MACH COALITION FINANCIAL AFFAIRS POLICY

Military Aviator Coalition for Health

16 JUL 26

Effective Upon Receipt Until Superseded

1. Purpose

This Financial Affairs Policy ("Policy") establishes MACH's procedures for reimbursement of volunteer expenses, budget approval, internal financial controls, financial reporting to the Board, and the acceptance of gifts and management of restricted funds. This Policy implements Section 9.2 of the MACH bylaws, which contemplates a published MACH reimbursement policy and procedure not otherwise established within the bylaws, and supplements the financial provisions of the MACH bylaws, the MACH Board Composition and Governance Policy, and the MACH Records Retention Policy.

2. Policy Statement

MACH is committed to the prudent stewardship of its financial resources, consistent with its fiduciary obligations under Virginia Non Profit Corporation Law and the requirements applicable to organizations exempt under Internal Revenue Code § 501(c)(3). This Policy does not amend, supersede, repeal, or take precedence over the MACH bylaws. Where any provision of this Policy conflicts with, or is inconsistent with, the MACH bylaws, the bylaws control.

3. Applicability

This Policy applies to all individuals serving MACH in a volunteer capacity, including but not limited to the Director, Board members, officers, committee members, and general volunteers, in connection with any MACH financial transaction, Disbursement, Reimbursement Request, Budget matter, or Gift accepted on MACH's behalf. MACH has no compensated positions at this time; every individual who performs duties on behalf of MACH does so as a volunteer. MACH's Board of Directors recognizes that Section 4.15 of the MACH bylaws contemplates the

possibility of compensated Board member or staff positions in the future. In the event MACH establishes any compensated position, this Policy shall apply equally to that position, including any payroll or compensation Disbursement, which shall be subject to the same internal controls described in Section 7 of this Policy. This is a living document and as such is eligible for and subject to change when directed by the MACH Board.

4. Definitions

A. "*Disbursement*" means any payment of MACH funds, whether by check, electronic transfer, or other means.

B. "*Reimbursement Request*" means a request by a volunteer for repayment of an expense the volunteer reasonably incurred in the performance of MACH business.

C. "*Budget*" means MACH's projected revenue and expenses for a fiscal year, adopted consistent with Section 6 of this Policy.

D. "*Gift*" means a voluntary transfer of cash, a check, or an electronic transfer to MACH without the expectation of a good or service of equivalent value in return. MACH does not accept, and this Policy does not address, a Gift of physical property or any other financial instrument.

E. "*Restricted Gift*" means a Gift a donor has designated, in writing, for a specific purpose, program, or period, which MACH may use only consistent with that designation.

F. "*Unrestricted Gift*" means a Gift that is not a Restricted Gift.

5. Reimbursement Procedure

A. A volunteer seeking reimbursement for an expense reasonably incurred in the performance of MACH business shall submit a Reimbursement Request to the Treasurer in writing, with supporting documentation, such as a receipt or invoice, sufficient to identify the amount, date, and business purpose of the expense, consistent with Section 9.2 of the MACH bylaws.

B. A Reimbursement Request of **$250 or less** may be approved and paid by the Treasurer/or acting without further authorization.

C. A Reimbursement Request of **more than $250** requires the prior approval of the Director before payment.

D. MACH will not advance funds to a volunteer in lieu of reimbursement, except as the Director and Board may otherwise authorize for a specific, budgeted MACH expense.

E. Reimbursement Requests and their supporting documentation shall be retained consistent with the MACH Records Retention Policy.

6. Budget Approval Process

A. The Treasurer, in consultation with the Director, or if the Treasurer position is vacant, the Director, shall prepare a proposed Budget for each fiscal year and present it to the Board for approval before, or as soon as reasonably practicable after, the start of that fiscal year.

B. The Board shall approve the Budget by a +1 Majority vote.

C. The Director may authorize a Disbursement that departs from the approved Budget by not **more than $500** in a single instance, or by not **more than $1,500** in the aggregate during a fiscal year, without further Board approval. A departure from the Budget exceeding these amounts requires the prior approval of the Board by a +1 Majority vote.

D. MACH's fiscal year begins *January 1 and ends December 31*, consistent with Article 10 of the MACH bylaws.

E. Unspent Budget funds remaining at the end of MACH's fiscal year carry over to the following fiscal year and shall be documented as such in connection with MACH's Virginia Solicitation of Contributions Law registration and annual renewal filings described in the MACH Records Retention Policy.

7. Internal Financial Controls

A. MACH's bank and financial accounts shall designate the Director and the Treasurer as authorized signatories, consistent with Section 6.7(c)(ii) of the MACH bylaws.

B. Except as otherwise provided in Section 5 for a Reimbursement Request, a Disbursement of **$1,000 or less** may be authorized by either the Director or the Treasurer acting alone. A

Disbursement of **more than $1,000** requires the authorization of both the Director and the Treasurer.

C. The Treasurer/or acting, or if vacant, the Director shall reconcile MACH's financial accounts against its books of account at least twice each calendar year, in connection with the Board meetings described in Section 12(A) of the MACH Board Composition and Governance Policy.

D. No individual who authorizes or approves a Disbursement under this Section may also be the recipient of that Disbursement. A Reimbursement Request or other Disbursement to the Director or the Treasurer shall instead be authorized consistent with Section 9.1 of the MACH bylaws and Section 14(B) of the MACH Board Composition and Governance Policy. Notwithstanding the foregoing, a Reimbursement Request submitted by the Director of **less than $200** per incidence is exempt from the procedure described in the preceding sentence, provided the Director fully documents the Reimbursement Request consistent with Section 5(A) of this Policy, and provided the Reimbursement Request is disclosed to the Board no later than four (4) months after the expense is incurred, whether or not a regular Board meeting under Section 12(A) of the MACH Board Composition and Governance Policy occurs within that time.

E. The Board approval required under Section 6(C) for a Budget departure, and the authorization required under this Section 7 for a Disbursement, are independent requirements. *A Disbursement that is both a Budget departure exceeding the thresholds in Section 6(C) and subject to the authorization thresholds in this Section must satisfy both requirements before payment is made*.

F. In the event of a vacancy in the office of Treasurer, the Director assumes all responsibilities of the Treasurer under this Policy until the vacancy is filled. For the limited purpose of the Commonwealth of Virginia annual tax filing described in the MACH Records Retention Policy, the Director may appoint a MACH Fiscal Officer to prepare or assist with that filing during the vacancy. The Fiscal Officer position exists only for that limited purpose and only during a Treasurer vacancy; it collapses, and is not separately staffed, once a serving Treasurer is present. During a Treasurer vacancy, a Disbursement that would otherwise require the joint authorization of the Director and the Treasurer under Section 7(B) may be

authorized by the Director alone, provided that Disbursement is reported consistent with the 4-month block internal financial report described in Section 8(C) of this Policy.

8. Financial Reporting to the Board

A. In addition to the Annual Report required under Section 7.4 of the MACH bylaws, the Treasurer (when staffed) shall provide the Board with a summary of MACH's financial position, including revenue, expenses, and account balances, at each of the Board meetings described in Section 12(A) of the MACH Board Composition and Governance Policy.

B. The Treasurer (when staffed) shall promptly notify the Director and the Board of any financial matter reasonably likely to affect MACH's ability to meet its financial obligations.

C. MACH shall prepare a **4-month** block internal financial report at least every four (4) months, summarizing all Disbursements made during that period. During a Treasurer vacancy, this report shall be disseminated to the entire Coalition, in addition to the Board, to ensure transparency and afford the Board and the Coalition an opportunity to exercise oversight.

9. Gift Acceptance and Restricted Funds

A. The *Director shall seek the approval of the Board before* accepting a Gift on MACH's behalf. MACH may accept a Gift consistent with its status as an organization registered to solicit contributions under the Virginia Solicitation of Contributions Law, as described in the MACH Records Retention Policy.

B. The Treasurer shall record whether a Gift is a Restricted Gift or an Unrestricted Gift at the time it is received, and shall track a Restricted Gift separately to ensure it is used consistent with the donor's designation.

C. The Director, in consultation with the Board, *may decline a Gift that is inconsistent* with MACH's mission, that imposes an unreasonable restriction or condition, or that the Director or the Board otherwise determines is not in MACH's interest to accept.

D. MACH shall provide a donor with any acknowledgment required by the Internal Revenue Code for a Gift, and shall retain records of a Gift consistent with the MACH Records Retention Policy's treatment of donor and development records.

E. A Restricted Gift shall be spent consistent with the donor's designation. If MACH is unable to comply with that designation, MACH shall return the unspent portion of the Restricted Gift to the donor, unless the donor approves, in writing, carrying the unspent portion over into a subsequent fiscal year for a new purpose consistent with the donor's approval. The carryover described in Section 6(E) of this Policy applies to a Restricted Gift only as provided in this Section.

10. Responsible Parties

A. The Treasurer (or acting) is responsible for day-to-day administration of this Policy, including processing Reimbursement Requests, preparing the Budget, maintaining internal financial controls, and recording Gifts.

B. The Director is responsible for approving Reimbursement Requests and Budget departures as described in this Policy, and for co-authorizing Disbursements consistent with Section 7 of this Policy.

C. The Board is responsible for approving the Budget and for reviewing the financial reports described in Section 8 of this Policy.

11. Policy Violations

A. Any violation of this Policy shall be reported to the full MACH Board. That report shall include a description of the violation, lessons learned, and recommended remediation and future prevention measures.

B. For purposes of a violation of this Policy, the Board shall determine whether the violation constitutes an error or dereliction. An error is a good-faith, unintentional mistake in following this Policy's procedures. *Dereliction is a knowing or reckless failure* to follow this Policy's procedures, or gross incompetence in performing the duties this Policy assigns.

C. A finding of dereliction or gross incompetence by the Treasurer constitutes grounds for removal from the office of Treasurer, consistent with Section 6.4 of the MACH bylaws and Section 10(G) of the MACH Board Composition and Governance Policy.

12. Relationship to Other MACH Policies

This Policy works together with, and does not replace, the MACH Board Composition and Governance Policy and the MACH Records Retention Policy. Where this Policy and another MACH policy address the same subject matter, the more protective or more specific provision shall control.

13. Administration and Review

This Policy is administered by the MACH Board of Directors and may be amended by the Board as future circumstances warrant. This Policy will be reviewed annually and will remain in effect until superseded or modified by any other MACH document. This Policy will be publicly visible on the MACH website, www.milaviator.org. Where this Policy is amended, the provisions in effect at the time of a given financial transaction or matter shall govern that transaction or matter. An amended version of this Policy shall apply only to a transaction or matter arising after that amended version is in full force and effect, as measured from the date of Board enactment stated at the end of this Policy.

14. Acknowledgment

Each individual serving as a MACH Board member or officer shall read this Policy and sign Attachment A, Attestation of Review. The Director shall receive and file all attestations executed under this Section. If such an individual reports that he/she has not reviewed this Policy, that individual will be suspended pending a documented review of this Policy, after which that individual may be reinstated by the Board to resume such duties.

Enacted by the MACH Board on: _____

Attachment A: Attestation of Review

MACH Coalition Financial Affairs Policy

I, the undersigned, attest that I have received, read, and reviewed the MACH Coalition Financial Affairs Policy, and that I understand and agree to comply with the responsibilities it assigns to my role with MACH.

Printed Name: _____

MACH Role: _____

Signature: _____

Date: _____