

INTERNATIONAL TEST AND EVALUATION ASSOCIATION (ITEA)



**FISCAL POLICY AND FINANCIAL OPERATING  
PROCEDURES MANUAL  
REVISED FEBRUARY 2008**

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**ITEA Fiscal Policy and Financial Operating Procedures Manual**  
(Revised Feb 2008)

Contents

I.	Definitions .....	1
II.	Fiscal Responsibilities .....	2
	A. Treasurer	
	B. Executive Director	
	C. Ways and Means Committee	
	D. Executive Committee	
	E. President	
	F. The Board of Directors	
III.	Budgets .....	3
	A. Annual Budget Approval Process	
	B. New Cost Center Budget Approval Process	
	C. Budget Analysis Reporting	
IV.	Accounting Procedures .....	4
	A. Policy	
	B. Cost Accounting	
	C. Payroll	
	D. Accounts Receivable (A/R), Government	
	E. Disbursements - (Accounts Payable (A/P))	
	F. Cash Flow Reports and Bank Reconciliation's	
	G. Petty Cash	
	H. Capital Assets	
	I. Financial Reporting	
	J. Taxes	
V.	Financial Reports and Records .....	10
	A. Cost Center Variance (Summary Report)	
	B. Monthly Check Listing	
	C. Bank Reconciliation	
VI.	Bank Accounts.....	10
	A. Separate Bank Accounts	
	B. Establishment and Account Transfers	
VII.	Changes to Fiscal Procedures .....	10

**Figures:**

Figure 1 - Annual Budget Approval Process ..... 12

**Appendices:**

Appendix A - Cost Center Budget ..... 13  
Appendix B – Annual Budget Format ..... 14  
Appendix C – Mid-Year Review ..... 15  
Appendix D – Document Retention Policy ..... 18  
Appendix E – Reoccurring Reports and Tax Payments ..... 19

**Reference Documents:**

- ITEA Articles of Incorporation
- ITEA Bylaws
- ITEA Operations Manual
- ITEA Statement of Investment Policies and Objectives

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**INTERNATIONAL TEST AND EVALUATION ASSOCIATION  
(A Non-Profit Section 501(c)3 Activity)**

**ITEA Fiscal Policy and Financial Operating Procedures Manual**

The following policies and procedures pertain to financial decision and obligation authority and fiscal processing within the INTERNATIONAL TEST AND EVALUATION ASSOCIATION (ITEA). ITEA is a 501(c) 3 activity and is governed by IRS regulations pertaining thereto. (*IRS Publication 557*)

**I. Definitions**

- A. Revenue** - Payment to ITEA.
- B. Cost** - Payment, exclusive of prepaid items, or promise of payment by ITEA for services or products received.
- C. Working Capital** - Cash assets of ITEA.
- D. Cost Center** - Any activity that has costs/revenues which the Executive Committee has determined must be traceable to that activity. (ITEA Chapters are cost centers of ITEA but are governed by policies applicable to chapters published separately under the *ITEA Organization and Operating Procedures Manual*)
- E. Cost Center Requirements** - Costs over which a cost center manager has control.
- F. Capital Requirements** - Capital assets and resources identified by managers as necessary for execution of a contract or activity.
- G. Cost Center Budget** - Planned revenues and expenses for a cost center within ITEA. A cost center budget identifies cost center requirements.
- H. ITEA Corporate Budget** - Planned revenues and costs for ITEA. The ITEA budget will be traceable to cost center budgets and will reflect projected net revenue before and after taxes.
- I. ITEA Working Capital Budget (Cash Flow)** - Planned use of working capital within ITEA. This identifies the planned net cash position of ITEA along with the resulting change in assets.
- J. Variance Analysis Report** - Report which identifies monthly and year-to-date variances between actual and budgeted costs.
- K. Fiscal Year** - January 1 through December 31.

## II. Fiscal Responsibilities

- A. Treasurer** - The Treasurer will be responsible for all funds and securities of ITEA and perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the President or by the directors. The Treasurer will be responsible for the maintenance and execution of the fiscal policies and procedures in this *Manual*.
- B. Executive Director** - The ITEA Executive Director is responsible for:
1. The preparation of internal and external fiscal reports. Internally, the Executive Director oversees the supplying of accounting data to cost centers. The Executive Director also initiates and coordinates the yearly budgeting process;
  2. The preparation of external reports including reports to taxing authorities. The Executive Director is responsible for all accounting records, including those for receivable and payable and property plant and equipment.
- C. Ways and Means Committee** - The Ways and Means Committee will consist of ITEA's Treasurer, the Executive Director (non-voting), and two other members appointed by the President, one of whom will be a member of the Board of Directors (but not an ITEA officer), and the other will be from the membership at large. The Board of Director member will serve as the Chairman of the committee. The Ways and Means Committee serves to provide fiscal oversight and guidance. The ITEA CPA will serve as advisor to the committee. The Ways and Means Committee will:
1. Meet at least once each quarter to review the fiscal health of ITEA, fiscal policies, and the ITEA budget. The committee will meet annually with the ITEA CPA to review the finances of the Association;
  2. Draft the ITEA Annual budget;
  3. Conduct a mid-year review and recommend corrective action, when necessary.
- D. Executive Committee** - The Executive Committee provides management and oversight of ITEA finances as delineated in this *Manual*.
- E. President** - The President is responsible for the performance of the Treasurer and Ways and Means Committee. Except for those expenditures that must be authorized by the Board of Directors, the President may specify certain expenditures be approved by him or the Executive Committee.
- F. The Board of Directors** - The Board of Directors controls and monitors the fiscal policy and transactions of ITEA by:
1. Approving an annual budget that cannot be exceeded by more than 10 percent without additional approval from the Board;
  2. Receiving a Treasurer's report at each Board meeting;
  3. Reviewing the quarterly Treasurer's report and considering any comments thereon by the Ways and Means Committee;
  4. Taking such action as may be necessary on contracts, loans, checks and deposits in accordance with Article XI of the ITEA Bylaws;

5. Placing specific restrictions on expenditures or revenue as may be deemed appropriate.

### III. Budgets

**A. Annual Budget Approval Process** - The annual budget approval process begins with the submission of recommended cost center budgets and is completed with the approval of the total budget, including capital items, by the Board of Directors. Specific events required to accomplish this are illustrated in *Figure 1* (numbers in left-hand column are keyed to paragraphs below). The director of each cost center initiates budgets.

1. Cost centers are established and approved by the President. The President will report the approval of a cost center to the Ways and Means Committee, and others, such as cost center directors, as may be appropriate.
2. Each cost center director will submit to the Ways and Means Committee a planned budget including projected revenue and expenses by the last working day of August (Appendix A).
3. The Ways and Means Committee will review cost center recommended budgets and will prepare a draft budget (Appendix B) to the Executive Committee by the 17th working day of September.
4. The Executive Committee will review the proposed cost center budgets and, considering any comments made by the Ways and Means Committee, modify the budget as necessary for approval by the Board of Directors. The Executive Committee recommended budget will be prepared by the end of September.
5. The Board of Directors will review the recommended budget submitted by the Executive Committee and direct specific revisions, if any, at the annual BOD meeting.
6. Cost center directors affected by a Board of Directors recommendation may submit a rebuttal by the 10th working day of November for consideration by the Executive Committee. Copies of these rebuttals will be submitted to the Ways and Means Committee.
7. The Executive Committee, considering cost center rebuttals and any comments that may have been received from the Ways and Means Committee, will prepare a revised budget as recommended by the Board of Directors. This revised budget will be sent to all board members via first class mail by the 1st of December.
8. A final budget will be approved at the first meeting of the Board of Directors prior to the beginning of the fiscal year. A copy of the approved budget will be provided to all members of the Board, directors of all cost centers, the Ways and Means Committee, and the Regional Vice Presidents.

**B. New Cost Center Budget Approval Process** - Establishing a budget for a new cost center follows the same steps as the annual budget approval process except the schedule is based on the required date the new center is to be established.



**C. Budget Analysis Reporting**

1. Monthly the Executive Director will prepare and forward to the Treasurer and the Chair of the Ways and Means Committee a Detailed Cash Flow Report, a Summary Cash Flow Report and a Standard Balance Sheet.
2. The Treasurer will verify these reports and report concerns and extreme variances to the Executive Committee and the Ways and Means Committee
3. Annually the Ways and Means Committee will conduct a mid-year review (Appendix C.) Projected revenue and expenses will be compared with actual revenue and expenses. The review will be conducted in the June/July time period. Recommended adjustments to the annual budget will be made to the Executive Committee and submitted to the Board for approval at the next regular meeting.

**IV. Accounting Procedures**

**A. Policy**

1. *Cost Centers*

- a. Cost centers will be identified by the President. At present cost centers consist of an Administration cost center and the following ITEA committees: Awards, Chapter Development and Individual Membership, Corporate Development, Education, Events, External Affairs, Publications, Strategic Planning, Technology Committees, and Ways and Means. The policies and procedures in this *Manual* do not apply to chapters unless specifically stated.
- b. The director of each cost center will be responsible for accounting as specified in this Manual.
- c. If, in any month, the variance report shows the total costs exceed 10 percent of the total cost budget, the cost center director will send a letter to the Treasurer (President, if the Treasurer is involved in the financial management of a cost center, i.e., is the treasurer of a workshop or symposium) explaining the circumstances, action being taken to correct the situation, and any action deemed appropriate for the Executive Board to take. A copy of the letter will be sent to the Ways and Means Committee. The letter must be mailed within 20 days of the end of the month affected.

2. Financial Accounting Procedures

- a. Financial Accounting is kept on the cash basis.
- b. Financial records are kept in accordance with General Accepted Accounting Principles (GAAP). The retention period for data is shown in Appendix D.
3. Depreciation - Tax methods of depreciation are set by the IRS. The methods most advantageous to the association will be recommended by the ITEA CPA for approval by the Executive Committee.

**B. Cost Accounting**-Cost accounting is the process of reporting cost by activity.

1. *Payroll* - Payroll expenses will be accumulated in the administration cost center. All other expenses will be in accordance with their applicability to a specific cost center. Any expenses that cannot be tied to any other cost center are applied to the administration cost center.
2. *Cost Accumulation and Reporting Procedures* - Actual costs by cost center will be reported and distributed in accordance with procedures identified in section 3c of this Manual.
3. *Files*
  - a. Original copies of the following documentation will be retained for each cost center to maintain an audit trail of costs:
    - (1) ITEA and ITEA cost center budgets
    - (2) Compensation letters
    - (3) Time sheets
    - (4) Cost center variance reports
  - b. All documentation for the current year will be maintained by the Executive Director of ITEA and as determined by the director of each cost center. Prior year files will be maintained by the Executive Director and as determined by the director of each cost center until released by both the Ways and Means Committee and the ITEA Treasurer. Reports will then be archived for five years.

**C. Payroll** - To be hired, all new employees must complete a Withholding Form (W-4).

1. *Gross Wages* - Gross wages are an employee's hourly rate times total approved hours or their salary. These rates are found in each employee's personnel file.
2. *Employee Deductions* - Employee deductions include, but are not limited to:
  - a. *Federal Income Tax Withholding (FITW)* - Total tax to be withheld is determined by using the instructions enclosed in the Federal Tax Withholding Guide and an employee's deductions as shown on his/her W-4. W-4s are issued approximately December 15 of each year for employees to complete and return to the Executive Director by January 10 of the next year.
  - b. *Social Security (FICA) and Medicare Tax* - These taxes are a percentage of gross wages for each employee up to a wage ceiling. Directions to determine this tax are found in IRS Circular E.
  - c. *State (VA-5)* - Virginia withholding amounts are determined in the same manner as the federal tax using an employee's Withholding Exemption Certificate and the Virginia State deduction book. If an employee does not reside in Virginia, state taxes become their own responsibility and a Certificate of Non-Resident must be completed by the employee and submitted to the Executive Director by 10 January of each year.
  - d. *Deposits* - FITW and FICA taxes are deposited as specified in IRS Circular E. State tax withholdings are paid as directed by the State. A completed tax coupon and a check for the total tax are sent to the address shown in the coupon book.

- e. *Other Deductions* - An employee may request other deductions be withheld from their wages.
3. *Net Wages* - Net wages are gross wages less all deductions. Gross wages, withholdings, and net wages, for both the current pay period and year to date, are provided to employees on a statement of earnings given to each employee with their pay check.
4. *Corporate Payroll Taxes*
  - a. *Federal Unemployment (FUTA)* - Not applicable to a non-profit activity.
  - b. *Virginia Unemployment Tax* – Quarterly, an Employer’s Quarterly Report is submitted to the Virginia Employment Commission.
  - c. *Corporate FICA* - The Corporation must pay an amount to match the employee FICA tax withholdings. This amount is included in the federal deposit as described in section 4c(2)d. above.
5. *Tax Forms* - Appendix E identifies the reoccurring reports and required tax payments.
  - a. Federal
    - (1) *FITW/FICA (941)*. An employer’s quarterly report (Form 941) is received from the IRS to reconcile taxes paid. This form is prepared by the Executive Director according to the directions provided. Form 941 is due not later than 30 April, 31 July, 31 October, and 31 January for each quarter of the year.
    - (2) *FUTA (940)*. Not applicable to a nonprofit activity.
    - (3) *W-2s, W-3s*. W-2s are prepared for the previous year and made available to employees by 31 January. Copies of W-2s, along with a W-3 reconciliation, are sent to federal taxing authorities by 28 February of each year.
    - (4) *IRS 1099 and 1096*. Issue no later than 31 January each year following IRS instructions for Form 1099.
  - b. State
    - (1) *Virginia Payroll Withholdings (Form VA-6)*. Form VA-6 is included in the Virginia monthly coupon book and prepared by the Executive Director. Figures are taken from monthly payroll journals. Form VA-6 is due 31 January of each year and is to be accompanied by state copies of W-2s.
    - (2) *Virginia Unemployment (Form VEC-FC-20)*. Not applicable for non-profit activity.
6. *Files* - Copies of the following documentation will be retained in accordance with *Appendix D*:
  - a. Payroll tax preparation instruction booklets (Federal and State)
  - b. Payroll Tax Returns
    - (1) FITW/FICA (941)
    - (2) Virginia Payroll Withholdings (VA-6)
    - (3) W-3 and employer copies of W-2s
    - (4) IRS Forms 1099 and 1096
  - c. Employee W-4s

- d. Virginia Exemption or Non-resident Certificates
- e. Statement of earnings
- f. Tax coupon books

**D. Accounts Receivable (A/R), Government**

- 1. Billing the government for contractual work is done on a Public Voucher (Standard Form 1034) and a Public Voucher Continuation Sheet (Standard Form 1035). For Government training DD Form 1556 is used.
- 2. Public vouchers will be approved by the Executive Director.

**E. Disbursements - (Accounts Payable (A/P))**

- 1. Disbursements under \$10,000 and for items or categories approved in the budget other than wages may be authorized by the Executive Director. Disbursements in excess of \$15,000 will be approved by the Treasurer.
- 2. An invoice is required for each A/P with the product or service purchased clearly defined. A vendor federal I.D. number or social security number will be secured and placed on the first invoice from any non-corporate or non-government source for use in preparing IRS Forms 1099.
- 3. The active accounts payable are maintained alphabetically by the Executive Director. Once invoices are paid they are marked paid with the check number and date of payment, then filed in a paid file.
- 4. Charge Accounts. All charge accounts must be approved by the Treasurer and/or President.

**F. Cash Flow Reports and Bank Reconciliation's**

- 1. A monthly cash balance report will be distributed to the Treasurer by the 15th of the following month (a copy of the corporate check register will suffice). All disbursements on the cash flow report must be traceable to the monthly summary report.
- 2. At the end of the month reconciliation will be made of the bank statements. This will accompany all monthly financial reports submitted to the Treasurer and CPA. The procedures for checkbook reconciliation are in Appendix J.

**G. Petty Cash**

- 1. Petty cash will be used to purchase inexpensive miscellaneous items such as stamps, diskettes, and office supplies that are needed immediately and cannot wait to be ordered through normal channels. Items purchased with petty cash funds require a receipt. The total amount of receipts and money in Petty Cash will always equal \$100.
- 2. Petty Cash funds will not exceed \$100.
- 3. By the close of each month, the payments from Petty Cash will be expended in the General Ledger (G/L).
- 4. Petty cash will be reconciled to the G/L monthly by the Executive Director. The monthly reconciliation will accompany the monthly financial statements.

5. In lieu of petty cash, the Executive Director may choose to purchase items and submit receipts for reimbursement.

## **H. Capital Assets**

1. Source Documents
  - a. Purchases to be capitalized will be determined by the CPA in accordance with GAAP. Invoices/work orders will be the source used to determine the dollar value of an asset.
  - b. Capital assets will be depreciated annually using the approved contractual method established by the CPA. A depreciation schedule will be maintained by the Executive Director.
2. Year-End Adjustments - At year-end close of business, the corporate CPA will provide an adjusting entry to reflect allowable depreciation expenses for tax purposes.
3. Files
  - a. Original copies of the following documentation will be retained to maintain an audit trail of fixed asset depreciation.
    - (1) Invoices/Work Orders
    - (2) Depreciation Schedule
    - (3) Year-end Adjustments
  - b. These documents will be retained indefinitely.

## **I. Financial Reporting** - Financial reporting is the historical reporting of the financial aspects of the operation to internal and external users on a regular basis.

1. Monthly
  - a. The Executive Director will prepare the monthly summary.
  - b. Reports will be reviewed and verified by the Treasurer and distributed to members of the Executive Committee and members of the Ways and Means Committee by the last working day of the following month. The Treasurer will provide written notification of unanticipated delays in distribution in lieu of reports should the need arise.
  - c. The Treasurer will prepare a financial summary report for each BOD meeting.
2. Yearly
  - a. Preliminary year-end financial statements will be prepared by the Executive Director, verified and commented on by the Treasurer, and distributed to the Ways and Means Committee and the Executive Committee by the end of January.
  - b. Year-end adjusting entries will be made by the last working day of February. Copies, verified by the Treasurer, of all financial reports will be delivered to the ITEA CPA for certification and preparation of corporate tax returns. Upon CPA certification, final reports will be distributed to members of the Ways and Means Committee.
3. Files

- a. Original copies of the following documentation will be retained to maintain an audit trail of all income and expenses:
  - (1) Monthly
    - (a) Bank Reconciliation
    - (b) Check Register
    - (c) Summary Account
  - (2) Yearly
    - (a) Adjustment Journal
    - (b) Documentation Supporting Adjustments
    - (c) Tax Returns (which incorporate balance sheet and income statement)

## **J. Taxes**

1. *Form 990, Return of Organization Exempt From Tax*
  - a. Adjusting entries are made after all year-end payroll tax forms (940, 941, State Withholding) are completed. Small adjusting entries are usually needed to adjust for rounding throughout the year.
  - b. CPA prepared and certified Form 990 Returns are due to the Executive Committee by the last working day of April.
2. *Personal Property Taxes* - Personal property tax returns will be filed with the Fairfax County government by the Executive Director no later than May 15 each year with a copy to the CPA Property tax assessment on all the corporate equipment will normally be received from Fairfax County in late September of each year. These taxes are payable before or on the due date stated on the tax form.
3. *Fairfax County Business Professional and Occupational License Tax* - Must be filed with Fairfax County by 15 April.
4. *Virginia Sales and Use Tax* - Must be filed quarterly to the Virginia Department of Taxation, making payment of sales tax on all items subject to a Virginia sales tax, but which were purchased out of state and not taxed at the time of purchase. Also applies to tax on all printed material which will be sent within the State of Virginia (flyers sent out of state are exempt from Virginia Sales Tax).
5. *Files*
  - a. Original copies of the following documentation will be retained indefinitely:
    - (1) Year-end adjusting entries
    - (2) Explanation of adjusting entries
    - (3) Income tax returns
    - (4) Receipt for prior year's property taxes.
    - (5) Fairfax County Business License
    - (6) Coupon book for Virginia Sales and Use Tax plus quarterly worksheet.

**V. Financial Reports and Records**

**A. Cost Center Variance (Summary Report).** Compares budgeted expenditures for major categories of cost center costs with actual amounts for the current month and year-to-date, and which projects year-end results.

**B. Monthly Check Listing**

**C. Bank Reconciliation**

**VI. Bank Accounts**

**A.** The following separate bank accounts will be maintained (Sub accounts within a master account may be used for segregation):

1. *Cash Management Account* will serve as the principal holding and reserve account. Authority to write checks on or transfer money from this account is limited to the Executive Director (principal), the Treasurer (alternate), and the President (alternate).
2. An *ITEA Chapter Educational Account* which serves as a repository for all symposium/workshop proceeds held in reserve for a chapter pending the chapters request for and the Board of Directors approval of specific use of these funds. This account will also be a repository for excess chapter operating funds as desired by individual chapters. Withdrawal of operating funds requires only appropriate chapter approval. Authority to write checks on or transfer money from the *ITEA Chapter Educational Account* is limited to the Executive Director (principal), the Treasurer (alternate), and the President (alternate).
3. An *ITEA Operating Account* will be used for the purpose of paying routine budgeted items including rent, office supplies, salaries, capital equipment, and all national ITEA symposium/workshop expenses. Disbursements in excess of \$25,000 require the approval of the Treasurer. A check in excess of \$20,000 requires a dual signature. Authority to write checks on or transfer money from the *ITEA Operating Account* is limited to the Executive Director (principal), the Treasurer (alternate), and the President (alternate). The salary check for the Executive Director will be signed by the Treasurer or President. Authority to transfer funds between accounts is limited to the Executive Director (principal), the Treasurer (alternate), and the President (alternate).

**B. Establishment and Account Transfers** - Accounts will be established at or transferred to such institutions as may be recommended by the Treasurer and approved by the Executive Committee.

**VII. Changes to Fiscal Procedures**

Changes to this *Manual* affecting only procedures may be approved by the Treasurer. Changes affecting policy will be referred to the Executive Committee, and may be further referred to the Board of Directors for approval. Changes in policy that impact ITEA Bylaws must be referred to the Board of Directors for approval.





**Figure 1 - Annual Budget Approval Process**

<b>Paragraph</b>	<b>Responsibility</b>	<b>Action</b>	<b>Due</b>	<b>Distribution</b>
(1)	President	Identify Cost Centers	As Occurring	Action: Cost Center Director Info: BOD, Ways and Means Committee
(2)	Cost Center Directors	Proposed Annual Budget	Last working day of August	Ways and Means Committee Executive Committee
(3)	Ways and Means	Draft Annual Budget	17 <sup>th</sup> working day of September	Executive Committee
(4)	Executive Committee	Review Draft Annual Budget	Last working day of September	BOD Ways and Means Committee
(5)	BOD	Review and Comment on Annual Budget	Annual Symposium BOD Meeting	Ways and Means Committee and Executive Committee
(6)	Cost Center Directors	Budget Appeals	10 <sup>th</sup> working day of November	Ways and Means Committee and Executive Committee
(7)	Ways and Means Committee	Revise Budget	1 <sup>st</sup> of December	BOD
(8)	BOD	Approve Annual Budget	First meeting prior to the beginning of the next fiscal year	Cost Center Directors

**Appendix A - Cost Center Budget**

**Projected Cost Center Budget**

<b>Name of Short Course</b>	<b>Projected Revenue</b>	<b>Projected Expenses</b>	<b>Projected Income</b>
Information Assurance (April 25 - 27)	\$ 18,000.00	\$ 8,500.00	\$ 9,500.00
Radio Spectrum (June 20 - 22)	\$ 18,000.00	\$ 8,500.00	\$ 9,500.00
GPS (September 19 - 21)	\$ 18,000.00	\$ 8,500.00	\$ 9,500.00
Red Team Blue Team	\$ 18,000.00	\$ 8,500.00	\$ 9,500.00
Fundamentals	\$ 22,500.00	\$ 12,000.00	\$ 10,500.00
Live Fire	\$ 18,000.00	\$ 8,500.00	\$ 9,500.00
	<b>\$ 112,500.00</b>	<b>\$ 54,500.00</b>	<b>\$ 58,000.00</b>
Revenue based on 20 students x \$900			
<b>Name of Tutorial</b>	<b>Projected Revenue</b>	<b>Projected Expenses</b>	<b>Projected Income</b>
IA Workshop - February	\$ 7,000.00		\$ 7,000.00
Aircraft Stores - April	\$ 7,000.00		\$ 7,000.00
Test Instrumentation - May	\$ 7,000.00		\$ 7,000.00
Test Week - June	\$ 7,000.00		\$ 7,000.00
DEPS - August	\$ 7,000.00		\$ 7,000.00
Technology Review - August	\$ 7,000.00		\$ 7,000.00
Annual Symposium - October/Nov	\$ 8,000.00		\$ 8,000.00
Modeling and Simulation - December	\$ 7,000.00		\$ 7,000.00
Miscellaneous projected expenses		\$ 1,000.00	
	<b>\$ 57,000.00</b>	<b>\$ 1,000.00</b>	<b>\$ 56,000.00</b>
Revenue based on 40 students x \$175			

	<b>Projected Revenue</b>	<b>Projected Expenses</b>	<b>Projected Income</b>
<b>TOTALS</b>	<b>\$ 169,500.00</b>	<b>\$ 55,500.00</b>	<b>\$ 114,000.00</b>

**Appendix B – Annual Budget Format**

<b>Projected Revenue</b>			<b>Projected Expenditures</b>	
		<b>Notes</b>		<b>Notes</b>
<b>I. Membership</b>			<b>VII. Equipment</b>	
Individual	76,500	1,700 members	Equipment	10,000 <sup>5</sup>
Corporate	60,750	90 members	Software	
<b>II. Events</b>		<b>Net Income</b>	<b>IX. Insurance</b>	3,000
Symposia	280,000	130,000		
Workshops	410,700	250,000	<b>X. Journal</b>	
			Layout	1,200
<b>III. Education</b>		<b>Net Income</b>	Mailing	8,000
Short Courses	112,500	58,000	Printing	38,000
Tutorials	57,000	56,000		
			<b>XI. Professional Serv</b>	
<b>IV. Journal</b>			Accountant	1,500
Advertising	37,500 <sup>1</sup>		Audit	5,000
Subscriptions	2,000		Exhibit Coordinator	36,000
<b>V. Interest</b>	8,000		<b>XII. Regional VP</b>	7,000 <sup>6</sup>
<b>Revenue</b>	<b>1,044,950</b>	<b>Revenue</b>		
			<b>XIII. Rent</b>	36,000
<b>Projected Expenditures</b>			<b>XIV. Taxes/Licenses</b>	1,000
		<b>Notes</b>		
<b>I. Administration</b>			<b>XV. Technology</b>	0
Admin Support	7,000 <sup>2</sup>			
Assn Activities	500		<b>XVI. Travel</b>	9,523 <sup>7</sup>
Bank Charges	2,000			
Bank Merchant Fees	5,490 <sup>3</sup>		<b>XVII. Wages</b>	384,337 <sup>8</sup>
Copier	300			17,300
Discretionary	5,000		<b>XVIII. Web Site</b>	
Office Supplies	3,500		Hosting	1,200
Postage	11,000		Technical Serv	8,000
Printing	3,000			
Staff Training			<b>Expenditures</b>	<b>1,044,950</b>
Subscriptions				
Telephone	5,000 <sup>4</sup>		<b>Net Income</b>	<b>0</b>
				<b>Net Income</b>
<b>II. Chapter</b>				
Certificates	300		<b>Notes</b>	
Rebates	8,000		<sup>1</sup> Based on 6 full page color ads per issue and a 6% increase in advertising rates to cover increase postage and printing	
Start Up Grants	300		<sup>2</sup> Includes \$4,000 for Executive Director recruitment and transition expenses.	
			<sup>3</sup> 4% of Membership Revenue to process on line payments and credit cards	
<b>III. Communications</b>	0		<sup>4</sup> New AFCEA voice over IP phone system.	
			<sup>5</sup> Includes \$6,000 for a new exhibit booth	
<b>IV. Corporate</b>			<sup>6</sup> Membership Services Group request to establish Tiger Teams to support and develop chapters	
Printing			<sup>7</sup> Includes \$2,000 that would enable ITEA to exhibit at additional events	
Plaques	300		<sup>8</sup> Includes a 4.1% increase and one additional month of Executive Director's salary for turnover period. \$15,000 for bonuses	
<b>V. Education</b>				
Administration	2,000			
Scholarships	58,000			
Short Courses	54,500			
Tutorials	1,000			
<b>VI. Events</b>				
Symposia	150,000			
Workshops	160,700			

**Appendix C – Mid-Year Review**

	<b>Revenue</b>		<b>Actual Revenue</b>	
	<b>Approved</b>		<b>July Review</b>	<b>Variance</b>
<b>I. Membership</b>				
Individual	76,500	1,700 members	42,174	-34,326
Corporate	60,750	90 members	37,815	-22,935
<b>II. Events</b>		<b>Net Income</b>		
Symposia	272,000	137,000	93,684	-178,316
Workshops	351,500	196,500	302,484	-49,016
<b>III. Education</b>		<b>Net Income</b>		
Short Courses	122,000	116,000	72,925	-49,075
Tutorials	35,500	30,500	19,175	-16,325
<b>IV. Journal</b>				
Advertising	34,200		14,625	-19,575
Subscriptions	2,000		2,122	122
<b>V. Interest</b>	3,000		5,947	2,947
<b>VI. Scholarship</b>			2,500	2,500
<b>Revenue</b>	<b>957,450</b>		<b>593,451</b>	

Appendix C – Mid-Year Review (continued)

	<b>Projected</b>		<b>Actual</b>	
	<b>Expenditures</b>		<b>Expenditures</b>	
	<b>Approved</b>		<b>July</b>	<b>Variance</b>
<b>I. Administration</b>				
Admin Support	5,000		852	4,148
Assn Activities	500		275	225
Bank Charges	2,000		1,114	886
Bank Merchant Fees	5,000		671	4,329
Copier	700		61	639
Discretionary	5,000		1,714	3,286
Office Supplies	3,500		1,829	1,671
Postage	13,000		4,824	8,176
Printing	3,000		1,749	1,251
Staff Training	0		30	-30
Subscriptions	0			
Telephone	3,000		2,127	873
<b>II. Chapter</b>				
Certificates	200			200
Rebates	8,000		329	7,671
Start Up Grants				
<b>III. Communications</b>	1,414			1,414
<b>IV. Corporate</b>				
Postage	100		257	-157
Printing	600		2,849	-2,249
Plaques	200			
<b>V. Education</b>				
Awards	2,000			2,000
Scholarships	50,000		36,985	13,015
Short Courses	52,500		29,461	23,039
Tutorials	5,000		2,582	2,418

Appendix C – Mid-Year Review (continued)

	<b>Projected</b>		<b>Actual</b>	
	<b>Expenditures</b>		<b>Expenditures</b>	
	<b>Approved</b>		<b>July</b>	<b>Variance</b>
<b>VI. Events</b>				
Symposia	135,000		6,930	128,070
Workshops	155,000		169,792	-14,792
<b>VII. Equipment</b>				
Equipment	6,000		-195	6,195
Software	2,300			2,300
<b>VIII. History</b>				
<b>IX. Insurance</b>	3,000			3,000
<b>X. Journal</b>				
Layout	1,500		635	865
Mailing	8,106		2,773	5,333
Printing	38,000		15,689	22,311
<b>XI. Professional Serv</b>				
Accountant	1,200		2,500	-1,300
Audit	4,000			4,000
Exhibit Coordinator	36,000		5,022	30,978
<b>XII. Regional VP</b>				
<b>XIII. Rent</b>	35,768		20,218	15,550
<b>XIV. Taxes/Licenses</b>	5,000			
<b>XV. Technology</b>				
<b>XVI. Travel</b>	8,000		5,054	2,946
<b>XVII. Wages</b>	350,362		200,744	149,618
<b>XVIII. Web Site</b>				
Hosting	1,500		579	921
Technical Serv	6,000			6,000
<b>Expenditures</b>	<b>957,450</b>		<b>517,451</b>	
<b>Net Income</b>	<b>Net Income</b>	<b>0</b>	<b>Net Income</b>	<b>76,000</b>

**Appendix D – Document Retention Policy**

<b><u>DOCUMENTATION</u></b>	<b><u>RETENTION POLICY</u></b>
<b><u>Accounting</u></b>	
Auditors' Reports	Indefinitely
Bank Reconciliation Reports	1 year
Bank Statement and Deposit Slips	3 years
Chart of Accounts	Indefinitely
Checks-cancelled	3 years
Depreciation Schedules	Indefinitely
Expense Reports	3 years
Payroll Earning Records	8 years
Tax Returns	Indefinitely
<b><u>Corporate Records</u></b>	
Bylaws	Indefinitely
Charter	Indefinitely
Copyrights and Trademark Registrations	Indefinitely
Leases	8 years
<b><u>Correspondence</u></b>	
General	2 years
Legal and tax	Indefinitely
Customers and Vendors	1 year
<b><u>Insurance</u></b>	
Accident Reports	6 years
Claims after Settlement	10 years
Fire Inspection Reports	6 years
Group Disability Records	8 years
Policies	4 years
Safety Reports	8 years
<b><u>Personnel</u></b>	
Contracts	6 years
Daily Time Reports	6 years
Disability and Sick Benefit Records	6 years
Employment Applications	3 years
Personnel files	6 years
Withholding Tax Statements	6 years
<b><u>Purchasing and Sales</u></b>	
Purchase Orders	3 years
Requisitions	3 years
Sales Contracts	3 years
Sales Invoices	3 years

**Appendix E – Reoccurring Reports and Tax Payments**

	<b>Report</b>	<b>Due Date</b>
<b>Monthly</b>	Federal	Federal Deposit of Income Tax Withheld and Employer's FICA and Medicare Three banking days after the payday
	State	Employer's Payment of Virginia Income Tax Withheld (Form VA-15) Within 3 Banking Days following each payday.
<b>Quarterly</b>	Federal	Employers Quarterly Federal Tax Return (Form 941) 30-April; 31-July; 31-Oct; 31-Jan
	State	Employers Quarterly Return of Virginia Income Tax Withheld (Form VA-16) 30-April; 31-July; 31-Oct; 31-Jan
	State	Virginia Retail Sales and Use Tax 20-April; 20-July; 20-Oct; 20-Jan
	State	Virginia Unemployment 30-April; 31-July; 31-Oct; 31-Jan
<b>Annually</b>		Before December 1
	Federal	Collect Employee's Withholding Allowance Certificate (Form W-4)
	Federal	Wage and Tax Statement (Form W2 or Form 1099-MISC) 31-Jan
	State	Employer Annual Summary of Virginia Income Tax Withheld; (Form VA-6) 28-Feb
	State	Annual Commonwealth of Virginia State Corporation Report 31-Oct



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