

CALIFORNIA SOCIETY OF
MUNICIPAL FINANCE OFFICERS



**Policy and Procedures
Manual**

Policy and Procedures Manual

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CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

Policy and Procedures Manual

This manual is prepared for the sole purpose of providing assistance and guidance to the officers and members of CSMFO. Changes may be made from time to time by the Board of Directors to meet changing conditions. The material contained herein is supplementary to the Bylaws of CSMFO; if contradictions develop, the Bylaws shall prevail.

I. DUTIES OF OFFICERS

Traditionally, the offices of President and President-Elect have rotated between the southern and northern parts of the state. While the President is the titular head of CSMFO statewide, the President-Elect assumes a secondary leadership role in his or her area of the state in order to maintain the best possible communications between the members and the officers.

As the Annual Conference also alternates between north and south, the President-Elect automatically becomes the Conference co-chair for that year.

The Past-President automatically assumes the role of Chapter Chair liaison.

The President may, from time to time, present proclamations on behalf of the organization to CSMFO members that are retiring from the profession, provided that said members have been members in good standing for at least the last three consecutive years.

The Board shall annually appoint a Secretary/Treasurer to perform the duties outlined in Article III, Section H.4 in the Bylaws.

II. BOARD OF DIRECTORS

The membership of the Board of Directors also has been apportioned between the southern and northern parts of the state. It is the policy of this organization to maintain this informal balance. Board members are expected to serve as liaisons to select chapters within their southern or northern region. Board members should attend at least one meeting for each chapter so assigned.

III. STANDING COMMITTEES

A. Committees

CSMFO shall have seven standing committees, as outlined below. In addition, the Board may decide to appoint ad hoc committees to address policy or other issues as they arise and as deemed necessary.

- 1) Administration Committee, whose primary objectives are to:
 - a) Review the financial statements and budget of CSMFO in coordination with the Executive Committee.

- b) Review and update CSMFO Policies and Procedures as needed or requested.
 - c) Undertake special projects as directed by the Executive Committee or Board of Directors.
 - d) Coordinate the Odell Scholarship program with California State University system, conduct scholarship fundraising efforts as deemed appropriate by the Board, and provide an annual report to the Board.
 - e) Administer contracts on behalf of CSMFO. Draft and execute contracts as directed by the Executive Committee or Board of Directors. Conduct annual evaluation of contractors with results to be presented at the annual Board retreat.
- 2) Conference Site Selection Committee, whose primary objectives are to facilitate the Annual Conference by:
- a) Soliciting, pre-screening, and recommending to the Board the site for the Society's Annual Conference.
 - b) Assisting the Annual Conference Host Committee with Conference preparation, as requested.
 - c) Maintaining, and updating as necessary, the Annual Conference Handbook.
- 3) Career Development Committee, whose primary objective is to promote the professional development of its members by providing affordable and accessible training opportunities. Activities may include, but are not limited to:
- a) Review and/or sponsor educational programs.
 - b) Coordinate with educational institutions in developing applicable courses.
 - c) Coordinate with GFOA Career Development Center on programs.
 - d) Plan and execute annual Legislative Symposium, if held.
 - e) Coordinate coaching program and professional development services.
 - f) Undertake special projects as directed by the Executive Committee or Board of Directors.
- 4) Membership Benefits Committee, whose primary objectives are to:
- a) Solicit and encourage new members from eligible agencies and promote the benefits of CSMFO membership.
 - b) Solicit feedback from members on what benefits they want from their CSMFO membership.
 - c) Follow-up on non-renewing members and outstanding membership invoices.

- d) Undertake special projects as directed by the Executive Committee or Board of Directors.
- 5) Professional Standards and Recognition Committee, whose primary objective is to promote the development and use of professional standards in government accounting and reporting, as well as recognize outstanding efforts in these categories. To accomplish this, the committee will:
- a) Review and advise the CSMFO membership on technical publications and issues, as needed.
 - b) Develop suggested systems and procedures, as needed.
 - c) Encourage the use of professional standards through award programs for financial reporting.
 - d) Encourage improved techniques for budget preparation and presentation.
 - e) Recognize excellence in financial reporting and budgeting through annual awards programs.
 - f) Undertake special projects as directed by the Executive Committee or Board of Directors.
- 6) Program Committee, whose primary objective is to set the educational content of the Annual Conference, including:
- a) Conducting calls for presentations, as the committee deems necessary.
 - b) Working with speaker bureaus.
 - c) Setting the schedule of classes for the conference.
 - d) Coordinating the pre-conference sessions.
 - e) Coordinating with speakers their materials, audio visual needs and payments and/or reimbursements, as necessary.
 - f) Assigning moderators for each session.
 - g) Communicating and coordinating with the Annual Conference Host Committee as appropriate.
- 7) Technology Committee, whose primary objectives are to:
- a) Enhance the effectiveness and use of technology by CSMFO and its member agencies in exchanging information, increasing productivity and enhancing member service.
 - b) Maintain a CSMFO Internet presence and website to enhance membership benefits, provide professional information, establish relevant links and support continued training.
 - c) Facilitate information sharing among members.

- d) Undertake special projects as directed by the Executive Committee or Board of Directors.
- 8) Communications Committee, whose primary objectives are to:
 - a) Enhance the communications between CSMFO leadership and its members through the CSMFO Magazine, website, email, and other common forms of communication.
 - b) Work to ensure a common branding experience for all CSMFO members.
 - c) Develop policies, guidelines and procedures related to CSMFO Magazine, publications and other communication materials.
 - d) Coordinate with CSMFO leadership and Board on consistent messaging.
 - e) Undertake special projects as directed by the Executive Committee or Board of Directors.

B. Committee Structure

The President shall appoint the Chair, Vice-Chair(s), Senior Advisor(s) and Board Liaison of each committee. Retired members may be appointed to serve as Senior Advisors, but all other committee positions should be held by active municipal members, with the exception that commercial members may serve on Annual Conference Host Committees. To assure broad participation on each committee, the President shall make every effort to have representation from across the state where functionally practical. The Chair shall recruit additional committee members from among the active municipal membership. Each Chair shall advise the Secretary, in writing, of the names of committee members. All committee members are encouraged to attend various meetings and conference calls of the Board of Directors.

C. Committee Reports

The President may request each committee chairperson and facilitators of goals established at the annual planning meeting to provide a progress report on activities. The President may request that these progress reports be made available in time for distribution with the Board agenda packet. A comprehensive annual report is due by each committee chair, goal facilitator and policy committee appointee to the CSMFO Secretary by each January 15th for inclusion in the President's Annual Report.

IV. OTHER COMMITTEES

A. Nominating Committee

In accordance with the Bylaws, the President annually appoints a Nominating Committee, by October 1 of each year, to perform the duties prescribed in the Bylaws. The Nominating Committee shall consist of the President-Elect, the President, the Past President, one current Board of Directors member, one committee chair, 2 Chapter Chairs, and 2 members at large (not a current Board member). The President-Elect shall chair the Nominating Committee.

B. Executive Committee

The President, Past President, and President Elect sit as the Executive Committee of CSMFO.

Executive Committee responsibilities include:

1. Preparing an annual budget for consideration and approval by Board of Directors
2. Selecting recipients for Special CSMFO Awards
3. Review monthly Revenue/Expenditure Reports and budget in conjunction with Administration Committee
4. Special projects

C. Annual Conference Host Committee

The President-Elect shall chair the Annual Conference Host Committee for the Annual Conference where he or she assumes the role of President. If the Finance Director of the city in which the Annual Conference is being held is an active member in good standing, he or she should be offered the position of co-chair. If that person is not a member or turns down the position, the President-Elect shall designate a co-chair of his or her choosing, although it is recommended that person be in the general vicinity of the Annual Conference host city. The chair and co-chair may designate as many other members of the committee as they deem necessary.

D. Audit Committee

The Audit Committee shall consist of the Executive Committee and the Board Liaison to the Administration Committee. The Audit Committee is responsible for all aspects of the audit excluding the contract, which is the responsibility of the Administration Committee.

E. Other ad hoc committees may be formed from time to time as determined by the Executive Committee or Board.

V. MEETINGS

A. Board of Directors Meetings

The Bylaws provide for at least two Board meetings annually. There may be such other meetings as the President may elect. Traditionally, there have been four in-person Board meetings:

- (1) In conjunction with the Annual Conference.
- (2) At a Legislative Symposium in May or June.
- (3) In the Fall, at a site chosen by the President-Elect.
- (4) In conjunction with the League of California Cities Financial Management Conference in December.

The President determines the agenda for each Board meeting, and the Secretary is responsible for e-mailing or posting on the website copies of the agenda to Board members in advance of the meeting. The preliminary agenda should be e-mailed to the Executive Committee. The agenda packet should be made available on our website one week prior to the meeting so members may review materials. New business may be brought before the Board at the conclusion of the regular agenda.

All Board meetings are open to all members and meeting times and places should be published in advance in the monthly newsletter. The Board has a policy of no smoking during Board meetings.

B. Annual Meeting

The Annual Meeting shall be held at the Annual Conference during one of the general sessions. The Annual Meeting shall be noticed as such in all promotional materials of the Annual Conference that provide a schedule of events.

C. Strategic Goal Planning Session

CSMFO will hold a Planning Session annually in the fall to determine the strategic objectives of the organization as well as the action plan for the following calendar year. CSMFO will make and pay for the lodging arrangements for all invited attendees; travel arrangements will be made and paid for by

attendees individually. A team-building session for attendees only will be held during the Planning Session; attendees are encouraged to bring guests to the hosted dinner. Those invited include: Officers, Board Members, Chapter Chairs, Committee Officers (chairs, vice chairs, senior advisors), League Policy Committee Appointees, up to three (3) Staff.

VI. EXPENSE REIMBURSEMENT

A. Travel Expenses

1. General

As hereby described, the President, Board members, committee chairs, committee vice-chairs, members involved in GFOA activities and CSMFO appointees to League policy committees should seek expense coverage from their respective agencies first. In the event that reimbursement is not available from the agency, CSMFO makes some funds available for reimbursement to said persons. Funds shall only be made available on the reimbursement basis. Reimbursement shall be made by the Secretary upon presentation of proper vouchers, receipts, etc. The President shall approve all travel reimbursement requests for compliance with this policy and reasonableness, prior to reimbursement by the Secretary.

Only airfare (or equivalent in the case of travel by other modes of transportation), airport parking, transportation to and from the airport, and overnight lodging expenses of CSMFO members are eligible for reimbursement from CSMFO, **unless specifically approved by the Board of Directors**. Members should plan ahead sufficiently to secure the least-cost travel available. Lodging expenses will be allowable only to the extent of permitting an individual to avoid travel between the hours of 11 p.m. and 6 a.m.

2. President's Expenses

The President of CSMFO shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with the duties of the office, up to the amount of the approved annual budget for this purpose. Reimbursement for her- or himself and a guest for out-of-state travel will be limited to attendance at affiliated out-of-state associations' annual conferences, the GFOA Annual Conference and the CMTA Annual Conference unless expressly approved by the Board. In the event requested reimbursement exceeds the approved budget, such reimbursements shall be submitted to the Board for approval. If the President designates another member to attend an event in his/her place, that individual's eligible expenses may be submitted for reimbursement against this account. Travel outside the United States is limited to attendance of the GFOA Annual Conference only. Please note that guest reimbursements are reportable as a gift on a Form 700, and subject to all regulations and limitations thereto.

3. CSMFO Board Member Expenses

Subject to the annual CSMFO budget process, CSMFO Board members other than the President shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with attendance at official Board meetings, chapter meetings and Board retreats. The CSMFO Board shall establish a pool in the annual budget from which Board member reimbursements will be funded. Board members who will require reimbursement during the year shall notify the Secretary prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual Board member for that fiscal year.

4. League Policy Committee Appointee Expenses

Subject to the annual CSMFO budget process, League Policy Committee Appointees shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with attendance at official League meetings. The CSMFO Board shall establish a pool in the annual budget from which committee appointee reimbursements will be funded. Appointees who will require reimbursement during the year shall notify the Secretary prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual appointee for that fiscal year.

5. GFOA Related Expenses

It is the policy of CSMFO to encourage the involvement of its members in GFOA activities. Accordingly, subject to the annual CSMFO budget process, CSMFO may pay a maximum of \$1,000 per person to reimburse necessary eligible travel expenses for Active members who serve as a GFOA Executive Board member, State Representative or member of a GFOA standing committee to the extent that these expenses are not covered by GFOA or the member's agency. The CSMFO Board shall establish a GFOA pool in the annual budget from which Active member reimbursements will be funded. Active members who will require reimbursement during the year should notify the Secretary of his/her expected reimbursement needs prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual Active member for that fiscal year.

B. Committee Expense

The CSMFO annual budget also provides limited funds for committee meeting expenses, which includes meals or refreshments for committee meetings as well as additional expenses required in administering approved programs.

C. Chapter Expense

The CSMFO annual budget also provides limited funds for covering possible occasional deficits in chapter meetings, which are normally expected to be self-sustaining. The cost of postage and other miscellaneous expenses associated with the chapter meetings should be included in the cost of the meeting and not borne by the chapter chairs' agency.

VII.ELECTIONS

The Nominating Committee shall strive to nominate two candidates for each vacancy of President-Elect and Board of Directors. The informal policy of north-south balance of representation of officers and directors shall be maintained whenever possible.

Nominees will be expected to file a short "qualification statement" with the Secretary so that voting members can better identify nominees. The Secretary shall include the "qualification statements" with the election ballot.

The “qualification statement” may contain the following information:

1. Name as it should appear on the ballot.
2. Formal education.
3. Current and previous positions in California municipal government (out-of-state municipal experience as a finance director may be included if applicable).
4. List of CSMFO activities.
5. Other professional affiliations related to municipal government.
6. A statement of the nominee’s ideas and goals for CSMFO for the upcoming term (limited to 300 words for the President-Elect and 200 words for Board members).

Nominees shall be advised that any information other than the above will not be included in the published statement of qualifications.

It is the policy of CSMFO that there shall be no formal “campaigning” or “electioneering.” Nominees shall not actively solicit votes by letter, fax, telephone or in any other manner, nor shall nominees allow others to solicit on their behalf.

As stated in Article III, Section C of the Bylaws, the Nominating Committee shall be appointed by October 1, nomination recommendations given to the Secretary by November 1, ballots mailed to all active members no later than November 10, ballots returned to the Secretary by December 1, and ballots canvassed by the Secretary and at least one member appointed by the President by December 15 of each year.

VIII.AWARDS PROGRAMS

CSMFO sponsors three awards programs.

A. CSMFO Financial Reporting Awards Program

The “CSMFO FINANCIAL REPORTING AWARDS PROGRAM” is under the auspices of Professional Standards and Recognition Committee. The object is to recognize excellence in financial reporting.

B. Award Program for Excellence and Innovation in Budgeting

The “AWARD PROGRAM FOR EXCELLENCE AND INNOVATION IN BUDGETING” is conducted by the Professional Standards and Recognition Committee. The objectives are to recognize agencies with excellent and innovative budget procedures and documents and expose CSMFO members to these materials.

C. Distinguished Services Award

The “DISTINGUISHED SERVICE AWARD” recognizes outstanding service on the part of an individual to the field of municipal finance. This is the highest honor that is bestowed by the Society. It is not a competition, and not necessarily annual, but is given at such times as a person is judged deserving of the honor. Nominees may be suggested to the President, in confidence, who will convene an “Awards Committee” for judging. The award will consist of a suitable plaque, presented at the Annual Conference, along with an award of \$500 to be used at the honoree’s discretion for training and/or educational purposes for some member/members of his or her staff. This award of \$500 shall be established on the books of CSMFO as a liability in an appropriate account to be disbursed by the Secretary upon demand of the recipient with supporting expenditure, and any other information deemed necessary. The liability for that recipient shall remain open for three (3) years from the date of the award and any unused balance shall then revert to the surplus. If a recipient is not employed with a California agency, the Board shall decide the disposition of the \$500 award after weighing all the circumstances and gaining input from the recipient.

D. Volunteer of the Year Award

The "VOLUNTEER OF THE YEAR" award nomination and selection process is conducted by the Executive Committee and presented at the annual conference by the President. The objectives are to recognize outstanding volunteer efforts and participation, while also providing an avenue for volunteers to recognize each other. Nominations shall be due at least three (3) months prior to the Annual Conference. The Executive Committee will review nominations annually and select one Volunteer of the Year recipient. At its discretion after the review process concludes, the Executive Committee may choose to not bestow this award, or to bestow this award to multiple recipients. Nominations must be submitted by a CSMFO member with involvement either on a committee or at the leadership level (chair or vice chair) of any local chapter.

IX.ODELL SCHOLARSHIP

Odell Scholarship

The Robert Odell Scholarship created by CSMFO and administered by the California State University system will be conducted under the direction of the Board of Directors. It is intended that the principal amount be held constant at an amount adequate to ensure investment earnings are sufficient to provide up to eight \$1,000 scholarships each year to upper division and graduate students of public administration with an emphasis in finance. This determination of this amount will be at the Board's discretion.

Recipients of the Odell Scholarship will also receive a complimentary invitation to attend the main day of the CSMFO Annual Conference (typically Thursday), inclusive of that evening's banquet. It is the responsibility of the scholarship recipient to contact the CSMFO office no less than two (2) weeks prior to the start date of the conference in order to confirm attendance. If a recipient wishes to attend the entire conference, they may do so at the prevailing student rate (typically covers the cost of food).

X.MEMBERSHIP

A. Status

The Bylaws in Article II, Section A, specify the qualifications for municipal, other government or commercial membership classifications. Membership in CSMFO is on an individual basis, which allows the membership to follow the individual rather than the agency. The Other Government membership classification is authorized for out-of-state residents and other municipal/state employees not eligible for CSMFO municipal membership.

B. Other Classifications of Members

The Board may from time to time determine other membership categories within this classification including Honorary, Student/Professor, Retired, Complimentary and Temporary. The Board of Directors shall determine specific dues, if any, for each category. These individual categories under the "other classification" do not carry voting rights.

1. Honorary. Past Presidents who are retired (not gainfully employed either in or out of government) will be granted honorary membership status. They will be eligible to receive CSMFO materials and participate in CSMFO activities.
2. Student/Professor. This classification shall be open to those persons presently enrolled in finance, accounting or public administration studies.
3. Retired. This classification is open to former municipal members who retire from public service. Retired members must have been a municipal member in good standing for at least three (3) of the previous five (5) years prior to transitioning to retired member status.

4. Complimentary. This classification shall be open to those persons as determined by the Board and may be limited to temporary, one-year, or lifetime status.
5. Temporary. Upon approval of the Secretary, a six (6) month temporary membership may be extended to any municipal member at the loss of employment at no fee upon the written request of the member. All membership rights and privileges continue during this period.

C. Directory

Annually a Membership Directory shall be published as soon after the Annual Conference as possible. Generally speaking, the Directory is printed in March and distributed in April. In order to ensure listing in the Directory, a member should pay their dues by January 1.

D. Dues

Dues shall be collected for the calendar year and membership for all members shall expire on December 31 of each year.

1. New municipal and other government members signing up after July 1 until September 30 will pay 50% of the current annual dues. New members who pay the full amount of dues between October 1 and December 31 shall be considered current members until December 31 of the following year.

2. Membership dues are due on January 1 of each year, as specified in Article II, Section C of the Bylaws.

3. Membership dues renewal notices shall be sent in November.

4. Membership will lapse for any person should dues remain unpaid on December 31st.

5. Dues may be prorated at the discretion of the Board of Directors.

6. The Board of Directors has the discretion to establish special one-time dues to encourage new membership.

E. Use of CSMFO Logo – Discussion on Branding

Members in good standing with CSMFO may post the CSMFO logo on their city/agency/company websites advertising their affiliation with our association. The CSMFO Board of Directors, at the discretion of the Executive Committee, reserves the right to rescind this privilege should the agency/company in question be deemed to conduct itself in a manner not in keeping with CSMFO's standards.

XI. ANNUAL CONFERENCE

The Annual Conference usually will take place at the end of February, alternating between the northern and southern parts of the state. North/south designations will be determined by the Board. Selection of the site for the Annual Conference is by the Board of Directors, approximately two and one-half years in advance. Site presentations are made to the Annual Conference Committee, which then makes a recommendation to the Board; no site presentations are made to the Board unless specifically requested. The Annual Conference Committee will utilize the site selection criteria adopted by the Board in weighing alternative sites.

The Municipal Finance Officer of the selected site's agency or a Municipal Finance Officer from the geographic area shall be offered the role of Annual Conference Host Committee Co-Chair in conjunction with the President-Elect. The Host Co-Chairs may appoint such other persons as

deemed necessary to the Annual Conference Host Committee.

All other policies relating to the Annual Conference can be found in the Annual Conference Handbook, which is periodically reviewed by the Administration Committee.

XII.ADVOCACY TASK FORCE

A. Mission

With their acknowledged expertise in administration and finance, the membership of the CSMFO can exert a positive shaping influence on the composition of legislation and the implementation of policy positions that will affect the fiscal integrity and viability of local governments in California. The CSMFO Board and committees should be responsive to the opinions of its membership and should be able to deliberate on specific issues in a timely manner with the goal of adopting a recommended position. The CSMFO's adopted positions will be on the record and will be publicized and otherwise utilized to exert maximum influence on both legislators and public opinion.

B. General Advocacy Policies

CSMFO will develop positions on legislative issues, ballot measures and other issues that:

- 1) Involve professional standards and the public perception of local government financial management.
- 2) Have implications for or threaten the stability of local government finances.

C. Proposing Policies and Advocating Legislative Positions

- 1) Positions for consideration may be presented to the Board through the President, by an individual Board member, by recommendation of any committee or advisory body, by a specific Chapter, or by any individual CSMFO member. The President will confer with his or her executive team to determine the appropriate assignment of a specific matter for review.
- 2) Advocacy should be limited to legislative issues, ballot measures and administrative issues. There will be no advocacy for individual candidates. Legislative positions must necessarily be in support of CSMFO Policy Statements.
- 3) Proposed policies or legislative advocacy positions should be submitted utilizing the following guidelines:
 - a) Recommendations emanating from the work of a committee, task force or other sub-body must be conveyed to the President no later than two business days before a scheduled Board meeting.
 - b) Any active CSMFO member can submit a position for consideration by the Board to the President not less than 14 days prior to a scheduled Board meeting.

D. The Deliberative Process

- 1) The President may assign a proposed issue or legislative advocacy position to an ad hoc committee or other designated body for review and shall request feedback from the general membership when feasible. Various means can be used to obtain a canvass of membership views including electronic mail, the CSMFO website, publications, and meetings.

- 2) The designated body shall report its recommendations to the Board within the timeframe requested by the President at the time of assignment, but in no case longer than three months from that time.
- 3) In considering a specific position or policy, the designated committee may request a presentation from the sponsor of the proposal. The committee will approve an issue as submitted, with amendment, reject it, or they will table the proposal for later consideration. If approved, the proposal will be conveyed to the President for submission to the entire Board.
- 4) Any deliberations on a specific proposal, whether by a committee or the Board, are understood to take into consideration the diverse points of view represented by the membership.

E. Approval and Dissemination

- 1) Upon receipt of a proposal from the President after consideration by the assigned committee, the Board may approve it by a simple majority of those present and voting, including the proxies of those Board members who cannot be in attendance.
 - 2) If there is an urgent need to adopt a particular policy, the Board may be polled using appropriate electronic means, including email, facsimiles and telephone calls. In this case, a majority of Board membership will be necessary to adopt a policy.
 - 3) Approved policy positions shall be recorded in a manual and may be published in the CSMFO Magazine, on the CSMFO website and to the email group listserv at the discretion of the Executive Committee and/or Board of Directors.
 - 4) Approved policy positions will also be disseminated as appropriate and necessary to elected officials at the local, state and federal levels and to media outlets.
 - 5) Approved policy positions will be provided to the League of California Cities for consideration, inclusion and implementation.

F. Special Circumstances and Sunset Provisions

- 1) In the event that the Board has failed to approve a proposal within three months of the time that it was assigned to committee by the President, the issue will no longer be available for consideration. Further consideration would require the matter to be newly introduced.

XIII.CHAPTERS

Chapters of CSMFO were established to provide an opportunity for members in various regions of the state to meet on a regular basis and exchange ideas, discuss professional problems, and participate in technical presentations on a specific area of the profession. The chapters are geographically defined, and shall be specifically delineated in the membership directory. There are twenty Chapters of CSMFO:

Central Coast	Central Los Angeles	Central Valley
Channel Counties	Coachella Valley	Desert Mountain
East Bay (S.F.)	Imperial County	Inland Empire
Monterey Bay	Northeast Counties	Northwest Counties
North Coast	Orange County	Peninsula
Sacramento Valley	San Diego County	San Gabriel Valley
South Bay (L.A.)	South San Joaquin Valley	

Each Chapter selects an annual Chair who may appoint other members to assist in the planning and execution of regular chapter meetings. Chapter Chairs are encouraged to attend any or all Board meetings and requested to submit an annual report of chapter activity to the CSMFO Secretary by January 15th. The Past President acts as the Chapter Coordinator and is available to provide assistance.

In the event that a Chapter Chair is no longer eligible for Active Municipal Member status, the Chapter will seek a new Chapter Chair. For the benefit of the Chapter’s continuity, the non-Municipal Member is encouraged to serve as a Chapter advisor until the vacancy is filled, subject to the approval of the Past-President.

Each Chapter shall define its own meeting time and place, and may send local meeting notices to interested parties. Regular meetings of each Chapter provide the membership with opportunities for personal and professional development that can only be accomplished at the local level. Meeting data shall be forwarded to the CSMFO staff for posting to the CSMFO website and publication in the monthly email blast.

CSMFO membership carries with it automatic membership in the local chapter. Chapters are not authorized to collect dues or to have their own newsletter. Meeting notices shall be advertised with a common authorized style. For more information see the “Chapter Chair Handbook”.

XIV.ANNUAL BUDGET

Annually, the Executive Committee shall prepare a proposed budget for the Society for consideration by the Board at the Fall Board meeting. Final Board approval of the budget shall occur at the December Board meeting.

Disbursements of CSMFO expenses will be processed by the Secretary as long as the expenses are consistent with the approved budget. The Secretary must consult with the President and the designated Board member, or other person appointed by the Board, who co-signs checks prior to incurring expenses or paying expenses which are not authorized in the budget.

CSMFO checks shall require two signatures for execution. CSMFO shall have as its check signers the current Executive Committee, comprised of the President, Past-President and President-Elect, and the chair of the Administration Committee. This policy shall be effective for all financial accounts under CSMFO’s federal tax identification number, including but not limited to checking, savings and investment of funds.

The Board must approve any new program, in advance, that any committee wishes to launch which would require CSMFO financial support. The committee chair proposing the program should contact the President to discuss the program, who shall bring the program to the Executive Committee. If there is sufficient support, a Board meeting will be scheduled to discuss the program and amend the budget. This meeting may be held at a defined location or through teleconferencing.

The Board of Directors has the authority to amend the budget as needed.

XV. COOPERATION WITH OTHERS

A. Like Organizations

It is the expressed intent of this Society to cooperate fully with similar organizations at intrastate, interstate and Federal levels, toward the common objective of professional service at all levels of government.

League of California Cities. The League director representing the Fiscal Officers Department shall serve as an ex officio member of the CSMFO Board of Directors.

As an affiliate of the League due to the relationship between the two organizations, the CSMFO President may appoint one representative to each of the League policy committees. These representatives are encouraged to provide input to the committees from CSMFO and to keep the CSMFO President and Board apprised of issues and actions being considered by the League. CSMFO will encourage the League president to appoint the Chair of the CSMFO Professional Standards and Recognition Committee to serve as a member of the California Committee on Municipal Accounting. Any active members of CSMFO serving as a representative may be reimbursed for travel expenses as outlined in Section VI.

Government Finance Officers Association. Any active member of CSMFO serving as a member of the GFOA Board of Directors shall serve as an ex officio member of the CSMFO Board of Directors. Any active members of CSMFO serving as a GFOA Board member, State Representative or committee member may be reimbursed for travel expenses as outlined in Section VI.

B. Press

All press inquiries should be directed to the Executive Director of CSMFO. If the inquiry is of a general informational nature, the Executive Director will provide the response. If the inquiry is requesting a "quote" or "position" on an issue the matter should be referred to the Executive Committee of the Board of Directors for a response. The Executive Committee will develop the response, and decide who will provide that response. In the event that time is of the essence, the President may speak on behalf of the organization, comments subject to confirmation by the remaining Executive Committee members as soon as is practical.

Other Board Members should not provide responses on behalf of CSMFO unless authorized by the Executive Committee.

C. CSMFO Policy Position

CSMFO may receive inquiries regarding the viewpoint of the organization on an issue or potential policy. As a general policy, CSMFO will not respond to these requests and will defer to the positions of relevant statewide and national associations with active legislative advocacy programs, such as the League of California Cities or the Government Finance Officers Association. However, the Board of Directors may authorize the Executive Committee to write a letter of position when it is determined to be beneficial to the membership.

XVI. CSMFO MAGAZINE

CSMFO publishes the CSMFO Magazine on a regular schedule, as established by the Board of Directors. The Magazine is intended to be a professional publication with relevant articles related to the government finance profession, and will include letters from the current President, President-Elect and Executive Director, listing of current job opportunities, highlights from local chapters and members and other relevant information. The Communications Committee will be responsible for coordinating the publication of the CSMFO Magazine. The Board of Directors has adopted a separate Communication and Magazine Editorial Policy / Guidelines, along with an organizational style guide related to branded communications.

XVII. AMENDMENTS

The Board of Directors may make changes to this manual. Any changes shall be distributed by the Secretary to Officers, Board Members, Committee Chairs and Chapter Chairs. Changes may also be published in the newsletter and/or on the organization's web page for the benefit of the general membership, if appropriate.

XVIII. MINIMUM NET ASSETS

It is the CSMFO's goal to operate the organization in a fiscally responsible and prudent manner. To assist in achieving this goal, the following policies are established:

A. Minimum Net Assets

The CSMFO will maintain unrestricted net assets that are equivalent to 25% of total annual budgeted expenditures, excluding any significant one-time costs. This represents 90 days of operations, and is considered the minimum level necessary to maintain the CSMFO's credit worthiness and to adequately provide for:

1. Economic uncertainties and other financial downturns such as reduced membership fees or other revenue shortfalls.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

Whenever net assets exceed 50% of total annual budgeted expenditures, the Board may consider plans for reducing net assets, including identifying new training opportunities, expanding membership services or reducing membership fees.

B. Balanced Budget

The CSMFO will maintain a balanced budget. This means that:

1. Operating revenues must fully cover operating expenditures.
2. Ending net assets must meet minimum policy levels.
3. Reserves may be used to fund new projects or one-time expenditures.

Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning net assets should only be used to fund capital outlays, start-up programs, revenue stabilization efforts, or other “one-time,” non-recurring expenditures.

XIX. RESERVE POLICY

Policy Statement:

The primary objective of this policy is to establish an operating reserve for the California Society of Municipal Finance Officers (CSMFO) that will permit the organization to continue to operate during difficult financial times. Some examples for the use of such operating funds are:

- Maintain current level of operations while CSMFO addresses long term solutions to potential operating problems.
- Maintain current level of operations during times of temporary operating problems, such as timing issues with receipts.

Reserve Account:

CSMFO will maintain a reserve account that will be funded at a minimum as noted in Table 1 below. The reserve account will be reviewed by the Administration Committee at least annually to ensure that the organization is in compliance with this policy.

Table 1: CSMFO Reserve Account Components	
Operating Reserve Component	25% of the current year's annual budgeted operating and program expenses
Conference Reserve Component	50% of the prior year's actual conference expenses

If a shortfall occurs, a minimum of 75% of the increase in unrestricted net assets in subsequent years shall be added to the operating reserve until the maximum reserve balance has been achieved.

The reserve funds will be invested in accordance with the Investment Policy adopted by the Board.

Use of Operating Reserve:

Any spending of the operating reserve corpus must be approved in advance by the Board.

Use of Undesignated Net Assets:

Net assets remaining over and above the Operating Reserve shall be classified as Undesignated Net Assets. Use of these undesignated funds shall be limited to one-time, non-operating expenses and require Board approval. Examples of such uses include but are not limited to the following: contributions to the Odell Scholarship Fund; website upgrades; conference subsidies; one-time expenses not budgeted such as covering the cost of a Chapter meeting or providing free webinars.

Responsibilities:

The ultimate responsibility for oversight of the operating reserve resides with the Board of Directors, who will establish the Reserve annually at the time of budget adoption. The Board of Directors may delegate this responsibility to an individual or committee at their discretion.