



**IAAO**

INTERNATIONAL ASSOCIATION  
of **ASSESSING OFFICERS**

*Valuing the World*

# **Finance Committee Manual**

*(Approved May 2024)*

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# SECTION 1

## Introduction

*IMPORTANT – IAAO manuals are intended to provide information. The content of this manual is based upon content in the IAAO bylaws and procedural rules. If there are discrepancies between this manual and the IAAO bylaws and procedural rules, those IAAO governing documents shall prevail. It is the responsibility of the committee or task force to recommend updates to this manual as necessary to ensure its accuracy.*

**The finance committee shall be composed of six members to include the following:**

- President-Elect, chair;
- Vice President;
- One regular at-large director in the first year of their term;
- One regular at-large director in the second year of their term;
- One regular at-large director in the third year of their term; and
- One associate member.

The chair coordinates the work of each committee. The chair is responsible for directing the members and activities of the committee to ensure that goals and objectives are met.

**The responsibilities of the chair are to:**

- Determine methods by which the committee charges are met.
- Prepare agendas for meetings and distribute required resources.
- Set expectations for members' contributions and responsibilities.
- Delegate and monitor work assignments.
- Ensure committee work is completed in an efficient and cost-effective manner.
- Recommend committee appointments.
- Ensure that meeting notes are taken and that the minutes are produced.
- Distribute minutes of meetings.
- Report to the Board of Directors (Board) as requested.

**Committee members work toward the fulfillment of IAAO's objectives by:**

- Reviewing all relevant material/background information.
- Completing assignments assigned by the chair.
- Meeting all deadlines.
- Supervising the work of assigned task forces and assisting as necessary
- Participating in all meetings and activities of the committee.

Committees hold in-person meetings as approved by the President. All expenses for these meetings are paid per IAAO's expense guidelines. In addition, committees use electronic communication for ongoing collaboration throughout the year.

The finance committee maintains the Association's financial policies and annual budget for Board approval. As stewards of these documents, this committee is responsible for ensuring that the budget, processes, and procedures are in concert with the Strategic Plan and in harmony with the mission, commitments, vision, and current financial position of IAAO.

**This committee annually:**

- Supports the mission and commitments of IAAO by coordinating the annual budget of the Association.
- Reports to the Board the status of planning, budgeting, and management efforts.
- Offers goals and objectives to ensure fiscal solvency to the Board.
- Reviews the bids from the Executive Director regarding the employment of an auditing firm.
- Recommends to the Board approval of an independent accounting firm to audit the Association funds and fiscal operations (at least every three years).
- Oversees the performance of the audit.
- Reviews the audit findings and recommendations.
- Presents the audit findings and recommendations to the Board.
- Reviews and makes recommendations to the board regarding the following: organizational documents:
  - Reimbursement policy.
  - Investment policy.

# SECTION 2

## Timelines

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<b>JANUARY</b>	<ul style="list-style-type: none"><li>• Review proposed annual timeline.</li><li>• Present November financials to Board.</li><li>• Propose fee schedule for following year, including membership dues, designation fees, course fees, and conference registration fees reviewed and approved by committee.</li></ul>
<b>FEBRUARY</b>	<ul style="list-style-type: none"><li>• Review monthly financials and preliminary year-end financials.</li></ul>
<b>MARCH</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li></ul>
<b>APRIL</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Present financials to Board.</li><li>• Approve subsequent year's travel budget assumptions.</li></ul>
<b>MAY</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Review audit findings.</li></ul>
<b>JUNE</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Budget planning meeting with President-Elect and Vice President.</li></ul>
<b>JULY</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Preliminary budget due to Executive Director.</li><li>• Present audit and financials to Board.</li></ul>
<b>AUGUST</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Completed budget due to Executive Director.</li></ul>
<b>SEPTEMBER</b>	<ul style="list-style-type: none"><li>• Review monthly financials, investment policy, audit firm status, and reimbursement policy.</li><li>• RFP prepared and circulated for audit firm (if necessary).</li><li>• Budget Meeting.</li><li>• Final budget revision completed.</li></ul>
<b>OCTOBER</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Approved budget to Board no later than the 15<sup>th</sup>.</li></ul>
<b>NOVEMBER</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li><li>• Budget presented to Board for approval.</li></ul>
<b>DECEMBER</b>	<ul style="list-style-type: none"><li>• Review monthly financials.</li></ul>

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# SECTION 3

## Tasks and Procedures

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### BUDGET

The proposed budget shall list any anticipated budget surpluses or deficits. In the case of a surplus, the committee's recommendation for use of the surplus funds will be included. The Board shall comment on and give guidance to the committee on the proposed annual budget. The Finance Committee shall present to the Board the proposed budget for the succeeding fiscal year. Additional tasks are noted below:

- The Board shall adopt a budget of anticipated revenues and expenditures for the succeeding fiscal year, prior to the end of its current fiscal year. The activity of the Association shall be fiscally responsible.
- The budget shall be aligned with the Strategic Plan.
- The Finance Committee shall present to the Board a proposed membership dues schedule and fees schedule, to limit increases in dues to 2nd fiscal year following current year which shall be presented at such a time that it can be incorporated within the proposed annual budget.
- A price differential for publications and programs shall be established for members and nonmembers. The Finance Committee shall present for adoption to the Board a proposed schedule for the price differential, at such a time that it can be incorporated in the proposed annual budget.

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### PERIODIC FINANCIAL REPORTS

The Finance Committee shall present to the Board at each of its meetings a finance report. The report shall list revenues and expenditures and shall list the (a) amount of budget approved, (b) amount of budget spent to date, and (c) the difference between (a) and (b). A deficit in any budget item(s) shall be listed separately. A recommendation for suggested actions, including possible revisions to the budget, if necessary, shall also be included.

The report shall also summarize revenues and expenses, and changes in the operating fund balance. Additional information or charts may be included as part of the report to facilitate the presentation of the data.

The Executive Director shall furnish to the Board and to the Finance Committee monthly budget reports as outlined above. Included in these reports shall be a narrative explanation for a deviation of ten percent (10%) or greater between actual and budgeted revenue or expenses, or where there is a deficit in the current month. A recommendation for suggested actions, including possible revisions to the budget, if necessary, shall also be included.

The Finance Committee shall report, in its periodic budget reports to the Board, its best estimate of projected surplus/deficit of the budget for the current fiscal year.

The Chair, acting in the capacity of Treasurer, shall report to the Finance Committee within thirty (30) days any overrun in any budget item or account. Such a report should include the reasons for such an overrun, the effect on the current budget, and any proposals, if necessary, for adjustments to the current operating funds.

The Finance Committee shall report on the generation and accumulation of the surplus. The Board shall direct the surplus funds.

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## **EXPENSE REIMBURSEMENT**

The Finance Committee will maintain and make recommendations to the Board regarding the Association's Expense Reimbursement Policy.

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## **AUDIT**

Please see procedural rules for more detail regarding audit processes and procedures.

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## **INVESTMENT POLICY**

The Finance Committee will maintain an Investment Policy, with the purpose of establishing guidelines for the operation and performance expectations of the Investment Fund. The Investment Policy Statement shall serve as a guide as well as set forth standards of accountability upon which the performance of the Investment Fund may be measured.

# ABOUT IAAO

The International Association of Assessing Officers, formerly the National Association of Assessing Officers, was founded for the purpose of establishing standards for assessment personnel. IAAO is a professional membership organization of government assessment officials and others interested in the administration of the property tax. Over the years IAAO members have developed assessment practice and administration standards and many of these standards have been adopted by state and international oversight agencies, and some have been incorporated into legislation.

IAAO continues at the forefront of assessment in North America and has been expanding its reach to the global community for the last five decades. Because standards form the rules by which North American assessors perform their duties, they may not be directly applicable to an overseas audience. The standards have been updated to also present the broad principles upon which the rules are based. IAAO believes those principles may be adapted to many differing statutory and regulatory scenarios worldwide.