

**RESOLUTION**  
**(6-2014)**

Whereas it is in the interest of the District Attorneys Association of the State of New York, Inc. (hereinafter "the Corporation") to adopt a Fiscal/Internal Controls Policy, and

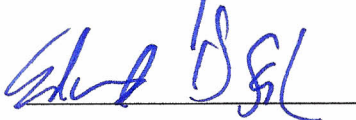
Whereas Article III, Section 1 of the Corporation's bylaws grants the Board the general power and authority to control and manage the affairs of the Corporation, be it:

**RESOLVED** that the Corporation adopt the appended Fiscal/Internal Controls policy and cause said policy to be distributed to all individuals employed by the Corporation.

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The undersigned hereby certifies that he/she is the duly appointed and qualified Secretary and the custodian of the books and records of the District Attorneys Association of the State of New York, Inc., a corporation duly formed pursuant to the laws of the state of New York and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the above-named Corporation on July 10 2014, and that said resolution is now in full force and effect without modification or rescission.

In witness whereof, I have executed my name as Secretary of the above-named Corporation this 10th day of July, 2014.



Secretary

District Attorneys Association of the State of New York, Inc.

Fiscal/Internal Controls Policy  
Promulgated by Board Resolution 6-2014

Purpose

This policy is designed to:

- Protect the assets of the organization;
- Ensure the maintenance of accurate records of the organization's financial activities;
- Provide a framework for the organization's financial decision making;
- Establish operating standards and behavioral expectations;
- Ensure compliance with federal and state reporting requirements.

Accounting Procedures

This section covers basic accounting procedures for the organization. The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

1. Basis of Accounting

The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

2. Journal Entries

The Treasurer of the Corporation shall be responsible for recording the business transactions of the Corporation.

3. Bank Reconciliations

All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month. All bank statements and cancelled checks will be opened, reviewed and initialed by the Treasurer of the Corporation upon receipt.

Additionally, twice per year, the bank statements will be reviewed by an outside-contracted CPA.

#### 4. Recordkeeping

Financial records of the Corporation shall be kept for a period of at least 5 years, though archived in electronic format beyond 3 years, unless otherwise required by a grantor. Records shall be kept with the Treasurer, but be available upon request for inspection by any Corporate Officer acting in his or her official capacity. The Treasurer shall be responsible for storing the financial records of the Corporation in a secure location, which, at a minimum, must require key-access.

#### Internal Controls

The organization employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

##### 1. Conflict of Interest

All employees and members of the Board of Directors are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflicts with the interests of the organization. Both the fact and the appearance of conflict should be avoided (See Conflict of Interest Policy).

##### 2. Segregation of Duties

The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

The Board has the authority to approve fiscal policies and shall review them annually. The President shall be authorized to approve expenses in accordance with the approved budget and the Treasurer shall be authorized to disburse funds in accordance with the approved budget.

##### 3. Physical Security

The organization maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate and other valuable property.

## Financial Planning & Reporting

### 1. Budget Process

The organization's annual budget is prepared and approved annually. The budget is prepared by the President in conjunction with the Board Finance Committee and the Treasurer. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget is revised during the year only if approved by the Board of Directors.

The Board shall receive a report from the Treasurer on the financial situation of the Corporation annually, prior to setting fiscal policy and in connection with preparing the annual budget.

### 2. Internal Financial Reports

The organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP), with at least one annual review by the Board of Directors.

### 3. Audit

The Corporation shall keep a CPA on retainer to periodically, at the Board's request, audit the records the Corporation.

### 4. Tax Compliance

The Corporation shall keep a CPA on retainer to act as tax preparer for the Corporation.

## Revenue & Accounts Receivable

The President shall determine appropriate collection efforts for outstanding dues and invoices to the Corporation. The Board shall be notified for any receivables that are more than 6 months outstanding and/or more than \$10,000.

## Expense & Accounts Payable

The Board, pursuant to the bylaws, sets the compensation of Corporation employees. The President shall monitor and approve any paid leave given to Corporation employees. Any changes to payroll or leave benefits must be approved by the Board. The Treasurer shall be responsible for prompt payment of all payroll expenses.

Any expenditure in excess of \$10,000 for the purchase of a single item (excluding expenditures associated with Corporate conferences) should have bids from three suppliers if possible. These



bids will be reviewed by the President and the bid award must be specifically approved in advance.

The Treasurer of the Corporation will keep a petty cash fund not to exceed \$500. Petty cash will be used primarily to purchase office supplies. The Treasurer shall audit all outside use of the petty cash fund and, in the event the Treasurer personally requires use of the funds, must get approval from the President.

Reasonable travel expenses are eligible for reimbursement at the federal rate for miles driven or the cash value of tickets purchased on commercial travel. Lodging expenses exceeding \$200 per night must be pre-approved by the President of the Corporation.