

NMM Audit Committee Policy

Policy:

In order to ensure that NMM and its Treasurer are meeting its fiscal responsibility to its membership, and to attest that the financial records and assets have been properly maintained by the Treasurer, an Ad Hoc Audit Committee shall be appointed by the President as outlined below.

Procedure:

The President shall appoint an Ad Hoc Audit Committee to be comprised of no less than three (3) and no more than five (5) Association members. The President shall select representative members holding Category I membership only (Managers only).

The President shall chair the Audit Committee and shall count as one of the Committee members.

The Treasurer shall be present at any and all meetings called by the Audit Committee.

The Treasurer shall assist the Audit Committee in every manner possible to allow the committee to carry out its functions as outlined in this policy. This may include, but is not limited to answering questions, providing background or supporting documentation for any transaction (deposit or expenditure), or providing additional information as requested by any committee member.

The Audit Committee shall be appointed to review the Association's financial books, reports, and all applicable financial record keeping in advance of the Association's Annual Business Meeting held in December.

If the Audit Committee, in its opinion, is dissatisfied or finds significant impropriety with the financial records, the Committee can request the Board of Directors to consider having the Association's financial records audited by a certified public accounting firm.

A member of the Audit Committee, other than the President or the Treasurer, shall provide a report of its findings to the membership prior to the Treasurer's Report at the Association's Annual Business Meeting held in December. A copy of this report shall be printed in the Association's newsletter.

Following a complete review of the Association's financial records and rendering a satisfactory opinion to the membership, the Audit Committee shall be disbanded.

The Board of Directors can, at any time, reconvene the Audit Committee to assist with internally auditing any financial matter of the Association.

The below section provides structure and guidance to the Audit Committee during the review process and provides consistency in the auditing process from year to year. The Audit Committee may review any and all financial records of the Association. This document is intended to provide a list of the minimum review necessary to ensure an adequate audit of the Association's finances.

Audit Procedure:

The NMM Audit Committee is responsible for doing an annual audit of NMM financial records as indicated by the Association's bylaws. The Treasurer and bookkeeper will be available for this meeting and provide the Audit Committee with access to all of the Association's financial records and answer questions during the audit process. No member of the Audit Committee will serve for more than two consecutive years.

The audit will include, but is not limited to, the following:

- Review the Association's financial policies and procedures to assure that they are being followed and ensure appropriate separation of duties.
- Ensure that two board members (other than the Treasurer) review each month's cancelled checks.
- Ensure that an annual review of any independent contractor arrangements was conducted.
- Review a skipped or voided check report.
- Ensure that a second signature is present on all checks over \$5,000 for expenses that are not budgeted or contracted for.
- Ensure that an officer of the Association has verified the cash amount received at the end of each monthly meeting, event, if any, and has signed off on the cash receipt log (current luncheon is provided free by sponsoring hospitals).
- Review a disbursement journal for the year that shows to whom all checks were written.
- Ensure that checks are computer-generated. Review handwritten checks for changes, etc.
- Review any other financial information deemed appropriate by the committee.

A credit card is authorized to be issued under the name "NMM" with a limit of \$5,000 with authorized use by the Executive Director as approved by the President or a Board officer, for immediate purchases such as supplies, monthly meeting payments, audio conference fees, etc. This will be monitored by the Treasurer, with monthly review of the financial reports by the Board of Directors and review of same included in the annual audit.

A member of the Audit Committee will present the findings of the committee and any recommendations to the NMM Membership during the Annual Business Meeting.

—Presented to and approved by the Board of Directors on November 17, 2009

Policy No. 1

Audit Committee Review