

**DISTRICT OF COLUMBIA METROPOLITAN AREA DIETETIC ASSOCIATION
ANNUAL FINANCIAL REVIEW POLICY**

APPROVED JANUARY 9, 2013

RATIONAL FOR PROCEDURE:

This policy ensures that the District of Columbia Metropolitan Area Dietetic Association (DCMADA) financials are reviewed by an internal review committee, annually or by an independent Certified Public Accountant (CPA), biannually or sooner if needed.

DCMADA uses the annual review to verify that its internal control mechanisms are being followed including: accepted accounting methods, compliance with applicable laws and regulations, reliable financial information, efficient and effective use of assets, proper policies for financial duties, cash receipts, tracking financial records, timely reports, accurate record keeping, and adequate documentation to support a thorough external financial review.

In carrying out its oversight responsibilities, the Executive Committee of the Board of Directors (BOD) will conduct at least quarterly reviews of how DCMADA does business and manages its financial affairs.

When handling all financial matters, DCMADA expects individuals to exercise discretion and good business judgment, be cost-conscious and spend DCMADA's money carefully and judiciously, and to report actual expenses and provide required documentation.

POLICY AND PROCEDURES:

- 1) Independent entities performing annual reviews may include:
 - a. Internal Review Committee – The committee will be comprised of DCMADA members, and current Treasurer. Individuals who are not involved with the immediate Past Treasurer's function should perform the annual review.
 - b. Independent Certified Public Accountant (CPA) – A CPA will be engaged to assure that generally accepted accounting policies are being followed and to produce a review report. The CPA will review a number of randomly selected financial transactions and related internal controls to determine whether DCMADA adhered to its accounting procedures, as specified in DCMADA's policies and procedures and other financial management policies.
- 2) The management of the annual review for DCMADA will be performed by the Treasurer. Every year, the Treasurer will identify a member(s) to form a committee outside of the current BOD to review DCMADA's financials. The annual review is to be performed immediately after the fiscal year ends.
- 3) Every two years, or as needed, DCMADA will contract an outside CPA firm to review affiliate finances. The review package is typically prepared and submitted to the CPA by July 10th. See the Purchasing Policy for appropriate procedures for hiring a CPA firm.
- 4) The independent review specifications shall include a management or engagement letter to the BOD regarding association financial operations and controls to assist DCMADA in determining

that the accounting procedures specified in its policies and procedures have been followed for the review period. This engagement letter must include the purpose of the agreed-upon procedures review, detail the timeline in which the review procedures will begin and conclude, and include an estimate of fees for the independent review services to be rendered. The fee estimate should be based on full cooperation on a timely basis from DCMADA's Treasurer and other members of the BOD as deemed necessary in the process. The CPA should not anticipate a delay by DCMADA.

- 5) The independent review report produced by the CPA must include a listing of the procedures performed, and the result of those procedures. The CPA should note any instances where the applicable laws or regulations have not been followed, and note any recommendations for improvement. The report will first be reviewed by the Treasurer, who may then ask follow-up and clarification questions of the CPA. The reviewed report will then be shared with BOD including the Fiscal Affairs Committee.
- 6) The independent review report is intended solely for the informed action of DCMADA's BOD and the Academy of Nutrition and Dietetics. The independent review report will be shared with the general DCMADA membership for informational purposes only.