINISTRATION COMMITTEE

The National Philoptochos Board is charged with the duty to oversee all financial matters relating to the disbursement of Philoptochos funds. The Finance Administration Committee is the hands-on compliment of National Philoptochos Board members who have accepted the responsibility of ensuring that that obligation is met.

#### 1.1 RESPONSIBILITIES

The responsibilities of the Finance Administration Committee include, but are not limited to assuring the membership that:

- (a) the financial affairs of the organization are conducted in a manner consistent with the goals and the objectives of the Society, donor wishes, the requirements of law and the policies of the Greek Orthodox Archdiocese of America;
- (b) the Society's assets are preserved;
- (c) the Society's financial obligations are fulfilled in a timely manner;
- (d) adequate financial records are maintained;
- (e) the National Philoptochos Office is adequately staffed and operating in accordance with the directives, policies and decisions of the National Philoptochos Board; and
- (f) regular reports and recommendations are made to the National Board.

### 1.2 Duties

The Finance Administration Committee shall fulfill its obligations through the diligent performance of its duties. Those duties shall include but are not limited to:

- (a) familiarization with all aspects of the Society's financial affairs;
- (b) monitoring compliance with established policies with regard to:
  - 1. internal controls;
  - 2. effective management techniques;
  - 3. investments;
  - 4. budgeting and financial planning;
  - 5. purchasing and contracting;
  - 6. fiscal policies relating to personnel;
  - 7. banking relationships;
  - 8. record keeping;
  - 9. insurance coverage;
  - 10. auditing;
- (c) making regular reports and recommendations to the National Board;
- (d) communicating directives or changes in policy to the Director of the National Office for implementation;
- (e) analyzing, reviewing and monitoring compliance with National Commitments.

### 1.3 SUBCOMITTEES

The Finance Administration Committee may create such subcommittees as may be useful in addressing various areas of concern to the Committee. The subcommittee shall meet and report their findings to the full Finance Administration Committee.

#### 1.4 COMPOSITION

The Finance Administration Committee shall be comprised of the National Treasurer who, pursuant to the Society's Bylaws shall serve as Chairman of the Committee, and not more than six additional National Board members.

#### 1.5 DUTIES OF THE CHAIRMAN

The duties of the Chairman of the Finance Administration Committee shall include but shall not be limited to:

- (a) Convening all meetings of the Committee. She shall prepare the agenda and shall preside at those meetings in accordance with Roberts Rules of Order. The Chairman shall appoint a member to maintain accurate minutes of the meeting.
- (b) Acting as spokesman for the Committee before the National Philoptochos Board and the National Philoptochos Biennial Conventions.
- (c) Acting as the primary monitor of the National Office's compliance with the policies and procedures set by the Committee.

#### 1.6 MEETINGS

The Committee shall meet not less than four times yearly.

#### 2.0 NATIONAL PROJECT CHAIRMEN

National Commitments and Projects are adopted by the National Biennial Philoptochos Convention and are implemented by the National Philoptochos Board through the National Project Chairman.

#### 2.1 RESPONSIBILITIES

The National Project Chairmen shall monitor and encourage participation and compliance with the National commitments and projects.

#### 2.2 DUTIES

The duties of the National Project Chairmen shall include but are not limited to:

- (1) designing and preparing fund raising programs, materials and chapter correspondence;
- (2) acting as project spokesman at meetings of the National Philoptochos Board and the National Philoptochos Biennial Convention;
- (3) advise the Finance Administration Committee in preparation of the biennial budget; and
- (4) render a complete record of project activities to the National Philoptochos Board.

#### 2.3 APPOINTMENT

The National Project Chairmen shall be appointed to serve a term of two years at the first meeting called after the National Philoptochos Biennial Convention. If a Chairman becomes unavailable or unable to serve in that capacity, she shall immediately advise the National President.

## ARTICLE TWO: FINANCIAL MANAGEMENT

### 1.0 FINANCIAL MANAGEMENT

Through a carefully designed program of financial management, the Society seeks to reassure its members that the funds raised are maintained and distributed in a fiscally responsible manner.

#### 1.1 INDEPENDENT AUDIT

Pursuant to the requirements of the Society's Bylaws, the National Philoptochos Society shall submit to an annual independent audit of its books and records by a Certified Public Accountant. That audit shall include outside verification of the reported figures. The audited financial report shall be provided to the delegates at the National Philoptochos Biennial Conventions.

#### 1.2 INTERNAL AUDIT COMMITTEE

- (a) An Internal Audit Committee comprised of at least five members shall be appointed by the National President in consultation with the Executive Board.
- (b) Not less than once annually, the Internal Audit Committee shall conduct an audit of Society's books and records.
- (c) The Internal Audit Committee shall also convene to receive the audit and recommendations of the Certified Public Accountant. The Committee shall submit a written report to the National Philoptochos Board.

#### 1.3 OTHER INTERNAL CONTROLS

The National Office Director and the Finance Administration Committee shall provide oversight of the compliance with

established financial policies and procedures. They shall monitor the adequacy of controls and suggest revisions where appropriate.

### 2.0 BIENNIAL BUDGET

The National Philoptochos Society and Office shall operate within the limitations of a budget covering a two year period which shall be submitted for adoption by the National Philoptochos Biennial Convention.

#### 2.1 PREPARATION PROCEDURES

Preparation of the budget shall be conducted as follows:

- (1) Review fund drive prospects for regular projects. Consider growth rate of the Society's membership, chapter participation history, fund raising methods (including any proposed changes therein), and the general climate for charitable giving. Establish reasonable dollar amounts or "targets" for each drive.
- (2) Review plans, if any, for new projects. Consider initial growth rate, degree of competition with existing projects and fund raising methods to be employed. Establish reasonable dollar amount targets.
- (3) Review remaining fund balances that will be available at the start of the new budget period, based upon existing fund balances and the existing budget for the convention year.
- (4) Establish an interest income target based upon an estimated interest rate applied to the probable level of invested fund balances during the new biennial period.
- (5) Establish a desired level of fund balances (or "reserve") that is desirable to keep on hand in any particular fund as a matter of policy. Note that income, expense and remaining fund balance levels cannot be changed

independently. If fund balance is a target, income and expense must be projected to meet the fund balance target; if income and expense targets, fund balances (including possible deficits) are a resultant calculation.

- (6) Prepare budget worksheets for each fund and for the total of all funds.

## 2.2 EXPENSES ALLOCATION PROCESS

Expenses incurred by the Society shall be allocated for budgetary purposes as follows:

- (1) Direct Expenses: Purchases of goods and services that can be specifically identified as fund raising or programmatic expenses attributable to a certain fund shall be charged directly to that fund.
- (2) Indirect Expenses: Expenses not immediately identifiable to a particular fund (such as National Office salaries and benefits) shall be attributable to each of the various funds at a percentage rate to be fixed by the Finance Administration Committee.

## 2.3 REVIEW AND ADOPTION

- (1) The Finance Administration Committee
  - (a) The Finance Administration Committee shall undertake the initial review of the budget in draft form. Any and all assumptions relied upon in preparation of the draft shall also be submitted for review.
  - (b) The Finance Administration Committee may, if it wishes, request the involvement of the National President, the Director, the Metropolis Presidents,

and/or the National Project Chairmen in the review process.

- (c) Based upon its deliberations and in its discretion, the Finance Administration Committee may amend the draft budget.
- (d) Upon completion of the review process, the Finance Administration Committee shall submit the amended budget and its recommendations to the National Board for its consideration.

- (2) The National Philoptochos Board:

The National Philoptochos Board shall review and consider the draft submission and may, in its discretion, make changes to the draft budget. The final budget shall then be submitted to the National Philoptochos Biennial Convention for its consideration and adoption.

## 2.4 ADHERENCE

Adherence to the biennial budget shall be the primary duty of the National Treasurer. The Finance Administration Committee shall assist the Treasurer in monitoring that compliance.

## 2.5 REVISIONS

The Biennial Budget shall be considered as having the same force and effect as any other National Philoptochos policy statement.

The Biennial Budget is however based upon assumptions which may not be realized during the budget period. Accordingly, revision procedures must be provided, to the extent that they do not contravene the general intent of the National Philoptochos Biennial Convention. Those procedures are as follows:

- (1) Unless otherwise authorized by the National Philoptochos Board, where the actual income for a fund proves to be less than budgeted, the expense budget for that fund shall be reduced proportionally.
- (2) In any fund in which actual income is greater than anticipated, the expense budget or fund balance target may be increased by specific action of the National Philoptochos Board, upon recommendation of the Finance Administration Committee.
- (3) The Finance Administration Committee may make changes in budget amounts of line-item expenses to the extent that such changes do not change the total expense budget in a fund.

### 3.0 BOOKS OF ACCOUNT

The books of account shall be maintained in accordance with generally accepted accounting principles.

#### 3.1 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The applicable generally accepted accounting principles shall include but are not limited to the following:

- (1) the accrual of all significant receivables in the period in which income is earned; and accrual of all significant payables in the period goods and services are received.
- (2) separate accounting for current unrestricted, current temporarily restricted plan and endowment funds (funds accounting);
- (3) allocation of costs to the various programs and funds based upon data covering time and efforts of personnel, and upon identification of specific goods and services purchased on behalf of various programs;

- (4) allocation of investment income to various funds based upon an equitable formula.

## 4.0 FINANCIAL REPORTS

In an effort to keep the membership adequately apprised of the financial status of the Society, periodic financial reports shall be prepared and distributed.

### 4.1 BIENNIAL FINANCIAL REPORTS

A Biennial Financial Report shall be provided to the delegates of the National Philoptochos Biennial Convention. That report shall include an audit of the Society's books and accounts prepared by the Society's independent Certified Public Accountant covering the preceding two year period, a report of the Finance/Administration Committee and the proposed Biennial Budget.

### 4.2 ANNUAL FINANCIAL REPORTS

The National Philoptochos Board shall issue an annual financial report prepared in accordance with generally accepted accounting principles. An independent audit shall be prepared by the Society's Certified Public Accountant. The Annual Financial Report shall be available upon request to Philoptochos chapters and/or members.

### 4.3 INTERIM FINANCIAL REPORTS

Interim Financial Reports shall be prepared by the National Treasurer and shall be provided to the Finance Administration Committee not less than quarterly and to the National

Philoptochos Board as requested. The report shall demonstrate:

- (a) the financial activity for each fund for the quarter and year-to-date;
- (b) the remaining fund balances at the end of the period being reported upon;
- (c) a comparison of actual support, revenue and expenses with the budget amount remaining in dollars in percent.

## 5.0 BANK ACCOUNTS

The Society shall maintain its bank accounts at responsible banking institutions which are protected by the Federal Deposit Insurance Corporation.

### 5.1 AUTHORIZATION TO OPEN

Bank accounts of any kind may only be opened or closed with the authorization of the Finance Administration Committee. Corporate resolutions bearing the signature of the Secretary of the National Board shall be prepared in connection with all accounts.

### 5.2 SIGNATORIES

Any check prepared by the Society must bear the signature of two officers. The signatories shall be the President (or in her absence or unavailability the First Vice President) and the Treasurer (or in her absence or unavailability the Assistant Treasurer). The refusal of the National President and/or the Treasurer to endorse any check shall be binding.

### 5.3 LIMITATIONS

The Society shall not maintain any single account with a balance in excess of \$100,000.

## ARTICLE THREE: INVESTMENT OF FUNDS

### 1.0 INVESTMENT OF FUNDS

Unrestricted and temporarily restricted funds that are not needed for immediate expenditure shall be invested by the Finance Administration Committee in accordance with the following guidelines.

#### 1.1 INVESTMENT INSTRUMENTS

- (a) Not more than \$100,000 shall be invested in any single savings account, money market or mutual fund. United States obligations may however be purchased in any amount.
- (b) Corporate stocks and bonds and municipal and state obligations may be purchased by the Finance Administration Committee. Any purchase of this kind shall be managed by professional financial consultants who shall report to a sub-committee appointed for this purpose.
- (c) United States obligations with a maturity date beyond five years shall not be purchased; investment in such instruments may however be “rolled over” when the Finance Administration Committee deems it appropriate.

#### 1.2 INVESTMENT INCOME

- (a) Unrestricted Funds:  
Income from unrestricted funds shall also be unrestricted.



- (b) Temporarily Restricted Funds:  
Income from the investment of temporarily restricted funds shall be added to the same temporarily restricted fund.
- (c) Allocation of Interest:  
Earnings attributable to a fund shall be determined either by identification of specifically invested assets or, for jointly-invested funds, through an allocation formula approved by the Finance Administration Committee in consultation with the Society's Certified Public Accountant.

#### ARTICLE FOUR: MISCELLANEOUS PROVISIONS

##### 1.0 PRESIDENT'S ALLOWANCE

###### (A) Applicability:

It is the policy of the National Philoptochos Board that members shall assume all costs associated with National Board activities.

Nevertheless, the Biennial Budget of the National Philoptochos Society provides an allowance for the President of the National Philoptochos Board. That allowance is provided to cover those expenses that are unique to the office of the President. The President's allowance shall not be used to cover any expense that is common to other National Board members. Accordingly, no portion of the allowance shall be applied to expenses relating to regularly called meetings of the National Philoptochos Board.

###### (B) Review:

The Finance Administration Committee shall regularly review all applications for payment under the President's Allowance. The decision of the Committee shall be final in such matters. Upon approval, the National Philoptochos Office shall make prompt reimbursement. Under no circumstances shall payment be made absent the appropriate documentation or in advance of the expense being incurred.

##### 2.0 RECEIPT OF UNUSUAL GIFTS

###### (A) Prior Approval:

The National Philoptochos shall obtain prior approval of the Finance Administration Committee before accepting the following unusual gifts:

- (1) Gifts of any size restricted to purposes different from the Society's regular projects;
- (2) Gifts of endowment funds.

###### (B) Review:

Upon review of the proposed donation, the Finance Administration Committee shall consider the feasibility of accepting the gift. Among other factors, the Committee shall consider:

- (1) Whether the Society would be able to administer the gift at a reasonable cost;
- (2) Whether acceptance would involve the Society in programs or functions inconsistent with the Society's goals or objectives;

- (3) Whether the restrictions are too specific or narrow to permit reasonable managerial discretion in fulfilling the donor's intentions.
- (4) In those situations where the gift, as proposed, would not be acceptable, the Finance Administration Committee shall contact the donor in an effort to arrange a modification agreeable to all parties. Where mutual agreement cannot be reached, the donor should be referred to a more suitable charity.

### 3.0 MEMBERS OR EMPLOYEES AS ESTATE EXECUTORS

1. A National Board member or employee of the National Philoptochos Office shall not act as executor of an estate under which the Society is the beneficiary, absent prior approval of the Executive Board.
2. Where a National Board member or employee of the National Office is designated an executor of an estate without prior knowledge of an estate under which the Society is a beneficiary of the estate, the designation must be immediately made known to the Executive Board.
3. In those instances where a National Board member or employee, with the approval of the Society, acts as executor, the member/employee shall comply with the applicable requirements of law regarding the conduct of an executor and shall submit to a judicial accounting of the estate.

### 4.0 GIFTS TO EMPLOYEES

Gifts valued in excess of \$50 may not be received by an employee from a recipient of Philoptochos funds, services or counseling. On those instances, where such gift is offered the employee shall promptly notify the Director of the National Office.