Policies and Procedures

Policy: Financial Management

Objective:
• To assure maximum safety of principal and to attain an optimal return on invested funds.
• To maintain a liquid position.

Policy Statement:
The Maryland Health Information Management Association shall hold title to all investment instruments.

Approved investment instruments shall include:
• Certificates of Deposit
• Cash Management Accounts (checking, savings, and money market accounts)

Management responsibility for the investment of the Association’s funds rests with the Treasurer, who shall have the authority to move monies between approved instruments at his/her discretion. Any movement of monies shall be reported at the next board meeting. Any other consideration for investment must be reviewed by the Finance Committee and approved by the Executive Board.

The Treasurer shall maintain all checking and investment accounts in a financial institution covered by FDIC or FSLIC insurance with authorized signatures for the withdrawal of those funds. The amount invested in any one institution shall not exceed the federal insurance limit. The Treasurer shall research fees charged and interest paid for the various types of accounts at least every two years. Insurance bonding in the appropriate amount to cover funds handled will be maintained. Bonding coverage must be obtained within 30 days of taking office. The President, Treasurer and Secretary are to be bonded. The Treasurer shall have signature authority for checks up to $10,000. The President or Secretary is required to authorize checks greater than $10,000. Authorization may be given via fax or e-mail with an explanation of the amount of the check and its intent. This document will be maintained by the Treasurer.

The Treasurer shall report on investments on a monthly basis to the Executive Board and a quarterly
Rationale: The Executive Board of the Association has a fiduciary responsibility for the Association’s funds. The Treasurer has the responsibility to safeguard the funds and to provide accurate and timely financial statements to the Executive Board.

Effective Date: 01/08/97
Revision: 11/08/08; 11/14/08

Attachments: