INTRODUCTION

The RMC Research & Education Foundation shall have staffing sufficient to meet the requirements of the organization.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting
   The Foundation’s financial statements are prepared on an accrual basis of accounting (pending completion of accounting firm’s current work).

2. Land, Buildings, Furniture and Equipment
   Future building purchases will be recorded and depreciated in accordance with recognized accounting practices. Furniture and equipment over $1,000 are capitalized in the year of purchase.

3. Uncollectible Pledges
   Bad debts are recorded under the direct write-off method whereby the expense is recognized in the period the income becomes un-collectible. A reasonable allowance will be made in the budget and audit for uncollectible pledges as determined by management in consultation with the independent auditor.

4. Pledges
   Pledges are billed annually in the month designated by the donor. Major pledge commitments are verified annually through the independent audit of the Foundation.

5. Income Taxes
   The Foundation is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

I. BOOKS AND RECORDS

1. The general ledger, accounts receivable subsidiary ledger, invoices, and other association financial information are produced by the Foundation staff or an accounting firm under the supervision of the Foundation Executive Director.

2. The Executive Director shall ensure that a complete system backup of all electronic records/database information is performed at least once a week with the month end copy stored in an off-site location as a back-up.

II. CHECKING ACCOUNTS
1. The Foundation’s checking account(s) shall be balanced against the financial institution and the Foundation’s records monthly. Two signatures from among authorized signatories are required on checks above $5,000 drawn against the aforementioned account(s). The authorized signatories shall include the Executive Director, one officer of the Foundation, and the President of NRMCA who is an ex-officio Trustee. An officer should approve the Executive Director’s expenses and a majority of the officers must approve any expenses outside of the approved budget.

2. All funds received by the Foundation are deposited to the checking account.

3. It is the responsibility of the Executive Director and the Chairman of the Finance Committee of the Foundation to periodically review the check register of the Foundation and report to the Board of Trustees.

III. INVESTMENTS (For a complete explanation see Investment Policy)

1. The Foundation shall only deposit funds in banking and thrift institutions that are federally insured.

2. Foundation funds shall be invested based on the currently adopted Investment Guidelines of the Foundation.

3. The investment securities of the Foundation shall be held in a custodial account with an accredited financial institution for, and in the name of, the Foundation designated by the Board of Trustees. The institution shall be authorized to hold as custodian all Foundation property deposited by the Foundation staff or collected by the Foundation, to collect income and principal, to hold the assets received and the proceeds of principal collections and investment, and to reinvest or distribute the same in accordance with the written direction of the Board of Trustees.

4. The Foundation shall prepare and distribute bi-annual reports summarizing investment activities to all members of the Board, with monthly statements being distributed to the Chairman of the Finance Committee.

IV. FINANCIAL AND AUDIT REPORTS

1. The Foundation keeps its book on a calendar year basis. The staff shall prepare two financial reports for the Board of Trustees each year. A proposed budget for the next calendar year is presented to the Finance Committee for recommended approval and then to the Board for final consideration at its fall meeting. The Board at its annual meeting reviews the financial statements for the calendar year.

2. All inquiries or requests for information regarding Foundation finances should be submitted to the Finance Committee, which will have the final authority to decide whether the Foundation’s independent auditors shall be requested to provide information. Information on compensation of individual staff members is considered confidential and is made available only to the Compensation
Committee. Within the staff, only the Executive Director will have access to information on compensation of individual staff members.

3. The Foundation’s auditor will be an independent Certified Public Accountant recommended annually by the Executive Director and the Finance Committee, and submitted for approval by the Board of Trustees. The audit report is submitted to the Finance Committee of the Foundation once a year. The independent auditor will report to the Finance Committee at the committee’s annual meeting and is solicited periodically for advice by the staff on financial and related matters during the year.

V. TAX RETURNS

Payroll and personal property tax returns, as well as annual reports, are prepared under the direction of the Executive Director.

VI. BONDING

Each staff member and officer who handles Foundation funds shall be covered by a blanket position bond in the amount of $1 million issued by a major national insurance company.

VII. ACCOUNTING PROCEDURES

1. Billing Procedures

Pledges are billed annually in the month designated by the donor.

2. Receipts

A. The Foundation staff shall arrange for all receivables of the Foundation to be delivered to the Foundation’s financial institution. The Foundation staff shall arrange to have the deposit tickets and supporting documentation provided by the Foundation’s financial institution. Invoicing procedures of the Foundation shall allow the clear identification of the deposit tickets and documentation from the financial institution. The Foundation shall have proper checks and balances on the recordation and crediting of all receivables in accordance with generally accepted accounting principles.

B. Receipts shall be date recorded as received, and electronically credited to the appropriate account under the supervision and direction of the Executive Director to ensure confidentiality and security of the Foundation’s resources. The two functions of receipt acknowledgement and date recordation and the recordation of the receipt to the correct account shall be performed by a separate individual in the Foundation. Receipts received shall be deposited a minimum of bi-weekly. Receipt deposit slips from the Foundation’s financial institution shall be returned to the Executive Director and used in the balancing of the Foundation’s checking account.

3. Disbursements
A. Disbursements from the Foundation shall be made from the Foundation’s checking account on renumbered checks bearing the name and address of the organization. Authorized signatories of the foundation shall sign the checks. Disbursements shall only be made with the written approval of the Executive Director and with source documentation. No disbursements shall be made to “cash” or “bearer”. Voided Foundation checks shall be retained for review by the Foundation’s auditing firm during the closing of the Foundation’s books.

B. Monthly bank statements from the Foundation’s financial institution shall be provided electronically. The Executive Director shall supervise the monthly reconciliation of the Foundation’s books using the receipt deposit ticket validated by the financial institution. These validated deposit tickets shall be maintained with the reconciled banking balances.

4. Security Investments

All securities of the Foundation shall be kept in the custody of the designated Foundation financial institution approved by the Board of Trustees. The securities shall be in the name of the RMC Research & Education Foundation only. The Executive Director shall supervise the maintenance of records on the Foundation with a monthly reconciliation performed. The Foundation’s auditing firm shall annually perform an audit of the investment accounts. The financial institution’s fund manager shall provide quarterly performance evaluation.

5. Purchases & Expenses

A. Major items or services are purchased subject to competitive bidding based on a clearly defined set of specifications.

B. The quantity and condition of goods received are determined and verified at the time of receipt by the Foundation staff.

C. All invoices are approved and coded for payment by the Foundation staff prior to being submitted for payment.

D. Invoices are checked for prices and credit terms, extensions, and freight charges or allowances.

E. The Executive Director, prior to payment, approves all invoices under $5,000. All invoices over $5,000, with the exception of contractual obligations already approved by the Board of Trustees, require the approval of a majority of the following: Chairman of the Board, Vice Chairman and the Treasurer.

6. Payroll and Personnel Records

A. Employees are paid by check on the 15th and the end of the month, or the last working day prior thereto. An authorized signatory, by way of the third party payroll processing service, electronically signs checks.
B. Payroll is processed electronically, through the use of an external payroll processing service. Changes in an employee's status are entered every payroll cycle.

C. Electronic Direct Deposit of payroll is provided to all employees.

D. The auditors verify the compensation paid to the Executive Director annually.

It is the responsibility of the Executive Director to maintain up-to-date confidential personnel files on all active employees, to include information such as: personal data, tax withholdings information, INS compliance, leave records, benefits enrollment information and performance evaluations. Salary records are kept offsite at the offices of a payroll firm. (Records of terminated employees should be retained for a minimum of 7 years.)

VIII. STAFF TRAVEL AND EXPENSE ACCOUNT POLICIES AND PROCEDURES

NOTE: All procedures are indicated by BOXED frame.

GENERAL INFORMATION:

The purpose of this document is to coordinate, in one manual, all of the policies and procedures regarding reimbursable business expenses to Foundation staff. This is to include direct charge expenses by Foundation employees and personal outlays by staff that justify reimbursement. Unless otherwise stated, these policies and procedures are in effect for Foundation personnel. By its very nature, this document will from time to time require additions and/or corrections. Please refer to the most recent revision of this manual for the correct interpretation of the Foundation’s policies. This document incorporates Board approved policies.

The Foundation shall conform to the most updated IRS reporting rules for employee business, travel, meals and entertainment expenses. It is the policy of the Foundation that staff members shall travel and live, while on out-of-town engagement or assignment, in a manner befitting their professional standing and be reimbursed for expenses actually incurred. At the same time, it is necessary that expenses be kept within reason. Foundation employees are expected to exercise professional judgment and good common sense when incurring Foundation expenses, whether traveling or transacting Foundation business in Washington, DC or elsewhere while on official business. The Foundation will reimburse expenses only when supported by a written expense report explaining the business purpose or benefit to the Foundation. It is the Foundation’s policy that proper documentation of business expenses be provided in accordance with the procedures herein.

1. Travel & Entertainment Expenses

A. No staff member should be out of pocket for reimbursable expenses as a result of his or her duties on behalf of the Foundation, provided such expenses are reasonable.

B. Expense reports must be submitted for approval in a timely manner, at least yearly. Details of reporting procedures are as follows:
The Executive Director’s expenses are to be submitted and approved by an officer. All other staff members’ expenses are to be submitted to the Executive Director for approval. The Treasurer or his delegate will periodically review expense reports submitted by staff members. Staff expense reports may be reviewed by members of the Finance Committee. All expense reports submitted must contain appropriate detail and receipts in order for the expense to be approved.

C. A travel advance for a reasonable amount may be issued to an employee traveling on Foundation business. All advances will be issued by check to the individual. Any balance due to the employee, or cash to be returned to the Foundation, must be reconciled within 30 days of return of trip. Travel allowances are allowed up to a maximum of $100 per day. This account balance must be reconciled monthly, or immediately upon termination of employment. Employees must submit expense account reports at least monthly in order to receive reimbursement for expenses.

All requests for advances should be submitted by the employee to the Executive Director at least two weeks in advance. An original receipt attached to the expense report must properly document all expenses of $25 or more. Except in the case of restaurant expenses, an original detailed hotel bill, car rental bill, airline ticket voucher or coupon, or other receipts must accompany a cardholder copy of the charge slip in order to obtain reimbursement. All business meals or entertainment expenditures must be documented on the expense report, including the names, organizations, and purpose of the function on the receipt.

D. All expense reports must be reviewed for reasonableness of amounts and for compliance with these Foundation policies. Any reporting of excessive spending, failure to provide adequate documentation or substantiation, or abuse of this policy are grounds for disciplinary action.

2. Documentation

A. All business meals or entertainment expenditures must be documented on the expense report. A receipt must be attached if the expenditure is for $25 or more.

B. Documentation for business meals and entertainment expenses, whether out-of-town or local, must substantiate the business purpose of the expenditures by providing the following information:

- date, place, city and description of meal or entertainment;
- name(s), company affiliation(s), and business relationship(s) of persons in attendance;
- business purpose (business discussed);
- the amount spent.

3. Reimbursable Expenses – Out-Of-Town
A. Travel expenses allow staff members to include all those necessary for the conduct of business, including reasonable personal expenses incurred in the course of conducting business. At the discretion of the Executive Director, staff members may be permitted to bring family members or guests on business trips. When a family member or guest accompanies a staff member on business travel, the employee will pay all expenses of the family member or guest, including the difference between single and double hotel room rates.

B. Transportation: Plane and train accommodations as well as bus, cab and limousine fares to and from the airports.

The last copy of the actual airplane ticket voucher or confirmation must be attached to expense reports. Receipts must be obtained for cab or limousine fares in excess of $25. Transportation tickets may not be claimed on expense reports prior to making the actual trip unless the ticket was purchased and paid for to achieve supersaver discount fares available through advance ticket purchases.

1) All staff air travel must be economy class. Exceptions must have prior approval from the Foundation’s Executive Director. While full economy airfare is allowed for each segment of business air travel, if necessary, employees are expected to plan their itineraries sufficiently in advance to qualify the Foundation for reduced rate airfares. Employees may have the discretion to expense reasonable airfare add-on charges such as coach class priority seating or boarding, and carry-on bag fees, as necessary, while maintaining their best judgment for cost-effective, efficient travel. Staff members who take personal side trips while traveling on Foundation business will pay all personal expenses, including any additional airfare incurred.

The employee must pay the portion for the side trip personally at the time the ticket is written. Personal side trips planned during business travel must have the prior approval of the Executive Director.

2) If an employee opts for an alternate form of transportation (ex: automobile instead of airline) for personal reasons, the employee will be reimbursed for the lesser of: the average round-trip airfare and associate travel/taxi expenses; or mileage reimbursement and associated travel expenses (meals, tools, overnight accommodations, etc.)

C. Gratuities: Tipping should be reasonable, taking into consideration the quality of the service and the nature of the establishment.

Fifteen percent is a normal guideline.

D. Room Service: Room service is a reimbursable meal expense.

Room service may be utilized for necessary staff meetings, hospitality functions, or extended workdays while on travel.
E. **Lodging:** Corporate hotel/motel rates should be obtained where feasible. A reasonable number of business phone calls of moderate length may be charged if cell phone coverage is not available. Use of recreational facilities or other amenities provided by hotels/motels, but incurring additional expense, is to be kept at a minimum.

| Personal charges such as in-room movies, etc., are individual expenses and must be reimbursed to the Foundation. |

F. The Foundation recognizes that airlines, car rental companies, and hotels, among others, offer incentives to frequent users of their services. The employee may use these incentives when related to individual travel. If a larger meeting is held and incentives are offered, the incentives are to be applied to the Foundation’s expenses where possible. Employees are under no obligation to participate in any travel or lodging award programs.

G. It is understood that suppliers or vendors sometimes entertain for business discussions. These activities are entirely appropriate as long as it is not in a context which may be misconstrued. It is the Foundation’s policy that no gifts, presents or benefits with a value of $100 or more will be accepted by Foundation staff members from a supplier or vendor. The public image of the Foundation must be kept foremost in mind when receiving entertainment at the expense of someone else. At no time should even the appearance be given that employees are giving favorable treatment to specific suppliers for any reason.

H. Some staff members may be offered complimentary travel and lodging as part of “familiarization” trips, for the purpose of determining the desirability of particular destinations for the Foundation’s meetings. Acceptance of travel and entertainment for these types of trips is by pre-trip approval of the Executive Director.

| An expense report will be submitted for the time spent on “familiarization” trips, even if no expenses are incurred. A reason for the trip must be detailed on a trip authorization form, and wherever possible, the travel itinerary should indicate the trip is a “familiarization” trip, which offers complimentary travel, lodging, meals, etc. |

I. **Personal Automobiles:** Mileage allowance in an amount authorized by the IRS to and from the airport, or standard mileage to and from the out-of-town assignment (not to exceed airfare amount). Toll and parking charges, if applicable.

| In the case of car rentals, personal liability is not covered by the Foundation’s insurance. Employees should consult their own insurance agent. Employees are asked to use the mode of transportation that is most economical, reliable and time feasible for the business purpose. |

J. **Personal Meals:** Breakfast, lunch and dinner (including tips).

| Stubs from restaurant checks are not considered to be valid receipts, unless they are from an establishment that does not accept credit cards. Attach receipts for all charges |
$25 or more to support such charges. All meals are to be reported on the expense report and recorded on the appropriate form.

K. Laundry: Valet service and laundry is reimbursable only after the trip extends beyond four days, and if the individual does not return home over the weekend.

L. Personal: Personal entertainment and other special non-business items incurred during an out-of-town trip are not reimbursable.

4. Reimbursable Expenses – Local

A. Personal Automobiles: In the event that employees utilize their personal automobiles on Foundation business locally, reimbursement will be made at the rate authorized by the IRS for each mile driven, plus toll and parking charges. No reimbursement is provided for commuting expenses.

B. Meals: Employee business lunches or other meetings conducted at a meal or over refreshments for purposes of discussing business must be reported on the appropriate expense report forms. As a general rule, staff meals are not reimbursable, except when prior approval of the Executive Director is obtained. The frequency with which these expenditures occur is an important factor in determining whether such expenses are a necessity, and thus should be incurred on an occasional basis only. Documentation and substantiation requirements apply. These expenditures must be “ordinary and necessary” business expenses i.e., the meals and entertainment must be necessary to accomplish the business purpose.

C. Meetings, Conferences, and Seminars.

Meals and entertainment expenses incurred as part of attendance at conferences or meetings or approved professional societies, educational conferences, and Foundation sponsored meetings/seminars held outside the office should be reported on an expense report.

5. Reimbursable Expenses – Special Categories

A. Club Expenditures: The expenditures at private membership clubs for the purposes of authorized entertainment, which have a clear business purpose, are reimbursable or chargeable to a Foundation account. These expenditures must be “ordinary and necessary” business expenses i.e., the meal and entertainment must be necessary to accomplish the business purpose. The frequency with which these expenditures occur is an important factor in determining whether such expenses are necessary. Documentation and substantiation requirements apply. Dues are to be reported on the expense report after payment by the member. Expenses of a personal nature will not be reimbursed.

B. Dues for Professional Societies: Membership dues are reimbursable or chargeable to a Foundation account for all approved professional societies and organizations, such as
ASAE, ASCE, ASTM, and ACI. Approval of the Executive Director is required, and is subject to review by the Finance Committee.

C. Charitable Events.

Tickets for fundraising events or charity dinners are normally not to be expensed through the expense reporting system. Also, expenditures must be pre-approved by the Executive Director and processed through the office’s normal contribution procedures.

D. Purchases of Special Supplies: The purchase of any special supplies or services must be processed through the normal office supply function. The Executive Director must approve all orders or subscriptions for publications.

6. Travel Authority

The authority to travel at Foundation expense in the case of all members of the staff is subject to pre-approval by the Executive Director. As a general rule, travel at Foundation expense shall be limited to instances where the individual has a specific role to play in the function being attended.