

National office staff and the Budget and Finance Committee (B&F) will create an annual budget for national board approval. The budget will clearly drive the achievement of goals related to the association's strategic priorities and ensure ongoing improvement of association operations. As a non-profit 501(c)(3) association, CUPA-HR will allocate revenues and expenses to the applicable cost centers. The National office staff will also prepare projections three times per year to ensure adequate monitoring of revenues and expenditures. The national board will receive a financial update as a part of every face-to-face board meeting.

#### A. **Budgeting Principles for CUPA-HR**

1. **Multi-year planning and budgeting.** CUPA-HR national office staff and the budget and finance committee will analyze multi-year trends in revenues and expenditures when creating the proposed annual budget for CUPA-HR. As part of the association's due diligence, national office staff will also project future revenues and expenditures to ensure that anticipated future revenues outpace anticipated future expenses. The annual budget for CUPA-HR will be approved by the board of directors at the spring board meeting.
2. **Key budget metrics and financial indicators.** The CUPA-HR annual budget will include key metrics and financial indicators related to membership revenue and net revenue from other revenue sources (for example, professional development programs/events and salary surveys).

#### B. **Budgeting Principles for Region Boards**

1. **Region Operating Budget.** The CUPA-HR organization includes four regions each with a corresponding board. The national board will allocate funds to each region board to provide funding for:
  - Board meetings.
  - Member/Chapter engagement activities consistent with the Association's mission and strategic priorities.

As the overall region membership and board activities are very similar across all four regions, each region will receive equal annual allocations. Region operating budgets should not be used for conference-related activities. Funds designated for each of the four regions will be included in the Association's governance budget.

Cost savings and funds not spent will help the association with year-end return to reserves.

2. **Learning Delivery Events hosted by the Region.** Costs of planning and conducting programs must generate return to reserves that can be used to offset other association expenses. Learning Delivery Events hosted by a region will be expected to return a minimum of a 5% return to reserves. Exceptions to this minimum must be approved by the national board during the budgeting process. Learning Delivery Event budgets will be created by the national office, reviewed by the B&F Committee and approved by the national board.

If a face-to-face learning delivery event is hosted by a region, the event budget will include the registration, hotel and travel costs for the region chair and chair-elect to attend the event. All other region board members will be responsible for their travel, hotel and conference registration costs. Region board members will receive the discounted registration fee that is provided to concurrent session speakers.

3. **Region requests for additional funding.** As part of the annual budget planning process, region boards should submit requests to fund projects and initiatives that cannot be funded by the annual allocation to region boards.

#### C. **Managing Region Revenues and Expenses**

1. When Regional Chairs, Chairs-elect, and Treasurers take office, they will be informed by the CUPA-HR Director of Finance and National Board Treasurer of the budget principles for regional boards. The national office manages all revenues and expenses associated with region activities.
2. Region boards develop annual plans to outline region work in support of the association's strategic priorities. These annual plans should specify how the region will use the funds allocated by the national board.
3. A region may not establish bank accounts of any kind.
4. The Region Chair and/or Region Treasurer will authorize Regional activity expenses within their region. That individual will then forward such expenses to the National Office's Finance Department with the appropriate backup documentation. The National Treasurer will periodically review region expenditures. Any request beyond budgeted reimbursements and expenditures must be approved in advance by the National Treasurer. The National Office will be responsible for prompt payment of all authorized expenditures. Payment will be made from the appropriate Regional account.
5. Exceptions to this policy must be authorized in advance by the President and Chief Executive Officer and Budget and Finance Committee.